Enhanced statistics of employment and unemployment with model questionnaires

Hervé Rennié
EUROSTAT, Luxembourg – herve.rennie@ec.eurostat.eu
David Thorogood
EUROSTAT, Luxembourg – David.Thorogood@ec.europa.eu

Abstract

The standards for international statistics of employment and unemployment are the concepts and definitions set by the International Labour Organisation (ILO). However, there are no harmonised questionnaires to collect ILO concepts. Because ILO concepts are not asked directly to the survey respondents but are indirectly derived from answers to simple questions, even small differences in interview aspects like wording of questions and interview flow can make a visible difference in the statistical results. In Europe, ILO employment and unemployment statistics are collected in the European Union Labour Force Survey (EU LFS). The use of common variables and definitions in the EU LFS ensures a good level of comparability. It is however not a fully standardised survey as countries have their own national questionnaire and sample design. Eurostat and the European Statistical System are presently engaged in defining and agreeing model questionnaires for use in the EU LFS as a way to further enhance comparability across Europe. This harmonisation approach is relevant not only in Europe but in the rest of the world too.

Keywords: official statistics ; international comparability ; employment ; unemployment ; questionnaire ; survey making.

1. Introduction

The European Union Labour Force Survey (EU LFS) is a large-scale household-based survey conducted in 33 European countries, gathering information on work-related topics. The main statistical objective is to divide the resident population into three mutually exclusive and exhaustive groups - persons employed, unemployed and economically inactive persons – allowing the computing of very prominent indicators in the field of labour market statistics, like the employment rate and the unemployment rate.

The national statistical institutes of the 33 countries participating in the EU LFS are responsible for designing national questionnaires, drawing the sample, conducting interviews and sending results to the European Commission (Eurostat). The basic comparability of results across countries is ensured by European Regulations. The main legal text is Council Regulation 577/98[1], which in particular sets provisions on the design of the survey (making it a continuous survey), the sampling units, observation methods, precision requirements and topics on which data should be collected. In addition, Commission Regulation 377/2008[2] provides the list of variables that are required at EU level together with their codification.

This approach, known as output harmonisation, is however not sufficient to ensure fully comparable estimates on key figures like employment and unemployment. Different national questionnaires, different ways of asking questions for collecting a given variable, could lead

---

[1] http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:31998R0577
[2] http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32008R0377

to very different estimates. As a consequence, a lot of work has been conducted over the last decade by the European Statistical System (ESS) to progress towards a better comparability across countries. Although tangible results were achieved, the situation is still not optimal, and calls for a step further towards input harmonisation. The ESS is currently engaged in developing model questionnaires for further enhancing comparability of employment and unemployment measures.

2. Past achievements and current situation

The main goal of the EU LFS is to divide the population of working age into the groups of people employed, unemployed and inactive. The international standards for defining the labour market status of respondents are set in resolutions of the International Conference of Labour Statisticians (ICLS), convened by the International Labour Organisation (hereafter referred as the 'ILO guidelines').

At EU level, the current basis for harmonised statistics on employment and unemployment is Commission Regulation 1897/2000[3]. The Regulation lays down an operational definition of unemployment which is legally binding for the Member States. This definition is fully in accordance with the ILO guidelines adopted by the 13th and 14th ICLS. As the name implies, this definition 'operationalizes' the ILO guidelines, further specifying how unemployment should be measured in practice in the EU LFS. Commission Regulation 1897/2000 also lays down twelve common principles for the formulation of the questions on the labour status in the EU LFS. e.g. these principles set the position of the questions on the labour status in the overall questionnaire, some rules on the ordering of questions, the target group of these questions, specific population groups (small jobs, unpaid family workers…) that shall be identified, the types of job search methods that should be considered, etc. These principles seek a minimum level of input harmonisation. At the same time, they leave the ultimate responsibility of designing national surveys to Member States, so that they can satisfy both the international requirements and their specific national requirements.

These requirements have clearly improved the cross-country comparability of labour market indicators. Over time, Member States have gradually implemented more and more principles from the Regulation. However, the situation is still not optimal. Firstly, while an operational definition of unemployment was laid down, there is still no operational definition of employment. This lack leaves room for interpretation, in particular regarding how to treat persons who are absent from work (in some cases they are considered as employed, in other cases as unemployed, with different interpretations of borderline cases). As regards the twelve principles, experience has shown that questions formulated in strict accordance with the principles may in some cases not be straightforward for the respondents to understand. In addition, the principles themselves still leave room for interpretation. As an example, they require to collect the types of job search methods from a pre-defined list. However, depending on the way this information is asked (single multi-response question or separate question for each method, order of these questions, asking for the full list of methods or only the main ones…), results could be very different. Differences still remain on how to treat some specific population groups, like seasonal workers during the off season, or lay-offs.

This lack of harmonisation is clearly visible in the national questionnaires. A study of 25 national questionnaires carried out for Eurostat in 2008 has shown that the variable

---

[3] http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32000R1897

WSTATOR, which is the main variable used to determine the labour status of the respondent during the reference week, is collected using anywhere from 1 to 13 questions across the countries.

In 2011, in view of the above, Eurostat and the Member States launched a task force, mandated to make proposals for further harmonising the measurement of employment and unemployment (hereafter referred as the 'TF HMEU').

3. Designing model questionnaires to achieve a better comparability

One of the first tasks of the TF HMEU was to propose an operational definition of employment, alongside with the already existing one for unemployment. In the meantime, both definitions are also reviewed, in order to align them with the latest international standards (adopted by the 19th International Conference of Labour Statisticians in 2013). It is proposed that both definitions are included in a future EU Regulation, so that it would become legally binding for all Member States.

