

**EMPLOYMENT: WHAT DO WE KNOW ABOUT IT AND
WHAT DO WE WANT TO ACHIEVE?
Policy issues and agendas in different countries**

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Introduction

The focus of this paper is on 'policy issues and agendas in different countries'. It argues that there is an incorrect perception amongst the statistical community about what we 'know' about employment and that this in turn leads them to try to 'achieve' statistical outcomes based on a false, or at least out-dated view. Examples are given where the author believes that the statistical direction taken is unhelpful. Also, a statistical agenda is sketched out based on the author's (personal) view of how things should develop and conflicts between this agenda and the current statistical preoccupations are highlighted.

The note takes as its premise the controversial view that statistics is an important part of the political economy rather than a pure science and, hence, that there is the possibility of a statistical agenda within a certain country which is different from the issues addressed either by the Government or the nation as a whole in that country. In particular, it concentrates on three areas. The first two are issues - the concept of underemployment and the international homogenisation of statistics - where it is arguable that the statistical agenda is inappropriate or has gone too far. The third - the statistical backdrop required to examine the effects of structural adjustment within a market economy - is one where, in the UK at least, it is arguable that insufficient statistical attention has been devoted to the issues partly because of a concentration on other aspects of the statistical agenda.

The statistical agenda, Underemployment:

What businessmen now consider to be 'common sense' is usually the ramblings of some defunct economist [J.M. Keynes]

The argument rehearsed here is that the concept of underemployment is no longer appropriate because it is based on the view that all labour market problems arise from Keynesian deficient demand. It is, therefore, ironic that the quote above is from Keynes because such an extreme theory is now considered 'defunct'. Both the OECD Jobs Study and the Delors White Paper on Competitiveness, for example, consider that structural problems have played a major part in determining the current high level of unemployment and the low level of employment, particularly in the EU.

Underemployment, as its name implies, can be considered a variant of unemployment for people who are unsatisfactorily employed whilst at work. In advanced industrialised countries such an approach grew up in the post War period alongside the primacy of the Keynesian view of economic theory. The obvious policy solution if this was really the problem is to boost effective demand and, hence, float people off unemployment and increase the quantity or quality of the people who are underemployed. Under this view, the difference between underemployment and unemployment (and the allied concept of discouraged workers) can crudely be described as one of scale. There is a continuum of labour market slack which will be reduced as demand is increased until 'full employment' is achieved. Only then will inflationary problems occur as further boosts to demand cause excess demand.

However, the stagflation of the 1970s led to some Governments and policy makers embracing the theoretical counter-revolution of economists such as Milton Friedman who propounded both monetarism and neo-classical supply side economics. This counter-revolution emphasised the functioning of the market and the importance of structural features and institutions within the labour market on labour market outcomes, whether employment, unemployment or inactivity. Under such a view employment outcomes which were not considered satisfactory by either employers or workers could arise for reasons other than there being insufficient demand in the economy. For example, they could also arise because there might be institutional or other structural barriers to both sides of the employment contract reaching a mutually advantageous deal.

This acceptance of non-Keynesian reasons for unsatisfactory labour market outcomes is now widely agreed. For example, Wells (1992) argued that both the level of, and satisfaction with, part time and temporary work in the EU12 was due, in no small part, to the regulatory framework in each country rather than any lack of demand.

But, does any of this matter ? Isn't underemployment if correctly measured (apart from being terminologically imprecise) a perfectly adequate method of measuring unsatisfactory labour market outcomes whether they are to Keynesian or non-Keynesian reasons ? I believe that this view is incorrect for three reasons. First it leads to only a partial statistical examination of the problem. Second, it suggests forms of presentations that are unhelpful and third, arising from the previous reasons it suggests a particular set of policy conclusions that may be incorrect.

The incompleteness of the statistical enquiry arises because if the primary focus is deficient demand there can be no equivalent concept of 'over employment' to that of 'underemployment'. It, therefore, follows that there tends never to be an examination of full time workers who want to work part time or permanent workers who wish to do temporary work. If, however, structural rather than demand factors play a part it becomes obvious that any statistical examination should not be one-sided. For example, people approaching retirement may wish to work less. However, if, as in the UK their pension tends to be based on final salary there is a powerful financial incentive not to work less or to give up the job completely.

