



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.10.1997
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97/ 0202 (CNS)

Proposal for a
COUNCIL REGULATION (EC)

on the organization of a labour force sample survey in the Community

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. In order to carry out its tasks, in particular the monitoring of trends in employment and unemployment (Annual Report to the Council following the Essen Summit), to identify the regions most affected by unemployment (eligibility for the structural funds - Objective 2) and to analyse the situation of individuals and households on the labour market, the Commission needs to have regular, comparable, recent and representative regional data on employment and unemployment in the Member States.
2. The Community Labour Force Survey currently consists of putting together the national labour force surveys conducted in the Member States. Although formally harmonized (Council Regulation (EEC) N° 3711/91 of 16 December 1991), these surveys essentially retain their own specific features as adopted to meet national requirements. The differences include the frequency, the definition of the reference period, the units observed, the survey coverage, the observation methods, the sample design, the extrapolation methods and the questionnaires. The country-to-country comparability of the data obtained, particularly on employment and unemployment, must therefore be improved.
3. One of the obstacles to achieving more comparable survey methods is the inertia of large sample surveys: reforming a national labour force survey represents a considerable investment of resources in terms of sample design, organization of data processing and general survey infrastructure. It is not until a Member State has actually begun to overhaul its survey that there is any real chance of progress. For this reason, the proposed Regulation defines a target while allowing the Member States, for a transitional period, the possibility of conducting only an annual survey in the spring.
4. Limiting the costs of implementing the continuous survey has been a major consideration: spreading data collection over the whole year should make for more rational organization of the operations and efficient use of computer resources (particularly portable machines); the accuracy levels set do not generally imply an excessive increase in the size of the annual sample; the requirement to use the household as the sampling unit has been dropped in order to accommodate those Member States which prefer to base their sample on individuals, on condition that the other requirements regarding households are met; certain variables included in the current series of surveys have been dropped.
5. In line with the principle of subsidiarity, only data on the variables used to determine activity status and underemployment have to be collected in direct personal interviews conducted according to very strict common guidelines, which are essential for ensuring an acceptable degree of comparability of the results; for the remaining variables, the wording and sequence of the questions

are not subject to Community guidelines but are left to the discretion of the NSIs, or the information required may be obtained from other sources (administrative files).

Furthermore, the target structure does not require a sample rotation scheme (not essential for the comparability of results), so that Member States can use the survey plan that most effectively takes account of specific national features.

6. The proposed Regulation has been widely discussed with the national statistical offices and has received a favourable opinion from the Statistical Programme Committee. Its aim is that the Member States' labour force surveys should gradually be adapted so as to provide a statistical instrument which is more reliable, more modern and more flexible.

PROPOSAL FOR A COUNCIL REGULATION (EC)

on the organization of a labour force sample survey in the Community

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 213 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament

Having regard to the opinion of the Economic and Social Committee,

Whereas, in order to carry out the tasks assigned to it, the European Union needs comparable statistical information on the level and pattern of and trends in employment and unemployment in the Member States;

Whereas the best method of obtaining such information at Community level is to conduct harmonized labour force surveys;

Whereas Council Regulation (EEC) N° 3711/91¹ of 16 December 1991 on the organization of an annual labour force sample survey in the Community laid down that, starting in 1992, a survey was to be conducted in the spring of each year;

Whereas, although a continuous survey is preferable to an annual spring survey for ensuring the availability and harmonization of data and measuring the volume of work, it is difficult to implement a continuous survey on the same dates in all the Member States;

Whereas the use of existing administrative sources should be encouraged in so far as they can usefully supplement the information obtained through interviews or serve as a sampling basis;

Whereas the data in the survey, as fixed by this Regulation, may be extended to include a further set of variables forming part of a programme of ad hoc modules which covers several years, and which the Commission is required to draw up under an appropriate procedure as part of the implementation arrangements;

