

Opinion of the Economic and Social Committee on the 'Proposal for a Council Regulation (EC) on the organization of a labour force sample survey in the Community'

(98/C 129/15)

On 25 February 1998 the Economic and Social Committee, acting under the third paragraph of Rule 23 of its Rules of Procedure, decided to draw up an Opinion, on the above-mentioned proposal.

The Economic and Social Committee appointed Mr Kenneth Walker as main rapporteur and asked him to prepare the work at hand.

At its 352nd plenary session (meeting of 25 February 1998), the Economic and Social Committee adopted the following opinion by 70 votes in favour, one against and one abstention.

1. Introduction

1.1. 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 analyze the situation of individuals and households on the labour market, the Commission wishes to have regular, comparable, recent and representative regional data on unemployment in the Member States.

1.2. The Community Labour Force Survey currently consists of putting together the national labour force surveys conducted in the Member States. Although formally harmonized⁽¹⁾, these surveys essentially retain their own specific features as adopted to meet national requirements.

1.2.1. Subsisting differences include the frequency of reporting, 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, is therefore seriously impaired.

1.3. 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 the option of conducting only an annual survey in the Spring, for a transitional period.

1.4. Limiting the costs of implementing the continuous survey has been a major consideration; spreading

data collection over the whole year should make for a more rational organization of the operations and more efficient use of computer resources; 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; and certain variables included in the current series of surveys have been dropped.

1.5. In line with the principle of subsidiarity, only data on the variables used to determine activity status and underemployment are required to be collected in direct personal interviews conducted according to very strict common guidelines, which are deemed to be 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 Member State or the information required may be obtained from other sources.

1.5.1. Furthermore, the target structure does not require a sample rotation scheme so that Member States can use the survey plan which most effectively takes account of specific national features.

2. The Commission's proposals

2.1. Member States would be required to conduct a labour force survey each year.

2.1.1. The survey would be a continuous survey providing quarterly and annual results. However, those Member States which were unable to implement a continuous survey would be permitted to conduct an annual survey only, to be carried out in the Spring.

2.1.2. The information to be collected in the survey would relate 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.

⁽¹⁾ Council Regulation (EEC) 3711/91, 16.12.1991.

2.1.3. In the case of a continuous survey, the reference weeks would be spread uniformly throughout the year. The interview would normally take place in the week following the reference week. The reference week and the date of the interview would not be permitted to be more than five weeks apart, except in the third quarter. The reference quarters and years would be respectively groups of 13 and 52 weeks.

2.2. The survey would be carried out on a sample of those residing in the economic territory of each Member State at the time of the survey. The sample could be selected on the basis of either an individual or a household. Regardless of whether the sampling unit were an individual or a household, information would be collected in respect of all persons residing in the household but, where the sampling unit was an individual, the information required in respect of other members of the household would be reduced. A household is a physical concept, i.e. all persons residing in the same premises are deemed to constitute a household, regardless of their relationship to each other.

2.2.1. The principal scope of the survey would consist of persons residing in private households on the economic territory of each Member State; where possible, this main population would be supplemented by persons residing in collective households. The survey would not be limited to those of working age.

2.2.2. The variables used to determine labour status and underemployment would have to be obtained by interviewing the person concerned or, if this were not possible, another member of the same household. Other information could be obtained from alternative sources, including administrative records, provided that the data obtained were of equivalent quality.

2.3. The proposed regulation lays down certain reliability criteria to ensure the representativeness of the sample.

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

2.3.1.1. Regions with less than 300 000 inhabitants would be exempt from this requirement.

2.3.2. In the case of a continuous survey, the sample design would have to guarantee that, for sub-populations which constituted about 5% of the population of

working age, the standard error at national level for the estimate of changes between two successive quarters did not exceed 2% of the sub-population concerned.

2.3.2.1. For Member States with populations between one million and twenty million, this requirement would be relaxed to 3%.

2.3.2.2. Member States with a population below one million would be exempt from these precision requirements concerning changes.

2.3.3. Where the survey was carried out only in the Spring, at least a quarter of the survey units would have to be taken from the previous survey and at least a quarter would have to form part of the following survey.

2.3.4. Where non-response to certain questions resulted in missing data, statistical imputation would normally be applied.

2.3.5. The weighting factors would be calculated taking into account the probability of selection and external data relating to the distribution of the population being surveyed by sex, age (in five-year age groups) and region (NUTS II level), where such external data were sufficiently reliable. The same weighting factor would be applied to all members of the same household.

2.3.5.1. Member States would have to provide Eurostat with whatever information it required concerning the organization and methodology of the survey and, in particular, would have to indicate the criteria adopted for the design and size of the sample.

2.4. The list of survey characteristics on which data would have to be collected is set out in Appendix 1. It is divided into 13 modules; which are sub-divided into a total of 85 questions. Where the sampling unit was an individual, the information required in respect of other members of the household would exclude modules g, h, i and j.

2.4.1. A further set of variables, known as 'ad hoc' modules might be added to the information required from time to time. These supplementary modules could cover such aspects as organization of work, accidents at work and the transition from education to work. The volume of an ad hoc module would not exceed the volume of module c.

2.4.1.1. A programme of ad hoc modules covering several years would be drawn up each year, not less than twelve months prior to the reference period for any module in the programme. The programme would 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 main sample) and the deadline for the transmission of results (which might be different from the deadline for the survey as a whole).

