Uses and analysis of the ILO October Inquiry data on occupational wages and hours of work[1]

1. Introduction

The ILO October Inquiry is a unique source of data on occupational wages and hours of work, covering up to 159 occupations in 49 industry groups for about 70 countries each year.[2] It collects national data on wage rates, earnings, normal hours of work and hours actually worked or paid for, by sex, where available.[3] The information is reported by countries in a variety of ways, and may come from different types of sources (administrative records, surveys of employers, etc.), using different concepts and definitions.

The purpose of this article is to describe and explain the various types of data provided by countries, and discuss how they might be used in analysis, in particular, for comparing occupational wage rates and earnings. The issues chosen for illustration do not cover all the possible uses to which the October Inquiry data can be put, but concentrate on the issues that are the most important and the most frequently raised.

There are numerous questions for which the analysis of wage data is needed. Some are straightforward factual questions while others are policy-related. The issues involved fall into four main groups, as follows:

a) How much is a particular occupation paid?

This type of question is essentially factual. The October Inquiry is an ideal source of data for anyone without access to the results of a large number of individual surveys, but who wishes to obtain occupational information for several countries. However, whether it can provide the answer to the question above depends on the interpretation of "paid" and the type of information supplied by the various countries. The October Inquiry can provide some information relevant to this question if the definitions of wage rates and earnings used correspond to those required, or are at least acceptable to the user of the data.

b) How have wages for given occupations changed over time?

The rate of change of occupational wages can be calculated from the October Inquiry data if the necessary wage figures are available for the same occupations each year and if the wage concept and time units used do not change during the period under review. Adjustments may be required in order to make the comparisons, particularly if the time units to which the wages refer (e.g. per hour, per week) change from one year to another. Indices of wages can be calculated, based either on wage rates or on earnings, and changes in real wages obtained by deflating the indices by an appropriate price index. Real wages for individual occupations can give an idea of the extent to which the living standards of employees have changed. In addition, the rigidity or flexibility of real wages is regarded as an important issue for structural adjustment, particularly in developing countries.

c) What is the difference between wages for different occupations?

Pay structure and wage differentials or relativities show the relationships between wages for different occupations. Comparisons can be made of the rewards to more skilled occupations, or of the relationship between occupations in different sectors or

activities, for instance, between wages for the same occupations in the private and the public sectors.

Because each country provides its wage data in its own national currency, it is not possible to make direct comparisons of wages for the same occupations in different countries. Converting wages to a single currency is particularly difficult, particularly as reference periods may vary between countries and even over time. Therefore, comparisons are best made by producing indices of wage differentials for a set of selected occupations that are common to the countries in question.

A measure of the differentials for a specific set of occupations can be calculated by expressing their wages as a percentage of the wages of a specific (base) occupation. For a different set of occupational differentials, another base would be selected. The selection of the occupations to be included and the choice of the appropriate base occupation should be determined by the specific question raised, provided there is information available for a satisfactory set of occupations in the desired spread of countries.

d) Are wages or wage differentials flexible over time?

A study of wage differentials or the pay structure in an individual country over a period of years can indicate whether the relative wages of different occupations have changed, and the extent of the change. This is often considered to be an important factor in structural adjustment and an indicator of the efficiency of labour market arrangements. If differentials are rigid and do not respond to changing conditions of supply and demand in the labour market, the economy may not adjust effectively to changing circumstances, with adverse consequences for employment and growth. The analysis of pay structure over time may shed light on the extent to which differentials are influenced by economic pressures from the labour market or by institutional or political factors.

Other topics: The Inquiry obtains information on normal hours of work and hours actually worked or paid for. These can be used to compare working hours in different countries and the possible effect of overtime working on total wages. Estimates of overtime can be relevant to the examination of labour shortages for certain occupations and also to the possibility of employment expansion if overtime is reduced and additional workers employed. Other topics for which the October Inquiry results may be used include the study of gender wage differentials, of wages in the public sector and of the relative wages for occupations in which women predominate.