The statistical enquiry is also incomplete in that 'underemployment' indicates that the focus of the enquiry should be on the worker rather than the business. Implicit in this measure is a view that, if demand increased, businesses could increase their production and employment frictionlessly. Yet, for example, there is evidence that the regulatory regimes in each country constrains employers from what might be considered 'first best' solutions. For example, the substantial element of temporary work in Spain is due, in large part, to the onerous requirements associated with taking on permanent staff.

On presentation the introduction of the concept of underemployment tends to be at odds with the basis of a market economy. It suggests that it is possible to combine the labour market outcomes of the unemployed with those in work and tends to give too much

importance to hours as a labour market input, presumably because it is relatively easy to measure. Yet in a market economy labour market transactions are either in terms of people or jobs and there is a fundamental difference between a factor of production being employed, however unsatisfactorily or inefficiently, and it being unemployed. The amalgamation of different parts of jobs into hybrids such as 'full time equivalents' are, I would argue, similarly misconceived.

It also promotes the wrong methods of comparison. For example, depending of how the information is presented there is either a substantial problem of unsatisfactory outcomes associated with part time work in the UK or there is not. This is because, as a proportion of the number of part time employees, relatively few (14%) would rather work full time. However, because there are a large number of part timers in the UK (around a quarter of all employees) then compared to the numbers unemployed, for example, the problem of unsatisfactory outcomes associated with part time work is substantial (in Winter 1995/6 there were 816 thousand part timers who could not find a full time job compared to 2,299 thousand ILO unemployed - over a third).

On balance our view is that there is not a substantial problem and, in fact, satisfaction with part time work is one of the more attractive features of the UK labour market. However, the use of the concept of underemployment muddies the waters and tends to push the analysis in a different and, we believe, incorrect direction. If the analysis suggests that unsatisfactory labour market outcomes are essentially structural in nature then the appropriate comparison is as a percentage of the relevant employment category. It also means that, because there may be different structural factors underlying each set of unsatisfactory labour market outcomes, it is not possible to aggregate the numbers affected as this is equivalent to summing apples and oranges. The more appropriate measurement is to identify the areas where unsatisfactory labour market outcomes occur.

