

BOOK REVIEW

Task force on the quality of the labour force survey Final report, Eurostat, methodologies and working papers, 2009 edition, 69 pages

The Eurostat publication on quality of the labour force survey will be useful to official statisticians and academic statisticians, practitioners, researchers, analytics and student who are interested in data quality assessment and improvement.

The present document reports the views of the Task Force on the Quality of the Labour Force Survey (LFS) as a result of its six meetings between June 2007 and April 2009. It also takes into account the views expressed by some of the main European institutional users, namely the European Commission's Directorate General "Employment, Social Affairs and Equal Opportunities" (DG EMPL) and the European Central Bank (ECB), and the feedback from the Labour Market Statistics (LAMAS) Working Group in September 2007, April and September 2008.

The Task Force was set up by the LAMAS Working Group at its March 2007 meeting. It was coordinated by Eurostat and composed of national delegates with substantial expertise on the LFS from nine Member States: France, Germany, Greece, Italy, the Netherlands, Poland, Portugal, Spain and the United Kingdom.

This initiative is in line with the continuous work to improve the quality of the LFS. It was conceived to consolidate the gains achieved in recent years and reinforce the status of the LFS – due to its history, sample size and richness of characteristics – as the main statistical source on the labour market.

The goal

The goal of the Task Force was to review the quality of the LFS along with the dimensions of the quality framework for statistical output of the European Statistical System (ESS), detect weaknesses and recommend improvements. The focus of the review was on the estimates of employment and unemployment, as these are the most relevant and largely used indicators produced by the LFS.

Following this review, the Task Force formulated forty-three recommendations on:

- sampling design and sampling errors,

- weighting schemes,
- non-response,
- interviewers and fieldwork organization,
- survey modes and questionnaire,
- information for users,
- coherence,
- comparability of employment and unemployment statistics,
- relevance of the ILO concept of employment and unemployment,
- timeliness and punctuality.

Sampling design and sampling errors

As concerns sampling design and sampling errors, the sample should be balanced over geographical areas and reference weeks. This would both improve the national quarterly and yearly estimates and increase the relevance of the LFS by enabling the production of good monthly estimates.

Target population, sampling frame and population estimates

Moreover, target population, sampling frame and population estimates should be consistent and up to date in order to avoid overcoverage and undercoverage.

The importance of *harmonized rotation patterns* which allow comparable longitudinal analysis at European level was also highlighted.

Finally, the need was recognized for a clarification of the wording of the precision requirements in Council Regulation 577/98 and for an agreed method to assess compliance with the Regulation.

Non-response

Non-response in the EU, EFTA and candidate countries is rather high (about 20% on average). It is usually selective with respect to employment and unemployment, thus affecting the accuracy of their estimation. Recommendations cover studying, preventing and correcting for non-response. Information on the characteristics of non-respondents should be regularly collected to assess and adjust for non-response bias and to improve fieldwork strategies.

Suitable tools to reassure respondents

Suitable tools to reassure respondents (such as free-toll numbers or presentation letters) should be introduced, with a special view to increase the participation of non-nationals. The use of the wave approach and of dependent interviewing should be considered to reduce response burden.

Weighting schemes

Finally, weighting schemes should take into account specific characteristics of non-respondents to correct for *non-response bias*.

Role of interviewers

The role of interviewers is crucial for the accuracy of the survey results. Several recommendations and good practices concerning interviewers' contractual features, training, monitoring, and, in general, on the field-work organization were identified with a view to common guidance, as national arrangements concerning these features tend to vary. In particular, in order to boost motivation and minimize turnover, permanent professional interviewers should be used and their remuneration should be adequate to their crucial role for the quality of the survey. Interviewers' training should cover not only the survey content but also how to conduct the interview and to prevent non-response. Periodic debriefing and focus groups should be organized to review and tackle issues. Interviews should be carried out as close as possible to the reference period, to avoid recall problems and support timely production of results.

Computer-assisted questionnaires

The LFS should always be carried out by computer-assisted questionnaires, given that the traditional paper-interviewing mode is no longer suitable to cope with the complexity of the survey. However, the impact of self-administered electronic data collection, including web-based modes, on the measurement of ILO labour status should be carefully investigated. The use of mixed modes should be considered in the light of possible gains relating to response rates, burden and costs, along with likely the mode effects. In any case, any changes to modes, questionnaires and other explanatory survey material should be carefully tested and their impact assessed before introduction.

Lack of coherence

Lack of coherence between LFS and national accounts employment estimates is a major concern, as it may harm the credibility of statistics. In this regard, distinguishing between differences in coverage, scope and definitions from inconsistencies that can be ascribed to the accuracy of the different statistics is of the utmost importance. For this purpose the Task Force recommended the use of reconciliation tables between LFS and National Accounts estimates. The value of appropriate communication to users on the nature of incoherence and the need to provide guidance on which source fits which purpose were also recognised.

Higher input harmonization

The idea of moving towards higher input harmonization is considered too difficult for the moment because of national specificities and needs. Council Regulation no. 577/1998 together with the 12 principles for the formulation of the questions on labour status laid down in Commission Regulation 1897/2000 remain therefore the basis at European level for comparable statistics on employment and unemployment. However, the principles should be reviewed in order to clarify particular ambiguous points. Such clarifications should not necessarily imply changes in the regulation (necessarily via a new legal act), but

should instead be provided as much as possible in working documents such as the explanatory notes.

Introducing innovations

Care should be taken when introducing innovations, as these can negatively impact on comparability of statistics over time. National statistical institutes should always adequately plan and monitor all changes initiated either by Eurostat or by countries in order to assess the statistical effect on time series. Consistent time-series should be produced and disseminated, at least for the headline indicators. For its part, Eurostat should group together innovations it proposes in order to limit the number of potential breaks in time series.

The relevance

The relevance of the ILO labour force concept was confirmed, although the need for supplementary indicators for the ILO unemployment rate, both capturing a wider extent of the labour reserve and allowing longitudinal analysis, was recognized. The variable "Main Status as perceived by respondents", which offers a complementary view to the ILO economic activity status, should be mandatory in the EU-LFS.

The timeliness

The timeliness of the EU-LFS can be significantly improved. This would further enhance its relevance for short-term economic analysis. Establishing a release calendar would be similarly helpful. For this purpose it is essential that the twelve-week deadline in the Regulation as the one for final, not first, data transmission is respected.

Recommended practices

All recommended practices are effective for improving the quality of the LFS and are feasible, as they are already in use in at least one country. Most of the recommendations apply to national statistical institutes, whereas several apply to Eurostat and a few to both.

The full list of recommendations, grouped by subject, is provided at the end of the report. Page numbers in brackets at the end of each recommendation refer to the point in the text where they are discussed.

I hope that similar report will be prepared for other sample surveys, such the Household Budget Survey and the EU-SILC (Statistics of Income and Living Conditions).

Prepared by Jan Kordos,
Warsaw School of Economics