

Breaks in time series in the Icelandic Labour Force Survey

Written confirmation and methodological summary on the absence of a break

After the implementation of the Integrated European Social Statistics (IESS) Framework Regulation that entered into force in 2021, Statistics Iceland did a thorough analysis of the effects on the data collection and main indicators in the Icelandic Labour Force Survey.

The main changes that were made on the data collection of the EU-LFS with the new regulation can be split into four items; 1) Exclusion of own-use production of goods, 2) Classification of people on parental leave as employed, 3) Changes in sampling techniques or definitions (including simplified rules) and 4) Addition of questions of small jobs in the questionnaire.

Concerning the first item, excluding own-use production of goods from the classification of employment, the change has no effect on the Icelandic time-series as no such cases have been measured in Iceland.

The second item, classifying individuals on parental leave as employed, has no effect on the Icelandic time-series as individuals on parental leave have already been classified as employed before the implementation of the regulation took place.

The third item, changes in sampling techniques or definitions had no effect on the Icelandic time-series. The data collection for the age group 16-74 years was not changed, although the upper boundary for the population was moved from 74 to 89 years as the regulation required. The data collection is the same as before. Data is collected continuously throughout the year. The year is divided into four 13-week periods and the sample consists of around 5,200 individuals each quarter. The sample is divided into five rotating groups (waves), so that in each survey period one group from the sample is being interviewed for the first time, another group for the second time and so forth. When each new survey period starts, the group which has been in the sample five times is replaced by a new group of persons. The new individuals are selected as a simple random sample without any rejections. In all, participants are partaking in the study three quarters in a row, followed by a two quarters rest before returning to participate for two quarters in a row (a 3-2-2 design). When survey participation is over the respondents are not returned to the sampling frame until two years after having last belonged to a sample. Although individuals can be selected in the sample more than once, results are calculated as a cross-selection research. As results are still published for the age group of 16-74 years, the change of moving the upper boundary of the population to 89 years has no effects of the published time-series.

Concerning the fourth item, addition of questions of small jobs in the questionnaire, Statistics Iceland initially estimated that the addition might have a small effect on the labour market status of all age groups. Analysis on the question responses showed that 0,5% of the respondents who got the questions answered yes to having done any casual or small work for payment in the past week. All who answered yes (291 individuals), were classified as inactive and answering yes to the question does not change their classification. The analysis results are therefore that the addition of the question had no effect on the Icelandic time-series.

The final results are therefore that no break can be found in Statistics Iceland Labour Force Survey after the implementation of the IESS regulation.