Whereas the statistical confidentiality is governed by the rules set out in Council Regulation (EC) N.° 322/97 on Community statistics² and in Council Regulation

¹ OJ N° L 351 of 20.12.1991, p. 1

² OJ N.° L 52, of 22.2.1997, p. 1

(Euratom, EEC) N.º 1588/90 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities ³,

Whereas the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁴ has been consulted by the Commission in accordance with Article 3 of the aforesaid Decision,

HAS ADOPTED THIS REGULATION:

³ OJ N.º L 151 of 15.6.1990, p. 1
⁴ OJ N.º L 181 of 28.6.1989, p. 47

Article 1

Frequency of the survey

A labour force sample survey, hereinafter referred to as "the survey", shall be conducted by the Member States each year.

The survey is a continuous survey providing quarterly and annual results; however, those Member States which are not in a position to implement a continuous survey may carry out an annual survey only, to take place in the spring.

The information collected during the survey relates generally to the situation during the course of the week (taken to run from Monday to Sunday) preceding the interview, known as the reference week.

In the case of a continuous survey :

- the reference weeks are spread uniformly throughout the whole year;
- the interview normally takes place during the week immediately following the reference week. The reference week and the date of the interview may not be more than five weeks apart, except in the third quarter;
- the reference quarters and years are respectively groups of 13 or 52 consecutive weeks. A list of the weeks making up a given quarter or year is drawn up according to the procedure laid down in Article 8 of this Regulation.

Article 2

Units and scope of the survey, observation methods

1. The survey shall be carried out in each Member State in a sample of households or of persons residing in the economic territory of that State at the time of the survey.

2. The principal scope of the survey consists of persons residing in private households on the economic territory of each Member State. If possible, this main population of persons living in private households, is supplemented by persons living in collective households.

Wherever possible, collective households are covered by means of samples specially drawn to permit direct observation of the persons concerned. If this is not possible, then persons in these groups who continue to have an association with a private household are included in connection with that household.

3. The variables used to determine labour status and underemployment must be obtained by interviewing the person concerned, or, if this is not possible, another member of the household. Other information may be obtained from alternative sources, including administrative records, provided that the data obtained are of equivalent quality.

4. Regardless of whether the sampling unit is an individual or a household, information is usually collected for all individuals of the household. However, if the sampling unit is an individual, the information

concerning the other members of the household

- may exclude the characteristics listed under g, h, i et j of paragraph 1 of of Article 4,
- and may be collected from a sub-sample defined in such a way that:
 - the reference weeks are uniformly distributed throughout the whole year;
 - the number of observations (individuals sampled plus the members of their (household) satisfies, for the annual estimates of levels, the reliability criteria defined in Article 3.

Article 3

Representativeness of the sample

1. In order to ensure a reliable foundation for comparative analysis at Community level, as well as at the level of the Member States and of specific regions, the sampling plan shall guarantee that for characteristics relating to 5% of the population of working age the relative standard error for the estimation of annual averages (or to the spring estimates in the case of an annual survey in the spring) at NUTS II level does not exceed 8%, assuming the design effect for the variable "unemployment".

Regions with less than 300,000 inhabitants shall be exempt from this requirement.

2. In the case of a continuous survey, the sample design should

guarantee that for sub-populations which constitute about 5% of the population of working age, the standard error at national level for the estimate of changes between two successive quarters, does not exceed 2% of the sub-population concerned.

For Member States with a population of between one million and twenty million inhabitants, this requirement is relaxed so that the standard error for the estimate of quarterly changes does not exceed 3% of the sub-population concerned.

Member States whose population is below one million inhabitants are exempt from these precision requirements concerning changes.

3. Where the survey is carried out only in the spring, at least a quarter of the survey units are taken from the preceding survey and at least a quarter form part of the following survey.

These two groups shall be identified by a code.

