Methodological note

EU-LABOUR FORCE SURVEY REACTION TO THE COVID-19 CRISIS UNDER REGULATION 2019/1700

EUROSTAT, DIRECTORATE F

UNIT F3 — LABOUR MARKET AND LIFELONG LEARNING

VERSION	DATE
1.0	08 DECEMBER 2020

1.   Background

To support Member States during the COVID-19 crisis, in March 2020, Eurostat released the methodological note 'DATA COLLECTION FOR THE EU-LABOUR FORCE SURVEY IN THE CONTEXT OF THE COVID-19 CRISIS'. In this note, Eurostat discussed both the impact of the COVID-19 crisis on the data collection and the new informational needs to support policymaking. The crisis is still ongoing in November 2020 and from the beginning of 2021 Regulation 2019/1700 (IESS Framework Regulation) will enter into force, bringing major changes to the design of the Labour Force Survey (EU LFS). It is consequently necessary to adapt the recommendations stated in the previous methodological note to the IESS Regulations.

2.   Data collection from 2021Q1 onwards

Regulation 2019/1700 (IESS Framework Regulation) will enter into force at the beginning of 2021. Changes include a new list of variables to be transmitted to Eurostat and their informational content. Recommendations stated in the previous methodological note will not anymore be applicable to the new list of variables.

The purpose of this note is not to change the set of recommendations but to update them in order to align them with the new regulations. Indeed, the aim, approach and possibly outcome of the recommendations remain the same since the situation that challenged Eurostat to draft them is unchanged. Continuity of the information provided should be ensured. Eurostat therefore invites countries to refer to the previous note for in-depth explanations of the problems faced and principia followed.

The first principium is that under no circumstances the NSIs should change the fundamental standards on which the survey is based, in order to preserve the possibility of temporal and spatial comparison. This can be better explained as: no change is to be implemented in the definitions and derivation of the standard LFS variables defined under IESS (framework regulation, delegated and implementing regulations), only additional (ad hoc) variables are to be collected to complement the regulated LFS variables. To quote the previous note: **"NSIs should not change, delete or add to the set of questions used to derive the ILO labour market status.** Comparability of data over time and between countries is only ensured if the variables used in the derivation of the ILO labour market status remain unchanged. However, this does not mean that additional information cannot and should not be collected.". Reasons for this principium are well described in the paragraph 4 of the previous note.

The second principium is that new, COVID-19 related, informational needs can be covered by additional variables designed on an ad-hoc basis in view of the current situation. Following the recommendations stated in the previous note, Eurostat invites the NSIs to:

- Continue with the collection and transmission to Eurostat of the variable COVIDE, meant to assess the extent of COVID-19 related measures on absences from work or on jobs lost.
  To keep consistency with the pre-IESS situation, the questions to derive COVIDE should be asked separately, and without derivation or imputation, from the variables WKSTAT, ABSREAS and JATTACH under IESS.

  Moreover, in order to cover the same group under both regulations, the pre-IESS and the IESS, the new filter for COVIDE is proposed as:

WKSTAT=2 AND EMPSTAT=1	*absent from work or business during the reference week AND employed (including temporary lay-off still employed)*
OR [EMPSTAT=2 AND YEARPR=2020 AND 03<=MONTHPR<=12]	*not employed and quit previous job after the outbreak of COVID-19*
OR [EMPSTAT=2 AND YEARPR>=2021]	

Categories of the variable COVIDE should be consistent with the past standard:

COVIDE		**Absence from work or quit working due to COVID19 measures**
	1	Yes
	2	No
	9	Not applicable
	blank	Not stated

- Continue with the collection and transmission to Eurostat of the variable COVIDA, meant to assess the extent of COVID-19 related measures on availability for work. To keep consistency with the pre-IESS situation, the questions to derive COVIDA should be asked separately, and without derivation or imputation, from the variable AVAILBLE and AVAIREAS under IESS.

  Moreover, in order to cover the same group under both regulations, the pre-IESS and the IESS, the new filter for COVIDA is proposed as:

EMPSTAT=2 AND AVAILBLE=2	*Person is not employed and could not start to work immediately (within 2 weeks)*

  Categories of the variable COVIDA should be consistent with the past standard:

COVIDA		**Non-availability to work due to COVID19 measures**
	1	Yes
	2	No
	9	Not applicable
	blank	Not stated

- Start the collection and transmission to Eurostat of the variable LAYOFF, meant to identify those who, having answered "other" to the reason for the absence from work during the reference week (corresponding to the classification ABSREAS=08), are in lay-off. The label "other" refers to the entire list of possible answers to the reason for absence question as described in the IESS Regulations (Regulation 2019/1700 and Implementing Regulation 2019/2240). Just like COVIDE and COVIDA, LAYOFF is collected on a voluntary basis.