As in the current framework, the operational definition of employment and unemployment is meant not only to follow the international standards and definitions, but to 'operationalize' them, in the sense that it describes how data should be collected in the EU LFS. e.g. while the ILO guidelines specify that unemployed people could be aged 15 years or more, the operational definition starts with that age group, but specifies further that *'For operational reasons the collection of unemployment data can be limited to persons aged 15 to 74 years'*, based on the assumption that, above 74 years of age, the overwhelming majority of non-employed persons are not seeking work anymore.

In addition to this operational definition, the TF HMEU discussed several additional tools, to further improve the comparability of employment and unemployment estimates, and eventually decided to replace the current *'principles for the formulation of the questions on the labour status'* by a model questionnaire. Developing model questionnaires is not a new practice in the ESS. Eurostat started using this method in 2010 for the development of annual ad-hoc modules attached to the LFS. Having a commonly agreed upon model questionnaire for measuring employment and unemployment goes much further into input harmonisation than what is currently achieved with the twelve common principles. It means that the routing of questions, the wording of these questions, and the way to transcode answers into variables is harmonised. Figure 1 below gives an example of the routing of the questions asked to persons who declare having a job from which they were absent during the reference week, in the proposed model questionnaire. It shows which specific groups of persons absent from work should be identified, and in which cases they should be considered as employed.
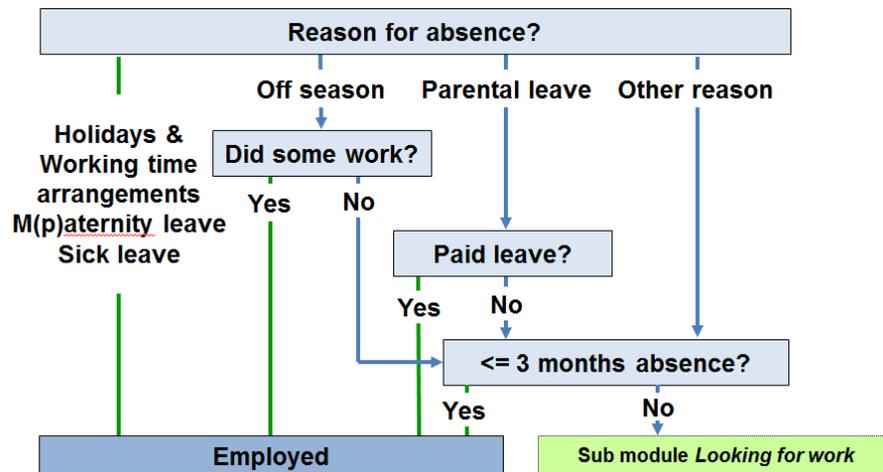
Figure1: flowchart for the sub-module 'Absences' in the model questionnaire

The value added of a commonly agreed upon model questionnaire is very clear: it clarifies the definition of employment and unemployment. It also ensures that the same rules are applied in every country, even for borderline cases. All in all, it clearly reduces differences among national questionnaires. It is however a challenging task, mainly for the reason that implementing the model questionnaire means that countries' specificities will have to be addressed and dealt with. As an example, the parental leave schemes are very diverse in Europe. In some countries paid parental leaves are usually limited to a couple of months, while in others parents have the opportunity to take several years of paid parental leaves. Not all countries apply the same rules for defining whether persons in very long parental leave are still considered as employed or not. Another obvious hurdle is the translation to all the national languages across the 33 participating countries. Implementing the new model questionnaire across Europe is also challenging due to time series breaks. Touching the questionnaire used for defining the labour status of the population means that breaks in the time series of the most important indicators on the labour market will occur in many countries.

Sub module *At work*

IF AGE >= 15

If the reference week is the week before the interview

EAW1a	**In the past week, did you have a job or a business?**	
	1. Yes	→ EAW1c
	2. No	→ EAW1b

Implementation instructions: The word 'business' should be carefully translated, as too direct translations may cause problems regarding understanding.

IF EAW1a=no

EAW1b	**Did you have any other work for pay or profit, even if it was only a small or occasional activity?**	
	1. Yes	→ EAW1c
	2. No	→ EAW2

Implementation instructions:

The word 'profit' should be carefully translated, as too direct translations may cause problems regarding understanding. 'Small' and 'occasional' jobs can be translated to reflect best the national understanding of the concept.

Figure 2: First questions of the draft model questionnaire

Eurostat and Member States are currently finalising the drafting of the model questionnaire, and conducting tests in several countries to both validate the questionnaire, in particular checking whether it can be translated and implemented smoothly in each country, and to better assess the impact it would have on key indicators. Testing, both field and laboratory, is a key step in the development of model questionnaires. It has so far been tested in 8 countries, in two rounds over several years, and is scheduled for at least one more round of tests. The objective is to implement the model questionnaire in all countries by the end of the decade.

4. Conclusions

Striving for implementing exactly the same questionnaire in all countries probably remains as wishful thinking. National specificities, and in particular translation issues, will always necessitate some national adaptations of the model questionnaire. However, while acknowledging these limitations, Eurostat and the Member States clearly see the development of such model questionnaires as a way to foster harmonisation across Europe. Currently there are several projects running in some stage of development in the ESS which are using or will use model questionnaires (in addition to the model questionnaire for employment and unemployment estimates described in this document, several LFS ad-hoc modules are based on model questionnaires, and work is on-going on designing a model questionnaire to measure absences and working time). This issue is particularly relevant for key indicators like employment and unemployment, where users expect a very high level of comparability. Although this objective is quite easy to reach in the European Union context, where some homogeneity across countries has already been achieved, other regions in the world could surely benefit from the work currently undergoing in the European Statistical System.