EU labour force survey methodology Statistics Explained

Introduction

This Eurostat article describes the methodology of the European Union labour force survey (EU-LFS) applicable until the 2020 data collection. It gives specific information on the concept of the labour force status and the definitions of the variables used until that year.

The new methodology in force from the EU-LFS 2021 data collection onwards is described in the article EU Labour Force Survey - new methodology from 2021 onwards

Both articles are part of a set of online articles on the EU-LFS.

EU-LFS concept of labour force status

Definition of the labour force status

Labour force status is the cornerstone concept for labour market statistics. Accordingly, individuals are classified in three categories as employed, unemployed or outside the labour force. These definitions are explained below. The definitions used in the EU-LFS follow the Resolution of the 13th International Conference of Labour Statisticians, convened in 1982 by the International Labour Organisation (hereafter referred as the 'ILO guidelines'). To further improve comparability within the EU, while remaining fully compatible with the ILO guidelines, Regulation 1897/2000, gives a more precise definition of unemployment.

Employment (persons in employment):

Employed persons comprise persons aged 15 years and more who were in one of the following categories:

- (a) persons who during the reference week worked for at least one hour for pay or profit or family gain.
- (b) persons who were not at work during the reference week but had a job or business from which they were temporarily absent.

This definition is applicable to employees, self-employed persons and family workers. Pay includes cash payments or 'payment in kind' (payment in goods or services rather than money), whether payment was received in the week the work was done or not.

Exceptions to the standard age group 15 years and more are: 16 years and more in Spain, Italy, Sweden (until 2001) and United Kingdom; 15 to 74 years in Denmark, Estonia, Latvia, Hungary, Finland, Sweden (2001 onwards) and Norway (2006 onwards); 16-74 in Iceland and Norway (until 2005).

For further details and treatment of borderline cases (like seasonal workers, lay-offs, unpaid family workers, employment in activities for own-consumption, vocational training, absences, etc.) see variable WSTATOR in the

EU-LFS explanatory notes and EU-LFS user guide .

Unemployment:

Unemployed persons comprise persons aged 15 to 74 years who were:

- (1) not employed according to the definition of employment above;
- (2) currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week;
- (3) actively seeking work, i.e. had taken specific steps in the four week period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of at most three months from the end of the reference week.

For the purposes of point (3), the following are considered as specific steps:

- a) having been in contact with a public employment office to find work, whoever took the initiative (renewing registration for administrative reasons only is not an active step),
- b) having been in contact with a private agency (temporary work agency, firm specialising in recruitment, etc.) to find work,
- · c) applying to employers directly,
- d) asking among friends, relatives, unions, etc., to find work,
- e) placing or answering job advertisements,
- f) studying job advertisements,
- g) taking a recruitment test or examination or being interviewed,
- h) looking for land, premises or equipment,
- i) applying for permits, licenses or financial resources.

Education and training are considered as ways of improving employability but not as methods of seeking work.

- Persons without work and in education or training will only be classified as unemployed if they are 'currently available for work' and 'seeking work', as defined in points (2) and (3).
- During the off-season, seasonal workers cannot be considered as having a formal attachment to their high-season job because they do not continue to receive a wage or salary from their employer although they may have an assurance of return to work. If they are not at work during the off-season, they are classified as unemployed only if they are 'currently available for work' and 'seeking work', as defined in points (2) and (3).

Exceptions to the standard age group 15 to 74 are: 16 to 74 years in Spain, Italy, Sweden (until 2000), United Kingdom, Norway (until 2005) and Iceland.

Before 2001 unemployment results used to refer to persons aged 15 years and more.

For further details, see variables WSTATOR, SEEKWORK, AVAILBLE and METHODA to METHODM in the EU-LFS user guide and the EU-LFS explanatory notes .