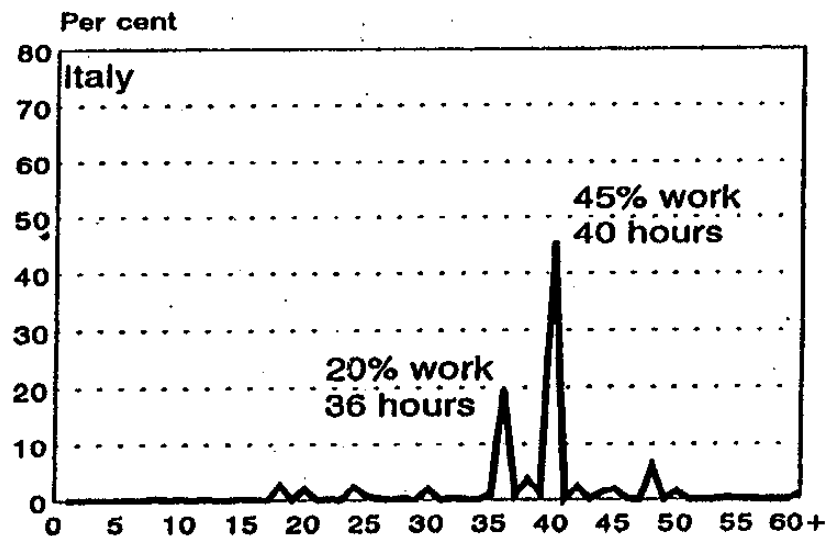
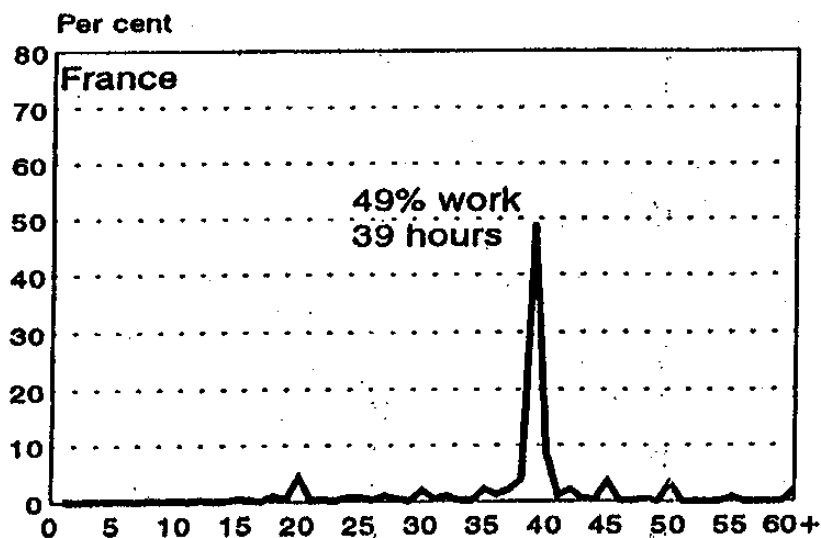
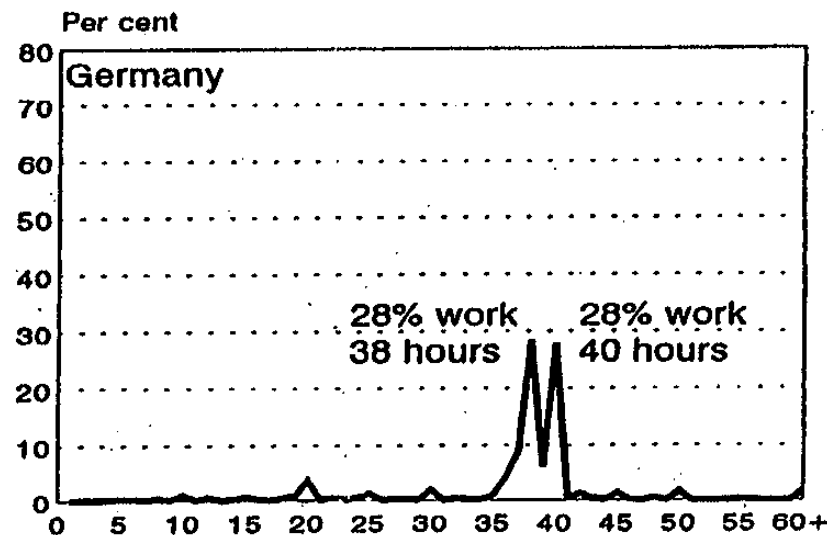
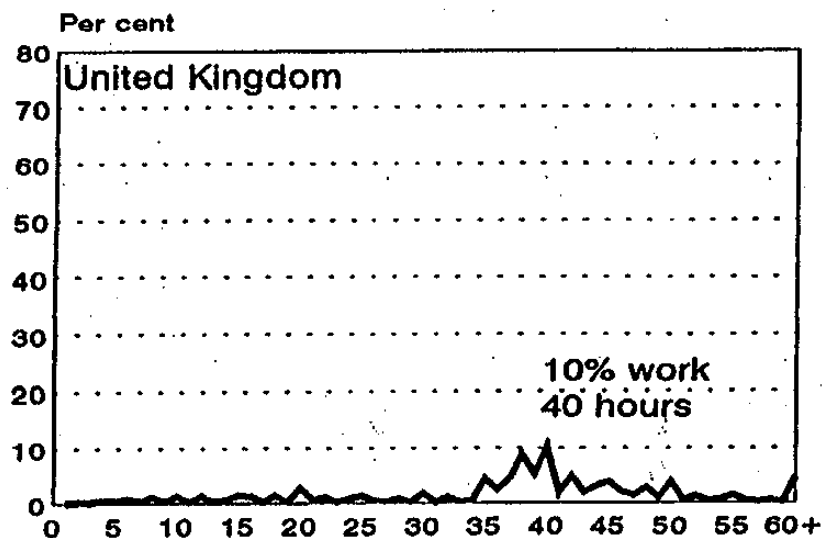
I have concentrated on the concept of underemployment in this section. However, there are other features of the Keynesian revolution which the statistical agenda still hankers after introducing into a labour market context even though, in my view, its time is past. Chief amongst these are labour market accounts which are the labour market equivalents of national accounts. However, this is too broad a subject to cover here.

