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***Data Availability on Employment in Service Areas***

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# **Data availability on employment in service areas**

## **Introduction**

This paper provides an overview of statistics collected specifically on employment in the services sector at the European level. It briefly looks at the relationship that may exist between the statistical sources.

The main statistical sources of employment data for which legislation exists are:

- Structural Business Statistics,
- Pilot Surveys,
- Labour Force Surveys,
- Labour Costs Surveys,
- National Accounts (European System of Integrated Economic Accounts).

## **Structural Business Statistics**

Council Regulation n°58/97 concerning structural business statistics and Council Directive n°221/72 on annual inquiries into industrial activity form together the “Structural Business Statistics”.

### ***Council Regulation on structural business statistics***

The Council Regulation n°58/97 of 20 December 1996 concerning Structural Business Statistics covers both manufacturing and service industries. Its implementation will greatly improve the information available on the service sectors. The regulation is built up from modules: a common module for annual structural statistics and three detailed module for structural statistics in industry, distributive trades and construction. The implementation of the first common module starting with the reference year 1995 will considerably increase data availability of the service sectors:

- the coverage of the service sectors will increase for most countries. In addition the coverage of sectors will be harmonised amongst countries so that EU totals can be created;

- the number of variables will be increased in most countries and all countries will provide data on the same variables so that EU totals can be created;
- data collection will include the breakdown of information into size classes thus providing harmonised statistics on the performance of Small and Medium Enterprises;
- regional statistics on the basis of “local units” will be collected in order to assist the development of national and European regional development policies. Furthermore they should assist in an analysis of the performance of social funds.
- pilot studies and surveys are foreseen in order to initiate data collection in the field of Foreign Affiliates Trade Statistics (following the requirements of GATS), in the sectors of education, health and social work and other community, social and personal service activities (NACE Rev.1 sections M - O);
- pilot studies are also foreseen for financial services (NACE Rev.1 65.2, 66.02 and 67) and business services.

Additional modules are sector-specific (Annex 2: Manufacturing industries; Annex 3: Distributive trades and Annex 4: Construction) and go beyond the collection of horizontal or common enterprise statistics.

The employment variables required are: “Number of persons employed”, “Number of employees”, “Number of part-time employees”, “Number of employees in full-time equivalents units”, “Working hours”, “Number of apprentices” and “Number of homeworkers”.

The four annexes of the SBS regulation share only two employment variables: “Number of persons employed” and “Number of employees”.

The statistical unit is the enterprise.

### ***Council Directive on annual inquiries into industrial activity***

In 1972 the Council Directive 221 guided data collection on the annual inquiry into industrial activities of enterprises with more than 20 employees. The directive has now been replaced by the structural business statistics regulation.

In the Council Directive n°221/72 five employment variables can be found: “Number of persons employed”, “Number of employees”, “Number of proprietors working in the undertaking and family workers”, “Total of manual and non manual workers, including apprentices and of whom women”, “Number of hours worked during the year”, “Number of apprentices”, and “Number of homeworkers”.

The common variables between the Council Regulation n°58/97 and the Council Directive n°221/72 are: “Number of employed” “Number of employees”, “Number of apprentices”. The statistical unit was the enterprise.

## **Pilot Surveys**

The Council Decision of 18 June 1992 established a two-year programme for the development of European statistics on services (92/326/EEC). It provides in Article 3 the base to “carry out of pilot surveys on service enterprises”. In line with the action plan, these pilot surveys were intended to “supply preliminary data for the sectors covered and prepare the way for regular data collection based on the methodology”. In this context, priority was given to “those activities which are most dynamic and those which are least covered by existing statistics”.

Four pilot surveys are currently being executed on the following business services:

1. information technology (NACE Rev.1 72),
2. recruitment, outplacement and provisions of personnel (NACE Rev.1 74.5),
3. industrial cleaning (NACE Rev.1 74.7),
4. engineering and consultancy (NACE Rev.1 74.2).

There are some employment variables which are specific of each survey. The employment section of the questionnaire for the pilot study on “engineering consultancy” includes questions on training and education of employees. The pilot study on “Recruitment outplacement and provision of personnel services” underlines which kind of personnel is supplied by these enterprises (temporary workers) and their hours worked during the year. The “Information technology” pilot study considers also the possibility that the employees perform work in a place different from workplace of the enterprise (telework).