Labour force:

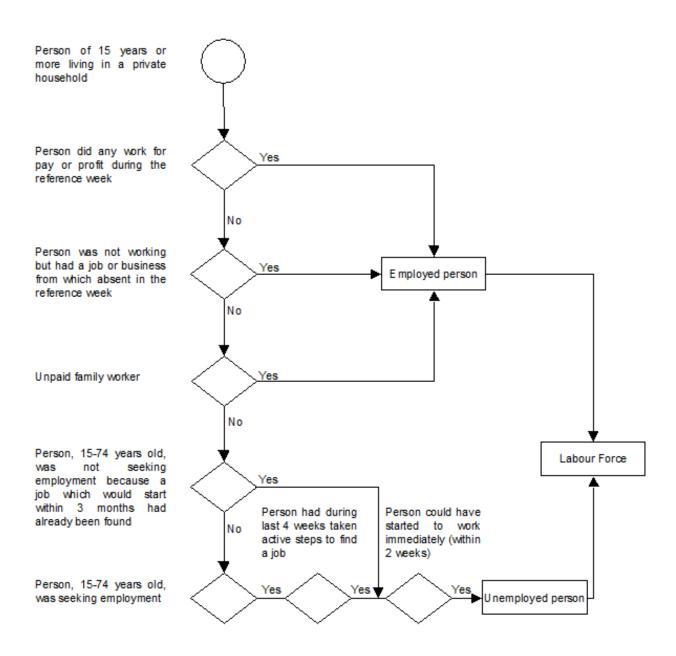
The labour force, formerly called active population, is the population employed or unemployed.

People outside the labour force:

People outside the labour force, formerly called economically inactive persons, are those who are neither employed nor unemployed.

Derivation of the labour force status in the European Union labour force survey:

Given the complexity of the definitions of employment and unemployment above, and in order to achieve a measurement as objective as possible, EU-LFS respondents are not asked directly if they are employed, unemployed or outside the labour force. Instead, they are asked about their labour market behaviour in a certain reference week and then their labour status is derived according to the following derivation chart:



Labour force classification in the EU-LFS

For further details see derivation of the variable ILOSTAT in the EU-LFS explanatory notes and EU-LFS user guide .

Indicators to supplement the unemployment rate

In addition to the three labour statuses explained above (employment, unemployment, economic inactivity), there are three other important indicators of the labour situation:

• **Underemployed part-time workers** are persons aged 15-74 working part-time who wish to work additional hours and are available to do so. Part-time work is recorded as self-reported by individuals.

- Persons available to work but not seeking are persons aged 15-74 neither employed nor unemployed who want to work, are available for work in the next 2 weeks but are not seeking work.
- Persons seeking work but not immediately available are the sum of persons aged 15-74 neither employed nor unemployed who: (1) are actively seeking work during the last 4 weeks but not available for work in the next 2 weeks; (2) found a job to start in less than 3 months and are not available for work in the next 2 weeks; (3) found a job to start in 3 months or more; (4) are passively seeking work during the last 4 weeks and are available for work in the next 2 weeks.

Other concepts and definitions

The following list gives a short overview of other important concepts and definitions besides the labour force status used in the EU-LFS. The reference document for the definitions of these variables is the EU-LFS explanatory notes and EU-LFS user guide. They contain detailed information on the definition of each variable.

Socio-demographic and geographic characteristics

- Nationality: Nationality is interpreted as citizenship. Citizenship is defined according to national legislation of each country. For the reference definition, please consult the variable NATIONAL in EU-LFS explanatory notes and EU-LFS user guide.
- Country of birth: For the purpose of this variable, current national boundaries should be considered rather than the boundaries at the time of the respondent's birth. For the reference definition, please consult the variable COUNTRYB EU-LFS explanatory notes and EU-LFS user guide.
- Marital status: Marital status is the conjugal status of each individual in relation to the marriage laws of the country (i.e. de jure status). For the reference definition, please consult the variable MARSTAT in EU-LFS explanatory notes and EU-LFS user guide.
- Dependent child: A child is defined as a household member aged less than 25 years and in full social and economic dependence from other household member/-s (parents/ adults). All household members aged below 15 are by default considered dependent, and hence 'children', whereas an additional check on the social and economic dependence is required for the household members aged between 15 and 24. For details, please consult the variable HHCOMP in EU-LFS explanatory notes and EU-LFS user guide.
- Recent immigrants: Foreign born persons or persons with a nationality different to the country of residence who have been resident five years or less in the reporting country. For details, please consult the variable YEARESID in EU-LFS explanatory notes and EU-LFS user guide.
- **Degree of urbanisation:** This is to classify the place of residence by 3 types of area: densely-populated, intermediate and thinly-populated. For reference, please consult the variable DEGURBA in EU-LFS explanatory notes and EU-LFS user guide.