4. Where non-response to certain questions results in missing data, statistical imputation is normally applied.

5. The weighting factors are calculated taking into account the probability of selection and external data relating to the distribution of the population being surveyed, by sex, age (five-year age groups) and region (NUTS 2 level), where such external data are sufficiently reliable.

The same weighting factor is applied for all members of the same household.⁵

6. Member States shall provide the Statistical Office of the European Communities (hereinafter called "Eurostat") with whatever information is required concerning the organisation and methodology of the survey, and in particular, they shall indicate the criteria adopted for the design and size of the sample.

Article 4

Survey characteristics

1. Data shall be collected on :

a) demographic background :

- sequence number in the household
- sex
- year of birth
- date of birth in relation to the end of the reference period
- marital status
- relationship to reference person
- sequence number of spouse
- sequence number of father
- sequence number of mother
- nationality
- number of years of residence in the Member State
- country of birth (optional)
- nature of participation in the survey (direct participation

or proxy through another member of the household)

b) labour status :

- labour status during the reference week
- reason for not having worked though having a job
- search for employment for person without employment
- type of employment sought (self-employed or employee)
- methods used to find a job
- availability to start work

c) employment characteristics of the main job :

- professional status
- economic activity of local unit
- occupation
- number of persons working at the local unit
- country of place of work
- region of place of work
- year and month when the person started working in current employment
- permanency of the job (and reasons)
- duration of temporary job or work contract of limited duration
- full-time/part-time distinction (and reasons)
- working at home

d) hours worked :

- number of hours per week usually worked
- number of hours actually worked
- main reason for hours actually worked being

⁵ This obligation will be retained in the Regulation only if its basis is not challenged by the studies on this topic currently in progress.

- different from person's usual hours
- e) second job :
- existence of more than one job
 - professional status
 - economic activity of the local unit
 - number of hours actually worked
- f) visible underemployment :
- wish to work usually more than the current number of hours (optional in the case of an annual survey)
 - looking for another job and reasons for doing so
 - type of employment sought (as employee or otherwise)
 - methods used to find another job
 - reason why the person is not seeking another job (optional in the case of an annual survey)
 - availability to start work
 - number of hours of work wished for (optional in the case of an annual survey)
- g) search for employment :
- type of employment sought (full-time or part-time)
 - duration of search for employment
 - situation of person immediately before starting to seek employment
 - registration at public employment office and whether receiving benefits
 - willingness to work for person not seeking
- employment
- reason why person has not sought work
- h) education and training
- participation in education or training during previous four weeks
 - purpose
 - level
 - place
 - total length
 - total number of hours
 - highest successfully completed level of education or training
 - year when this highest level was successfully completed
 - received vocational training within a dual system
- i) previous work experience of person not in employment :
- existence of previous employment experience
 - year and month in which the person last worked
 - main reason for leaving last job or business
 - professional status in last job
 - economic activity of local unit in which person last worked
 - occupation of last job
- j) situation one year before the survey :
- main labour status
 - professional status
 - economic activity of local unit in which person was working
 - country of residence
 - region of residence

- k) main labour status (optional) from the deadline according to Article 6).
- l) income (optional) - the detailed list of information to be collected in an ad hoc module shall be drawn up at least twelve months before the beginning of the reference period for that module;
- m) technical items relating to the interview - the volume of an ad hoc module shall not exceed the volume of the module c described under point 1 of this Article.
- year of survey
 - reference week
 - interview week
 - member state
 - region of household
 - degree of urbanisation
 - serial number of household
 - type of household
 - type of institution
 - weighting factor
 - sub-sample in relation to the preceding survey (annual survey)
 - sub-sample in relation to the following survey (annual survey)
 - sequence number of the survey wave

3. The definitions, the edits to be used, the codification of the variables, and a list of principles for the formulation of the questions concerning the labour status, are drawn up according to the procedure laid down in Article 8 of this Regulation.

Article 5

Conduct of the survey

The Member States may make it compulsory to reply to the survey. They shall endeavour to ensure that the information requested is provided truthfully within the periods specified.

