

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 485 final

Brussels, 9 October 1975

COMMISSION COMMUNICATION TO THE COUNCIL

on programme of employment statistics

COM (75) 485 final

Explanatory Memorandum

1. The Council has repeatedly emphasised the need for a more complete picture (and one based on comparable data) of the state of the labour market in Community countries and of current trends. The two sides of industry expressed the same view at the conference on employment problems held in Luxembourg on 27 and 28 April 1970.

At a meeting held on 19 October 1971 to discuss social questions, the Council approved the repetition in 1973 and 1975 of the sample survey of manpower and agreed to discuss the Community's statistical requirements in the social field and the system and principles on which these statistics should be based.

As it proved impossible to arrive at a substantive conclusion on all these questions, the Commission was instructed to draw up a plan to improve the information available on the position and trends in the labour market. The results of this study were then to be considered by the Council and to be used as a basis for further discussions with the Standing Committee on Employment (1).

2. In complying with these instructions, the Commission, working with the statistical offices of the Member States, conducted an analysis of the statistics available at present and of the necessary means for improving information in this field.

Work continued, with the Community sample survey of manpower in 1973 and 1975, and the carrying out of preparatory studies to devise a standard method of processing the synchronized general population censuses to be held in 1981.

(1) Cf. Council document R/1220/3/71 (SOC 125 Rev. 3)

3. The present position and the outlook for employment, together with the sharp increase in unemployment in Member States, indicate the urgency of setting up an adequate system of statistics which will enable the various aspects of labour markets to be studied from the point of view of both structure and trends.

4. The proposed programme is based on the principle of coordinating the various sources of statistics, using some of them to identify and follow the development of employment structures, and others to follow trends in the markets at frequent intervals.

5. The surveys and studies put forward in this document are coordinated with and complementary to the work programme on employment which the Commission communicated to the Council in 1975 (1).

The proposals put forward were approved by the Conference of the Directors-General of the National Statistical Offices on 5, 6, and 7 May 1975, and they appear in the Statistical Programme of the European Communities (2).

(1) Work programme in the field of employment, COM(75) 125 of 16 April 1975.
 (2) First Statistical Programme of the European Communities 1975 - 1978. Memorandum from the Statistical Office of the European Communities. Second programme 1976 - 1979 in course of preparation.

Programme of employment statistics

I. INTRODUCTION

1. It has always been the Commission's aim to build up an adequate system of statistical information on employment. Considerable progress has been made in the past few years, partly as a result of the Community sample survey of manpower, and partly as a result of efforts to improve the quality and reliability of existing data. Nevertheless, the information available is not always sufficient to satisfy the needs of Commission policies. Harmonization activities must be intensified and the field of statistical investigation widened if the demands are to be met.

2. To comply with the instructions issued by the Council before the enlargement of the Communities (1), the Commission drew up a series of concrete proposals aimed at setting up a system of surveys and studies to improve the information available on the structure and short-term trends in the labour market. These proposals are coordinated with, and complement the work programme on employment submitted to the Council by the Commission in 1975 (2).

The proposed surveys and studies were approved by the Conference of the Directors-General of the National Statistical Offices on 5, 6 and 7 May 1975, and appear in the Statistical Programme of the European Communities (3).

II. REQUIREMENTS OF THE COMMISSION WITH REGARD TO EMPLOYMENT STATISTICS

1. The Commission needs employment statistics for a variety of purposes connected not only with the Social Action Programme (4) but also with other common or Community policies with a bearing on employment problems, such as

.../..

(1) Cf. Council Document R/1220/3/71 (SOC 125 Rev. 3)

(2) Work programme in the field of employment, COM (75) 125 of 16 April 1975.

(3) Statistical Programme of the European Communities 1975 - 1978. Memorandum from the Statistical Office of the European Communities July 1974. Second Statistical Programme 1976-1979 in course of preparation.

(4) Council Resolution of 21 January 1974 concerning a Social Action Programme, OJ n° C 13, of 12 February 1974.

short and medium-term economic policy, regional policy, industrial policy, education policy, environmental policy, etc.