2. Occupational coverage

One of the aims of the Inquiry is to cover a selection of occupations which are representative of the most important occupations throughout the world and for which reasonably consistent definitions apply in the various countries. The descriptions of the occupations that accompany the survey questionnaire include the tasks performed by members of the occupation or the range of tasks which may be part of the duties of the occupation but not all of them may be required in any single job. Thus, members of one occupation in one country may or may not perform the same tasks as those in the same occupation in another country. There is greater consistency for a single occupation in one country through time, although there may also be changes if job contents are altered as a result of new technology, changes in work organization or collective bargaining.

Even within a country, workers with the same occupational titles and descriptions in different industry groups may not have identical job contents in terms of a job evaluation procedure. For example, occupations 45 (printing, publishing and allied industries), 91 (wholesale trade), 130 (banks), 134 (insurance) and 149 (public administration) all refer to a stenographer-typist. The combination of duties of a stenographer-typist in each activity may differ in terms of the mixture of different tasks and levels of skill or responsibility. It should therefore be borne in mind that the classification of data is based on occupational titles with specific descriptions, rather than on an analysis of job content. Comparisons of the wage distribution or relative wages of occupations in different countries are also affected by variations in job classification in the different countries or by misclassifications following job changes or inaccurate or misleading job descriptions. It is therefore necessary to have recourse to one's own judgement about the nature of the data for particular occupations.

Countries responding to the October Inquiry do not all supply information for every occupation. For some, this is because a particular occupation does not exist in the country. For others, it may be because the occupation is not covered by the national sources of wage data.

The number of countries supplying information for each occupation is relevant to the selection of occupations for international comparisons of relative wage levels or of changes in wages through time. For example, if relatively few countries provided information on a particular occupation and if that occupation is selected for comparative purposes, the international coverage will be smaller than if certain other occupations were chosen.

Even occupations for which a large number of countries have provided information may not necessarily be suitable for studying wage changes over time or wage differentials, as countries do not necessarily provide information consistently each year. The published results should therefore be examined for each year to decide which occupations are reasonably and comprehensively covered by the same set of countries. For the analysis of wage differentials, it might not be important to have information for a large number of countries relating to the same year. For example, it may be acceptable to compare wage differentials for a set of occupations using 1994 data for some countries and 1995 data for others. However, if the years chosen for different countries are too far apart, this may lead to wrong conclusions if the general trend is of a widening or narrowing of differentials in certain countries.

3. Concepts and definitions of wages and hours of work

a) Wages

Two types of wage data are sought in the Inquiry:

(i) *Wage rates*: the average rates actually paid for normal time of work, comprising: basic wages, cost-of-living allowances and other guaranteed and regularly paid allowances. Certain items of wage should be *excluded* from average wage rates, namely: overtime payments, bonuses and gratuities, family allowances, other social security payments made by the employer directly to employees and *ex gratia* payments in kind supplementary to normal wages and salary rates. Thus, an end-of-year or a "thirteenth-month" bonus should be excluded.

(ii) *Earnings*: the remuneration in cash and in kind paid to employees, as a rule at regular intervals, for time worked or work done, together with remuneration for time not worked, such as for annual vacation, other paid leave or holidays, and

including those elements of earnings which are usually received regularly, before any deductions are made by the employer for the employee in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and any other obligations of employees. The following should be *excluded*: employers' contributions in respect of employees paid to social security and pension schemes and also the benefits received by employees under these schemes, severance and termination pay, irregular bonuses such as year-end and other one-time bonuses which accrue over a period longer than a wage period.

b) Hours of work

Two types of information on hours of work are requested in the Inquiry:

(i) *Normal hours of work*: The hours fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards, or the number of hours in excess of which any time worked is remunerated at overtime rates or forms an exception to the rules or customs of the establishment relating to the classes of workers concerned.