2. A further set of variables, hereinafter referred to as an “ad hoc module”, may be added to supplement the information described above in paragraph 1.

A programme of ad hoc modules covering several years shall be drawn up each year according to the procedure laid down in Article 8 of this Regulation:

- this programme shall specify for each ad hoc module, the subject, the Member States and regions covered, the reference period, the sample size (equal to or less than the sample size determined according to Article 3) and the deadline for the transmission of the results (which may be different

Article 6

Transmission of the results

Within twelve weeks of the end of the reference quarter in the case of a continuous survey (and within nine months of the end of the reference period in the case of a survey in the spring), the Member States shall forward to Eurostat the results of the survey, duly checked, for each person questioned, without indication of name or address.

Article 7

Reports

A report on the implementation of this Regulation shall be submitted by the Commission to the Parliament and the Council every three years, beginning in the year 2000. This report shall evaluate in particular the quality of the statistical methods envisaged by the Member States to improve the results or to lighten the survey procedures.

Article 8

Procedure

The Commission shall be assisted by the Statistical Programme Committee set up under Decision (EEC, Euratom) No. 89/382, hereinafter referred to as 'the committee'.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion

shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event, the Commission shall defer application of the measures which it has decided for a period of three months from the date of communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous paragraph.

Article 9

Arrangements for repealing

The Regulation (EEC) N° 3711/91 is hereby repealed.

Article 10

Entry into force

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in all its entirety and immediately applicable in all Member States.

FINANCIAL STATEMENT No 1

1. FINANCIAL STATEMENT

Title of the operation: proposal for a Council regulation on the organisation of a labour force sample survey in the Community

2. BUDGET HEADINGS INVOLVED

B5-6000 and budgetary headings concerned with social and regional policies

3. LEGAL BASIS

Article 213 of the Treaty and Council Regulation (EC) n.º 322/97 of 17 February 1997 concerning Community Statistics.

4. DESCRIPTION OF THE ACTION

4.1 *General purpose of the action*

This purpose of the present Council Regulation is to provide users with more frequent, more recent and more harmonised statistics on employment and unemployment in the European Union.

4.2 *Period covered by the action and procedures for renewal or extension*

The proposed regulation organises the survey for an indefinite period.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 *Non-compulsory expenditure*

5.2 *Differentiated appropriations*

5.3 *Type of revenue involved*

Sales of statistical products (databases, publications) cover a small part of the production costs.

6. TYPE OF EXPENDITURE OR REVENUE

The amount paid by the Commission to the Member States represents only part of the real cost of data collection since the Commission's statistical work is devolved to a very large extent, with the operating and administrative costs being borne almost exclusively by the national governments. Nevertheless, the expenditure envisaged is essential in order to accelerate the process of adapting the national surveys, thus reducing the transitional period mentioned in Article 1 (2).

7. FINANCIAL EFFECT ON INTERVENTION APPROPRIATIONS (PART B OF THE BUDGET)

7.1 Method of calculating the cost of the action (definition of unit costs)

The amount to be taken from the Community budget for the project to adapt the existing system for collecting data is calculated on the basis of the very different extent of the changes required in each Member State.

Type of changes required and expenses to be borne by the Member States: computerisation of interview procedures (CAPI/CATI), revision of the sampling plan, adaptation of the questionnaires, pilot surveys, adaptation of data management computer programs.

The Community's contribution to the Member States would amount to ECU 7 million.

7.2 Breakdown of the cost of the action (ECU million)

	1998	1999	2000	2001	2002	Total
Member State	2 000	2 000	1 000	1 000	1 000	7 000
Total	2 000	2 000	1 000	1 000	1 000	7 000

7.3 Operating expenditure for studies, experts, etc, included in Part B of the Budget (ECU million)

None

7.4 *Indicative timetable for commitment and payment appropriations*

	1998	1999	2000	2001	2002	2003
C.A.	2 000	2 000	1 000	1 000	1 000	-
P.A.	1 000	2 000	1 500	1 000	1 000	500

8. **ANTI-FRAUD PROVISIONS (AND RESULTS OF IMPLEMENTING THEM)**

Payment for the contracts and agreements concluded by the Commission is made only on the basis of detailed reports on the completion of the operations concerned or the results obtained.

