

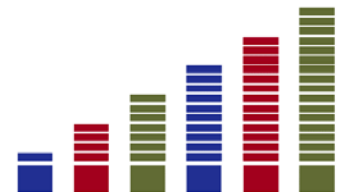
From output to input/output harmonisation in the EU LFS

Session 2

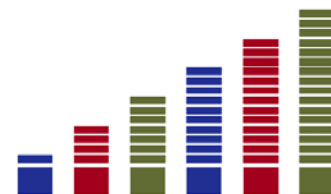
Agnieszka Zgierska
Central Statistical Office, POLAND

Agenda

- Why do we need harmonisation of statistical data?
- What does data harmonisation mean?
- The EU Labour Force Survey harmonisation
- Advantages and disadvantages of input/output harmonisation



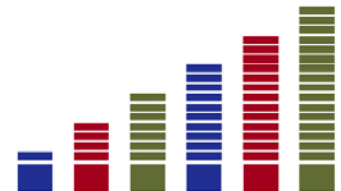
Why do we need data harmonisation?



Why do we need data harmonisation?

Statistical data constitute the base for:

- *diagnosis* of a phenomenon (**size and characteristics** of population),
- *monitoring* of a population/phenomenon **development over time**,
- *comparisson* of a phenomenon **between regions**

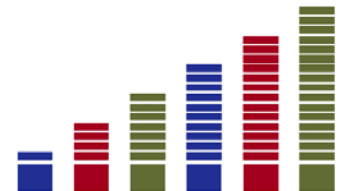


Why do we need data harmonisation? (cont.)

The examples of international strategies :

- the “*Sustainable Development Goals*” – poverty reduction topics - at the global/World level
- *the „Europe 2020”* – at EU level

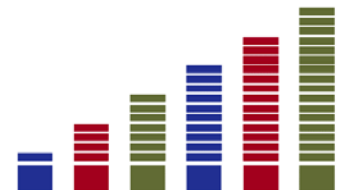
The progress towards the Strategies targets is encouraged and monitored, that is why a set of key indicators has been selected for each theme which allows comparison between the different positions of countries.



Why do we need data harmonisation and.. what does mean?(cont.)



UNEMPLOYED



Why do we need data harmonisation and.. what does mean?(cont.)

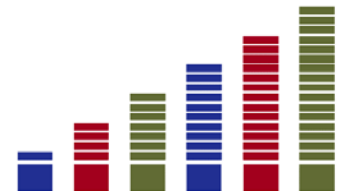
The basic solution for comparison between countries is to use the same/similar source of data, based on the same criteria.

Special attention should be paid to *definitions* of particular terms, as well as *reference periods* of these data, which is very important in case of the labour market, where indicators are strongly influenced by *seasonality*.

It is also important to put together the ***data grouped in corresponding intervals (bands)***. It facilitates analysis and drawing conclusions.

In order to do this uniformed aggregations/classifications are created in international statistics, e.g.:

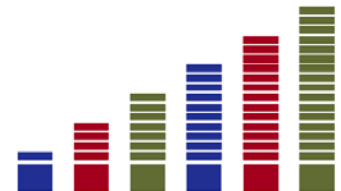
- age groups,
- level of education (ISCED),
- status in employment (ICSE),
- occupations (ISCO),
- kind of activity (NACE),
- territorial division (NUTS, LAU).



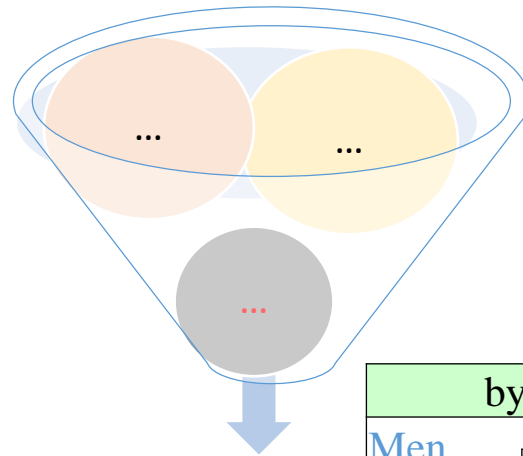
Why do we need data harmonisation and.. what does mean?(cont.)

