



## EUROSTAT QUALITY PROFILE

<b>Indicator (definition)</b>	<b>Employment growth (%):</b> The percentage change in the employed population calculated with regard to the previous year (annual average). The employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.
<b>Eurostat Unit</b>	Labour Market; National Accounts
<b>Other Commission DGs</b>	DG EMPL
<b>European Statistical System Working Group (WG)</b>	WG on Employment Statistics; WG on National Accounts
<b>Date</b>	May 2009

**1. Overall assessment of accuracy and comparability** (Description of quality grades under the following link: [http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general\\_information/quality\\_profiles/annex\\_enpdf/E N 1.0 &a=d](http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general_information/quality_profiles/annex_enpdf/E N 1.0 &a=d))

A     
  B     
  C     
  Indicator to be developed

Data are collected from reliable sources applying high standards with regard to the methodology and comparability across countries and over time.

### 2. Objective and relevance of the indicator:

The indicator gives a measure of how employment levels, measured in number of persons employed, have evolved during a specific year reflecting, this way, the current trends of the labour force market.

High positive values of the indicator denote achievement of employment growth and job creation enhancement, goals set both by the Lisbon Strategy and the Renewed Sustainable Development Strategy. In both strategies the goal of full employment is stated explicitly and the indicator provides the means to monitor how fast EU member states move towards this goal. In addition, the renewed SDS links employment growth with the sustainability and adequacy of pensions, while in the Lisbon Strategy it is explicitly stated that the employment rate should be raised as close as possible to 70% by 2010.

### Restriction of the indicator's relevance and other characteristics which may lead to restrictions in using it in monitoring and reporting

### 3. Data availability: details

(**t<sub>1</sub>**: earliest reference year available; **t<sub>2</sub>**: latest reference year available in May 2009)

	Member States	Candidate and Acceding Countries	US and Japan	EEA-EFTA <sup>1</sup>
t <sub>1</sub>	1992: BE, DK, DE, IE, EL; ES, FR, IT, LV, LT, LU, NL, AT, PT, FI, SE 1993: UK; 1994: EE 1995: SK 1996: CZ, CY, HU, PL, SI 1997: BG, 2000: MT 2003: RO	1995: TR 1997: HR	1992: US, JP	1992: IS, NO
t <sub>2</sub>	2006: RO 2008	2008	2008	1997: IS; 2008: NO

<sup>1</sup> While being a member of the EEA, Liechtenstein has complete or partial exemptions from several statistical requirements due to its size. Thus, Liechtenstein is excluded from this overview as most of the data are missing.

#### 4. Overall accuracy

High



The indicator is based on the National Accounts data compiled according to the European System of Accounts 1995 (ESA95) and transmitted to Eurostat in the framework of the Annex B of ESA 95. National accounts estimates are produced combining a large number of sources. For employment, in many countries, the labour force survey (LFS) is the most important one, although compilation methods depend from country to country. National Accounts employment estimates differ from LFS for minor conceptual reasons (e.g. geographical scope) and also measurement reasons (as National Accounts ensures coverage of non-observed economy and coherence with other variables like output or salaries).

LFS, the main source used for National Accounts' employment in most countries, is a sample survey subject to sampling errors. The interview method in most countries is face to face and telephone interviewing. The sampling design employed by most NSIs is some kind of multi-staged stratified sampling scheme with region and level of urbanisation defining the sample strata. The potential bias caused by non-response is corrected with weighting procedures implemented by all Member States. The main variables used for the weighting process are region, gender and age.

Non-response rate varies across countries. In most of them, it ranges from 10% to 25%. In all countries proxy interviews are allowed and in most cases their percentages range between 25%-50%.

The National Accounts employment estimates are supplemented for this indicator with gender breakdowns based on LFS. The employment growth series are revised quarterly about 120 days after the end of the quarter.

Restricted



(sources, errors, methodology, etc.)

#### 5. Comparability across countries

High



Comparability across countries is ensured by the application of the legal framework represented by the ESA95 which is adopted in the form of a Council Regulation in June 1996. Concepts in the ESA are also internationally compatible.

Comparability of LFS results is ensured through various regulations defining common concepts, definitions and methodologies (see relevant European legislation).

Restricted



#### 6. Comparability over time

High



ESA 95 requires coherent long time series for employment growth. In some countries, methodological breaks can affect time series (normally on a temporary basis). Backward calculations of time series are usually provided to ensure full time coherence in a case of methodological changes.

Restricted



#### 7. Development perspective for improving the quality of this indicator (including as far as possible an indication of the burden on Member States and respondents.)

Continuous improvements relate to new methodology and compilation techniques as well as to harmonisation.

#### 8. Contribution to the coherence of the set/potential to qualify for an integrated policy analysis

Employment growth measures developments in the labour market. It can be used along with the headline indicator on economic development 'growth rate of real GDP' to assess changes in labour productivity. Employment growth can be complemented with measures of working time. The interpretation of the indicator should be done after careful consideration of the level of total employment.

## **Relevant European legislation**

### ***Regulations on National Accounts:***

-Council Regulation (EC) N° 1392/2007 of 13 November 2007 amending N° 2223/96 on the European system of national and regional accounts in the Community (ESA 95).

-European parliament and Council Regulation 1267/2003 on reducing transmission deadlines and requiring hours work data.

### ***Regulations on LFS:***

#### ***General regulations on LFS***

- Regulation (EC) No 1991/2002 of the European Parliament and of the Council of 8 October 2002, amending Council Regulation (EC) No 577/98 on the organisation of labour force sample survey in the Community.

- Regulation (EC) No 2257/2003 of the European Parliament and of the Council of 25 November 2003, amending Council Regulation (EC) No 577/98 on the organisation of a labour force sample survey in the Community to adapt the list of survey characteristics.

#### ***Implementation regulations - Core survey description on LFS***

- Council Regulation (EC) No 577/98 of 9 March 1998 on the organisation of a labour force sample survey in the Community (OJ No L 77/3).

-Commission Regulation (EC) No 1571/98 of 20 July 1998, implementing Council Regulation (EC) No 577/98 on the organisation of labour force sample survey in the Community.

- Commission Regulation (EC) No 1575/2000 of 19 July 2000, implementing Council Regulation (EC) No 577/98 on the organization of a labour force sample survey in the Community concerning the codification to be used for data transmission from 2001 onwards.

- Commission Regulation (EC) No 430/2005 of 15 March 2005, implementing Council Regulation (EC) No 577/98 on the organisation of a labour force sample survey in the Community concerning the codification to be used for data transmission from 2006 onwards and the use of a sub-sample for the collection of data on structural variables.

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