



# Overview of Methodology of Wages, Earnings, Labour Cost, Hours Worked Statistics: ARMENIA

EU TWINNING PROJECT: COMPONENT 3

19 January, 2016  
Yerevan, Republic of Armenia



# Labour Statistics: **Organization**

NSSRA is:

- ❑ Coordinates development of methodologies, tools and strategy of data collection and dissemination;
- ❑ Collects data and provides data processes;
- ❑ Takes into account the requests and offers national and international users;
- ❑ Conducts methodological work to improve:
  - applied concepts, definitions;
  - methods of data collection;
- ❑ Provides data dissemination.

# Legal and Methodological Framework

- ❑ RA Legislation (laws, standard-legal acts)
  - Law RA “On State Statistics”
  - Three-year Program of State Statistical Work
  - Labour Code of RA
  - Law RA “On Remuneration for Work”
  - Law RA “On Minimum Wage”
  - Law RA “On Income Tax”
  - Instructions for filling stat. reports and survey questionnaires
- ❑ ILO recommendations and standards (11th ICLS; 12th ICLS etc.)
- ❑ SNA-93 concepts (UN, Eurostat, WB, IMF, OECD)
- ❑ Special Data Dissemination Standard (IMF)
- ❑ Classifiers (national and international)
- ❑ Other national and international standards



National peculiarities are always taken into account



# Classifiers, Key indicators

## ❑ **Classifiers:**

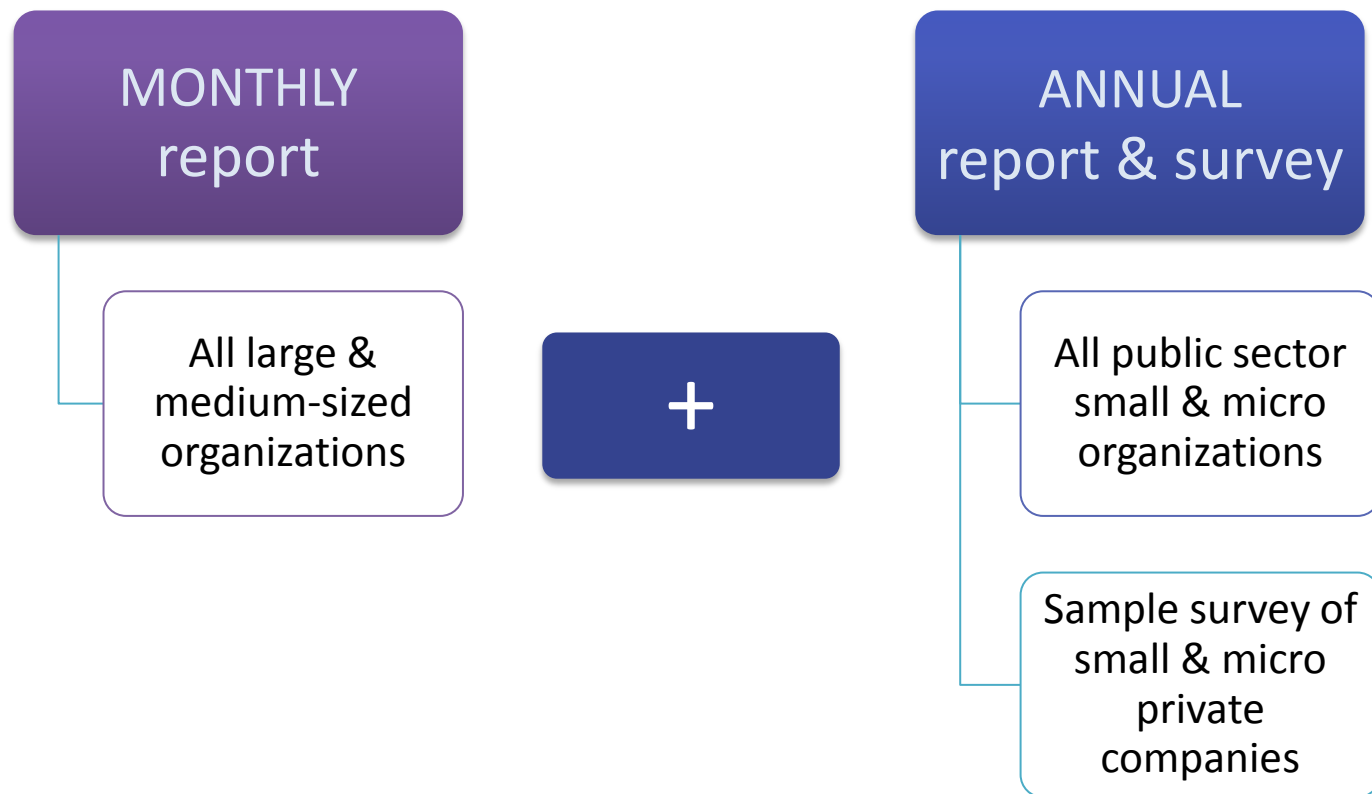
- Industrial Classification of All Economic Activities (2009) = NACE rev 2.
- International Standard Classification of Labour cost
- Classification of Administrative-Territorial Divisions of RA