  The reason for collecting this new variable is that no variables in the IESS Regulations allow for the identification of people in lay-off, since this working condition is regulated by very different national legislations, and a harmonised definition is not possible. When drafting the new standard under IESS, it has been decided to treat this particular situation in a simple and clear way: the rule to determine whether a person is in employment or not is the same as for any other reason, meaning the only criteria is the total duration of the absence. With the outbreak of COVID-19 and the subsequent policy measures to support the labour market, the identification of people in lay-off becomes important again. Of course, the problem of defining people in lay-off remains, and Eurostat suggests, for the sake of harmonisation, not to rely only on a legal reference to the national lay-off rules but to refer to the criterion of who takes the decision regarding the absence. In particular, if the decision is **not taken** by the worker, then the person should be considered in lay-off.

  The variable LAYOFF shall not be used to determine if the person classified in ABSREAS=08 is employed or not. The only criterion for this purpose remains the duration of absence being three months or less. Consistently for both, the pre-IESS regulation and the IESS Regulations, the answer "Do not know" to the question about the absence duration is to be considered equivalent to "longer than three months".

It is to be noted that there will be an important difference: in the pre-IESS LFS all people in lay-off are not employed, while, with the new rules, lay-off people can be either employed or not[1].

The variables COVIDE and COVIDA should not be used in the filter of LAYOFF, in order to allow countries that decide not to collect COVIDE or COVIDA to collect only LAYOFF. Moreover, when the COVID-19 crisis will be over, it will be possible to drop the two variables COVIDE and COVIDA while continuing the collection of LAYOFF.

NSIs can of course, for national purpose, further identify those continuing receiving a salary from the employer, a benefit from the government and those with no economic coverage.

The filter for LAYOFF is proposed as:

ABSREAS = 08	*Person is absent from work during the reference week for "other" reason*

Categories of the variable LAYOFF should be:

LAYOFF		**Absent from work because in lay-off**
	1	Yes
	2	No
	9	Not applicable
	blank	Not stated

All other suggestions regarding the variables MODE, LEAVREAS, SEEKREAS, AVAIREAS and MAINSTAT, recommended in the previous methodological note, are already included in the IESS Regulations and do not need further discussion. Recommendations provided in the paragraph 'Some relevant additions to the questionnaire' are still valid and directly applicable with the IESS Regulations.

The entry into force of the IESS Regulations also leads to the inclusion of a new annual variable on gross monthly pay from the main job (INCGROSS variable) in the EU-LFS. With the COVID-19 pandemic, clarification is needed on the treatment of governmental measures to fight the virus and to support the labour market in the context of the INCGROSS variable. Eurostat is currently liaising with the Eurostat SILC team in view of making a proposal during the meeting of 3 December 2020 which will be finalized after the LAMAS discussion.

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[1] This sentence refers to those who, in the pre-IESS LFS, are identified as being in lay-off by the code 3 in the variable WSTATOR. Those who are formally in lay-off but, according to the rules discussed in the old explanatory notes and further clarified in the previous methodological note, are finally classified as employed, are classified WSTATOR = 2 and it is not possible anymore to distinguish them from other employed not in lay-off. Those cases with WSTATOR = 2 concern people on involuntary absence with an assurance to return to work within a period of 3 months or people continuing to receive at least 50% of the salary from the employer.

3.   Transmission of data collected from 2021Q1 onwards

Concerning the data transmission to Eurostat, NSIs are requested to submit the COVIDE, COVIDA and LAYOFF variables in the following positions:

    345 – COVIDE

    346 – COVIDA

    347 – LAYOFF.

Consequently, all countries always have to report 347 positions in their datasets, both in the quarterly and yearly ones. In the quarterly datasets, the module positions are not expected, but countries can already include their module variables. The quarterly COVID-19 variables are placed at the end of the quarterly record. In the yearly datasets, Eurostat needs to have the COVID-19 variables again, as all the other quarterly variables.

For technical reasons (STRUVAL cannot handle records that are shorter than the defined positions), also countries that do not provide the COVID-19 variables will be asked to fill all positions, i.e. positions 345 to 347 should be reported as "Blanks" rather than cut off.

4.   Next steps

Eurostat will continue to evaluate the information received from NSIs, and collect information on additional questions introduced nationally. This overview will be shared with all Members of the LAMAS Working Group.

Using this input and feedback from NSIs on this paper, as well as further developments with regard to COVID-19 measures taken by countries, Eurostat will update this paper to be in line with its latest developments in terms of communication and analysis.