

## Quality Declaration Labour Force Survey

| General Information about statistical product |  |   |
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| 0.1   | Name                                       | Labour Force Survey (LFS)   |
| 0.2   | Subject Area                               | Employment and unemployment   |
| 0.3   | Responsible Authority, office, Person, etc | Ms. Lusine Kalantaryan<br>Head<br>Labor Statistics Division<br>National Statistical Service of the Republic of Armenia<br>3 Government House, Republic Avenue,<br>Yerevan, 0010, Republic of Armenia<br>Phone: 374 11 58 78 29<br>Fax: 374 11 521 921<br>E-mail : <a href="mailto:kalantaryan@armstat.am">kalantaryan@armstat.am</a> , <a href="mailto:info@armstat.am">info@armstat.am</a>   |
| 0.4   | Purpose and History                        | Provides comprehensive information on RA labor market and quantitative estimation of the main indicators characterizing it.<br><br>The first LFS in Armenia was carried out in 1996-1998, within the framework of UNDP, and on a regular basis it started to be implemented since 2001, together with the households Integrated Living Conditions Survey (ILCS).<br><br>Taking into account the importance of more comprehensive and detailed data on the country's labor market, from January 2014 with the financial support of the Government of Armenia the LFS is implemented separated from ILCS.<br>In addition to this, within the framework of international cooperation, ad-hoc thematic surveys are periodically implemented: labor migration, in-depth study of informal employment issues, youth in labour market and child labor. |
| 0.5   | Users and application                      | The main users of statistical information are state government and local self-government bodies, public, scientific, educational, financial organizations, business society, mass media, international organizations, etc.<br><br>LFS (indicators of labor market) are used for elaboration of strategies in labor market and social field, solution of challenging issues, analysis of specialties, education system, business environment, revealing social development trends and for other purposes.  |
| 0.6   | Sources                                    | Persons between 15-75 ages in HH, by annual coverage of around 20000 persons (through direct visits to HH) by using exhaustive database of HH addresses for the sample.   |

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| 0.7               | Legal Authority to Collect Data   | The data is collected based on the RA laws “On State Statistics” and “Three-year State Statistical Work Program for 2010-2012”, as well as Resolution No 11 of the State Council on Statistics of RA dated October 03, 2003 “On Approval of Procedure of Statistical Information Provision” and Decision No 53 dated December 21, 2010 “On Approval of Annual State Statistical Work Program for 2011”.   |
| 0.8               | Response burden (primary information providers)   | The response burden is not measured   |
| <b>1 Contents</b> |   |   |
| 1.1               | Description of Contents   | <p>Each respondent was classified into the following mutually exclusive groups by status of economic activity – <b>employed, unemployed</b> and <b>population not economically active (inactive)</b>.</p> <p>The survey results involve the following thematic spheres, employment, underemployment, informal employment, working hours, income/remuneration of work, non-working employees, temporary employed, status of employment, employees that have the second job, unemployment, economically inactive population, usual and actual worked hours etc.</p>   |
| 1.2               | Statistical Concepts<br>General population / Coverage / Variables / Data value / Groupings / Products list / Seasonal Adjustments | <p>The survey methodology (group of indicators, definitions, classifications, sources of information and calculation tools) is based on ILO methodology with the methods developed by Eurostat.</p> <p>The country’s population between the ages 15-75 is classified in two main groups: those who are included in the labor force and those who are not included in the labor force. The labor force (of the economically active population) is formulated by employed and unemployed. (Conscripts on mandatory military service are not considered employed in the economy. According to ILO methodology they are classified among the group of employed (see ILO, ISCO-88), while they are classified among the group of economically inactive population according to Eurostat methodology (see European Commission, The European Union Labor Force Survey, Methods and definitions - 2001). In this case the NSS RA based itself on the latter).</p> <p>During the survey month each respondent is questioned on the basis of 7 days in a week; which means that all the questions</p> |

