

TWINNING CONTRACT

Development of new statistical methodologies and indicators in selected areas of statistics in line with EU statistical standards

Ukraine



MISSION REPORT


on

**Evaluation of Methodology for Salary Measuring concerning
Compliance with EU and ILO Standards**

Component no II – Activity 2.5

Mission carried out by Maria Boye, Statistics Denmark
Kiev, March 4th – 6th 2013

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		 STATISTICS DENMARK

Author's name, address, e-mail

*Maria Boye
Senior advisor
Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Denmark
Tel: +45 39 17 34 22
Email:mab@dst.dk*

Table of contents

1. General comments	4
2. Assessment and results	4
3. Conclusions and recommendations	5
Annex 1. Terms of Reference.....	6
Annex 2. Persons met.....	8

List of Abbreviations

ToR	Terms of Reference
SSSU	State Statistics Service of Ukraine
DST	Statistics Denmark
LCI	Labour Cost Index
LCS	Labour Cost Survey
SES	Structure of earnings survey

1. General comments

This mission report was prepared within the Twinning Project „Development of new statistical methodologies and indicators in selected areas of statistics in line with EU statistical standards”. It was the fifth mission to be devoted to Component II of the project. The mission was aimed at a seminar with the main user of labour statistics in Ukraine.

The concrete objectives of the mission were:

- Seminar with users on ‘Assessing the compliance of the national methodology on measuring salary indicators with EU’.

The consultant would like to take this opportunity to thank all officials and individuals met for the kind support and valuable information which they received during the stay in Ukraine, and which highly facilitated the work of the consultant.

The views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, SSSU or DST.

2. Assessment and results

Earnings are, also in Ukraine, something which for a long time has been of huge interest for both politicians and economists. This interest is reflected in a very comprehensive statistical system of earnings.

Through four missions in-depth insight into Ukrainian labour market statistics in general and in Ukrainian statistics on earnings and labour costs in specific has been given. This has been summarized in mission five where the main users of the labour statistics in Ukraine have been invited to a seminar with the title ‘Assessing the compliance of the national methodology on measuring salary indicators with EU’.

The first presentation at the seminar was presented by SSSU on gave an overview of the new national SES that they currently are collecting for the very first time. This presentation resulted in a lot of questions and comments from the participants. Mostly they were very excited for this new statistics and looked forward to the results.

The second presentation also presented by SSSU was about Labour cost and the LCI and how the SSSU was very close to fulfilling the EU legislation. It was also mentioned that when the LCS will be done for the reference year 2014 the plan is to include the public sector in the survey.

The third presentation was about the change of NACE versions which had given some trouble for some journalists, so SSSU believed that a thorough run through of the changes between versions was needed and the consultant agreed with this.

The consultant made the fourth and fifth presentation where the European system of labour costs and earnings was presented also a short introduction to how DST uses administrative source for the SES and LCS was given. Later the Eurostat database was shown. SSSU and the consultant had decided on showing figures for countries that Ukraine normally would compare with and on a subject that is often discussed in Ukraine. That is the social contribution percentage of the labour costs.

The presentation on the database raised a lot of questions mostly with a request of more detailed level. However SSSU commented that even in SSSU you could not find figures on as detailed level as wished by the users.

After the seminar SSSU presented their latest calculation of the LCI for the consultant. The method used for calculating the index was in line with the EU-standards for the LCI.

Through the missions of component 2 the consultant has the impression of SSSU as a professional body with a statistical system of earnings and labour costs which is of high quality both in respect to sampling, collecting, validating and disseminating data. This also means that in respect to the question on compliance with international standards it is the overall impression that SSSU, has a system which can definitely comply if a few changes and some initiatives are introduced.

On the seminar for the last mission some of changes was presented that means SSSU only have very few changes left if they go through with these presented changes.

The changes that have been suggested in previous mission report and that will be implemented in the future are:

- National LCS for 2014 will collect information for the public sector
- National SES is currently being collected for the first time on individuals.
- A national LCI are planned to be produced beginning 2014.

Issues still not solved but that the consultant believes is still needed to make comparable statistics with EU is:

- For the national SES the public sector should be included.
- There are no collection of employers social contribution at the moment

3. Conclusions and recommendations

Based on all missions in component 2 the consultant can conclude that SSSU is heading in the right direction to produce statistics that are comparable with the labour market statistics produced in EU.