## ❑ **Key indicators:**

- Average monthly nominal wages/ salaries
- Real wage index
- Earnings / Compensation of employees
- Employee income
- Labour cost
- Hours worked

## Wage / Salary Statistics DATA COLLECTION

- Until USSR collapse - by enumerating all enterprises;
- After USSR collapse, since 1990s (see below):

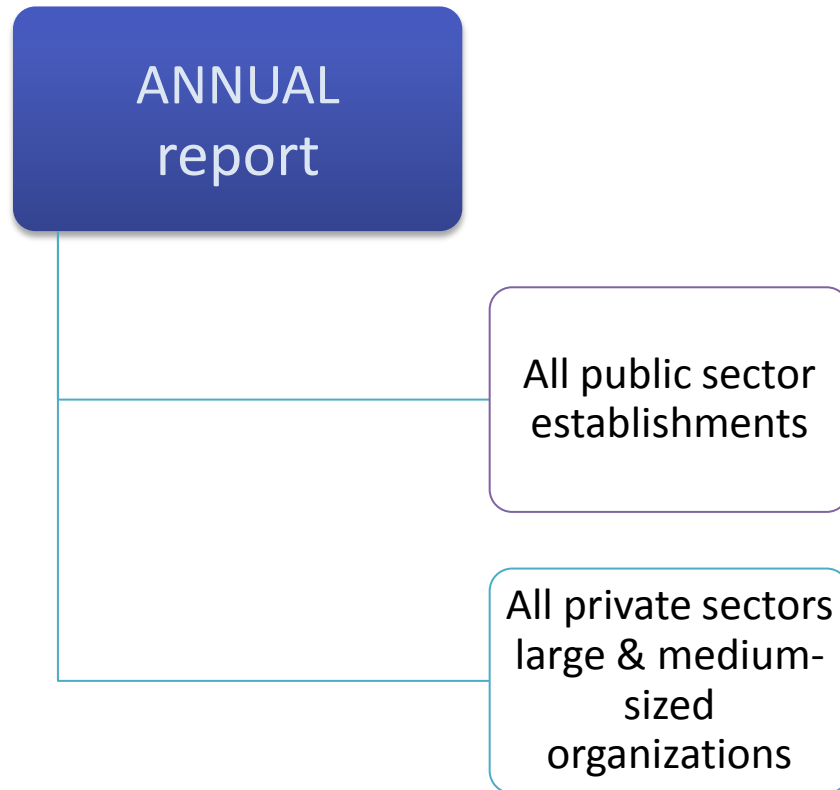


Classification of enterprise by size (number of employees) based on the RA Law.