The presentation/compilation of the outcome data in an uniformed way AFTER their collection may be described as "*product harmonisation*" or "

„OUTPUT HARMONISATION“.

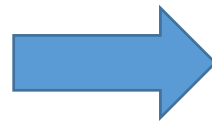


Why do we need data harmonisation and.. what does mean?(cont.)



**OUTPUT
HARMONISATION**

by <i>COUNTRY</i>	1995	2000
TOTAL EU		
<i>Argentina</i>	4 157	8 262
<i>Australia</i>	8 189	8 902
<i>Austria</i>	3 675	3 684
<i>Belgium</i>	3 793	4 120
<i>Belarus</i>	4 410	4 441



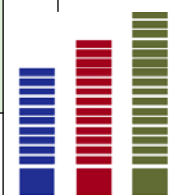
by SEX		1995	2000
Men			
Women			

by AGE (e.g. 5-years group)		1995	2000
15-24			
25-34			
...			

by LEVEL OF EDUCATION		1995	2000
ISCED			

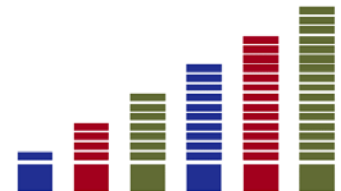
by KIND OF ACTIVITY of previous job		1995	2000
NACE Rev 2			

by OCCUPATIONS in previous job		1995	2000
ISCO 08			



Why do we need data harmonisation and.. what does mean?(cont.)

However, in order to achieve full comparability of the results, **there is also necessary to emphasize the stage preceding (BEFORE) the data collection**, which may be described as “harmonisation of the survey procedures” or **“INPUT HARMONISATION”**.



INPUT/OUTPUT HARMONISATION

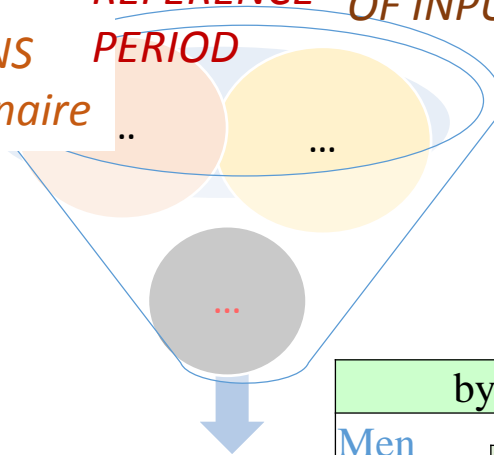
Why do we need data harmonisation and.. what does mean?(cont.)

UNIFORMED DEFINITIONS

THE SAME FORMULATION and ORDER OF QUESTIONS in a questionnaire

THE SAME REFERENCE PERIOD

UNIFORMED GROUPS/BANDS OF INPUT DATA



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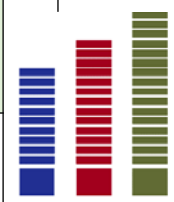
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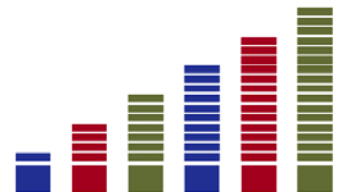
Why do we need data harmonisation and.. what does mean?(cont.)

In case of **labour market area**, one of the **main sources** of information about the situation and **trends in the European Union and every Member State** is

the Labour Force Survey (EU-LFS),

the largest European household sample survey providing quarterly and annual results on labour market participation of people aged 15 and over.

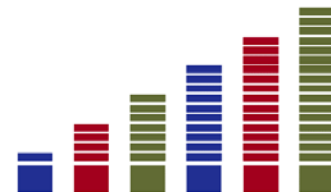
Two of the five „Europe 2020” headline targets are monitored with EU-LFS indicators.



The Labour Force Survey (cont.)