(ii) *Hours worked*: Average hours worked can refer to either average hours actually worked or average hours paid for. *Hours actually worked* are the hours worked during normal periods of work, time worked in addition to normal periods and generally paid at higher rates (overtime), time spent at the place of work on work such as the preparation of the workplace, repairs and maintenance and so on, time spent waiting or standing by for such reasons as lack of supply of work, breakdown of machinery or accidents, or time spent at the place of work during which no work is done but for which payment is made under a guaranteed work contract and time spent corresponding to short rest periods at the workplace, including tea and coffee breaks. *Excluded* from this definition are hours paid for but not worked such as paid leave, paid meal breaks and travelling time between home and the place of work.

Hours paid for are generally the hours actually worked plus the hours paid for but not worked such as annual paid leave, paid sick leave, paid meals breaks and paid travelling time between home and the place of work.

4. Measurement of wages and hours of work

Data on occupational wages and hours of work are generally obtained from occupational wage surveys, official texts such as minimum wage orders or wage regulation orders or collective agreements. The latter sources are unlikely to be easily accessible to users in other countries.

Occupational wage surveys are establishment surveys (employer surveys) that collect the relevant occupational data from each of a sample of establishments, or from each individual employee in each sample establishment. The latter allows for occupational averages to be calculated for the establishment but also permits much more varied analysis of aspects such as the distribution of wages of all individuals within an occupation.

The October Inquiry questionnaire asks for a) the average wage rate per hour or the average salary rate per month that is actually paid *and* the average number of normal

hours of work per week from the same source as the data on wage and salary rates, and b) the gross average earnings per week before any deductions *and* the average hours actually worked per week or the average hours paid for per week.

a) Wage Rates

Different types of wage rates are reported by countries. They can be average rates, prevailing rates, minimum rates or a range of minimum-maximum rates. Data are requested per hour or per month but replies may refer to other time units such as per day, per week, per fortnight, etc.

i) Average rates: In principle, the average rates are the weighted averages of the occupational averages obtained from each sample establishment or the average of all the rates paid to individuals in the occupation concerned in each sample establishment.

ii) Prevailing rates: These are generally "the most common rate paid to workers of a specific class". It might be assumed that these are the rates typically paid to workers, even the most common rates paid to members to an occupation may apply to only a minority of those covered.

iii) Minimum rates: A minimum rate provides an indication of the lowest rate for an occupation. This could be the lowest rate actually paid, as found in the survey or the lowest rate for the occupation as determined by some form of legislative intervention such as a minimum wage order or wage regulation order or from collective agreements. In this case, the rate may or may not be the lowest rate actually paid, but rather the lowest rate payable. In a few cases, footnotes indicate that the minimum rate is a statutory minimum wage rate, which may specify a series of successive minima for successive years of service or be fixed for different regions.

iv) Range of minimum-maximum rates: According to the instructions for completing the Inquiry questionnaire, the range of minimum-maximum rates "represents the lowest and highest rates paid to workers of a specific class". This could lead to two different types of ranges being reported. In the first the minimum-maximum shows the range of wage rates for employees on a single wage scale. In the second they are the absolute minimum-maximum from several wage scales, or are the lowest and highest found to be actually paid in a survey. Thus, they do not refer to all employees, but are an amalgam referring to different groups of employees in different establishments, and individuals are not expected to progress from the lower to the higher figure.

b) Earnings

While the definition of earnings differs from that of wage rate by the inclusion of overtime, bonuses which are received regularly, family allowances, payments in kind and other premia such as night or shift allowances, it is generally confined to payments received regularly each pay period. Thus the "thirteenth" month and similar bonuses are excluded as are any periodic payments such as profit-sharing which are made less frequently than the normal regular pay period. The definition of earnings may differ between countries for their own wage surveys. If some occupations receive additional bonuses or payments at non regular intervals and others do not, comparisons of average earnings for a pay period give a different picture from those of total annual earnings.