# LABOUR COST Statistics DATA COLLECTION

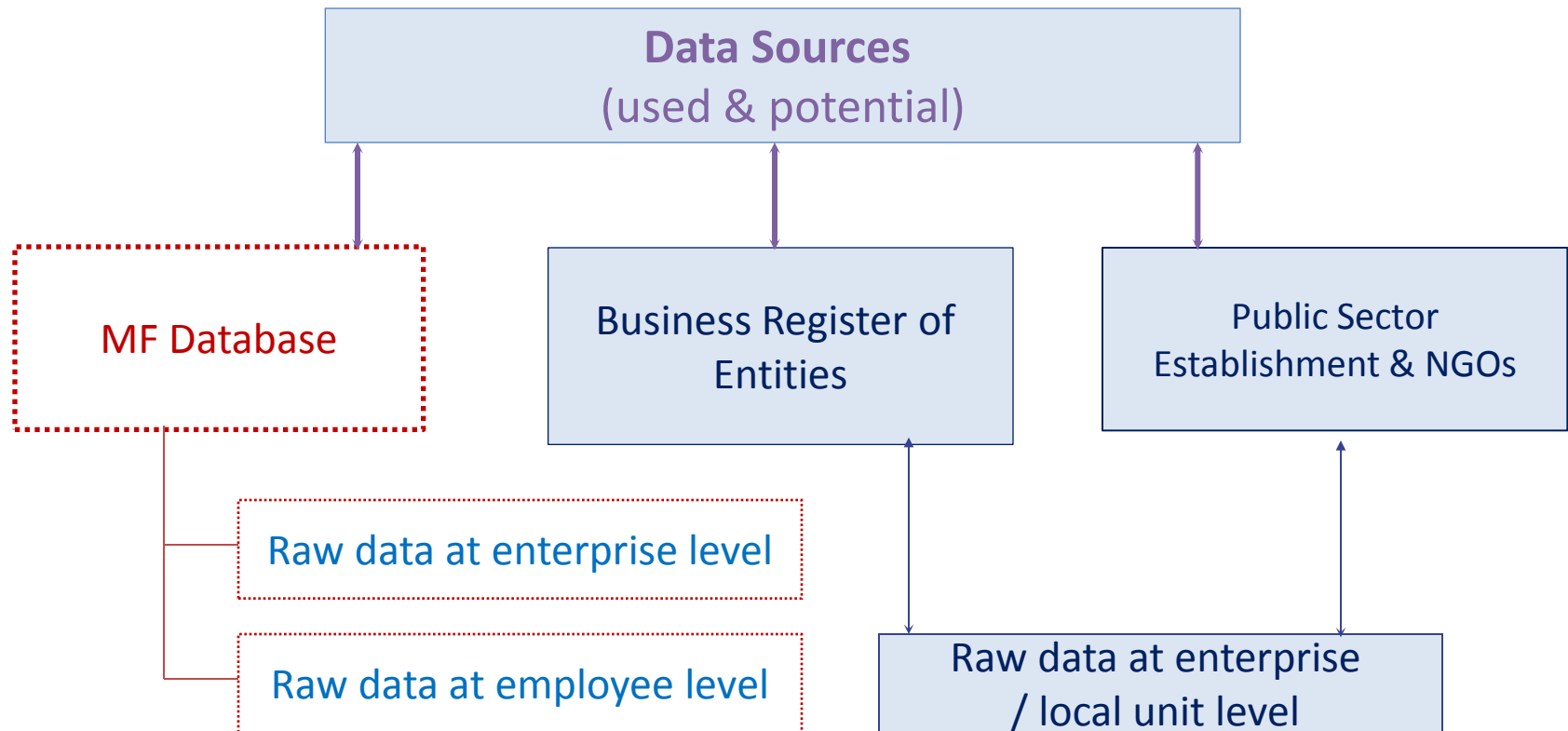
Data collection was carried out:

- after USSR collapse, since 1997:



Classification of enterprise by size (employees) based on the RA Law.

# DATA SOURCES



Usage of administrative source is one of the top priorities of NSS RA

## Administrative source of statistics on Wage / Salary

- ***Advantages***

- reduction of the respondents burden;
- improving data quality;
- improving data timeliness;
- budget cuts / economy;
- decies non-responses;
- new indicators (i.e. median wage, wage by age, Length of service, ISCO groups etc.)

- ***Disadvantages***

- lost of several variables (working hours);
- differences of definitions of variables;
- differences of population scope / frame;

**break in time series**

- increase of staff burden (in the period of the dataset adaptation for statistical purposes);
- jobs cut.



# KEY Characteristics of Statistics on wage / SALARY (1)

Observation unit	enterprise / stat. unit
Coverage	
geographical	whole country (Yerevan city & 10 marzes (regions))
sectorial	NACE rev. 2; sections A - S
worker	formal sector employees covered by the stat. monitoring
Frequency of data collection	1. monthly; annual (report) 2. annual (survey)
Reference period	Calendar month; calendar year
Sample size	1. ≈ 4500 LME monthly, ≈ 8600 LME* & SME* annually 2. ≈ 5000 SMC* or 37% out of general number of SMC
Sampling frame	Database of business register of NSS RA
Representativeness	NACE 5-digits level (mainly)
Data imputation for item non-response	1. repeated the latest available information (report) 2. based on similar jobs (donor imputation) (survey)
Non-response rate	6.7%

LME – Large & Medium sized establishments

SME - Small & Micro establishments in public sector

SMC - Small & Micro companies

## KEY Characteristics of Statistics on wage / SALARY (2)

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Outliers	do not filtered
Data providing / interview means	paper & electronic forms (big companies provide micro file)
Data dissemination	aggregated results first more detailed information afterwards
Software	Ms Access for data entry & processing

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LME – Large & Medium sized establishments  
SME - Small & Micro establishments in public sector  
SMC - Small & Micro companies

# COMPARABILITY ISSUES OVER THE TIME

## Historical time series of wages/salaries



### 01

According to the new Law on Income Tax, two taxes such as "contribution of employee's to social security funds" and "employer's statutory social security contribution" have been combined as a one income tax.

