



EUROPEAN COMMISSION  
EUROSTAT

Directorate F: Social Statistics and Information Society  
Unit F-2: Labour market statistics



Doc.: *Eurostat/F2/LMP/08/09*

## LABOUR MARKET POLICY (LMP) STATISTICS

**Addendum to the  
2006 LMP methodology**

**March 2009**

Luxembourg, 20 March 2009

## Labour Market Policy database

### Addendum to the Methodology (revision of June 2006)

March 2009

The following changes should be applied to the text of the [LMP methodology, revision of June 2006](#):

**1. Page 6, footnote 1: Replace existing text:**

In “services”, a participant who is registered unemployed usually continues to be counted as registered unemployed. In “measures”, in most countries a participant who is registered unemployed usually ceases to be counted as registered unemployed (see also Box 1 following §200).

**2. Page 27, paragraphs 176-178: Replace existing text, add box after §178:**

§176 In some cases participants in an LMP *measure* may continue to receive unemployment benefit instead of receiving a training allowance, wage or similar. In this case the amount of unemployment benefit paid to these participants should be included as part of the expenditure for that measure. Two approaches are then possible for treatment of unemployment benefits in category 8:

- a. (Recommended). The total amount of unemployment benefits paid out and the total number of benefit recipients should continue to be recorded as expenditure and participants in category 8. At intervention level the LMP data will then be consistent with other publications of the same information. In addition, an adjustment entry (classified as 8.A) should be added to report on the total amount of unemployment benefit paid to persons participating in LMP measures and the related number of recipients. These numbers will then automatically be deducted when calculating aggregates by category and eliminate any double-counting.
- b. Report entries for unemployment benefits that are net of payments to participants in measures and related recipients. In this case no adjustment entry is needed but the figures published at detailed level (by intervention) may not tally with other sources of data.

§177 If necessary, the amount of unemployment benefit paid to participants in an LMP *measure* can be estimated based on the stock of participants in the measure and the average level of benefits. For example, in the case that persons receiving unemployment benefit are allowed to keep their benefits during an LMP training course. The stock of participants in the measure (see §182), adjusted by the proportion

receiving unemployment benefits, indicates the average number of persons receiving benefits at any time during the year. If unemployment benefits are paid at a flat rate or an average level can be determined, then the benefit expenditure that should be attributed to the measure in that year can be estimated as:

$$\text{Expenditure} = \text{Stock} * \text{Proportion receiving UB} * \text{Average UB per month} * 12$$

§178 This amount should then be included in the expenditure of the current *measure* (as a periodic cash payment to individuals). If following the recommended approach above (§176) the same amount should also be reported as a double-counting adjustment entry in category 8 so that it is automatically deducted from total expenditure on unemployment benefits at category level in order to eliminate double counting. Note that it may be practical to include the double-counting adjustment as a component of the relevant intervention rather than to create a separate entry (see example in box).

**Example: Reporting unemployment benefits paid to participants in LMP measures (recommended approach)**

- For each affected LMP measure:
  - Add the value of unemployment benefit payments to participants in the current year as expenditure for the measure (as periodic cash payments to individuals).
  - Ensure that item 9.1.1 is checked (cash benefits in the form of unemployment benefits are now recorded as expenditure of the current measure) and 9.1.2 is unchecked (unemployment benefits are correctly recorded in the current measure and not only in category 8).
- For the relevant intervention reporting unemployment benefits in category 8:
  - Add a component to the intervention and classify it to 8.A.
  - Apply a meaningful description to both components. For example, the original component (probably classified to 8.1) could be called “All benefits” (or similar) and the new adjustment component could be called “Benefits paid to persons in LMP measures” (if only one measure is affected a more explicit name might be entered).
  - On the expenditure grid of the input form, enter the total expenditure on unemployment benefits to the rows for the “Total” and “All benefits” component. Enter the amount paid to participants in measures to the adjustment component.
  - On the participants tab of the input form, the total number of benefit recipients should be applied to the Total page and repeated on the page for the “All benefits” component (8.1). The number of persons receiving benefits during measures should be applied to the page for the adjustment component (8.A).

