

A new statistical annual

OECD Factbook 2005: Economic, Environmental and Social Statistics. Paris, Organization for Economic Cooperation and Development, 2005, 235 pp., \$63/paperback.

OECD Factbook 2005 is the first edition of a new statistical annual from the Organization for Economic Cooperation and Development, a Paris-based forum of 30 member countries that work together to address economic, environmental, and social challenges. In this volume, the OECD presents a set of more than 100 indicators organized according to 11 themes in an attractive, user-friendly volume. Each indicator is presented on two facing pages. On the first page, the usefulness of the indicator and its definition and cross-country comparability are briefly described. In addition, long-term trends are discussed, and other OECD sources of data and analysis are listed, often with Internet links to them. On the second page, the OECD presents a table and chart for each indicator, and they are easily downloadable. Putting these diverse OECD datasets under one roof is extremely helpful to the users of international data who previously had to hunt for them in various places or might not have known that they all existed.

The *OECD Factbook* fills a unique niche among the volumes of similar international indicators presently available, such as the International Labor Office's (ILO) *Key Indicators of the Labor Market* and the World Bank's *World Development Indicators*. Both the ILO and the World Bank indicators attempt to cover the entire world, while OECD's focus is on the industrialized countries of Europe, North America, Asia, and Oceania. Thus, the *OECD Factbook* covers 30 countries, while the ILO and World Bank attempt to cover 150 to 200 countries. OECD's narrower focus has several advantages. The major advantage is that the countries it covers have, for the most part, well-developed statistical systems that follow in-

ternational guidelines, allowing for better comparative data. The Foreword of the *Factbook* talks about the importance of comparable data. "Why this *Factbook*?" the Foreword asks. The answer is "Because governments pursue different economic, social, and environmental policies, and it is extremely valuable to policymakers and to the general public to compare cross-country data that they know to be comparable and reliable." In other words, we should be able to use the *Factbook* data as one way to evaluate public policies in a comparative context.

Another advantage of the fewer number of countries covered in the *Factbook* is that it allows OECD to include all member countries for which data are available in each chart. It is valuable to users to be able to see the whole spectrum of OECD countries portrayed in rank order, often with the "OECD average" inserted as a convenient marker. The World Bank and ILO have to contend with many countries that have less developed statistical systems, leading to much missing data and many more comparability issues. The ILO and World Bank both have to make choices as to what countries are to be charted for each indicator. Oftentimes they chart only a few selected countries, or aggregates for world regions that involve estimates for missing data.

For a few indicators, the *OECD Factbook* shows data for selected non-member countries. For example, the steel production indicator includes data for China, India, Brazil, Russia, and the Ukraine. Nonmember countries appear to be selected for coverage where the indicators are relevant and where reasonably comparable data are available. This selectivity seems a good way to expand the *OECD Factbook*'s horizon beyond developed nations, while not trying to cover the entire world like the ILO and World Bank Indicators.

The nontechnical reader (such as a member of the media writing an article on deadline) will be well served by the succinct format of the *OECD Factbook*. It is unburdened by the voluminous number

of footnotes and technical notes that usually accompany an international comparison. The comparability note gives broad guidance to this casual user, and as noted previously, the OECD member countries tend to follow international guidelines. Although international guidelines serve to draw countries toward a common conceptual framework, they still allow room for national variations that can affect cross-country comparability. In the absence of series that are fully comparable, it is important to have adequate documentation of the differences. The no-footnotes policy sometimes results in the omission of important country information that a technical user would want to know, but a good guide to technical sources is provided for experts to consult.

Producing the *Factbook* involved many choices. The OECD has made reasonable compromises to satisfy the needs of a wide range of users of this publication. No one way can satisfy all. To include all the notes would make this an unwieldy encyclopedic volume and could put off the more casual data user. One future modification that could help bridge the gap would be to include more notes on the downloadable tables in the Internet version of the *Factbook*. I will provide two examples of why this is important, with reference to the indicators on annual hours worked and part-time work.

The annual hours worked indicator is one of the most widely cited indicators provided by the OECD. The *Factbook*'s comparability note says that "The data are intended for comparisons of trends over time and not yet suitable for inter-country comparisons." This warning is usually ignored. In its original form in the data annex to the annual *OECD Employment Outlook*, this table includes a warning about comparing levels as well as a great deal of country-by-country notes that assist the data user in assessing comparability among different countries. For example, data for the Netherlands exclude overtime hours—helping to explain the relatively low annual hours for this country. These notes could be attached to the

tables in the Internet version of this table. An alternative to the chart for this indicator that is more consistent with the comparability note in the *Factbook* would be to chart the change in hours worked from 1990 to 2003 for each country rather than the 2003 level for each country.