Homogenisation of international statistics

What is the French for rendezvous ?

The argument rehearsed here is that the trend to standardise statistics across countries may take insufficient account of national social, economic and cultural differences. *Harmonisation* of statistics across countries is a laudable aim. However, there is a danger that it has led to the *homogenisation* of statistics - forcing quarts of a country's political economy into pints of statistics that sound the same and ostensibly have the same definition.

Employees total usual weekly hours in main job



ILO unemployment is the obvious example of this tendency. Not only is the level of the ILO measure of unemployment affected by the structure of different benefit and regulatory regimes in different countries it is also affected by changes in the rules and administration of these regulatory regimes. For example, in the UK between 1981 and 1986 changes in benefit rules and administration aimed at reducing labour supply were estimated to have reduced the claimant count (national unemployment register) by around 400 thousand - it was during this period that the accusation of 'fiddling the figures' emerged. However, what is not as well known is that the effect of these changes to the rules and administration of benefits on the ILO measure of unemployment appears to have been even greater - perhaps 600 thousand.

More important in this context is that because the ILO measure is intended to facilitate cross country comparisons it must, of necessity, be a compromise between the various different national systems. Thus, for example, the ILO definition of unemployment is based upon whether someone has searched actively in the past 4 weeks. However, the rules for receipt of unemployment related benefits in the UK are that the recipient must have actively sought work in the last week. In other countries, Spain and Italy for example, the rules for receipt of unemployment related benefit are on a more leisurely time scale - up to 6 months. As these rules will almost certainly affect behaviour to some extent it is, therefore, likely that the numbers of ILO unemployed in the UK are likely to be boosted relative to Spain and Italy because of the different regulatory structure. Thus, although the same definition is used they are not measuring exactly the same thing because the systems are different.

There are similar, although more subtle, issues around employment. Here the regulatory structures and cultural traditions tend to favour certain types of jobs. In Continental Europe, for example, the regulatory system tends to give implicit values to different types of jobs with full time permanent employee jobs tending to be regarded as 'good jobs' and jobs which do not fall into this category as 'bad jobs' to varying degrees. Note, for example, phrases such as 'atypical' or 'non-standard' work which tend to be defined by what they are not. A recent OECD report provides another example. LFS based measures of employment in Spain tend to be underestimated and ILO unemployment over-estimated somewhat because short periods of work tend to be disregarded as not of sufficient note for the respondent to believe it worth including in the questionnaire.

The UK has a different tradition. It has never really had a regulatory tradition that favoured a certain type of job because it has never had general legislation or regulation of terms and conditions of employment. Thus, the UK has always had the widest variety of types and patterns of jobs in the EU and there has always been much greater acceptance of part time and temporary jobs as perfectly legitimate and fine types of work than in other countries. What has changed since 1979 is the increase in importance and the value with which self employment rather than employee status is regarded. Until 1979 self employment was at best ignored and, not surprisingly, the accompanying statistical treatment was relatively

low level and cursory. However, the Government's policy of the promotion of enterprise increased the visibility and importance of this form of work and accompanying this there has also been a major improvement in the statistical treatment of this form of work.

In consequence, currently in the UK it is probably not too far from the truth to say that the general perception and, particularly the Government view, is that '*a job is a job*' (although it is probably still true that Government supported training and employment programmes, and unpaid family work are less well regarded) and there are no objections per se to whether a job is permanent, temporary, full time, part time employee or self employed. In continental Europe, however, this is not as clear and as the attached Graph shows the focus still tends to be a concentration amongst full time employees [The Graph also illustrates that, for the UK, the distinction between full and part time is a fairly arbitrary one.]