2. For the purposes of employment policy, as defined in the Social Action Programme and in other Community policies which bear on employment, there is a need for a considerable volume of statistical information based on common concepts of the different aspects of employment structure and labour markets.

In order to attain these objectives, comparable data are required on the size, structure, development, mobility, training, qualifications, etc., of the employed and unemployed labour force for the Community as a whole as well as for each of its Member States and regions. Detailed and readily obtainable information on the labour market is also required so that supply and demand can be analysed, and so that short and medium-term trends can be followed.

3. As the Social Action Programme gives priority to measures relating to particular categories or groups of the population, statistics specifically concerned with the economic activity of these groups are required. The groups in question are women, migrant workers, the handicapped, the young and the elderly.

4. Readily available and uniform statistics are required for economic policy in order to improve evaluation of the current position and to assess the implications of forecasts for employment.

5. Similarly, certain objectives of other Community policies require more detailed investigation in specific fields.

Employment is a central element in industrial policy, for which a network of detailed, comparable information on the various branches is required as a basis for monitoring and forecasting.

The principal objective of agricultural policy, namely the integration of this sector within the economy as a whole, necessitates a considerable amount of statistical information. Certain aspects of this policy require statistical data on specific topics such as employment by branch (agriculture, forestry, fishing) by the different categories of worker (farmers, family workers, employees) and at the most detailed regional level.

Employment statistics constitute an essential basis for regional policy for which the user must be able to draw on statistical information at clearly defined regional levels. The Nomenclature for Territorial Units of the Community is designed to facilitate such work. Specific problems requiring particular attention in the provision of statistics are those related to various aspects of location and mobility. Certain analyses also require the introduction of urban/rural breakdowns.

Education policy calls for a facility to monitor on a comparable basis, the employment position and trends as they affect different occupations and professions.

Environmental policy, in order to achieve the aim of improving the quality of life and conditions of work within undertakings, must take note of employment problems in relation to the organization and performance of work and to industrial safety.

III. LIMITATIONS OF EXISTING STATISTICS ON EMPLOYMENT

The main existing sources of employment statistics are summarized in the annex to this document. But it is clear from this general review of the statistics currently available that although a great deal of progress has been made since the first attempts to draw up employment statistics at Community level, much remains to be done to establish a system capable of meeting the numerous requirements of users.

Foremost among the difficulties which have hampered progress towards this end are divergences between the legislation of the different Member States and their administrative practices. Such divergence has, for example, particularly hampered the development of comparable statistics for registered unemployment.

Present inadequacies are both qualitative and quantitative. From the qualitative point of view they are caused by major differences in definition of the main aggregates, by the restricted and incomplete use of Community nomenclatures, and by the lack in certain cases of common programmes for the standardization of information.

From the quantitative point of view the statistics are inadequate in two ways. The first concerns the comparable statistical elements required to bridge the interval between national and Community benchmarks. The second insufficiency is the result of increased demand for statistics specifically concerning the problems of particular groups or categories.

To fill these gaps, employment statistics are to be developed in two directions -- increased harmonization and coordination, and expansion by means of new surveys or specific studies.

IV. DEVELOPMENT OF THE SYSTEM OF EMPLOYMENT STATISTICS

1. The proposals for the development of employment statistics are summarized in the following table. The recommended frequency is shown for each survey.

Not all the existing sources of statistical information referred to in the annex are shown in this table. The integration and coordination of all the different items of work concerning employment should, however, be considered as forming part of the project.

Neither the technical means nor the various stages of implementing this programme have been formulated. They will be the subject of systematic analysis by experts in the Working Party on Employment Statistics.

PROGRAMME OF EMPLOYMENT STATISTICS

(see Statistical Programme 1975-1978 - C1.6/S Para 14)(1)