The survey meets the minimum requirements of the above mentioned SBS regulation.

The statistical unit of pilot surveys is the enterprise.

## **Labour Force Survey**

The labour force survey is an inquiry directed to households designed to obtain information on the labour market and related issues by means of personal interviews. The European Union Labour Force Survey is an indispensable tool for observing labour market developments and for taking the appropriate policy measures. It is the only source of information in these areas to provide data which is truly comparable in the sense of being independent of the national administrative and legislative framework.

The first Community Labour force Surveys were in 1960 and not covered by legislation. From 1992 onwards Council Regulation n°3711/91 lists the requirements. The survey covers the whole of the resident population, i.e. all persons whose usual place of residence is in the territory of the Member States of the European Union. For technical and methodological reasons, the only exception is represented from the population living in collective households.

The Labour Force Survey covers the population of private households. The labour force characteristics of each person interviewed refer to their situation in a particular week in Spring. The main statistical objectives of the survey are to classify the population of working age (15 years and above) into three mutually exclusive and exhaustive groups - persons in employment, unemployed persons and inactive persons - and to provide descriptive and explanatory data on each of these categories.

The definitions of employment and unemployment used in the Community Labour Force Survey are coherent with the International Labour Office definitions.

The employed comprise all persons above a specified age who during a specified brief period either one week or one day, were in the following categories: “paid employment” or “self-employment”.

“Paid employment” is divided in:

- “at work”: persons who during the reference period performed some work for wage or salary, in cash or in kind;
- “with a job but not at work”: persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.

“Self-employment” is divided in:

- “at work”: persons who during the reference period performed some work for profit or family gain, in cash or in kind;
- “with an enterprise but not at work”: persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

Data coming from the Labour Force Survey also contains the following details:

### **Work status information**

It includes how many people aged 15 years or more did work for pay or profit during the reference week (one hour or more) and why they were not working.

### **Information on employment characteristics of the first job**

It includes the number of self-employed, employees and family workers as well as the economic activity of the local unit of the establishment. In this section there are also the kinds of occupation classified by International Standard Classification of Occupations (ISCO-88 COM) and the number of persons working at the local unit of the establishment. Moreover it is possible to know which is the country and region of place of work as well as the reference time when the household started working. There is also information on the kind of job contract and his characteristics (full/part-time, permanent/temporary, shift work). Finally there is the number of hours usually/actually

worked during the reference week and then which are the main reasons for hours actually worked during the reference week being different from the person's usual hours.

### **Information about second job**

In this section is possible to know how many private households have more than one job or business and what is their professional status and occupation (ISCO-88 COM) in the second job. There is also information on the number of hours actually worked during the reference week in the second job and its regularity (regular/occasional/seasonal second job).

### **Information on previous work experience of person not in employment**

It includes the number of persons who have never or have already been in employment, the reference date of the last job and the main reasons for leaving it.

### **Information on search for employment**

This part of questionnaire contains how many people are or not seeking employment, the duration and the actions of search for work as well as the type of employment sought.

### **Situation of inactive person**

People who neither have a job nor are looking for one are classified in:

- persons in education or training
- persons retired
- persons permanently disabled.

### **Information on education and training**

It includes information on purpose, length and kind of education and training received during four weeks before the reference week.

### **Information on the situation one year before survey**

It contains the professional status and the number of persons who were/were not working one year before survey.

## **Labour Costs Survey**

The Community survey of labour costs covers enterprises or establishments with at least ten employees carrying out the main activities in a defined sector. The periodicity of the survey is every four years. It covers all industrial sectors and in addition wholesale and retail trade, repair of motor vehicles and household goods, hotels and restaurants, travel agencies and tour operators, financial intermediation, insurance and pension funding (excluding compulsory social security), real estate, renting and business activities.

This survey is concerned with the level and the structure of employer's wage costs for a sample of enterprises or establishments (local Kind-of-Activity Units) from the industrial and services sectors, with at least ten employees.

The groups of employment variables collected from the Labour Costs Survey are:

### **Number of employees**

Full-time employees (excluding apprentices), Part-time employees (excluding apprentices), Total number of employees, Part-time employees converted into full-time units, Total number of employees converted into full-time equivalent units and Apprentices.

### **Hours worked**

Total of hours worked by all employees during the year (excluding apprentices), Total of hours worked by full-time employees during the year (excluding apprentices), Total of hours worked by part-time employees during the year (excluding apprentices).