A problem, therefore, remains in presenting international information even on a common definition. For example, the logic of a UK based approach would appear to be to concentrate on total employment and to regard disaggregated information on employee status etc as of secondary importance. However, other countries might start by focusing on full time permanent employees and present other forms of employment as supplementary information. As always what actually happens is neither one thing nor another. However, my perception is that the more usual form of presentation tends to lean more towards the continental model. Thus, headlines such as 'British workers work the longest hours in the EU' are commonplace whereas in fact such remarks relate to average hours of full time employees. For employees as a whole and particularly for all in employment this is nowhere near true.

In the UK the question as to whether a job is 'good' or 'bad' depends less on the type of job than on whether the labour market outcome suits the participants. Harking back to a previous time such an outcome might be described as satisfactory if the job is '*freely chosen*'.

Focusing on market transactions also emphasises that both sides of the trade are important. In particular, international comparisons tend to concentrate upon the supply of labour - household surveys usually form the basis of comparisons and questions about the satisfactory nature of work are almost always asked of the worker not the employer. This is not surprising given that there are such differences in contract law and the regulation of businesses across countries. However, it does tend to give a one-eyed view of labour market outcomes. In general workers are more likely to say that they work harder and do longer hours for less pay than their employers would even though they are describing the same transaction.

Yet, if the focus is on policy then again both sides of the labour market are important. Just as benefits, taxes etc affect the labour market behaviour of workers so business taxes, regulations etc affect the labour market behaviour of businesses. And, in order to analyse whether changes in this institutional framework might improve labour market, economy or social outcomes it would be useful to know whether the labour market outcomes are

satisfactory - to have a business equivalent to the questions about whether part time/temporary workers would like to be full time/permanent. There are statistics available on this. Eurostat carry out ad hoc surveys which examine constraints on employment (eg hiring and firing regulations, demand etc). However, they are irregular and it is true to say that the international statistical effort devoted to them is nowhere near on the same level as on the development of the labour force surveys. Similarly, attempts to explain the differences between the countries in terms of the regulatory and tax regimes have not received much attention even though they are an important determinant of labour market outcomes.

What might we want to achieve in the UK ?

I want it all! I want it all! [F. Mercury]

The above discussion attempted to make it clear that labour market statistics are as affected as any other branch of social science by the political economy of the country. From this it follows that what statistics are collected and the way they are presented reflect a particular view of society. It is important to recognise this, to attempt to understand what assumptions and theories are implicit in the statistics being produced, and to state, where possible, what those assumptions and theories are. The rest of this note attempts to achieve this. It does so from a UK perspective and, therefore, will not be universally applicable although some elements are likely to strike a chord in a number of countries. It is also fairly close to the sort of approach set out in the OECD Jobs Study

From a policy perspective the statistical information required on employment ought to be sufficient to:-

- help enable a stable macroeconomic framework to be achieved
- help identify structural determinants of labour market outcomes
- help enable international comparisons of the labour market
- enable the labour market outcomes of specific policies to be examined
- help examine the dynamic as well as the static picture of the labour market

Stable Macroeconomic Framework

This involves having reliable estimates of what is happening to the labour market and how this compares to the past particularly at equivalent points in the economic cycle. Such a statement probably involves three elements; the coverage of the statistics, their quality, and a view of where we are in the economic cycle.

On the coverage of the statistics information is ideally required not only total employment but also on unemployment and inactivity. Also, because it is a market based system, information from both sides of the market is required. Thus, in a UK context, on the labour demand side information on the workforce (the workforce in employment [a business

survey based estimate] plus the claimant unemployed) and the population of working age would be used. On the supply side all three components can be taken from the household survey - the Labour Force Survey.