Description	Source	Frequency	Proposals for development	Statistical Programme
1. General population censuses	-	10 years	- Continuation of the harmonization of definitions - Drawing up of tables for uniform analysis of most important results	C 1.2
2. Community sample surveys of manpower	Household surveys	2 years	- Continuation of Community analysis - Continuation of complementary surveys	C 1.7
3. Harmonized statistics on wage and salary earners	National surveys of undertakings	6 months/ 1 year	- Harmonization of definitions - Extension to all economic sectors - Breakdown by : 2 or 3 digit NACE branch professional status sex region	C 1.15 and C 1.16
4. Harmonized statistics on hours of work	National surveys of undertakings	6 months	- Harmonization of definitions - Extension to all economic sectors - Breakdown by : region sex	C 1.17
5. Numbers seeking employment (unemployment)	Statistics from employment offices	1 month/ 3 months	- Joint standardization programme - Breakdown by : sex age group region occupational category branch of activity duration of unemployment - Analysis of numbers passing through employment offices	C 1.18
6. Vacancies	Statistics from employment offices	1 month/ 3 months	- Joint standardization programme - Breakdown by : region occupational category	C 1.18
7. Standardized statistics on migrant workers	(to be determined)	1 year/ 6 months	- Few statistics on size of migrant work force and numbers entering or leaving Member States - Breakdown by : nationality sex age group region NACE branch occupational category	C 1.5 / 14
8. Ad hoc surveys	-	-	- (to be determined)	New

(1) Statistical Programme of the European Communities 1975 - 1978. Memorandum from the Statistical Office of the European Communities, July 1974.
Second Statistical Programme 1976 - 1979 in course of preparation.

2. The proposed system is based on the principle of coordinating and linking up in time harmonized information available from a variety of sources.

Under this system, the general population censuses, which are carried out every ten years, provide information which can be used as a benchmark of the level and structure of employment at widely separated points in time; the employment situation and structural trends are assessed from sample surveys of manpower held every two years. These sources of information are supplemented by harmonized surveys on wage and salary earners conducted on an annual basis in all economic sectors and at 6-monthly intervals in certain specific sectors.

Labour market trends are monitored by rapid, standardized national series collected at short intervals.

A set of statistics is to be proposed specifically for migrant workers and ad hoc surveys are planned to study particular groups or categories.

3. The effectiveness of the proposed programme will depend both on the progress made in harmonizing concepts and nomenclatures and on the introduction of new projects.

Improvements in the quality and reliability of the data obtained from the surveys to be carried out under the programme will depend on the extent to which harmonization is achieved. Satisfactory harmonization of results has so far been achieved only in the Community surveys of manpower.

If the situations in different countries are to be comparable, it is essential that standards, recommendations, etc., based on jointly accepted definitions should be respected.

In its work on employment, the Commission has complied with the resolutions of the International Labour Office (ILO)(1) and the definitions recommended by the Organization for Economic Cooperation and Development (OECD). At national level, however, the same aggregates (labour force, employment, unemployment, etc.) are defined in terms which are sometimes not consistent with those recommended internationally.

4. In this connection, the Commission proposes to review the present system, in order to work out a set of common definitions designed to improve the existing situation, and to consider whether the development of particular situations should not be taken into account to adjust methods or obtain more precise data. This should lead in particular to an improvement in the annual series on total employment and unemployment.

5. A special effort is also required to ensure that Community nomenclatures are adopted in all studies conducted at national level.

Special attention is being paid to the possibility of drawing up a Community standardized nomenclature of occupations. Possible methods of adapting existing nomenclatures in this field are currently under consideration.

6. Preparatory work for uniform analysis of a common core of topics in the synchronized general population census in 1981 began in 1974(2). The present programme is concerned with the working out of standard definitions and with the design of tables which can be provided by the Member States.

(1) "Resolution on statistics, relating to manpower, employment and unemployment" adopted at the 8th International Conference of Labour Statisticians (Geneva, November-December 1954).

(2) The synchronization of general population censuses was provided for by a Council Directive of 22 November 1973 (73/403/EEC).

7. In order to obtain comparable statistics on employment and unemployment in the Community, the Commission conducted the first sample survey of manpower in 1960, which was carried out in the six original Member States.

This survey was repeated annually from 1968 to 1971, but without the participation of all the Community countries; for various reasons Luxemburg did not take part in the 1968 survey, and the Netherlands did not take part in the following three. As this standardized and synchronized Community sample survey of manpower is the most reliable means of obtaining better knowledge of the level and structure of employment in the Community as a whole, the Council of Ministers decided in 1971 to continue it. However, taking into account the practical difficulties encountered by certain countries in the annual repetition of the survey, it was decided to break the annual series and to conduct the survey in 1973 and 1975 in all the Member States(1).