Another example where a footnote on the Internet version of the tables would prevent false conclusions is for the part-time worker indicator. Countries set the part-time cutoff at different levels of weekly hours. The European Union countries let the respondent define whether he or she works part time. Just one example of the important standardization efforts of the OECD is that it provides data users with a comparative measure by defining part-time work as work of less than 30 hours per week on the main job. The OECD standardizes data to this definition from special data runs submitted by member countries. The part-time employment data for Japan, however, remain at the 35-hour cutoff. Thus, Japan's proportion of part-time workers is among the highest on the OECD's chart, but it is overstated for comparisons with other countries. This was noted in the original source, but such details are missing from the *Factbook*.

The OECD *Factbook* warns on page 230 that "To avoid misunderstandings, the tables must be read in conjunction with the texts that accompany them." This argues for the inclusion of the notes on the downloadable tables. Otherwise, there is the danger that the *Factbook's* tables will be exported into articles and studies devoid of important country notes, such as the one on annual hours for the Netherlands and part-time workers for Japan.

Hours worked is in the Quality of Life section of the *Factbook*, not in the Labor Market section. There does not seem to be a clear relationship between the hours measure in the *Factbook* and what most people consider as quality of life. The measure is annual hours per person employed, and the introduction to this section implies that reduction of working hours improves quality of life. If nonworking spouses enter the part-time labor force,

the average hours worked measure would go down even though the family as a whole is putting in more time in the labor force. How does one interpret this trend in terms of quality of life? Also, the hours indicator is in a subsection of Quality of Life entitled Work and Leisure that includes only one other indicator, arrivals of non-resident tourists staying in hotels and similar establishments. The United States has, by far, the highest rate. The fact that more tourists visit the United States, however, does not appear to translate into anything clearly meaningful about work and leisure of Americans. The OECD may need to reconsider some of its indicator categorizations.

The OECD *Factbook* comes in two forms: the printed version and an Internet version accessible from the OECD Web site (<http://www.SourceOECD.org/factbook>). Many consumers will most likely want to make use of both forms. Having the attractive printed volume at hand gives an immediate sense of the wide range of indicators available. The Internet version of this publication allows for easy downloads of tables with the click of a mouse. There is a charge for the printed volume, whereas the version on the OECD Web site is free of charge. The OECD deserves a great deal of praise for providing this free access to the consumers of international comparisons. Users of the ILO and World Bank indicators must subscribe to Internet access or purchase a CD-ROM in order to download tables.

As an example of how the *Factbook* can be used to enrich one's perspective, let us look at some of the indicators for the United States. The United States ranks favorably among OECD countries with respect to indicators of the labor market that are familiar to BLS data users. Our employment-to-population ratios (employment rates) are relatively high, and we have a lower proportion of part-time workers than most other member countries. U.S. unemployment rates are comparatively low, and our percentage of persons in long-term unemployment is among the lowest in the OECD. The inflation rate

(growth in CPI and PPI) in the United States is well below the OECD average. U.S. business sector productivity growth (as measured by output per employee) is above the OECD average, and higher than in any other Group of Seven (G-7) major industrialized country.

Beyond the labor market indicators, the United States fares well on some indicators and not so well on others. The *Factbook* charts show that the United States has the highest share of investment in information and communication technology, but the proportion of households with home computers and Internet access is just about average. Our high school students perform relatively poorly on international math tests, outranking only Portugal, Italy, Greece, Turkey, and Mexico. On the other hand, we are second only to Canada in percentage of the population attaining a college or university degree. The United States ranks highest on the obesity scale—percentage of the population with a Body Mass Index more than 30—and the U.S. proportion has more than doubled over the past 20 years. We also have the highest health expenditures per capita. Many other interesting comparisons can be made based on this *Factbook* that serve to highlight both a country's successes and problem areas.

The *OECD Factbook* is a major contribution to international comparisons of statistics. It is a work that is designed to appeal to a wide audience. Limiting every indicator to two pages makes the volume attractive and easy to use, but it means that many things had to be left out. More information on comparability could be included on the Internet version of the tables in order to achieve the objective stated in the Foreword—to provide statistics that help evaluate public policies. The *Factbook* goes a long way in that direction already, and the OECD should be congratulated for this accomplishment.

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