“**Labour force status**” is the **cornerstone concept** for describing people’s situation on the labour market. *Accordingly, individuals are classified in three categories: **employed, unemployed or economically inactive.***

The concept and definitions follow **the “Resolution concerning statistics of the economically active population, employment, unemployment and underemployment”** of the 13th International Conference of Labour Statisticians (13th ICLS), convened in 1982 by the International Labour Organisation.



13th ICLS Resolution (1982)

Surveys of economically
active population,

employment

unemployment

and **underemployment**

An ILO manual
on concepts
and methods



Resolution concerning statistics of the economically active population,
employment, unemployment and underemployment, adopted by the
Thirteenth International Conference of Labour Statisticians
(October 1982)

The Thirteenth International Conference of Labour Statisticians.

Recalling the existing international standards concerning statistics of the labour force employment and unemployment and in Resolution I adopted by the Eighth Conference (1954) and concerning measurement and analysis of employment and underutilisation of manpower contained in Resolution III adopted by the Eleventh Conference (1966),

Recognising the need to revise and broaden the existing standards in order to enhance their usefulness in the provision of technical guidelines to all countries and particularly those with less developed statistics and recognising the usefulness of such standards in enhancing the international comparability of the statistics,

Adopts this twenty-ninth day of October 1982 the following resolution in substitution for Resolution I of the Eighth Conference and paragraphs 4 to 9 and 13 of Resolution III of the Eleventh Conference:

Objectives and scope

The Labour Force Survey (cont.)

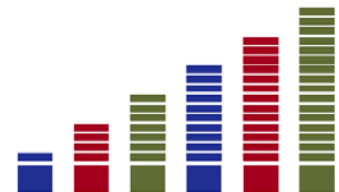
Given the complexity of the definitions of ***employment and unemployment*** and in order to achieve a measurement *as objective as possible*, it requires a *personal interview*,

although the LFS respondents are NOT asked directly if they are employed, unemployed or economically inactive.

Instead, respondents are asked about their „***labour market behaviour***” in a certain reference week

- working at least 1 hour during a certain week,
- if not – actively looking for a job
- to be ready to take a job during a specific period of time

and **then labour status of each person is derived depending on the answer of particular questions.**



The Labour Force Survey (cont.)

The **LFS surveys** are carried out in many countries around the world.

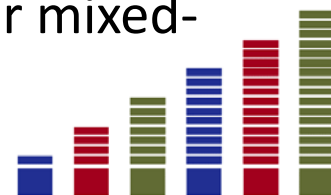
In spite of all of them being named labour force survey, **they can actually be very different surveys**, just having some common features:

- they are household surveys
- they collect data on labour market status of each person selected to a sample,

however the definitions used may not be identical

(although ILO (ICLS) recommendations say that countries are encouraged to adopt).

Neither the list of variables/the questionnaires are the same in particular countries nor the frequency of the survey, sampling scheme, collection mode (face-to-face, telephone, web or mixed-mode interview) is.



The LFS harmonisation between EU countries was achieved mostly through the **13th ICLS** recommendations (1982) and **EU legislation** (since 1973).

Nowadays

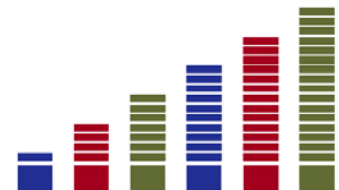
- the principal legal act : *the **Council Regulation (EC) No. 577/98.***

*This regulation has set up the regulatory framework and the pillars for the today's EU-LFS by changing the survey to a **continuous, quarterly sample survey** and adapting an **output harmonisation approach***

- The implementation rules of Council Regulation are specified in the successive Commission regulations;

at present: **Regulation (EC) No. 377/2008;**

*This regulation implements the **codification to be used for data transmission** from 2009 onwards.*



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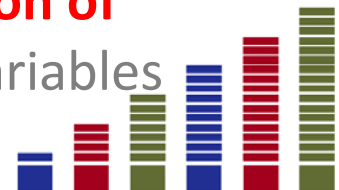
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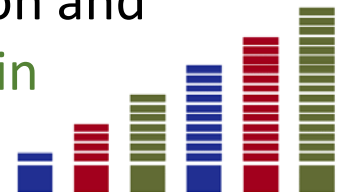
The Council Regulation (EC) No 577/98 also saw the **introduction of ad-hoc modules** in the EU-LFS. Each year, a set of additional variables covering a specific topic of the labour market is collected.