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|  |  | <p>regarding employment, working hours, unemployment and other related questions refer to the seven days of last week preceding the survey.</p> <p><i>The person is considered as Employed</i> if he/she had paid or non-paid work during the week of the survey, regardless whether the work was on permanent, temporary, seasonal basis, one-time or a random job, even if the duration of that work lasted only one hour during the survey week.</p> <p>The person is considered employed, if he/she was temporarily absent from work for different reasons, was involved in household or agricultural activities, and the produced product was designated for complete or partial realization, or solely for own consumption purposes and if that product made a significant portion of the household consumption.</p> <p>The person is considered <i>unemployed</i>, if he/she fulfilled the following three requirements at the same time: a) during the survey week didn't have any employment or profitable occupation, b) during the last 4 weeks preceding the survey (including the survey week) was actively looking for a job through various means: i.e. applied to employment services (state and/or private), among friends and relatives, through announcements and by any other means, c) was ready to immediately (within the next two weeks) take over the job.</p> <p>The person who is not considered either employed or unemployed is not included in the labor force and is considered to be encountered as a part of economically inactive population.</p> <p>For example, if the employed person loses the job and starts looking for a job, then he/she is considered to be in the group of unemployed.</p> <p>Likewise, from the moment when the economically inactive person starts looking for a job he/she is considered to be unemployed.</p> <p>Meanwhile, if the unemployed person is looking for a job, but is not ready to start the job within the next two weeks, then he/she is not considered to be unemployed and is classified among the group of economically inactive population.</p> |
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|                   |  | <p><b><i>Employment status</i></b></p> <p>The employed person is classified among one of the following groups depending on status of employment: a) paid employee, b) employer, c) self-employed, d) non-paid family member employee, e) other. The mentioned classification corresponds to definitions of International Classification of ILO Employment Status (ICSE-93).</p> <p><b><i>Employment based on the type of economic activity</i></b></p> <p>The grouping of the employed people is also being done according to the Armenian Classification of Types of Economic Activity (NACE), on the basis of NACE Rev 2 Classification of Types of Economic Activity developed by EU Statistical Office.</p> <p>Until 2006, the all union classification of branches of national economy had been used (CBNE).</p> <p>The seasonal adjustment of data is not implemented.</p> |
| <b>2 Time</b>     |  |  |
| 2.1               | Reference Period   | Each respondent is being surveyed on the basis of one seven days/week in the month of survey, i.e. all the questions regarding the employment, working hours, unemployment and other related questions refer to the last seven days preceding the survey.  |
| 2.2               | Date of Publication  | The preliminary data is published at the beginning of the third quarter following the survey year, and the final results are published in the fourth quarter.  |
| 2.3               | Punctuality  | The data is published according to publication schedule of annual programs and there are no delays from the defined time schedule.   |
| 2.4               | Frequency  | Annual   |
| <b>3 Accuracy</b> |  |  |
| 3.1               | Overall accuracy   | The results of the survey are representative. Current data of the labor market is based on administrative statistics, which does not ensure exhaustiveness, because the methodology of administrative legislation is different.  |
| 3.2               | Sources of inaccuracy<br>Sampling / Substitution /<br>Replacement of Points of | A two stage stratified sample by regions (marzes) has been designed to conduct the survey. The method of systematic probability  |

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|  | <p>Sale / Quality change /<br/>New products /<br/>Calculation formulas /<br/>Error detection</p> | <p>sampling was used to frame the sample. Yerevan and all marzes with rural and urban settlements were covered by sample population with proportion of all HH available in these strata.</p> <p>Based on the administrative and territorial division of RA at the first stage of sampling, the preliminary sampling units, i.e. enumeration areas were selected. 2001 Armenian Population Census results were used to calculate the mentioned proportions for 2014 LFS and 2011 Census results for 2015 LFS. At the second stage of sampling the primary sampling units, that are HHs to be surveyed, were randomly selected.</p> <p>The survey is carried out throughout the whole year on the monthly rotation principle.</p> <p><b>Primary sampling unit</b> is a private household (HH), i.e the residents of the retirement homes, prisons and other institutional households weren't surveyed.</p> <p><b>Surveyed unit</b> is a person aged 15-75 (including), who a) usually lives in the household, b) is absent from household up to 3 months (within the country or abroad), c) is in the army (mandatory).</p> <p>Monthly sample size is 649 HH and the annual sample size is 7788 HH. The response rate (participation) is about 92 %.</p> <p>Each respondent may be included in the survey only once in a year. The survey is carried out by direct visits to HH.</p> <p>The survey results have some sampling errors, which are the results of the following:</p> <ul style="list-style-type: none"> <li>a) The address database which was formulated as a result of Population Census of Armenia is being updated once every ten years.</li> <li>b) The refusals of HH/persons to take part in survey.</li> <li>c) Incomplete answers, etc.</li> </ul> <p>The survey results are weighted and extrapolated to the general population.</p> <p>The 95% confidence interval is applied, which means that in case of 100 times repetition of the same survey, the indicator for 95% will be identical and for 5% the indicator will vary up or down from the mentioned interval.</p> |
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| 3.3                    | Measures on accuracy    | See section 3.2   |
| <b>4 Comparability</b> |                         |   |
| 4.1                    | Comparability over Time | <p>The following parts of the survey had been subject to partial changes over the time:</p> <ul style="list-style-type: none"> <li>a) sample size</li> <li>b) time period</li> <li>c) surveyed population/age group of respondents</li> <li>d) survey questionnaire</li> <li>e) calculation methodology of some indicators</li> <li>f) sampling methodology.</li> </ul> <p>The mentioned must be taken into consideration in time series during data comparison.</p> <p>Hence, a) size of HH sample population during 2001-2006 fluctuated between 0.1-0.3% of the general population, but starting from year 2007, it formed 1% of the general population, b) in 2001-2003 and in 2006 LFS was conducted on quarterly basis; in 2004 it was conducted only in August, in 2005 only November and December were observed. Starting from 2007 the labor force survey is conducted on monthly basis through HH ILCS, since 2014 through LFS c) in 2001-2003 household members between the ages of 16-70 have been observed, in 2004-2006 between the ages of 15-70, in 2007 persons 16 years and older and starting from 2008 persons between 15-75 ages are observed, d) since 2008, the calculation of unemployment indicator is implemented according to standard definition of unemployment defined by ILO, as a result of which the latter is not comparable with the previous years indicator.</p> |
| 4.2                    | Comparability over Time | <p>Besides LFS, there are other sources of statistical information on labor market: a) Administrative Register of State Employment Agency under the Ministry of Labor and Social Affairs, b) ILCS, c) RA Population Census, d) integration of data received from different sources. Information received from the mentioned sources on identical indicators may differ from the data received from LFS depending on a number of reasons, which are listed below.</p>  |