All of this information is currently available but it is not generally assembled exactly in the way described above. That brings me to what I consider to be an important feature of statistical offices' work; the assembly of information in the most useful form and its presentation in an understandable and easily accessible form. This leads us on neatly to the quality of the data. Again I believe that it is one of the statistical offices' primary functions to maintain the quality of the statistics and to ensure that any discrepancies are easily remedied. In this context I feel that it ought to be a priority to try to explain the current differences between the levels and changes in employer based and household based employment estimates which are apparent in the UK but also, I understand, in other countries.

There are two other areas of quality that I do not believe get enough attention and which I believe that statistical offices are best placed to address. These are attempts to understand why employer based and household based estimates of the main labour market variables - employment, unemployment and inactivity - differ and also work to construct as long a time series as possible on a consistent basis. Here I will concentrate on the second of these. For most purposes history according to the UK household based LFS starts in 1984. There are also problems with discontinuities associated with the introduction of the quarterly LFS in 1992 and more minor discontinuities elsewhere.

Yet, the last two economic cycles have been extraordinarily long in post war history - the OECD places the last full cycle as 1979-90 peak to peak and there is little sign that the current cycle is anywhere near over. Thus, it is not possible to use the wealth of information in the LFS to examine more than one economic cycle nor to be sure that the information is comparable over the whole length of that period. I have concentrated on the UK but know that similar problems affect other countries - the major changes in the employment series in the Netherlands in the mid 1970s and the effect of re-unification in Germany have not, in my view, received the attention they need in order to achieve a long running consistent time series of the main labour market indicators based on the household survey. This, inevitably, leads to users ignoring what are very informative statistics or assuming incorrectly that the series are consistent over time or they construct series which they hope are consistent but which would be much better if the experts in the statistical offices construct consistent series.

Finally in this section as well as needing information on a number of economic cycles it is also useful to know where we are in the economic cycle. Comparisons of the main labour market variables which do not take account of the cycle are misleading. The most appropriate comparisons are peak to peak and/or trough to trough. However, particularly when, as now, there are long economic cycles, having to wait for peaks or troughs does not allow us to impart much comparable information nor to be able to judge whether macroeconomic policies are likely to deliver a stable macroeconomic framework. Of

course wrong analysis and policy mistakes can and are made even if the statistical framework is perfect. However, the possibility of error is multiplied if estimates of where we are in the cycle do not exist or are wrong.

One other element that is important in this context is to decide which cycle you are trying to estimate - the economic or the labour market cycle particularly since there does not appear to be a fixed relationship between them. For example, the response of both employment and unemployment after the recession was quicker this time - at around 1 year for both - than after the recession of the early 1980s - when it was around 2 years for employment and fully 5 years for unemployment. Early identification of features such as this would help to identify structural features of the economy and the labour market which might again help to achieve a stable macroeconomic framework.

Structural Determinants of Labour Market Outcomes

Before the merger of the employment and the education ministries in the UK the aim of the employment ministry was:-

To support economic growth by promoting a competitive, efficient and flexible labour market.

Although the current aim is not as succinct because it also needs to incorporate the education aspects of the new department the labour market aspects of the new department are still essentially embodied in the above aim. The way that the UK Government has approached the situation is to examine the various aspects of the labour market to see whether there are any structural barriers to achieving efficient labour market outcomes. And, this involves a twofold examination - whether the current structure and institutions in the labour market are conducive to delivering high employment and low unemployment and also whether there are any 'market failures' which can be addressed to increase the efficiency of the functioning of the labour market as a market.

The statistical background which will enable such an approach to be undertaken would be to combine the structural features of the society and the labour market with labour market outcomes. It is not possible here to consider all the structural elements that you might wish to include. However, the factors considered in the accompanying evidence and explanations associated with the OECD Jobs Study is probably the most comprehensive and current statement of areas where the statistical agenda might be developed.

I would like to draw out one example here:- the social protection system in each country. In the UK social protection is primarily delivered through the tax and benefit system. This Beveridgean welfare state system provides a more comprehensive system than the national insurance based systems of some of the continental European countries. There is also, as mentioned above, not as great recourse to legislation and regulation as a method of social protection although in certain areas - health and safety and equal opportunities, for example, it is arguable that the legislation is at least as comprehensive as elsewhere.