Although the Inquiry questionnaire asks for gross average earnings per week, the data available to respondents may refer to other time units, which may not necessarily be the same as the pay periods used for the payment of earnings. Thus, the normal pay period may be a week or a month, while earnings per hour are reported.

Earnings per hour may refer to earnings per hour actually worked or per hour paid for. Earnings per hour actually worked should normally be higher than earnings per hour paid for, as the hours paid for include hours paid for but not worked, such as for sick leave, vacation and other absences from work.

Although most data on earnings are averages, ranges of minimum-maximum are given in a few cases.

c) Hours of work

i) Normal hours

In most cases, the published data of normal hours of work are not the average normal hours of work but the number of normal hours fixed or determined as specified above, or the number that would normally be worked in a regular working week. The number of normal hours could vary from year to year as a result of changes in coverage. If there are no laws or regulations, collective agreements or arbitral awards covering the members of a particular occupation, the normal hours of work for that occupation depend on the normal hours of the different employees in that occupation who are covered by the survey. They may be determined by individual employers and could vary among employers and therefore among the individual employees. If this is so, and there are changes in the composition of the survey or sample population, either because different establishments are included or because there are changes in the relative numbers of employees in establishments with different normal hours of work, the figure for a given occupation could change from year to year without there being any change in normal hours of work in any establishment. In a few cases, normal hours of work for a week are given as a range of minimum-maximum hours. In general, hours worked in excess of the normal hours are compensated by some additional payment or premium.

ii) Average hours of work per week

Average hours of work can refer either to average hours actually worked or to average hours paid for per week.

While most countries provide information on normal hours, typically on a weekly basis, many of them do not give data on hours worked. The absence of data on hours worked and normal hours of work may create problems if one wants to compare the earnings of occupations that are reported for different time units.

In the absence of overtime, average hours actually worked could conceivably be lower than normal hours of work, as some individuals lose some normal hours of work through sickness, late attendance, vacation or other absence from work.

Hours actually worked may however be the same as normal hours of work. For this to happen, *(a)* no individual can have lost any normal hours of work through absence from work and no overtime can have been worked in any establishment covered by the survey; *(b)* if some normal hours were lost they were all paid for no matter what the cause of the lost time was and no overtime was worked anywhere; or *(c)* if some individuals did lose some normal hours of work for which no payment was made by the

employer, overtime was worked by other employees in the same or other establishments covered by the survey of exactly the amount of time lost.

5. Comparing occupational wage rates and earnings

There are considerable variations in the ways in which the data are reported in the Inquiry, not only among the various countries but in many instances within a country from year to year and, indeed, in a single year. Careful statistical scrutiny of the data is essential to identify inconsistencies, so that the figures can be adjusted where possible. Comparisons of occupational wage rates and earnings require data referring to a single time unit. The most appropriate unit is per hour actually worked, as this takes into account differences in working time between occupations, activities and sexes per week or per month. At other times it might be necessary to use different figures depending on the purpose of the exercise.

The hours of work data need to be examined critically and interpreted before being used to convert the wage rate or earnings data to a common time unit. There may be reductions or increases in normal hours of work from one period to another, either because these have been included in agreements, etc. or because of changes in the sample composition, or as the consequence of both effects. Normal hours may be the same as hours worked, or be higher or lower.

An analysis of the hours of work data themselves can throw much light on hours worked by different occupations and on the effect of overtime and other factors on wage rates and earnings. A knowledge of ancillary information about the nature of the data (including legislative provisions) would prove useful when interpreting the figures.

As indicated earlier, items of remuneration other than wage rates are included in gross earnings. The measurement and analysis of these additional items may be important for certain issues. For example, wage rates may be determined by government intervention through the provision of a minimum wage for an occupation. Any regularly paid bonuses may, according to their nature, indicate that collective bargaining or unilateral decisions by employers, perhaps in response to labour market conditions or because of increased productivity, have led to wages that are higher than the government imposed minimum. This might be relevant to the question of the effect of minimum wage provisions on average rates or to the issue of whether continued intervention is necessary; that question might also require information on the distribution and average level of earnings.