### ***Employment statistics***

After the collapse of USSR, until 2001 the information on employment had been formed only through **integration of data received from different sources**. Those sources were as follows:

- a) organizations included in the monitoring field of labor statistics, which provide information on the number of employees through questionnaires of state statistical reports and sample survey questionnaires.
- b) State Register of Legal Persons under the Ministry of Justice of RA, which provides summary data on self-employed sole entrepreneurs,
- c) rural communities, which provide information on the number of persons employed in peasant farms through state statistical reports.

Since 2001, the number of informally employed paid employees was also included among the employment indicator estimated based on LFS results.

Though LFS implementation with relatively stable frequency was established in 2001, yet the employment indicator is continued to be calculated parallelly in 2 methods, because;

- a) during 2001- 2006 the LFS results have not been weighed and describe only the sample population (did not cover the general population), and due to this data had been extrapolated not in absolute figures, but in percentage expression by restricting its application,
- b) during 2001-2008 the LFS was subject to some methodological changes for a few times, (see the detailed description in section 4.1), as a result of which there are some incompatibilities in the time series of data.

The indicators of employment received from the aforementioned two sources, although there are significant

differences in absolute value, in general they show similar trends for the phenomenon volumes, increase/decrease, sphere, gender structure. The existing differences are explained not only by some methodological peculiarities, but also with the full capacity of the phenomenon measurement and therefore the data coverage. Particularly, since all population groups are included in LFS, in the number of the employed population received through this method, there are categories of employed people included in such a way, about which it will be impossible to get information via administrative sources. These are as follows:

a) employers, b) legally not-registered self-employed, c) family member employees of non-agricultural field who work without remuneration, d) employed persons in the military forces, except the conscripts on military service, who are categorized among the group of economically inactive population.

Generally, in order to provide complete comprehensive information on labor market, the LFS is considered to be one of the best tools known all over the world.

#### ***Unemployment statistics***

Apart from LFS, the other information source from administrative register regarding the labor statistics in the country are summary statistical reports received from “Employment State Service” Agency (ESSA) of RA Ministry of Labor and Social Issues, which were the only source of information on unemployment from 1992 till 2001.

In Employment State Service Agency (ESSA) the registration of unemployed is carried out under RA Law “On Employment of the Population”. In 2005 it was renamed (RA Law “On Employment of the Population and Social Protection in Case of Unemployment”) and was subject to some amendments and changes, among which was the article on unemployment. The latter has become closer to the standard definition of