Educational attainment and participation in education and training

- The **educational attainment level** of an individual is the highest ISCED (International standard classification of education) level successfully completed, the successful completion of an education programme being validated by a recognised qualification, i.e. a qualification officially recognised by the relevant national education authorities or recognised as equivalent to another qualification of formal education. In countries where education programmes, in particular those belonging to ISCED levels 1 and 2, do not lead to a qualification the criterion of full attendance of the programme and normally gaining access to a higher level of education may have to be used instead. When determining the highest level, both general and vocational education should be taken into consideration. For more detailed information see the EU-LFS explanatory notes and EU-LFS user guide for the variables HATLEVEL, HATFIELD, HATYEAR.
- Participation in education and training covers participation in formal and non-formal education and training. The reference period for the participation in education and training is the four weeks prior to the interview. For more detailed information see the EU-LFS explanatory notes and EU-LFS user guide for the variables EDUCSTAT and COURATT as well as the classifications ISCED and CLA.

Employment - principal activities and professional status

- **Economic activity:** This is the economic activity of the estiblishment where the work is performed. For reference, please consult the classification NACE.
- Occupation: For reference, please consult the classification ISCO .
- **Professional status:** This is the classification of employed persons into employees, self-employed and unpaid family workers. For the reference definitions, please consult the variable STAPRO in EU-LFS explanatory notes and EU-LFS user guide as well as the classification ICSE.
- Employees with fixed-term contracts: The concept of fixed-term contract is only applicable to employees, not to self-employed. In most of the EU Member States, a majority of jobs are based on written labour contracts. In some countries, however, contracts of this type are settled only in specific cases e.g. for public-sector jobs, apprentices or other trainees within an enterprise. Given these institutional discrepancies, the concepts of 'temporary employment' and 'work contract of limited duration' (or 'permanent employment' and 'work contract of unlimited duration') describe situations which, in different institutional contexts, may be considered similar. For the reference definitions, please consult the variable TEMP EU-LFS explanatory notes and EU-LFS user guide as well as the classification ICSE.

Employment - Working time

- Working time: The EU-LFS collects data on "number of hours usually worked per week" and "number of hours actually worked during the reference week". The number of hours usually worked per week comprises all hours including extra hours, either paid or unpaid, which the person normally works, but excludes the travelling time between home and workplace and the time taken for the main meal break (usually at lunchtime) are excluded. The number of hours actually worked during the reference week covers all hours including extra hours regardless of whether they were paid or not. For the reference definitions, please consult the EU-LFS explanatory notes and EU-LFS user guide for the variables HWUSUAL and HWACTUAL.
- Atypical working time: The atypical work distinguishes between "evening or night work, "Saturday or Sunday working" and "shift work".
- Evening and night work: Since the definitions of evening and night differ widely, it is not easy to establish a strictly uniform basis for all Member States. In general, however, 'evening work' is considered to be work done after usual working hours but before the usual hours of sleep in the Member State concerned. It implies the opportunity to sleep at normal times. 'Night work' is generally be regarded as work done during usual sleeping hours and implies abnormal sleeping times.
- Saturday and Sunday working: This concept is interpreted strictly on the basis of formal agreements concluded with the employer.
- Shift-work: The question of shift work applies only to employees. Shift work is a regular work schedule during
 which an enterprise is operational or provides services beyond the normal working hours from 8 am to 6
 pm on weekdays (evening closing hours may be later in the case of a longer break at noon in some
 Member states).

For the reference definitions, please consult the EU-LFS explanatory notes and EU-LFS user guide for the variables SHIFTWK, EVENWK, NIGHTWK, SATWK and SUNWK.

- Full-time/part-time: This variable refers to the main job. The distinction between full-time and part-time work is generally based on a spontaneous response by the respondent. The main exceptions are the Netherlands and Iceland where a 35 hours threshold is applied, Sweden where a threshold is applied to the self-employed, and Norway where persons working between 32 and 36 hours are asked whether this is a full- or part-time position.
- Involuntary part-time employment: This is when respondents report that they work part-time because they are unable to find full-time work. For the reference defintions, please consult the EU-LFS explanatory notes and EU-LFS user guide for the variables FTPT and FTPTREAS.

• Total duration of temporary job or work contract of limited duration: This refers to the total of the time already elapsed plus the time remaining until the end of the contract. For the reference definitions, please consult the variable TEMPDUR in EU-LFS explanatory notes and EU-LFS user guide.

Unemployment

• Long-term unemployment consists of unemployed persons aged 15-74 who are looking for a job for one year or more.

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