Methodological summary for LFS break-corrected time series exercise, Hungary

This methodological summary describes how were corrected breaks in the time-series of Hungarian LFS resulting from updated labour status definition in 2021. The changes in the derivation of the labour status caused breaks in the time series of the quarterly/yearly indicators, as they derive from LFS micro data. The aim of this correction exercise was to ensure data comparability over time, i.e. to provide users with break-free time-series for the most important indicators related to the labour market. This document addresses the methodology used to derive quarterly/yearly indicators. The same methodology applies for the break-corrected data for monthly unemployment statistics sent to Eurostat from February 2021 onwards.

In accordance with and as a consequence of the IESS Regulation Member States shall send break-corrected series or methodological correction input for a limited set of indicators to Eurostat. Hungary decided to transmit break-corrected series. The time span covered by this correction exercise is 2009Q1-2020Q4, as it is required. Not only the mandatory set of indicators but also the optional one are covered.

Pilot survey was planned as input for break correction. Hungary applied for a grant on breaks in time series exercise in 2017, and at that time a parallel survey running from January to December was planned prior to the year of implementation of IESS. The start of the tasks had to be postponed several times due to the entry into force of the Regulation. According to the last rescheduling, the pilot would have started in January 2020 with the aim – among others – to have a sample at the time of the transition with similar rotation composition as the future one. Unfortunately, the COVID-19 pandemic has impacted the planned breaks in time series exercise following the implementation of IESS also for the Hungarian Central Statistical Office.

HCSO had to change their plans for the pilot survey for the calculation of correction factors. Since March 2020 most of the CAPI interviews in the LFS was replaced by CATI, the LFS parallel sample was cancelled, so it was no longer possible to find the differences between the estimates obtained from the parallel sample and the estimates obtained from the LFS core sample. Only one monthly subsample left in December 2020 to identify general changes deriving from the IESS Regulation, changes in the variables used to determine labour market status in detail i.e. the main differences resulting from the differences in the questionnaire.

The HU-LFS questionnaire used until the end 2020 provided an opportunity to classify persons receiving childcare benefits according to both the old and the new methodology for economic activity. In addition to active workers receiving childcare benefits (old methodology) , those who worked before the parental leave, receive job-related income and guaranteed to return to their previous job are also considered employed due to the new EU regulations. In Hungary it ensues a 120–150 thousand growth in employment, especially impacting female activity rates.

Furthermore, students, unpaid family workers, and seasonal workers are also counted differently due to the methodological change, but without significantly changing employment data.

In January 2021, data according to the new methodology showed 4 million 537 thousand employed and a 71.1% employment rate (4 million 403 thousand employed and a 68.9% employment rate were recorded according to the old methodology). At the same time, 2 million 864 thousand people were unemployed or inactive (2 million 997 thousand people according to the old methodology).

Data recalculated until 2009 according to the new methodology can be found on the HCSO website in the STADAT summary tables: https://www.ksh.hu/stadat?lang=hu&theme=mun

Data according to the previous methodology will also remain available by clicking on the 'Data generated by the previous methodology until 2020' link in the table of contents for this topic.