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|  |  | <p>unemployed suggested from ILO by preserving some restrictions defined by the legislation (for instance age range).</p> <p>Though since 2001 the LFS was established to be conducted with relatively stable frequency, yet till now two indicators of unemployment have been paralelly published: “officially registered unemployed” and “unemployed calculated by ILO methodology”. They differ from each other not only by formation sources, but also by the methodology, with complete measurement capacity of the phenomenon, therefore by data coverage.</p> <p><b>Definition of unemployed calculated by the ILO methodology</b> (standard definition) is presented in section 1.2.</p> <p><b>Officially registered unemployed</b> are considered those people of working age, capable to work, not pensioners, who seek jobs and are registered in ESSA, and are ready to get the job and were given the status of unemployed.</p> <p>In the data received from the two sources there are great differences regarding phenomenon volumes, increase/decrease trends, demographic characterizing features, which, as a whole, make those two indicators incomparable.</p> <p>For instance, the person, who is registered as unemployed in ESSA, but does not seek a job actively or is not ready to get the job in the next two weeks, according to LFS results is not considered unemployed, and is included in the group of economically inactive population, not deemed as labor force. Or the person, who, according to LFS results, corresponds to the three criteria of unemployed definition and isn’t registered in ESSA, is not included among the number of officially registered unemployed people.</p> <p>Officially registered indicator of unemployment, though partially expresses the actual volumes of the phenomenon, but enables to study the ongoing developments of that sector of the</p> |
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|                         |  | <p>labor market, to publish all measures taken within the state policy framework in that sphere on quantitative basis within the shortest periods.</p> <p>From the other hand, the LFS, being as one of the best tools for unemployment assessment, is based on the respondents' personal (subjective) estimations.</p> <p>Unlike the monthly published data of ESSA, the results received through LFS are published annually, which hinders the quick response to the signals from that sphere of the labor market.</p> <p>Population Census is another source of information on employment and unemployment, which is conducted once in 10 years. As for the applied methodology, the latter is identical with LFS, therefore is also comparable, but there are some differences. Particularly, the Population Census, apart from the fact that is conducted once in every 10 years, and only on certain date, as of the critical moment, the LFS is continuously implemented during all months of the year by giving a chance not only for ongoing survey of the labor market, but also take into account the influence of seasonality. From the other point, being a census, the population census is not characterized with the sampling error, the existence of which is inevitable during the surveys. As a result, the Population Census is one of the best alternative sources in comparison with LFS results.</p> |
| 4.3                     | Coherence between provisional and final statistics | <p>The indicator which is calculated by LFS results (with ILO methodology) may be subject to adjustments after the initial publication.</p> <p>The published data changes are accompanied with the explanatory notes.</p>   |
| <b>5. Accessibility</b> |  |   |

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| 5.1 | Forms of dissemination | <p><b><u>Monthly publications</u></b></p> <p>“Socio-Economic Situation of the Republic of Armenia” monthly information report (Armenian and Russian).</p> <p><b><u>Quarterly publications</u></b></p> <p>“Food Security and Poverty” Statistical Bulletin (Armenian and English).</p> <p><b><u>Annual publications</u></b></p> <p>“Statistical Yearbook of Armenia” (Armenian, English and Russian),</p> <p>“Marzes of the Republic of Armenia and Yerevan city in Figures” Statistical Handbook (Armenian and English),</p> <p>“Armenia in Figures” Statistical Handbook (Armenian and English),</p> <p>“Labor Market in the Republic of Armenia” Statistical Handbook (Armenian and English),</p> <p>“Women and Men” Statistical Booklet (Armenian and English),</p> <p>“Social Snapshot and Poverty in Armenia” Statistical-Analytical Report (Armenian and English).</p> <p>“National Child Labour Survey: Armenia, 2015”</p> <p><b><u>Other publications</u></b></p> <p>“The Informal Sector and Informal Employment in Armenia, 2010” National Report</p> <p><b>ArmStatBank</b><br/> <a href="http://armstatbank.am/pxweb/en/ArmStatBank/?rxid=002cc9e9-1bc8-4ae6-aaa3-40c0e377450a">http://armstatbank.am/pxweb/en/ArmStatBank/?rxid=002cc9e9-1bc8-4ae6-aaa3-40c0e377450a</a></p> <p><b>Statistical Indicators</b> <a href="http://armstat.am/en/?nid=12&amp;id=08015">http://armstat.am/en/?nid=12&amp;id=08015</a></p> |
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|                                      |                                       | <p><b>Electronic version</b></p> <p>Electronic publications are available in Armenian (full version), Russian and /or English, at <a href="http://www.armstat.am/am/?nid=82">http://www.armstat.am/am/?nid=82</a></p>  |
| 5.2                                  | Basic material: storage and usability | LFS database contains individual anonymous data, which is maintained and archived in accordance with relevant procedures.  |
| 5.3                                  | Documentation                         | There is also additional documentation in “Metadata” subsection of “Classifications and Methodology” section on the NSS RA official website in accordance with the IMF`s <b>Special Data Dissemination Standard</b> in Armenian, Russian and English, at <a href="http://www.armstat.am/am/?nid=247">http://www.armstat.am/am/?nid=247</a> : |
| 5.4                                  | Other information                     | The publication of indicators is accompanied with the methodology description, which is presented in a more detailed way in “Labor Market in Armenia” Statistical Handbook and in other thematic publications.   |
| <b>6 Supplementary documentation</b> |                                       |  |
|                                      |                                       | No supplementary documentation is available.   |