From this it follows that the benefit system is an important structural determinant underpinning the labour market in the UK. Therefore, statistical information which will bring out the interactions between the benefit system and labour market outcomes are an important feature of the system. As the benefit system primarily affects individuals and households the household based LFS is the obvious vehicle for incorporation of benefit information. This information would incorporate not just unemployment related benefits but also other benefits associated with sickness, incapacity, lone parenthood and in-work benefits. There would also be a need to make household based analyses more easily available. Unfortunately, with such a complex benefit system as that in the UK the problems of incorporating benefit questions in a household survey are substantial. However, in order to inform the policy debate it is, I believe, essential to achieve the best statistical outcome we can.

It would also be worth making greater use of the administrative information associated with benefits. Information on the claimant count is well developed but other information on, for example, incapacity and lone parent benefits as well as in-work benefits could also usefully be collated in a user-friendly way.

For other countries the agenda would probably be different (although benefit systems are probably likely to be considered important structural features in most countries). For example, the relatively strict constraints on terms and conditions in France with maximum weekly basic hours of 39 for the standard worker (plus the possibility of only 120 hours overtime per year) and 5 weeks minimum paid holiday are likely to be areas which might be incorporated into their household based survey. Other country dependent institutional elements that might be considered are the CIG lay-off system in Italy and the extensive active labour market provision in Sweden.

The other sources of information that might be explored are whether the labour market outcomes are 'freely chosen' or not. This was discussed above in the section on 'underemployment' and would probably involve considering both sides of the labour market outcome - worker and employer - and not constraining the questions, questions or presentation to one which assumes an out-dated theoretical basis.

Thus, using the French example above, it would be useful to know how much of a constraint the maximum hours of 39 per week is on workers and employers both in restraining employment but also in forcing workers and employers into labour market outcomes that are not freely chosen. As the Graph above shows the large 'spike' in the proportion of employees working exactly 39 hours suggests it is a binding constraint. Also, there is evidence collated elsewhere (Wells 1992) that suggests that the tight regulatory regime in France pushed people into it. However, there are a sufficiently large number of employees who are working more than 39 hours per week (or 41-42 is average allowable overtime is included) to suggest that there are flexible methods around this constraint. The sort of policy questions that I would be asking (admittedly from a UK perspective) would be whether the working time flexibility was sufficient (and legal) to allow an efficient labour market outcome whilst still maintaining sufficient social

protection. Such questions would be easier to ask if statistical information on the institutional structure could be incorporated into the main statistical sources of information and also whether the labour market outcomes were satisfactory from both an employer's and worker's perspective.

Finally in this section the observations about quality and consistency over time made above also apply. Similarly, examination of the reasons why estimates from both sides of any labour market transaction may differ would be a valuable addition to the statistical armoury.

International Comparisons of the Labour Market

As argued above, any comparisons across countries must, of necessity, be broad brush because it does not take account of the intrinsic differences between the different institutional structures. I would also argue that no one measure can give an adequate summary of the current labour market situation. The ILO measure of unemployment is an important component in international comparisons because it uses the same, internationally agreed, definition of unemployment. However, as the ILO measure is affected by the different benefit and regulatory structures in the different countries it will not represent exactly the same labour market position even if the level of ILO unemployment in two countries is exactly the same.

It is, therefore, necessary to supplement the ILO measure with other, more country dependent measures. However, there is a need to prevent information overload and, thus, it is necessary to try to minimise the number of summary indicators. A suggestion, again from a UK perspective, is to supplement the ILO measure of unemployment with two other indicators - the claimant or registrant count and the employment population ratio.

The claimant or registrant count has the advantage that it is firmly rooted in the benefit regulations of the individual countries. Not only that but it would have the advantage of pointing out the interaction between the two series and, thus, providing valuable information about the functioning of the labour market. For example, in Spain the ILO measure of unemployment is well over 20% whereas the registrant figures is over 5 percentage points lower. In other countries, (eg Germany) the ILO measure is some way below the registrant figures perhaps indicating that, as in the first half of the 1980s in the UK, the enforcement of the eligibility and labour force attachment criteria in the benefit system might need to be considered.