### 02

In order to ensure full coverage of the nominal wages, the relevant data of servicemen included in the data on wages.

### Resultes

As a result, the nominal value of wages/salaries has increased. In order to provide comparability, the corresponding indicators for 2012 were re-calculated by the current methodology.


# DATA Dissemination

## ❑ Dissemination policy

- publications (bulletins, handbooks, etc.)
- web-site (ArmStatBank ; [Statistical Indicators \(http://armstat.am/en/?nid=126&id=08001\)](http://armstat.am/en/?nid=126&id=08001) etc.)

## ❑ Key Publications:

- Socio-economic Situation in Armenia (in brief); monthly
- Labour Market in the Republic of Armenia; annual
- Yearbook
- Women and Men in Armenia
- Armenia in Figures
- Marzes in Figures
- etc.








National Statistical Service of the Republic of Armenia

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### Main Statistical Data

	3 quarter 2015	in comparison with same period of last year (%)	in comparison with previous period (%)
<a href="#">Gross Domestic Product at market prices, mln. drams</a>	1516554.6	103.3	144.2
			<a href="#">more</a>
	Nov 2015	in comparison with same period of last year (%)	in comparison with previous period (%)
<a href="#">Indicator of economic activity</a>	-	97.1	82.7
<a href="#">Volume of gross agriculture output, mln. drams</a>	73693.4	111.3	49.4
<a href="#">Consumer Price Index, %</a>	-	101.2	100.6
<a href="#">External Trade Turnover, mln. USA dollars</a>	412.7	77.1	93.1
<a href="#">Export, mln. USA dollars</a>	121.8	75.6	95.3
<a href="#">Import, mln. USA dollars</a>	290.9	77.8	92.1
<a href="#">Average monthly nominal wages, drams</a>	181982.0	103.8	100.3
			<a href="#">more</a>

### CATALOGUE OF STATISTICAL PUBLICATIONS, 2016



### STATISTICAL YEARBOOK OF ARMENIA, 2015



### Draft

#### News and Events

09.12.2015  
EU/TWINNING Project "Strengthening of the National Statistical System of Armenia - Phase II", Newsletter 1

19.11.2015  
On 27 November 2015 the NSSRA organizes Workshop on "2014 Agricultural Census of Armenia" at the "Tiran the Great Ballroom" at Armenia Marriott Hotel, Armbvan 2/1, 1st Floor;

19.11.2015  
On 23 November 2015 at 11:00 the NSS RA with the participation of the VIB experts organizes the Presentation "ARMENIA SOCIAL SNAPSHOT AND POVERTY. Key Findings of the 2014 Integrated Living Conditions Survey"

[more >>](#)

#### Press Releases


14.01.2016  
Consumer price index in the Republic of Armenia in January-December 2015

21.12.2015  
Current-operative preliminary main macro-economic indicators characterizing the socio-economic situation of RA for 2015 November (as of 21 December, 2015)

