



## ~ Methodology ~

### LABOUR FORCE SURVEY (LFS)

#### **LEGAL BASIS**

The Labour Force Survey (LFS) is carried out in accordance with the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No 85/03) and based on the Statistical Programme for the period 2018-2021 and the current Work Plan of the Republika Srpska Institute of Statistics.

#### **PROTECTION OF INDIVIDUAL DATA**

Individual data obtained through the Survey are confidential and are used for statistical purposes only. Participants in the Survey must respect the rules that ensure this confidentiality. Confidential data are protected pursuant to Articles 25 and 27 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03) and in accordance with the Rules of protection of confidential data of the Republika Srpska Institute of Statistics.

#### **METHODOLOGICAL EXPLANATIONS**

##### **Purpose**

The Labor Force Survey (LFS) is conducted worldwide and is the most comprehensive source of data on the status of persons in the labour market. The methodological bases of LFS are based on the recommendations and definitions of the International Labour Organisation (ILO) and the requirements of the European Statistical Office (EUROSTAT), which ensures international comparability of the results.

From 2006 to 2019, the Republika Srpska Institute of Statistics conducted LFS once a year. Since 2020, LFS has been conducted continuously throughout the year and indicators are published quarterly. In accordance with the Regulation of the European Parliament and of the Council, which entered into force on 1 January 2021, the Republika Srpska Institute of Statistics made methodological changes to the content of the LFS questionnaire through which data for 2021 are collected.

In addition to demographic, socio-economic and educational data, the Survey also serves to collect data on employment, unemployment, underemployment, as well as data on occupation, working hours, duration of employment, additional employment, education and further training, work seeking activities, etc. Collected data allow for the calculation of the most important indicators of the situation on the labour market, namely the rates of activity, employment and unemployment.

Data obtained through the Labour Force Survey are based on the Labour Force Concept and are not methodologically comparable with the data obtained through other statistical or administrative sources.

## **Observation unit and survey unit**

**Observation unit** in LFS is a household randomly selected into the sample.

A household is any family or other community of persons who declare that they live together and spend their income together to meet basic living needs, regardless of whether all members are permanently present at the place of residence of the household or some of them are temporarily living elsewhere, in a different settlement or country, for the purposes of employment, education or other reasons.

A household can consist of:

1. Two or more persons, regardless of their relationship, sharing one housing unit, who usually jointly procure and consume food (multi-member household);
2. One person living alone in a housing unit or living with other people but without taking part in the joint procurement and consumption of food (one-member household).

The Labor Force Survey does not include collective households (housing or hotels for singles, halls of residence for students and pupils, housing for children and youth with special needs, housing for socially endangered children, housing for pensioners, the elderly and infirm, other care and nursing homes, monasteries, convents, boarding schools, etc.).

**Survey unit** is a member of the selected household, that is, any person who lives and eats in the household, as well as any person who is temporarily absent from the household at the time of the survey, being:

1. A student or pupil supported by the parents, regardless of the length of absence;
2. Absent due to a tourist trip, a visit to relatives or friends or a business trip, e.g. railroad workers, merchant travelers, sailors, etc.
3. Detained or placed in a specialized institution (psychiatric clinic, asylum, sanatorium, nursing home, etc.), staying less than 12 months;
4. Absent from the household for 12 months or more due to employment within the borders of BiH or employment with a domestic employer outside the borders of BiH.

The following are not considered household members:

1. Guests, whether relatives or not, who have another permanent place of residents (by guests we mean members of another household);
2. Persons working as domestic help, if they live separately;
3. Persons in detention and persons in specialized institutions (psychiatric clinic, asylum, sanatorium, nursing home, etc.), staying more than 12 months.

A person born after the reference week is not considered a household member. However, a person who was alive during the reference week and who died after that period is considered a household member.

## **Data collection**

Data are collected directly from all members of a sampled household, through interviews. Each member of the household provides answers for himself/herself, while the parent or guardian provides answers for children under the age of 15. In certain cases, the household head or the most knowledgeable person in the household can provide answers for all members of the observed household.

**Reference week** is the time period to which questions about the person's economic activity refer. Most questions refer to the economic activity in a particular calendar week, from Monday to Sunday (reference week). However, some data also refer to other periods (four weeks or one year before the reference week).

**Fieldwork** is organised as follows:

1. Enumerators and controllers are selected at the regional offices of the Republika Srpska Institute of Statistics, as direct operatives. The regional offices organise interviews with households selected in the sample for the first time, in accordance with the sample scheme. Trained enumerators interview these households and persons who are survey units directly (face to face), under expert supervision of the relevant statistician, using computers with installed applications (CAPI – Computer Assisted Personal Interviewing). The number of enumerators varies by quarter, depending on the number of household surveyed for the first time. Usually, there are approximately 20 enumerators.
2. Households surveyed for the second, third or fourth time are interviewed by telephone from the headquarters of the Republika Srpska Institute of Statistics (CATI – Computer Assisted Telephone Interviewing). In 2021, six enumerators were hired for telephone data collection, under expert supervision of the relevant statistician.

### **Methodological instruments**

The following methodological instruments are used to conduct the Survey:

1. LFS – 2021 questionnaire in electronic form (ARS 1);
2. Questionnaire on non-response in electronic form (ARS 2);
3. Instructions for data collection and completion of the Labour Force Survey questionnaire (ARS 3);
4. List of housing units and households selected into the sample (ARS 4).
5. Annexes:
  1. List of countries;
  2. List of municipalities/cities.

### **Classifications**

The following classifications are used for coding and data processing:

1. Classification of Economic Activities KD 2010, which in its content and structure fully complies with the EU Statistical Classification of Economic Activities NACE Rev.2;
2. Classification of Occupations KZ BiH 2008;
3. ISCED Fields of Education and Training 2013 (ISCED-F 2013).