**3. Page 47, paragraph 313: Replace existing text:**

§313 This option (and not item 9.1.2) should also be selected in the case that

- the intervention is a form of unemployment benefit classified in category 8;
- participants in the current intervention (measures in categories 2-7 only) continue to receive unemployment benefits and where the expenditure has been included in the current intervention (as recommended in §176-§178).

**4. Page 46, paragraph 311: Replace existing text:**

§311 In the case that participants receive cash benefits (item 9.1 = yes) then the source of those benefits should be selected from one or more of the four options below:

**5. Page 39, add paragraph 249a: Insert text:**

§249a Note that neither formula is reliable when there are significant changes year on year to the numbers of entrants or exits, for example in the case of interventions just starting up or coming to an end.

**6. Page 30, paragraphs 196-197: Replace existing text:**

§196 Age (item 20) refers to the age-group within which participants fall. The standard age-groups required are: under 25 / 25-54 / 55 and over. This breakdown should be considered obligatory and completed for all interventions. Optionally, the LMP software will also accept more detailed data using 5-year age-groups (<20, 20-24, 25-29, ..., 60-64, 65+).

§197 The breakdown of participants by age is necessary to facilitate monitoring of the Employment Guidelines, which refer to youth as persons aged under 25 and older persons as those aged 55 or over.

**7. Page 30, paragraphs 198-200: Replace existing text (note §198 split into §198 and §198a):**

§198 Duration of unemployment (item 21) usually refers to the duration of the unemployment spell of participants in LMP measures before they joined the intervention but is used differently depending on the type of intervention and observation of participants:

	<b>Stock</b>	<b>Entrants</b>	<b>Exits</b>
<b>LMP services (1.1.2 only) LMP measures</b>	Duration of unemployment spell before joining the intervention. Only applies to participants that were previously registered unemployed.		
<b>LMP supports</b>	Current duration of benefit spell.	Not required. (Duration of unemployment spell before starting to receive benefits.)	Duration of ending spell of benefits.
<b>Reference data (R.1.1 only)</b>	Current duration of unemployment spell.	Not relevant.	Duration of ending unemployment spell.

§198a The required breakdown by duration of unemployment is:

- Total refers to the total number of participants for whom duration of unemployment is relevant. For LMP measures/services that means the number of participants who were registered unemployed before joining the intervention (see §200). For LMP supports and reference data on registered unemployed the number will be the same as the total number of participants.
- <6 months refers to the number of participants who were registered unemployed for less than 6 months before joining the intervention (LMP services/measures) or in receipt of benefits for less than 6 months (LMP supports) or registered for less than 6 months (reference data).
- 6-12 months refers to the number of participants who were registered unemployed for 6 to 12 months before joining the intervention (LMP services/measures) or in receipt of benefits (LMP supports) or registered (reference data) for the same period.
- >12 months refers to the number of participants who were registered unemployed for more than 12 months before joining the intervention (LMP services/measures) or in receipt of benefits (LMP supports) or registered (reference data) for the same period.

§199 This breakdown is applied to four groups of participants by sex and age:

- Total (men and women, all ages)
- Total <25 (men and women, aged <25)
- Women (women, all ages)
- Women <25 (women, aged <25)

§200 For LMP measures and services, the breakdown of participants by duration of unemployment is relevant only to participants who were previously registered unemployed (see Box 1 and §300 to §306). It is expected, therefore, that in cases where persons not previously registered unemployed can participate in the intervention

then the total number for whom duration is relevant will be lower than the total number of participants for that variable. The observation is also not relevant for some breakdowns of entrants by previous status (see §201-§213).

**8. Page 44, paragraphs 297-299: Replace existing text (correction of item numbers only):**

§297 Immigrants/ethnic minorities (item 7.6) refers to non-national permanent residents in a country, or nationals from an ethnic minority, who need special help in the labour market because of language or other cultural difficulties.

§298 Re-entrants/lone parents (item 7.7) refers to persons with difficulties in returning to work after a period of inactivity, and single men or women with children who need assistance - financial or otherwise - to be encouraged to work.

§299 Public priorities and other (item 7.8) refers to any nationally recognised disadvantaged groups not covered above.