## **National Accounts (European System of Economic Integrated Accounts)**

The European System of Integrated Economic Accounts (ESA) consists of a coherent and detailed set of accounts and tables which must provide a systematic, comparable and complete picture of the economic activity within each member country of the European Communities. It thus provides the common economic language which is necessary for work on the various kind of analysis and projection needed for the review and orientation of the economic policies.

The first version of “European System of Integrated Economic Accounts” was drawn up in 1970 and it represented the “Communities” version of the United Nations revised System of National Account (1968). Two other versions followed in 1979 and 1995 nevertheless the employment data available are conformed to the former<sup>1</sup>.

The concept of employment involved in National Accounts include all the persons (resident or not) which have contributed to national GDP.

The classification used in ESA79 is NACE-CLIO 25 or 44 groupings which are different from the classification of Business Statistics (NACE Rev. 1). Correspondence tables conversion NACE-CLIO 25/44 -NACE Rev. 1 pose practical problems.

The variables required from “European System of Integrated Economic Accounts” (ESA version 1979) are:

- total active population and occupied population;
- wage and salary earners;
- volume and indices of occupied population;
- employees of general and central government;
- number of self-employed.

The last version ESA95 require some more employment variables:

- number of employees in full-time equivalent units;
- working hours.

Statistical unit should be the Kind of Activity Unit (KAU).

## **Analysis of available employment statistics**

Eight variables concerning employment were used in structural business statistics. In total 20 variables concerning employment have been collected in pilot surveys. And 30 were collected in the labour cost and labour force surveys and in the National Accounts. Business statistics and this last group do not share any employment variable. With some care it is possible to compare data on occupied population used in “Labour Surveys” and “National Accounts” with the variables “number of employees” and “number of persons employed” which are used in structural business statistics. Of course similar other comparisons can be made.

An interesting data collection is the pilot study on “recruitment, outplacement and provision of personnel”. This is a high growth sector which supplies in many Member States labour to in principle all branches of economic activity. The pilot may underline the job market linkages between different sectors and professional skills needed.

Attached an annex listing indicators by group.

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<sup>1</sup>National Accounts data on employment will be conformed to ESA95 only from year 1998~1999.



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Source description	CR 58/97 A1		CR 58/97 A2		CR 58/97 A3		CR 58/97 A4		CD 221/72		PS1		PS2		PS3		PS4		LCS		LFS		ESA	
	Council Regulation on structural business statistics		Council Regulation on SBS - industry		Council Regulation on SBS - distributive trades		Council Regulation on SBS - construction		Council Directive on annual inquiries into industrial activity		European Pilot Survey on engineering and consultancy		European Pilot Survey on Recruitment, outplacement and provision of personnel services		European Pilot Survey on Information Technology		European Pilot Survey on Industrial Cleaning		Labour Costs Survey Council Regulation 3949/92		Labour Force Survey Council Regulation 3711/91		European Systems of Economic Integrated Accounts (ESA-79 and soon ESA-95)	
	Enterprises and local units		Enterprises, Kind-of-Activity Units (KAUs) and local units		Enterprises and local units		Enterprises, Kind-of-Activity Units (KAUs) and local units		Enterprises (with more than 20 persons employed), KAUs and local units		Enterprises		Enterprises		Enterprises		Enterprises		Enterprises and local units with more than 9 employees		A sample of households		Kind of Activity Units (KAUs)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Number of persons employed	X		X		X		X		X		X		X	X	X				X		X			X
Number of employees	X		X		X		X		X		X		X		X		X		X		X			X
Number of part-time employees		X	X		X			X		X		X	X		X		X		X		X			X
Total active population		X		X		X		X		X		X		X		X		X		X		X		X
Occupied population		X		X		X		X		X		X		X		X		X		X		X		X
Wage and salary earners		X		X		X		X		X		X		X		X		X		X		X		X
Volume and indices of occupied population		X		X		X		X		X		X		X		X		X		X		X		X
Employees of general government		X		X		X		X		X		X		X		X		X		X		X		X
Employees of central government		X		X		X		X		X		X		X		X		X		X		X		X
Employees of central government reduced		X		X		X		X		X		X		X		X		X		X		X		X
Proprietors working in the undertaking and family workers		X		X		X		X	X		X		X		X		X		X		X			X
Total of manual and non manual workers, including apprentices and of whom women		X		X		X		X	X		X		X		X		X		X		X			X
Number of apprentices		X	X		X		X		X	X		X		X		X		X	X		X			X
Number homeworkers			X		X		X		X	X		X		X		X		X		X		X		X
Number of employees in full-time equivalents units		X	X		X	X		X		X		X		X		X		X	X		X		X	
Working hours		X	X		X		X		X		X		X		X	X	X		X		X		X	
Breakdown of working hours according to full/ part time		X		X		X		X		X		X		X		X		X	X		X			X
Number of hours worked during the year		X		X		X		X	X		X		X		X		X		X		X			X
Average number of hours worked during each quarter		X		X		X		X		X		X	X		X		X		X		X			X
Hours worked used for own production		X		X		X		X		X	X		X		X		X		X		X			X
Hours worked used for R&D projects		X		X		X		X		X	X		X		X		X		X		X			X
Hours worked used for training and post-education		X		X		X		X		X	X		X		X	X		X		X				X