The EU-LFS (cont.)

- *Regulation (EC) No 1991/2002 of the European Parliament and of the Council of 8 October 2002 **making the continuous survey mandatory** from 2003 onwards);*
- *Commission Regulation (EC) No 1897/2000 of 7 September 2000 concerning the **operational definition of unemployment and the 12 principles for formulating questions on labour status**;*
- *Regulation (EC) No 2257/2003 of the European Parliament and of the Council of 25 November 2003 extending the survey characteristics and **introducing the distinction between structural and quarterly variables**;*
*and Regulation 430/2005 **introduced Structural variables***
(some variables need to be surveyed only annually instead of quarterly).

Also, there were undertaken initiatives targeted at elaboration and improvement of **Explanatory notes** for variables mentioned in successive regulations regarding EU LFS.

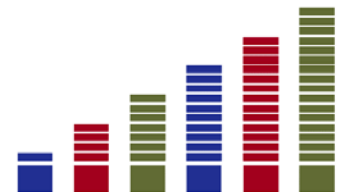


The EU-LFS (cont)

Bearing in mind the need for constant improvement of the EU LFS quality, the *Task force on the quality of the Labour Force Survey* was appointed in **2007**.

The goal of the TF was to **review the quality of the LFS** along the dimensions of the quality framework for statistical output of the European Statistical System (ESS), **detect weaknesses and recommend improvements**.

The focus of the review was on the *estimates of employment and unemployment*, as these are the most relevant and largely used indicators produced by the LFS.

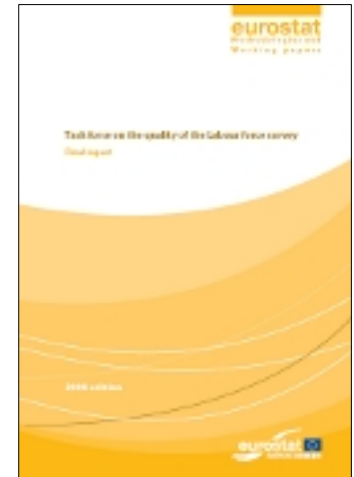


The EU-LFS (cont)

The **Task Force formulated 43 recommendations** on:

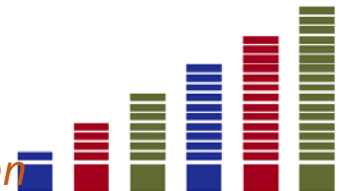
- sampling design,
- sampling errors,
- weighting schemes,
- non-response,
- interviewers and fieldwork organization,
- survey modes and questionnaire,
- information for users,
- coherence,
- comparability of employment and unemployment statistics,
- relevance of the ILO concept of employment and unemployment,
- timeliness and punctuality.

Moreover, the importance of target population, sampling frame, population estimates, rotation patterns was also highlighted, to allow comparable analysis at European level.



Source: Task force on the quality of the Labour Force Survey.

Final report; Eurostat; Methodologies and Working papers 2009 Edition

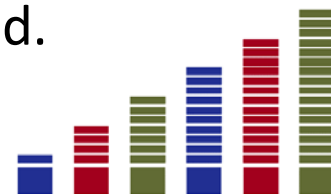
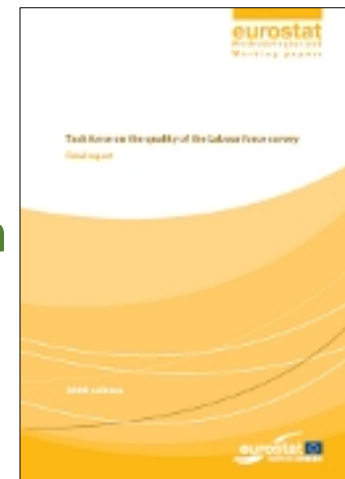


The EU-LFS (cont)

One of the significant elements of the carried out TF` analysis was **conclusion** that **countries design the LFS questionnaire in different ways, which has an impact on the results**, e.g. sequence of the questions asked in the questionnaires.