In the last year SSSU has taken a lot of the recommendations into consideration and the SSSU has already started on some changes and have planned others for the next couple of years. As SSSU has explained, they will keep working on collection of employers' social contribution by using administrative source. When this has been solved SSSU will be able to make comparable statistics.

Throughout all missions SSSU and the consultants have had a lot of talks about EU, Eurostat and the legislation. The consultants have increased SSSU's knowledge about the EU statistics.

Annex 1. Terms of Reference

Terms of Reference *for the short-term mission to the State Statistics Service of Ukraine*

Activity 2.5 “Seminar and assessment of progress”

Background information

Statistics Denmark in partnership with Statistics Finland, Statistics Lithuania, Central Statistical Bureau of Latvia, Statistical Office of Slovak Republic, INE Spain - National Statistical Institute of Spain and Statistics Sweden, implements in Ukraine "Development of New Statistical Methodologies and Indicators in Selected Areas of Statistics in Line with EU Statistical Standards" Twinning Project. The State Statistics Service of Ukraine (State Statistics of Ukraine) is the Beneficiary of this Project).

This action is being implemented under Component 2 “Measuring salaries and wages”. The purpose of this Component is harmonisation of the national methodology of measuring salaries and wages with the EU standards.

This action will contribute to achieving the abovementioned objective and reference indicators specified in the contract, namely:

- improvement of practical skills and expertise of the SSSU on EU experience on organising and conducting short-term surveys of labour remuneration and wages structure survey;
- draft methodology on measuring salaries and wages was evaluated in terms of its correspondence with the EU standards.

Purpose of the Mission

The prior purpose of the Mission is:

Seminar with users on ‘Assessing the compliance of the national methodology on measuring salary indicators with EU standards’.

Expected Results

Users are acquainted with the methodology on measuring salary indicators in Ukraine and EU.

Actions

The tentative schedule of the Mission is the following:

March 4, 2013.

1) Preparations to the seminar. Discussing the content of presentations to be made by the SSSU experts during the seminar.

March 5, 2013.

2) Seminar with users on ‘Assessing the compliance of the national methodology on measuring salary indicators with EU standards’.

Presentations

1. Surveying the salary structure (SES): organization, implementation, perspectives. Responsible: SSSU
2. Implementing LCI calculations. Responsible: SSSU
3. Presentation on European Labor Costs and Wages System. Use of administrative sources for data collection – European practices. Responsible: Ms. Maria Boye
4. Presentation on Eurostat data base and on availability of information. Responsible: Maria Boye.
5. Questions and answers

3) Discussing the issues regarding the calculation of labor force cost index based on state statistical survey data 'Business survey on labor statistics issues' and 'Companies' expenses on labor force maintenance'

Tasks to be fulfilled by SSSU to facilitate the mission

The SSSU will ensure:

- presence of Labor Statistics Department specialists and access to information (presentations, guidelines, questionnaires, etc.) needed for the Mission.
- sending invitations for users to participate in the seminar (15-20 persons);
- providing the premises of the SSSU Press Centre for the seminar purposes.

Consultant and Partner

The Mission will be conducted by:

Maria Boye - Head of Section, Statistics Denmark

The partner from the country-beneficiary will be:

Personnel of the Labour Statistics Department of the SSSU:

Inesa Senyk – Director of the Labour Statistics Department

Tetiana Bochkariova – Deputy Director of the Labour Statistics Department – Head of the Division for Labor Remuneration Statistics

Nadia Sokurenko – Chief economist of the Division for Labor Remuneration Statistics

Natalia Usyk - Chief economist of the Division for Labor Remuneration Statistics

Timing

The mission will be conducted from March 4 till March 5, 2013 in Ukraine.

Report

The summary report on the results of the mission should be submitted not later than two weeks after the mission is completed.

Annex 2. Persons met

SSSU:

Inesa Senyk, Director of Labour Statistics Department

Tetiana Bochkaryova, Deputy Director of Labour Statistics Department

Natalia Usik, Chief Economist of Labour Payment Statistics Unit

RTA Team:

Irina Bernstein, RTA

Volodymyr Kuzka, RTA Assistant

Anna Chornous, Interpreter