9. **COST/EFFICIENCY ANALYSIS ITEMS**

9.1 *Specific and quantifiable objectives, target population*

The purpose of this Council Regulation is to establish comparable statistics on the level and structure of employment and unemployment in the European Union. Following the guidelines in the White Paper on Growth, Competitiveness and Employment, and the conclusions of the Essen Summit, these statistics are indispensable for establishing, monitoring and assessing regional, national and Community policies on employment. They are also required for the implementation and assessment of structural policies.

9.2 *Grounds for the action*

The responsibility for financing this action rests mainly with the Member States (cf. 6 above), which have a well-established structure for collecting and processing data. Nevertheless, funds from the Community budget appear to be necessary for adapting existing surveys to Community needs. The purpose of this financial contribution is to co-finance part of the costs involved in adapting the survey methods.

The purpose of this action is to:

provide the Community institutions with the quantitative data for drawing up, monitoring and evaluating any programme of action pursuant to Article 3(2) of the Financial Regulation: "it therefore contributes to more effective and relevant use of the Community budget";

provide the national governments with comparable statistics on all the Member States for evaluation and monitoring the progress of Community policies;

provide political, economic and social decision-makers in the Community with the data necessary to take and assess decisions in their respective fields of action: it is therefore a key component of the European information market;

provide the scientific community with the information necessary to carry forward its analyses and obtain more information on economic and social life in the Community.

The results of the action will contribute to improving the statistical information used in the work linked to social policy and the structural policies.

Statistical information is collected using a system largely based on the principle of subsidiarity, in which the national statistical offices have considerable responsibility.

The Community Statistical Programme will become an integral part of the national statistical programmes, thus contributing to creating a European statistical area.

Improving the labour force surveys will have a considerable positive impact on the whole of the European statistical system, in particular through greater harmonisation between the different surveys of households and better estimates of employment (ESA).

9.3 Monitoring and assessing the action

The action forms part of the Community Statistical Programme, which is monitored continuously by the Statistical Programme Committee in the context of (EC) Regulation No .322/97 relating to Community statistics.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

10.1 Impact on the number of staff - internal redeployment

Type of post		Staff appointed to run the action		of which		duration
		permanent posts	temporary posts	by using existing resources within the DG or service concerned	by employing additional resources	
Officials or temporary agents	A	2	0	2	0	from 1999
	B	4	0	4	0	
	C	1	0	1	0	
Other resources			0	0	0	
Total		7	0	7	0	

10.2 Overall financial impact of additional human resources

None (internal redeployment)

(ecus)

	Totals	Method of calculation
Officials	0	
Temporary agents	0	
Other resources	0	
Total	0	

10.3 Impact on other operating expenditure

None

(ecus)

Budget heading (No and title)	Totals	Method of calculation
Total	0	

IMPACT ASSESSMENT FORM

IMPACT OF THE PROPOSAL ON ENTERPRISES

No impact on enterprises since this is a household survey.

**ADDITIONAL STATEMENT CONCERNING THE EFTA MEMBERS OF THE
EEA**

TITLE OF THE PROPOSED LEGISLATION

Proposal for a Council Regulation on the organisation of a labour force sample survey in the European Community.

IMPACT ON THE EFTA MEMBERS OF THE EEA

The EFTA members of the EEA have an interest in the proposed Regulation, and have been associated in its discussion.

They took part in the meetings of the Working Party relating to this matter.

FINANCIAL STATEMENT

The financial statement annexed to this document concerns the Member States of the European Union.

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