Labour force sample survey in the Community

1997/0202(CNS) - 09/02/2010 - Follow-up document

This is the fourth in a series of three-yearly reports that the Commission is required to submit under Article 7 of Council Regulation (EC) No 577/98 on the organisation of the labour force sample survey in the Community ('LFS legislation'). The first report was submitted by the Commission in 2000 and covered the period 1998-1999, the second was submitted in 2003 and covered the period 2000-2002, and the third one was submitted in 2006 and covered years 2003-2005. This report documents the progress made by Member States, Candidate and EFTA countries (participating countries) in 2006 and 2007 with respect to the provisions of Council Regulation (EC) No 577/98 as amended by Commission Regulation (EC) No 2104/2002 and Council Regulation No 2257/2003. In particular, Regulation (EC) No 2257/2003 introduced some innovations within the LFS legislation from 2006 onwards, which included the following:

- six additional survey characteristics;
- mandatory inclusion of module 'n' on atypical working times, which hitherto had been surveyed on the basis of a gentlemen's agreement;
- distinguishing between core variables, which should be surveyed on a quarterly basis, and structural variables, which need to be surveyed only as annual averages and for which a sub-sample of the full yearly sample can be used.

Main conclusions of the report: overall, in the period under consideration, participating countries made good progress towards fuller compliance with the LFS legislation. National surveys have been adapted both to take into account modifications in EU legislation and to comply with the requirements already in place at the time of the previous report and from which there were national deviations. The **quality** of both the national and community labour force surveys as a whole has thus been improved, especially in terms of relevance, accuracy, geographical comparability and timeliness.

All Member States now carry out a **continuous survey** providing quarterly results, and almost all of them cover all the weeks of the year. The relevance of the Community labour force survey was improved by implementing the six new characteristics, by reducing the number of mandatory variables not provided and by having two additional countries send microdata to Eurostat. Cross-country comparability was enhanced, as several countries revised their questionnaires to achieve compliance with the definition of unemployment and to increase consistency with the twelve principles for the questions on labour status. The accuracy of many national surveys benefited from improved design and organisation - for example through increased sample size, more efficient rotation schemes, enhanced weighting system or by the adoption of computer-assisted modes which replace paper questionnaires. With a few exceptions, **timeliness of data delivery** has also improved. Additional improvements are already in the pipeline at both national and European level. A further push to improve the quality of the Community labour force survey can be expected in the coming years, with the implementation of the 43 recommendations of the Task Force on the Quality of the Labour Force Survey.

However, there were still deviations from a full implementation of the LFS legislation. The main concerns for the Commission in this regard are mentioned below.

Data transmissions: these were sometimes not of sufficient quality for dissemination, and several revisions were needed before an acceptable version was sent. This had a negative impact on the timeliness of data dissemination and prevented the introduction of a Labour Force Survey release calendar, which would be highly appreciated by users and would further increase the relevance of the survey.

Comparability: so far, despite progress since the previous report, most countries neither yet fully comply with the **definition of unemployment** nor yet fully observe the twelve principles for the formulation of questions on labour status. This reduces the geographical comparability of the key estimates relating to employment and unemployment. Geographical comparability is also influenced by the use of different concepts and practices, e.g. as regards the resident population or the coverage of institutional households.

Compliance with the precision requirements: although it is not possible to provide clear conclusions on compliance with the precision requirements, evidence from the assessment presented in this report is that the efforts made so far have not always been sufficient to produce fully reliable estimates. Some countries still have to adjust their survey design, e.g. by increasing the sample size or by adopting adequate rotation patterns, so as to significantly improve the precision of estimates either at regional level or of changes between quarters. Few countries have so far taken up the option of using a sub-sample to survey structural variables, which was intended as a major tool to reduce the response burden.

Coverage and respect of the deadline for data transmission: as regards ad hoc modules, coverage and respect of the deadline for data transmission were satisfactory. The Commission will continue working closely with the Member States to ensure that they achieve full compliance with the LFS legislation. Eurostat conducts compliance monitoring on a regular basis. Where non-compliance is detected, appropriate action is taken by the Commission.