### **Coverage**

Demographic data are collected for all household members living in selected housing units, while data on activity are collected for household members aged 15 to 89.

In each quarter of 2021, the Survey covered 3,480 households divided into four panels.

### **Sample**

The Labour Force Survey is conducted on a random sample of private households. Between 2006 and 2019, the sample was defined separately for each year, that is, there were no repeated interviews (panel part of the sample). Since 2020, a panel component has been introduced in the sample design, which means that households are being interviewed four times.

Households are interviewed in two consecutive quarters, then omitted from the sample in the following two quarters, and then interviewed again in two more consecutive quarters – rotation scheme 2-(2)-2. This allows for the monitoring and observation of changes in the labour market over time, quarterly and annually.

The master sample frame, stratified according to the type of settlement (urban and other), is used as the sampling frame.

The sample is divided into four independently selected subsamples, rotating groups or panels. The sample is a two-stage stratified sample.

Primary sampling units (PSU) in the master frame are territorial units composed of one or more adjacent enumeration areas. The sampling method of probability proportional to size (PPS) was applied for their selection, where the number of housing units (inhabited or uninhabited) from the Census of Population, Households and Dwellings 2013 was used as a measure of PSU size.

Secondary sampling units (SSU) are housing units inhabited by private households randomly selected from the sample frame.

## **Weighting procedure**

The weighting procedure is carried out to calculate estimates for the entire population, which compensates for the impact of sample design and size, and the impact of household non-response.

In the first weighting stage, the weights of unit selection in the sample from both sampling stages (PSU and SSU) are calculated. In the second stage, the weights are corrected in accordance with non-response of the units from the sample. In the final stage, the weights are calibrated to population estimates by five-year groups and sex.

## **Definitions**

**Working age population** covers all persons aged 15 to 89 years, divided into labour force (economically active persons, employed or unemployed) and economically inactive persons.

**Employed persons** comprise persons aged 15 to 89 years who were in one of the following categories:

- Persons who during the reference week worked for at least one hour for pay or profit, regardless of their formal status
- Persons who were not at work during the reference week, but had a job or business to return to.

The contingent of employed persons consists of: employees (employed persons who receive salary or wage for their work), self-employed persons (employers who manage a business entity and employ one or more employees, and persons who work for their own account and do not have employees), unpaid supporting family workers (household members working in the family business).

**Underemployed persons** are part-time workers who wish to work additional hours and are available to do so in the following two weeks.

**Unemployed persons** comprise persons aged 15 to 74 years who:

- In the reference week, did not engage in any activity for pay or profit and did not have a job or business to return to;
- Spent four weeks (the reference week and three preceding weeks) actively seeking work or found a job to start in the near future;
- Were currently available for work (were available for paid employment) before the end of the two weeks following the reference week.

**Labour force of economically active population** comprises employed and unemployed persons.

**Inactive population** comprises all persons aged below 15 and persons aged above 89 years, as well as persons from the working age contingent who are neither employed nor unemployed or who did not work in the reference week and those who during the four weeks (the reference week and three preceding weeks) did not take any action to seek work and are not available for work before the end of the two weeks following the reference week.

**Discouraged inactive persons** are persons who did not seek work in the reference period, being convinced that they could not find it, even though they are willing to work and are available for work before the end of the two weeks following the reference week.

All these statuses are statuses of the respondent according to the definitions of the International Labour Organization (ILO), while the employment status of the respondent according to their own opinion is the subjective employment status.

**Activity rate** is the number of persons in the labour force as a percentage of the working age population.

**Employment rate** is the number of employed persons as a percentage of the working age population.

**Unemployment rate** is the number of unemployed persons as a percentage of the labour force.

## **Publishing**

According to the Release Calendar, the results of the Labour Force Survey for 2021 are published in a release, 45 days after the end of the quarter.

## **Key variables**

- Activity in the reference week;
- Temporary absence from work;
- Reason for absence from work;
- Main job start date;
- Reason for not seeking work;
- Occupation in the main job;
- Predominant activity in the main job;
- Status in employment;
- Usual place of work;
- Working time;
- Length of work seeking;
- Status before starting to seek work;
- Type of school attended;
- Field of education in the school attended.

## **Key statistics**

- Unemployment indicator (participation of unemployed persons in the active population);
- Employment indicator (participation of employed persons in the working age population);
- Activity indicator (participation of the active population in the working age population);
- Inactivity indicator (participation of the inactive population in the working age population);
- Number of unemployed persons (persons who do not have a job, persons actively seeking work and available for work if offered a job);
- Number of employed persons (persons who during the reference week worked for at least

one hour for pay or profit in kind, persons who were not at work during the reference week, but had a job or business to return to, household members assisting in running a family business without direct fee);

- Number of active population (the sum of the number of employed persons and the number of unemployed persons; the measure of labour supply in a country);
- Employed person status (the distribution of employed persons by their labour market status: paid employed persons (employees), self-employed persons and unpaid supporting family workers; each category is shown as a percentage share in total employment);
- Employment by group of economic activities (shows the distribution of employed persons by section of economic activities: agriculture, industry and services; employment for each section is shown as a percentage share in total employment);
- Youth unemployment (four indicators: youth unemployment rate, ratio of youth unemployment rate to adult unemployment rate, share of unemployed youth in the total number of unemployed persons, and share of unemployed youth in the total youth population);
- Long-term unemployment (persons actively seeking work for a year or more; two basic indicators are: long-term unemployment rate as a ratio of the number of long-term unemployed persons in the active population and percentage share of the number of long-term unemployed persons in the number of unemployed persons);
- Unemployment depending on the educational attainment (two indicators: distribution of unemployed persons by educational attainment and unemployment rate by educational attainment).

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