2.5. The Member States would be entitled to make it compulsory to reply to the survey.

2.6. The results would be required to be forwarded to Eurostat, duly checked, by each Member State for each person questioned (without indication of name or address) 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 an annual Spring survey.

2.7. A report on the implementation of the Regulation would be submitted by the Commission to the Parliament and the Council every three years, commencing in the year 2000. The report would evaluate in particular the quality of the statistical methods employed by the Member States.

2.8. The Commission would be assisted by the Statistical Programme Committee set up under Decision (EEC, Euratom) No 89/382, acting within the framework of the 'regulatory committee' procedure. The Commission would adopt measures which would apply immediately. However, if these measures were not in accordance with the opinion of the Committee, the Commission would refer them to the Council forthwith and delay application of the measures. The Council, acting by a qualified majority, could decide to reject the measures within a period of three months, failing which the measures would be applied.

2.9. Regulation (EEC) No 3711/91 would be repealed.

3. General Comments

3.1. The ESC considers that the availability of reliable and detailed information on the characteristics of the labour market, including the characteristics of employment and the nature and extent of the unemployment situation in the various Member States, and on the different regions within individual Member States, is essential to the development of a coherent and coordinated strategy to reduce unemployment levels in the European Union. By the same token, it is obvious that such statistics need to be prepared on a comparable and consistent basis if they are to be of real value.

3.1.1. The Committee therefore welcomes the Commission's present proposal as constituting a positive step in this direction.

3.2. The ESC feels that the comparability of the statistics would be greatly enhanced if all Member States were to conduct the survey on a continuous basis, as is currently the case in a majority of Member States. The Committee therefore hopes that the transitional phase during which Member States would be given the option to conduct an annual survey in the Spring will be curtailed as much as possible and that within the

reasonably near future there will be a situation in which every Member State conducts a continuous survey. This should not impose an undue burden, either on the administrative departments of the Member States or on the interviewees.

3.3. The accuracy of a sample survey is heavily dependent on the extent to which the sample is selected on a truly random basis. The ESC therefore endorses the proposition that Member States may be entitled to make it compulsory to reply to the survey, since non-response impairs the random nature of the sample. The sample should be selected on a common basis.

3.3.1. The ESC considers that on-going differences between the Member States in the content of the questionnaires and in the way in which the questionnaires are administered and interpreted constitute a weakness in the system which will vitiate the true comparability of the results obtained and it would like to see a greater degree of harmonization in this area.

3.3.2. The ESC feels that the harmonization of surveys should make it possible to calculate and publish unemployment rates in both the restricted and broad senses of the term as defined by the ILO. The ESC considers that the current practice of expressing the unemployment rate in the restricted sense does not allow a correct assessment of the unemployment problem and may make it difficult to compare data from different Member States, which is all the more serious when such data is then used by the Commission as the basis for its proposed schedule of Structural Fund distribution.

3.4. The ESC believes that these surveys can be of considerable use in determining the true level of unemployment by identifying, for example, those persons who have not registered as unemployed because they do not consider that there is any real prospect of obtaining work but who would, nevertheless, like to work if the opportunity were there. They could also provide interesting data on part-time working by distinguishing between those who work part-time because that is what they wish to do and those who do so because that is all that is available; to this end, questions should be directed at both the wish to extend and the wish to curtail working hours, with a view to providing reliable statistics on full-time equivalent employment. Other relevant elements on which to focus attention would be the various types of employment contract and the provision of differentiated data on temporary work.

3.4.1. The use of 'ad hoc' modules offers significant potential for obtaining detailed information on employment levels, specific aspects of the unemployment situation and contractual arrangements.

3.5. The ESC approves the proposal for the Commission to be assisted by the Statistical Programme Committee, acting within the 'regulatory committee' framework.

4. Conclusion

4.1. The Committee regrets that it was not consulted on the proposed regulation, obliging it to issue an own-initiative opinion.

4.2. The ESC approves the Commission's proposal for a Council Regulation on the organization of a labour force sample survey in the Community.

Brussels, 25 February 1998.

*The President
of the Economic and Social Committee*

Tom JENKINS

APPENDIX

to the opinion of the Economic and Social Committee

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 the 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 worked being 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)
- l) income (optional)
- m) technical items relating to the interview:
 - year of survey
 - reference week
 - interview week
 - member state
 - region of household
 - degree of urbanization
 - 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

Opinion of the Economic and Social Committee on the 'Proposal for a Council Regulation (EC) on the application of Articles 92 and 93 of the EC Treaty to certain categories of horizontal state aid'

(98/C 129/16)

On 7 October 1997 the Commission decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Community, on the above-mentioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 6 February 1998. The rapporteur was Mr van Dijk.

At its 352nd plenary session (meeting of 25 February 1998) the Economic and Social Committee adopted the following opinion with 70 votes in favour and four abstentions.

1. Introduction

1.1. The EC Treaty regards state aid as being generally incompatible with the common market. Articles 92 and 93 of the EC Treaty are devoted to this subject, and Article 94 specifies how decisions are to be reached on the measures to be taken.

1.2. The Treaty considers the following forms of aid to be compatible with the common market:

- a) aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned;
- b) aid to make good the damage caused by natural disasters or exceptional occurrences;

- c) aid granted to the economy of certain areas of the Federal Republic of Germany.

1.3. In addition, the following forms of state aid may be considered to be compatible:

- a) aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment;
- b) aid to promote an important project of European interest or to remedy a serious disturbance in the economy of a Member State;
- c) aid to stimulate certain economic activities or economic areas, where such aid does not adversely affect the common interest;