The idea of moving towards better input harmonisation was also highlighted, although it was considered difficult because of national specificities and needs.

In accordance with the TF conclusions, **in successive years the *National Action Plans* were developed** regarding the EU-LFS improvement and harmonisation according to the elaborated 43 recommendations and their implementation was monitored.

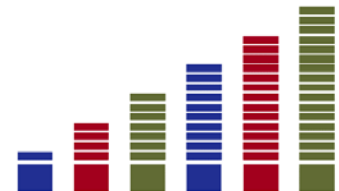


Next steps in the EU-LFS (cont.)

Following a few recommendation of the Task Force on the quality of the LFS, the Labour Market Statistics Working Group (LAMAS) agreed in early 2011 **to set up another Task Force, on the harmonisation of the measurement of employment and unemployment.**

The TF' deliverables were:

- proposed **operational definition of employment and unemployment,**
- **model questionnaire of employment and unemployment**
- **explanatory notes for variables** of main status of the labour market.



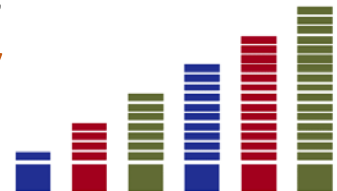
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- proposed **operational definition of employment and unemployment,**
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There should be also underlined that other few **Task Forces on ad hoc LFS modules** were operating alongside each other, in the course of which *model questionnaires and explanatory notes* for selected surveys were developed.



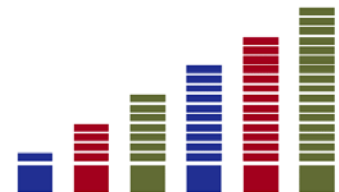
Next steps in the EU-LFS (cont.)

During these above mentioned actions implementation **few new ideas have appeared:**

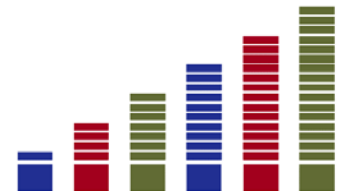
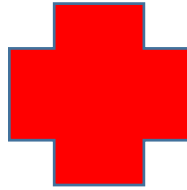
- The **new ICLS resolution of work, employment and labour underutilization** (19 ICLS, October 2013).
- **Draft Framework Regulation on Integrated European Social Statistics (IESS)**

Both affects the EU LFS and must be streamlined into the work on reviewing the LFS.

In particular, it requires revising and adjusting the deliverables of the task force on the harmonisation of the measurement of employment and unemployment.



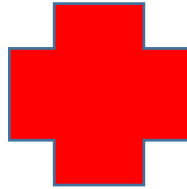
Advantages and disadvantages of EU-LFS input/output harmonisation



Advantages and disadvantages of EU-LFS input/output harmonisation

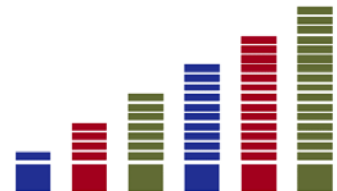
Output

- user friendly
- coherent,
- comparable **over time** and **space** taking into account crossing various characteristics, *both in particular countries as well as among countries,*
- the same timeliness and punctuality,




Help to

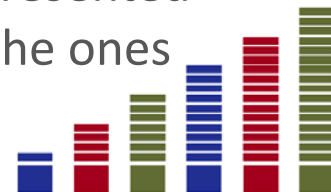
- data analysis,
- data interpretation



Advantages and disadvantages of EU-LFS input/output harmonisation



- **breaks in time series** in the beginning of harmonisation process, 
- **necessity to recalculate** the data in case of revising of international def./classification
- **difficulty with appliance** of EU harmonised definitions at the national level and *vice versa* (how to translate the country specific situation into EU definition)
- **difficulty with language** translation
PL=>EN and EN=>PL (misinterpretation)
- **insufficient for the needs** of particular countries (“flattens” some country” phenomena or omits them),
- **discrepancies** between the data presented by international institutions and the ones produced by national statistics



Thank you !