07.12.2015  
Consumer price index in the Republic of Armenia in January-November 2015

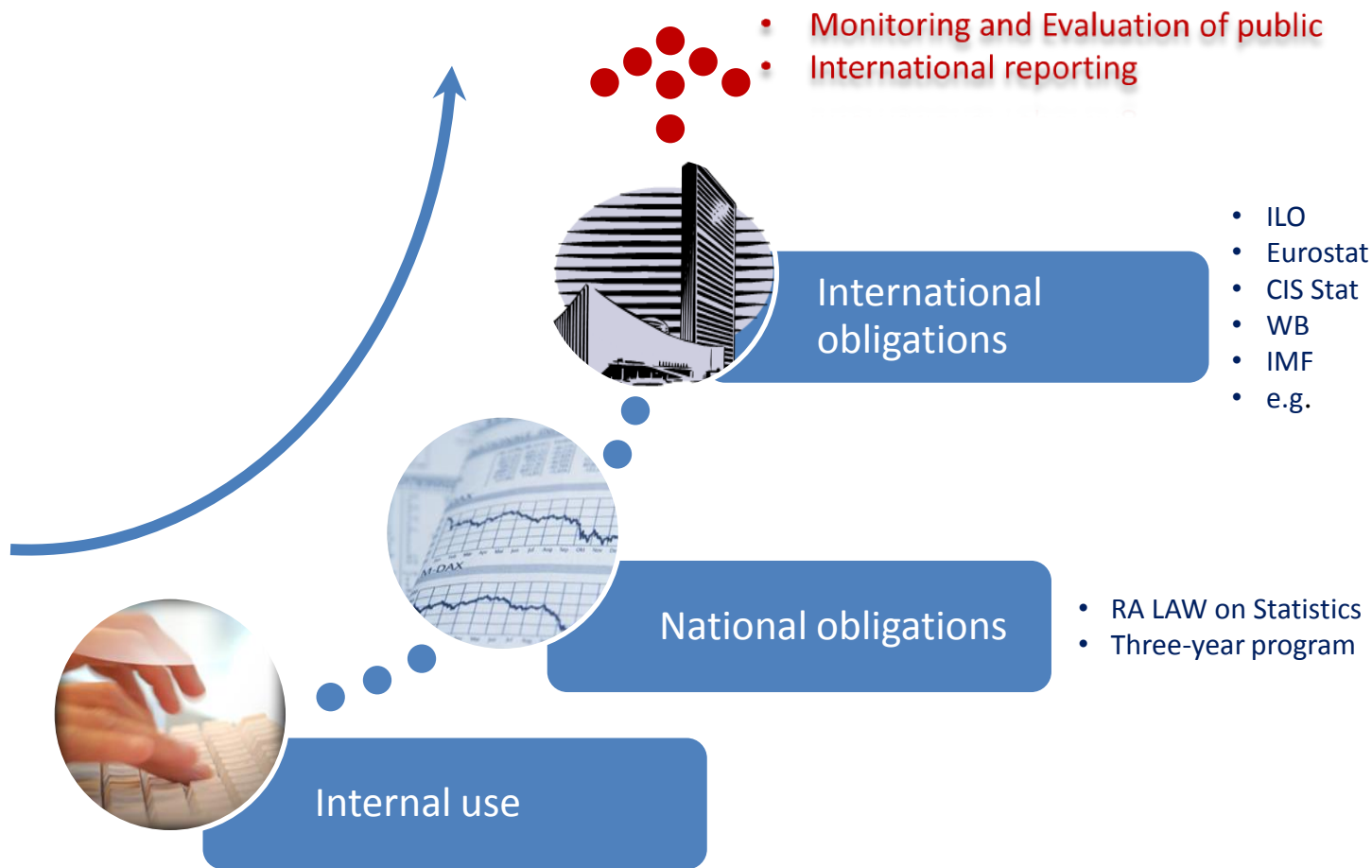
23.11.2015  
Social snapshot and poverty in Armenia, 2015

[more >>](#)



# FLOW of DATA

*Indicators are needed at the national and international levels*



# NSSRA's SELF-assessment

Strengths	Weaknesses
Comparatively full coverage of formal sector employees	Monthly data does not reflect real level of wages
Sufficient possibility of comprehensive analyze	Deviations due to sample
Mainly used international methodology	Not possible to compute median wages
Sufficient level of computerization of data processing	Some indicators have limitation in their use: quality issues coverage issues
Large coverage of all economic sectors	Feedback from stakeholders / insufficient level of confidence
Long time series	Limited comparability within the time series
	Insufficient data timeliness
Broadening of output tables by sufficient level of disaggregation over the time	Limited scope of variables (age, education, ISCO etc.)
Respondent & staff burden decrease over the time	Significant burden of respondent & staff

# upcoming ACTIVITIES & EXPECTED RESULTS



## Progress on Component 3. Labour Statistics

- |  |  |  |   |
|--|--|--|---|
| <ul style="list-style-type: none"><li>▪ Overview of current situation</li><li>▪ Identifying strengths &amp; weaknesses</li><li>▪ Identifying needs</li><li>▪ Successful cooperation with MS experts, social partners &amp; main stakeholders</li></ul> | <ul style="list-style-type: none"><li>▪ Improvement of statistical tools</li><li>▪ Adaptation &amp; implementation of administrative register-based data</li><li>▪ Data dissemination practice improvement</li></ul> | <ul style="list-style-type: none"><li>▪ Adaptation of EU methodology and unified system of indicators on wage /salary, earnings, labour cost</li><li>▪ Introduction to Labour Cost Index</li><li>▪ Increase data comparability</li></ul> | <ul style="list-style-type: none"><li>▪ Labour statistics Improvement</li><li>▪ Positive feedback from stakeholders</li><li>▪ Cost &amp; time efficiency</li><li>▪ Staff capacity straightening</li></ul> |
|--|--|--|---|

*Are the users satisfied with the statistics we produce or do they ask for more?*







**THANK YOU**  
**FOR**  
**ATTENTION!**

*Lusine Kalantaryan, NSS RA, Labour statistics division*  
[kalantaryan@armstat.am](mailto:kalantaryan@armstat.am)