The Employment Statistics Programme proposes to continue holding this survey every two years, in 1977, 1979, and 1981.

8. The review and expansion of harmonized statistics on wage and salary earners are essential if a system of employment statistics is to be created. Until 1972, the Commission compiled harmonized statistics on wage and salary earners, but for manufacturing industry only. These will have to be thoroughly reviewed in the context of this Programme. Proposed new statistics will be based on harmonized national surveys of undertakings. These statistics will cover the employed persons broken down by sex, professional status and possibly by level of qualifications in all economic sectors by two or three-digit NACE branches (Nomenclature of Economic Activities within the European Communities). The survey would be carried out annually. For certain key sectors still to be determined (e.g. building, automobile industry, textile industry, etc.) certain data would be obtained at shorter intervals, perhaps every six months.

(1) The carrying out of the survey in Spring 1973 was decreed by Council Regulation (EEC) N° 2723/72 of 19 December 1972. The repetition of this survey in 1975 was decided by Council Regulation (EEC) N° 2640/74 of 15 October 1974.

The collection of these statistics must be coordinated with other surveys of establishments, in particular, the annual survey of industrial activity first conducted in 1974 pursuant to Council Directive N° 72/221/EEC (1).

9. Harmonized statistics on hours worked in undertakings in manufacturing industry, compiled on a half-yearly basis are particularly significant in the study of employment. It is proposed to extend this series to other sectors e.g. distribution and services, where large numbers of workers are employed.

10. Statistical information for the analysis of the state of the labour market is a major feature of the Commission's plan.

The existing instrument for obtaining statistics - the collection of information by employment offices - is defined by the legislation on unemployment operating in each Member State. Available data particularly on those registered as unemployed and on vacancies, are thus not always comparable from one country to another.

Despite this problem the statistics provided by the employment offices are at present the only source of short-term information on market trends. In order to improve their value for comparisons of internal developments in each country the Commission proposes the adoption of a joint programme on the standardisation of information.

The data provided by the employment offices on the basis of national definitions will thus become available for all member countries in a standard form. It is proposed that registered unemployment be broken down by region, sex, age group, occupational category, duration of unemployment, etc. A breakdown by region, occupational category and branch of activity is planned for vacancies.

(1) Council Directive of 6 June 1972 concerning coordinated annual surveys of industrial activity, (72-221/EEC), OJ N° L 133 of 10 June 1972.

Information on the labour market is also to be supplemented by flow analysis. Within the limits of comparability which result from the divergencies between nations, definitions, the collection of statistics by standard methods can improve information on certain special aspects, such as youth unemployment, graduate unemployment and unemployment among the elderly, etc.

11. A major gap at present is the lack of uniform statistics on foreign workers.

Until 1969, the Commission regularly obtained statistics on migrant workers based on the number of work permits issued.

As work permits were abolished as a result of Council Regulation (EEC) N° 1612/68 of 15 October 1968 on freedom of movement for workers within the Community, there is no longer any generally applicable statistical basis for the collection of valid data in this field.

In 1971 the Commission presented to the Council a 'Proposal for a Regulation (EEC) of the Council on the establishment of harmonized statistics relating to foreign workers'. No decision on this has yet been taken.

12. The development programme envisages an extension in the field of employment statistics by special surveys to obtain information on particular groups or categories.

It may be possible in this connection to make use of the sample surveys on manpower which are an essential instrument in carrying out supplementary surveys dealing with topical aspects directly related to the labour market on which not enough data are available, or which cannot be measured from any other source.

The Commission proposes that other social factors connected with employment, which for methodological reasons cannot be covered by the various studies included in the Programme, should be dealt with in ad hoc surveys, to be carried out as far as possible using national sources already available.

CONCLUSIONS

The Commission proposes to the Council :

- to approve the Programme of employment Statistics described in this document;
 - to confirm the importance it attaches to its effective implementation.
-

ANNEX TO THE PROGRAMME OF EMPLOYMENT STATISTICS

SOURCES OF EMPLOYMENT STATISTICS

1. Several studies and surveys on employment already exist. In 1972 the Statistical Office of the European Communities took steps to compile an inventory of existing statistics at national and Community level, and updated it in 1975 to incorporate the new Member States (1).