The use of the ratio of earnings to wage rates for a specific time unit is an important step in the analysis of the relationship between wage rates and earnings. Comparison of these ratios over time and by occupation may reveal the consistency in the relationship or throw light on the widening or the reduction of the gap between earnings and wage rates. Consistency in the ratios suggests that there are some standard additional elements in earnings not included in the rates.

The comparison of wage rates and earnings becomes complex when the types of wage rates are not averages, but are prevailing or minimum rates or ranges of rates.

Prevailing wage rates are generally received by a majority of the members of an occupation, and they can be expected to be close to the average. The difference between the prevailing and the average rates depends on the proportion of workers in the occupation who do not receive the prevailing rate and the difference between their wage rates and the prevailing rates.

When the minimum rate is reported, it is reasonable to expect some excess of earnings over rates and, if data were available, one would also expect an excess of average rates over the minimum. If this is not the case, more information is needed about the nature of the minimum rates. If they are statutory minima, it would be interesting to know why some employees do not receive more than the statutory minimum. A possible answer from detailed market analysis would be that the statutory minima are set above the market levels of rates and this is why no employer pays additional amounts.

With ranges of minimum-maximum rates it can be useful to take the mid-point of the range as an approximation of the average rates when making comparisons with earnings. Calculating ratios of earnings to wage rates separately for the minimum, mid-point and the maximum can be an indicator of how well the mid-point corresponds to average earnings.

In the case of pay scales, it is reasonable to infer in many cases that the minimum-maximum range refers to a single pay scale for all employees included in the occupation. This is clearest with occupations in public administration but may also apply to some others such as in banking. It can be confirmed by checking other sources for the wage arrangements for the occupation. Where there are pay scales, changes in average wage rates and earnings can be affected by three factors: i) a change in the basic scales; ii) the receipts of increments, and iii) changes in the composition of the workers covered by the survey (some at the higher end of the scale leave and new recruits enter at the lower end).

Differences in earnings and wage rates exist because of additional payments included in earnings but not in wage rates and because of overtime premia. It is usually better to make comparisons of earnings using figures which exclude overtime premia. The October Inquiry results do not show overtime payments or overtime premia separately. However, overtime premia or total overtime pay may be estimated from the published data and can be used to remove the effects of overtime working on earnings. When hours actually worked exceed normal hours of work, and earnings are higher than average wage rates, the effect of overtime on earnings can be estimated if it is assumed that the difference between wage rates and earnings is solely due to overtime working (which may not be justified in a number of countries or for some occupations). A detailed knowledge of the wage payment systems prevailing in a country can prove useful when interpreting the data.

As an indicator of change, a wage rate index for an occupation over a period of time can be calculated simply, as long as the type of rate does not change. When the indices show that the minimum rates remain constant for a number of years, it is tempting to infer that they are statutory minimum rates. If this is the case, it can be concluded that there has been no government intervention over the period.

When there is a change in the type of rates, say from an average to a range of minimum-maximum rates, in order to calculate rates of change, some equivalent to the average must be used. In this case, the mid-point of the range is probably the best measure. But if changes are from a minimum to a range of rates, it is possible to compare the minimum of the range to the minimum wage rate.

Marked reductions in rates are unusual (unless there are cuts in response to extreme economic circumstances), and suggest that further information should be sought from the country before the figures can be used for analytical or comparative purposes. In such cases, it is also advisable to check whether similar reductions have taken place for all or many occupations in the country.

Annual rates of change of wage rates can be calculated in the same way as indices of wage rates for a longer period. Comparison of the annual rates of change for the

various occupations give an indication of the extent to which their wage rates move at the same pace. Close similarity in the annual rates of change could suggest that there are strong institutional forces operating in wage determination. On the other hand, the similarity could be due to government intervention aimed at establishing common rates of increase, perhaps through leadership in wage determination or through legislative intervention such as annual cost-of-living adjustments or regular adjustments to minimum wage provisions.