Source description	CR 58/97 A1		CR 58/97 A2		CR 58/97 A3		CR 58/97 A4		CD 221/72		PS1		PS2		PS3		PS4		LCS		LFS		ESA	
	Council Regulation on business statistics		Council Regulation on industry statistics		Council Regulation on distributive trades		Council Regulation on construction		Council Directive on annual inquiries into industrial activity		European Pilot Survey on engineering and consultancy		European Pilot Survey on Recruitment, out placement and provision of personnel services		European Pilot Survey on Information Technology		European Pilot Survey on Industrial Cleaning		Labour Costs Survey Council Regulation 3949/92		Labour Force Survey Council Regulation 3711/91		European Systems of Economic Integrated Accounts (ESA-79 and soon ESA-95)	
Statistical units	Enterprises and local units		Enterprises, Kind-of-Activity Units (KAUs) and local units		Enterprises and local units		Enterprises, Kind-of-Activity Units (KAUs) and local units		Enterprises (with more than 20 persons employed), KAUs and local units		Enterprises		Enterprises		Enterprises		Enterprises		Enterprises and local units with more than 9 employees		A sample of household		Kind of Activity Units (KAUs)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Hours worked used for administration, marketing and other internal purposes		X		X		X		X		X	X			X		X		X		X		X		X
Number of employees according temporary-permanent		X		X		X		X		X		X	X		X		X		X	X				X
Breakdown by sex and level of numbers of permanent staff		X		X		X		X		X		X	X		X		X		X		X			X
Breakdown of permanent staff according to age, seniority in the firm and full-part time		X		X		X		X		X			X		X		X		X	X				X
Characteristics of the contracts of temporary workers		X		X		X		X		X			X		X		X		X	X				X
Breakdown of number of employees according to sex		X		X		X		X		X	X		X		X		X		X	X				X
Breakdown of number of employees according to age		X		X		X		X		X	X		X		X		X		X	X				X
Breakdown of number of employees according to education		X		X		X		X		X	X		X		X		X		X	X				X
Number of teleworkers as a share of their total working hours		X		X		X		X		X		X	X		X		X		X		X			X
Breakdown of number of persons with university degree according to seniority in the firm		X		X		X		X		X	X		X		X		X		X	X				X
Breakdown by purpose of the total number of hours spent in training and post education		X		X		X		X		X	X		X		X		X		X	X				X
Demographic background		X		X		X		X		X		X	X		X		X		X	X				X
Employment characteristics of the first job		X		X		X		X		X		X	X		X		X		X	X				X
Information about second job		X		X		X		X		X		X	X		X		X		X	X				X
Previous work experience of person not in employment		X		X		X		X		X		X	X		X		X		X	X				X
Search for employment		X		X		X		X		X		X	X		X		X		X	X				X
Situation of inactive persons		X		X		X		X		X		X	X		X		X		X	X				X
Situation one year before the survey		X		X		X		X		X		X	X		X		X		X	X				X
Technical items relating to the interview		X		X		X		X		X		X	X		X		X		X	X				X
Breakdown by sex and level of numbers of personnel supplied by the enterprise		X		X		X		X		X		X	X		X		X		X		X			X
Recruitment policy		X		X		X		X		X		X	X		X		X		X		X			X
Occupation of employees and recruited personnel during the last year		X		X		X		X		X		X	X		X		X		X		X			X