2. The main sources of statistical information available at Community level are as follows :

- A - General population censuses
- B - Community sample surveys of manpower
- C - Harmonized statistics on wage and salary earners
- D - Harmonized statistics on hours of work
- E - Community surveys of the structure and distribution of wages and salaries
- F - Structures survey for 1975 as part of the programme of surveys on the structure of agricultural holdings
- G - Surveys on the earnings of permanent workers employed in agriculture
- H - Statistics on employment in the ECSC industries
- I - Other data from national sources.

./...

(1) "National and Community Statistics on Employment" - 1972 (Doc. n° 118/72).
 "National and Community Statistics on Employment" - 1975 (Document in course of preparation).

A - General population censuses

The results of the general population censuses are a useful benchmark in determining the size and structure of the labour force and non-working population at widely spaced intervals. So far, however, it has been possible to make only limited use of this source, as national censuses were carried out at different dates and were based on definitions which were not always compatible with international concepts.

To obtain better basic information, a fresh effort has been made in the field of demographic statistics. The work is concerned with the compilation of Community tables for the general population censuses 1968-1971 and with preparations for the analysis of a common core of topics in the 1981 censuses. A Council Directive (1) was issued in 1973 to synchronize these censuses.

B - Community sample surveys of manpower

In order to obtain comparable data at Community level on the structure of employment, a first sample survey of manpower was conducted in 1960. This survey was repeated annually from 1968 to 1971 and in 1973 (2). In 1975, pursuant to Council Regulation (EEC) n° 2640/74 of 15 October 1974, the survey was conducted for the first time in all nine Member States. It covered 600 000 households.

The sample survey of manpower is the most important project in the harmonisation of employment statistics undertaken by the Statistical Office and by Member States.

The survey is based on jointly agreed definitions and provides the following information for countries and at certain regional levels :

- a) the structure of the population in terms of the main employment criteria (employed persons, unemployed persons, non-active population);

./...

-
- (1) Council Directive of 22 November 1973 of the synchronization of general population censuses, (73/403/EEC) OJ N° L 347 of 17 December 1973.
 - (2) The 1973 survey was carried out pursuant to Council Regulation (EEC) N° 2723/72 of 19 December 1972. The 6 founder members of the Community participated in the survey, as did the United Kingdom. Denmark and Ireland were not able to take part at that time.

- b) the structure of employment in terms of individual characteristics (sex, age, marital status, etc.) and occupational characteristics (status, sector, branch, etc.);
- c) the structure of hours worked;
- d) the structure of unemployment and of other persons seeking employment in terms of individual characteristics, taking account of the type of employment sought, the reasons for seeking employment, the duration and method of search.

The survey also makes it possible to analyse certain specific aspects of economic activity on which it is difficult to obtain information from other sources. Examples are regional and occupational mobility, occasional or subordinate activities, and full or part-time working.

Finally, another aspect which should not be underestimated is the possibility of including supplementary questions on problems of direct relevance to employment. In 1973 it was thus possible to conduct a specific survey on vocational training, the results of which were also analysed to show the relationship between economic activity and level of training.

In 1975 supplementary questions which bear on conditions of work have been included in the survey with a view to studying such aspects in the socio-economic context of the Community.

C - Harmonized statistics on wage and salary earners

These statistics were compiled from 1966 to 1972 on the basis of surveys available at national level. They covered wage and salary earners in industry, broken down by NICE branch (Nomenclature of Industries in the European Communities). A breakdown by region for the extractive, manufacturing and building industries was carried out only by the Federal Republic of Germany, France and Italy.

These statistics are to be completely revised and coordinated with the annual survey of industrial activity(1).

(1) Council Directive of 6 June 1972, relative to the carrying out of coordinated annual surveys of industrial activity (72/221/EEC), OJ N° L 133 of 10 June 1972.