However, using unemployment counts (ILO or claimant or both) is not sufficient when carrying out international comparisons. Unemployment measures ignore an important feature of the labour market - the proportion of the population who are actually in the labour force or workforce. The measure used substantially by the OECD to get over this point is the employment/population (of working age) ratio. Using this measure together with the two unemployment measures gives a good short-hand measure of the current labour market situation. It would also recognise that labour markets are both social and

economic institutions and the social and regulatory framework is important in considering the system. It should be stressed, however, that such a description is only shorthand. You would probably wish to include some description of the salient features of the inactive population (eg the proportion in education and the numbers on invalidity benefits) and also some features of the social and institutional set-up (eg the CIG in Italy).

Finally, in this section, I would once again stress the importance of examining the statistical and technical differences between the main labour market statistical series. For example, the household based survey is calculated differently in different countries and it would be useful to know the effect of the differences on the different estimates. For example, in the EU LFS not all surveys start at 16 years of age as in the UK, some start earlier at 15 or 14. Also, the frequency differs across countries and there are differences both in the exact formulation of the questions and what they mean. It would be useful to know how much these differences affect the results. Also, work to get time series on as long and as consistent a basis as possible would enable longer term trends to be examined.

Evaluate Outcomes of Specific Policies/Examine the Dynamics of the Labour Market

Evaluation of policy is crucial. It enables us to see whether things work or not. It can, however, be difficult and expensive to set up wholesale experiments. A much more cost effective and elegant solution is to use, where possible, the existing statistical framework to see whether labour market outcomes change after the introduction of policies. Developments of two aspects of the statistical framework would help in achieving this. First, as described above the introduction of structural or institutional features into the main statistical series would enable the effect of changes in these structural features to be examined. Second, utilising to the full information on flows and longitudinal data would also help link changes in labour market outcomes to policies.

There are good examples of this approach already in the UK. For example, one common feature of most evaluations of labour market policy is to set a control group and examine the outflow rates (into jobs where possible) in the two areas to see whether the policy (eg Workstart wage subsidy) has a discernible effect on the normal statistical outputs. However, the amount of information from the claimant count is limited and it does not have the wealth of information contained, for example, in the LFS. Evaluation of policies, therefore, particularly on a national scale would be improved substantially by making fuller use of the LFS. However, as mentioned above, information on benefits is not all it could be and also the longitudinal features of the LFS have not been fully exploited.

The other feature about examining the dynamics and longitudinal elements of existing statistical information is that it enables a fuller view of the labour market experience of individuals. Thus, features such as mobility, welfare dependency and job insecurity are time and individual dependent and the fuller information available on these features the greater the possibility of exploring whether issues and problems are temporary or long-standing. However, again it is necessary to replicate the information on a consistent basis in order to see whether things have changed. That would again suggest trying to utilise the existing

suite of information more fully, making it more user friendly and extending it back as far as possible on a consistent basis.

Concluding Remarks

There is not much call in this paper for new statistical information to be developed and provided. Rather, the areas of work identified generally tend towards the unglamorous donkey work of ensuring that the statistics are of good quality, consistent over time and presented in a user friendly and accessible form. It also suggests that where more than one source of information on a subject is available then work to tease out how and why they differ is needed.

Where new areas of work are suggested they tend to be aimed at exploiting existing data sets more fully with use of flow and longitudinal data probably the most pressing areas of development together with information on households as well as individuals.

What is, perhaps, new in this note is the explicit statement that statistics is an important part of the political economy and hence as reliant upon political theories as economics or other social sciences. This would suggest that some examination of the current suite of labour market statistics - both their collection and their presentation - to see what political and economic theories are underlying them. Once such analyses are carried out it might suggest new approaches either because the theories are 'defunct' or because they are not universally applicable and, in particular, are not exportable from one country to another without substantial adaptation.

Wells (1992): 'Does the Structure of Employment Legislation affect the Structure of Employment and Unemployment?'

Paper presented to the Glasgow Labour Market Conference in November, 1992.
Organised by the Employment Department as part of the UK EC Presidency.