

Two common measurements for unemployment

The Government's budget proposal for 2007 contains the following statements on the labour force survey, LFS.

The Government decided on 18 December 1986 on the definition of concepts in the labour force surveys. The decision entailed that full-time students who are actively seeking work and are prepared to start work are not defined as unemployed in official labour market statistics. The Government now intends to revoke the above-mentioned decision as soon as it is possible while retaining the continuity and quality of the labour market statistics.

May 31st 2007 the Government decided to revoke the decision from 1986, Definitions of conceptions in labour force surveys (Government decision, Ministry of Public Administration, 1986-12-18, CE 1663/86).

Since January 2007 Statistics Sweden has presented the LFS results in accordance with EU-regulations in the press releases as well as in the web-site. Consequences for the publishing of LFS results due to the revoked decision will be presented at a SCB seminar in Almedalen, Visby July 9th.

Two commonly occurring and discussed measurements of unemployment are presented here, firstly the current official Swedish measurement of unemployment and secondly unemployment calculated in accordance with ILO recommendations¹. There are also other measurements to describe unemployment. A brief description is also given of the consistency of the ILO recommendations regarding employed persons.

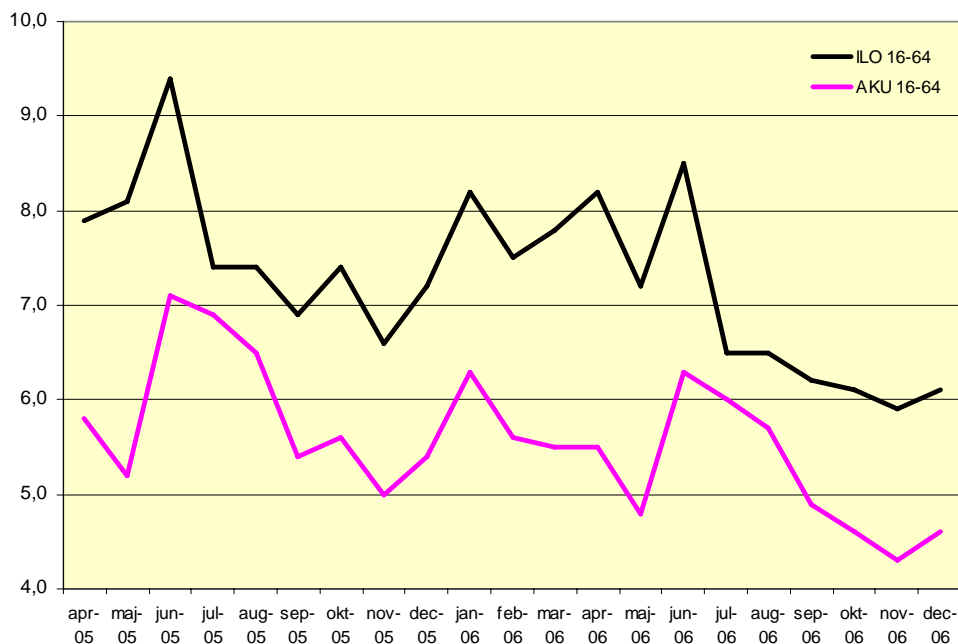
Statistics Sweden regularly reports unemployment in accordance with the ILO recommendations to Eurostat; these figures are also published on Eurostat's website. For national requirements, however, the established Swedish measurement () has been published in press releases, Sweden's statistical databases and LFS's own results tables, also called the base tables.

Apart from including the age group 15-74 years, the EU definition also classifies full time students who are actively seeking work and are prepared to start work as unemployed. They don't count as unemployed according to the Swedish LFS-measurement which moreover refer to the age group 16-64 years. A consequence of including these full time students in the unemployment is that it increases. The divergence between the ILO measurement and the Swedish LFS measurement are the smallest during the summer months of July and August. The divergence varies between 0.5 and 0.9 percentage points. It is not unexpected that there are considerably fewer full-time students during these months than during the other months of the year.

¹ Survey of economically active population, employment, unemployment and underemployment An ILO manual on concepts and methods. ILO Geneva, 1990. ISBN92-2-106516-2

Figure 1 show how the unemployment measurement in accordance with the ILO recommendations has compared to the currently applicable national definition from April 2005 to December 2006.

Figure 1
Unemployment according to ILO recommendations and LFS (AKU) April 2005-December 2006, in percent of the labour force aged 16-64.



Employed persons

If the age group 15-74 years is also used for employed persons, the effect would be a reduction in the number of employed persons of between eight and nine percentage points. The explanation for this is the low level of employment among 15 year olds and for the age group 65-74 years.

Eurostat, the EU's statistical office, uses the age group 15-64 years in its reporting of employed persons. With this age definition, the number of employed persons falls from between one to two percentage points.