Comparisons of the annual rates of change of wage rates and of the overall change for a number of years may indicate whether there are systematic differences between occupations, with some consistently improving their relative wages through higher wage rate increases, or whether there are compensating fluctuations so that occupations which fare relatively well in some years receive relatively smaller increases. Similarly those which receive smaller increases for some years may then get relatively larger increases in order to be comparable with other occupations.

Annual rates of change of earnings may differ from those of wage rates. The changes in earnings for individual occupations over a period of time will be more diverse than the corresponding wage rate changes, as the earnings also include the effects of changes in hours worked, in overtime hours worked and changes in the additional items of pay included in earnings. It is necessary therefore to examine changes in hours worked along with changes in earnings.

Real wages can be calculated for different occupations by deflating the money wage indices by an appropriate consumer price index. The October Inquiry wage data refer generally to a single month in a year. Changes in real wages can be calculated in two ways. The October wage indices for each year can be deflated by changes in the consumer price index (CPI) for each October. This provides an index of real wages each October. Alternatively,the annual average consumer price index can be used, so that the wage index for a particular year is deflated by the change in the average CPI for that year over the average CPI in a previous year. The method adopted should be determined by the purpose of the analysis of changes in real wage. If the wage data from the October Inquiry are indicators of wages received during the year, using a yearly average CPI deflator gives a broad measure of what has happened to the real wage of an occupation from one year to the next. The higher the rate of inflation in a country, the greater the difference between the real wage calculated using the monthly CPI figures for October and that calculated using the annual averages. However, if wages are known to change during the course of the year, it is preferable to use the CPI deflator for the same reference period, i.e. October.

6. Pay structures and wage differentials and relativities

Analyses of pay structures and wage differentials and relativities are often made to see how the wage of an occupation compares with that of others. In the strict sense, the use of the term "pay structure" might be confined to the relationship between those occupations or groups of employees with the same employment or whose wages are determined by the same set of institutional arrangements. This gives the term "structure" a deliberate positive meaning, in that the resulting wage relationships are seen as conscious decisions to create a specific structure of wages of predetermined relationships. In a wider sense, the term can be used to describe the relationships of any set of occupations or groups of workers whether or not they are covered by the same wage determination procedures.

Again, in a strict sense, "wage differentials" refer to the relative size of the differences between the wages of workers employed by the same employer or covered

by the same procedures for determining wages. Relativities refer to external wage relationships: the relationships between the wages of members of the same occupation employed elsewhere, or between the wages of members of different occupations employed elsewhere. The relationship between the wages of bricklayers, carpenters and labourers employed in construction are referred to as differentials, and the set of wage relationships resulting from a collective agreement or set of wage regulation orders covering these occupations in construction are called a pay structure. The relationship between the wages of labourers in construction and labourers in other activities are referred to as relativities.

In practice, these terms are often used loosely and "pay structure" may be used to refer to the relationship between different occupations in different activities or sectors irrespective of the processes of wage determination. There is then no positive connotation to the term structure, since the resulting relationships are not the outcome of conscious decisions by those responsible for wage pay determination, although particular decision makers may have deliberately sought to create a specific relationship between some of the occupations within their purview and other occupations elsewhere. The important distinction which will be followed here is that differentials refer to the relationship between the wages of different occupations, and relativities refer to the wage relationships of the same occupation in different activities or sectors or with different employers.

Comparisons of relative wages at a given time may be made to discover how different skills and qualifications are rewarded. Wage differentials are frequently regarded as crucial in influencing the supply of labour to different occupations by providing incentives for the acquisition of skills and training. The wage relativities of members of the same occupation may be compared to test whether one activity or sector pays relatively more or less than others. This comparison is frequently made for occupations in the public and private sectors.