D.- Harmonised statistics on hours of work

The basic data used in compiling harmonized statistics on hours of work are obtained from national surveys regularly carried out in the various countries. These are half-yearly surveys of earnings which also provide information on the average weekly hours worked in the undertaking. The data are obtained by the national statistical offices from industrial establishments and are analysed nationally using Community definitions. They are broken down by NACE branch. A breakdown by region is carried out only for the Federal Republic of Germany and Italy.

E.- Community survey on the structure and distribution of wages and salaries

Sample surveys on the structure of wages and salaries in industry were conducted by the six Member States in 1966 and 1972 using uniform questionnaires returned by undertakings with 10 or more employees.

The surveys provided individual particulars of the businesses (size, branch, region, etc.) and the employees (sex, age, length of service in the company, professional qualifications, method of payment, organization of the working day earnings, etc.). Analysis at Community level made it possible to determine the structure of the work force in terms of the above characteristics.

Work is in progress on compiling the results for the 1972 survey. A survey on the structure and distribution of wages and salaries in the sector of wholesale and retail trade, banking and insurance was organized in 1974 and covered the nine Member States.

F - Structures survey for 1975

Useful information on agricultural manpower at the level of the holding is to be collected as part of the structures survey for 1975, established by the Council Directive of 20 January, 1975(1). A classification of workers by sex, age group and status (farmer, family workers, employee) is proposed.

G - Survey on the earnings of permanent workers in agriculture

The first survey on the earnings of permanent workers in agriculture was carried out in 1974 in accordance with the Council Regulation (EEC) N° 677/74 (2). The survey was carried out by means of random sampling. For each permanent worker all data were collected relating to gross cash earnings for one month in 1974, the existence or absence of benefits in kind, the nature of work performed, the basis on which earnings were calculated and the number of hours paid, as well as the sex, age and professional qualifications. The repetition of this survey in 1975 was provided for in Council Regulation (EEC) N° 1103/75 (3).

H - Statistics of employment in ECSC industries

Statistics specifically relating to employment in coal mines, iron ore mines and the steel industry as defined in the ECSC treaty have been compiled since 1955. They are obtained from a direct survey of undertakings based on a standard questionnaire distributed through employers' associations.

Returns made at frequent intervals (monthly or quarterly) relate to numbers on the payroll and, in the case of manual workers, to attendances and absences from work according to reason, as well as to new arrivals and departures by motive. A survey relating specifically to the nationality of foreign workers is conducted annually. The breakdown by age is determined either annually or every three years.

I - Other data from national sources

The main statistical series compiled by the Statistical Office from national data are as follows :

- a) annual series on employment and unemployment;
- b) monthly series on numbers seeking work and vacancies;
- c) monthly series on labour disputes.

a) Annual series on employment and unemployment

The annual series on the labour force, employment and unemployment are estimates made by the statistical offices of the Member States. Generally speaking, the data are broken down by sex, sector, professional status and I.S.I.C. branch (UN "International Standard Industrial Classification of all Economic Activities").

These series are not entirely comparable as there are differences in the method of estimating, in the concepts employed and in the reference dates in the various countries. There are also problems in harmonizing these series with other national or Community series.

b) Monthly series on numbers seeking work and vacancies

These statistics are derived from the records of the employment offices. As administrative practice and statutory provisions differ from country, these data are not comparable. They can be used only to indicate trends over a period of time within one country.

- 7 -

For numbers seeking work (unemployment), monthly series on the number of persons registering at employment offices who remain out of work at the end of each month are assembled. Generally speaking, these data may be broken down by sex, region and occupational category, but this information is not standardized between countries and the nomenclatures have not been harmonized.

Figures for vacancies are obtained by combining the monthly series of the number of vacancies notified to employment offices and remaining unfilled.

Figures for the number of vacancies filled each month are also collected through the employment offices.

c) Monthly series on labour disputes

The number of days lost through strikes is compiled on the basis of national publications. There are major differences from country to country : lock-outs are included in certain national statistics, a distinction is not always made between strikers proper and workers laid off because of strikes, certain strikes of a general nature are sometimes not included as they are not directly connected with the contract of employment. The breakdown of the data by branch of activity is in accordance with national nomenclatures.

02

2.

11/11/11

11/11/11

11/11/11