Analyses of pay structures (in the strict sense) over time can show whether wage differentials are flexible, responsive to changing labour market conditions, or whether they remain fixed, which might indicate collective bargaining pressures or institutional arrangements or inertia. Analyses of relativities between occupations in different activities can indicate whether wages generally respond to differing economic conditions in different activities, or whether there are institutional arrangements which tend to ensure that all wages change in the same broad proportional terms.

International comparisons of pay structures and wage differentials can be made for the same set of occupations. This can show whether some wage relationships reflecting different skills and training requirements are common, or whether the differential payments are strongly influenced by internal factors, including supply and demand in the labour market, in each country. The October Inquiry is a particularly rich source of data for international comparisons as it provides information on a common set of occupations, although the actual usefulness is limited by different coverage of the various countries and the different measurements of wage used.

The most common method of measuring wage differentials is to express the wages of different occupations as an index of the wages of a selected base occupation. Often the least skilled occupation in the group is taken as the base, and the index number of the wages of the other occupations then usually reflect the higher wages given for the additional skills, qualifications or training. However, in some cases there may be reversed differentials when more highly skilled occupations receive lower pay than the unskilled one.

The reversal of usual differentials is not necessarily wrong, nor does it necessarily indicate that the labour market is working imperfectly or is subject to distortions. The unpleasantness of the unskilled tasks, the pace of work and quantity of physical effort required in the unskilled jobs may need relatively higher wages to induce workers to accept them, and there may be an over-supply of the more skilled occupations. Differentials are regarded as reversed because they do not conform to the general pattern, or to what has become generally expected.

When making international comparisons of differentials of the same group of occupations in different countries, the same occupation should be chosen as the base in each country. This may limit the comparison as not every country reports information for all occupations within an activity, and some of those that do may provide data separately for men and women, and others for men and women together. Differences in wages for men and for women can distort the comparisons.

For some sets of occupations it may be preferable not to choose the least skilled occupation as the index base. Sometimes this is because the least skilled occupation has a poor response rate, so its selection as the base of an index would limit the number of countries which could be compared. If another occupation is chosen, it may be possible to include more countries even though data for every occupation in the set might not be available. In other circumstances, it might be better to choose a different occupation to form the index base because the wages of another occupation might not be representative.

The 159 occupations covered by the October Inquiry are grouped into 49 activities. The wage relationships within each of these activities (sectoral differentials) are the strongest illustrations of differentials that can be obtained from the October Inquiry and can be taken as good indicators of the relative rewards given to occupations with differing skills, training and job requirements in terms of physical effort, type of work and so on. Occupational differentials for a number of years may show the extent to which the differentials are rigid or flexible over time.

7. Conclusion

The October Inquiry data on occupational wages and hours of work can serve a variety of purposes, provided the user is aware of a number of factors affecting the consistency and comparability of the data. The men-women wage relationship for the same occupation can be examined for countries reporting wage data by sex. For a discussion on gender wage differentials, see Pablo Gonzalez and Martin J. Watts: "*Measurement of Gender Wage Differentials and Job Segregation*", IDP Women Working Paper 24 (ILO, Geneva, 1995). Simple but revealing international comparisons between occupations, and for the same occupation over time, can also be made by the combining the occupational wage data with price data. For example, food prices are also collected in the Inquiry, and it is possible to calculate the amount of working time required for a worker in a particular occupation to earn a sum of money that would be sufficient to purchase a standard quantity of different products, such as a kilo of rice and a litre of cooking oil).

[1] This article is based on a detailed and comprehensive study (unpublished) prepared by Professor Derek Robinson of The Oxford Institute of Statistics and Economics.

[2] For information about the origin, development and revision of the ILO October Inquiry, see ILO: *Bulletin of Labour Statistics - October Inquiry Results, 1983 and 1984*.

[3] The Inquiry results are published each year in ILO: *Statistics on occupational wages and hours of work and on food prices - October Inquiry Results*, a special supplement to the ILO: *Bulletin of Labour Statistics*.