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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on implementation of Regulation (EC) No 453/2008 of the European Parliament and of  
the Council on quarterly statistics on Community job vacancies**

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### **1. INTRODUCTION**

Job vacancy statistics (JVS) provide information on the number of jobs that are vacant at a particular point. They correspond to the part of labour demand that is not met by labour supply and thus provide key information on the size and structure of labour market mismatches.

Regulation (EC) No 453/2008 of the European Parliament and the Council of 23 April 2008 on quarterly statistics on Community job vacancies<sup>1</sup> ('the JVS Regulation') establishes the framework for producing, supplying and evaluating quarterly job vacancy statistics.

Article 10 of the JVS Regulation requires the Commission to report to the European Parliament and the Council on the implementation of the Regulation by 24 June 2010 and every three years thereafter. The report is required to assess the quality of the statistics provided by Member States and the quality of the European aggregates, and to identify potential areas for improvement.

This is the third report presented by the Commission to the European Parliament and the Council<sup>2</sup>. It draws on experience of providing data at quarterly intervals and on documentation provided by Member States in their annual quality reports.

Section 2 of the report sets out the progress made over the last three years in implementing the JVS Regulation. Section 3 assesses the quality of job vacancy statistics, while section 4 focuses on the European aggregates. Finally, section 5 draws conclusions and suggests ways to meet users' expectations even better in the future.

### **2. IMPLEMENTATION**

#### **2.1. Legal framework**

To complement the general framework established by the JVS Regulation, the Commission adopted two implementing Regulations:

- Commission Regulation (EC) No 1062/2008,<sup>3</sup> which defines the seasonal adjustment procedures to be applied from the first quarter of 2014, the structure and content of the annual quality reports which the Member States are to supply to the Commission, and the dates on which these reports are to be sent;
- Commission Regulation (EC) No 19/2009,<sup>4</sup> which defines the term 'job vacancy', sets deadlines for sending data and specifies the periods to be covered by the first set of data

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<sup>1</sup> OJ L 145, 4.6.2008, p. 234.

<sup>2</sup> See previous report COM (2013) 571 of 6 August 2013.

<sup>3</sup> Commission Regulation (EC) No 1062/2008 of 28 October 2008 implementing Regulation (EC) No 453/2008 of the European Parliament and of the Council on quarterly statistics on Community job vacancies, as regards seasonal adjustment procedures and quality reports (OJ L 285, 29.10.2008, p. 3).

<sup>4</sup> Commission Regulation (EC) No 19/2009 of 13 January 2009 implementing Regulation (EC) No 453/2008 of the European Parliament and of the Council on quarterly statistics on Community job

supplied. Finally, the countries running feasibility studies, and the subjects these cover, are listed in the annex to this legal act.

Under the above legislation, all Member States are required to provide time series for the number of vacancies and number of occupied posts, starting from the first quarter of 2010. They are to do so no more than 70 days after the end of the quarter. In addition, Member States with a number of employees exceeding 3 % of the EU total are required to send their data no more than 45 days after the end of each quarter.

Member States are required to provide numbers of job vacancies and occupied posts for all business units and each section of the NACE Revision 2 classification of economic activities<sup>5</sup>. However, for small businesses (defined as units with under 10 employees) and NACE sections O to S<sup>6</sup> (where the main activities are public administration, health services and education) the JVS Regulation states that any Member States which have difficulties in providing data should carry out feasibility studies.

Denmark, Spain, France, Italy, Malta and Austria conducted feasibility studies. Following the results of these studies, Spain and Austria immediately moved to cover the whole economy. Denmark has started compiling data for small businesses, but has not extended JVS coverage to NACE sections O to S (referred to below as ‘the public sector’). Malta has extended JVS coverage to the public sector, but not to small businesses. In France and Italy, neither small businesses nor the public sector are covered.

## **2.2. Developments since the last report**

Since the second report presented to the European Parliament and the Council in 2013, the Commission has examined the possibility of reviewing existing legislation with a view to improving the coverage of job vacancy statistics. Member States have further developed the collection and forwarding of JVS data, and Eurostat has started publishing a quarterly news release on job vacancy statistics. These aspects are dealt with in greater detail in the following paragraphs.

### *2.2.1. Review of legislation*

The Commission examined whether, in the light of the feasibility studies, a new legislative proposal could be envisaged that would extend the coverage of job vacancy data for countries that do not include the public sector and/or small businesses. It was concluded that such a review should take place in the broader context of revising of EU business statistics legislation (future Framework Regulation on Integrated Business Statistics project - FRIBS).

### *2.2.2. Seasonally adjusted data*

According to Article 1 of Commission Regulation (EC) No 1062/2008, Member States were required to start supplying seasonally adjusted (SA) data after data covering 16 periods had been supplied under the JVS Regulation. As the first quarter was 2010Q1, it was mandatory to

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vacancies, as regards the definition of job vacancy, the reference dates for data collection, data transmission specifications and feasibility studies (OJ L 9, 14.1.2009, p. 3).

<sup>5</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<sup>6</sup> Covering: Public administration and defence, compulsory social security (section O), education (section P), human health and social work activities (section Q), arts, entertainments and recreation (section R) and other service activities such as activities of membership organisations, repair of computers and personal and household goods, and other personal service activities (section S).

provide SA data as of June 2014, when data for reference quarter 2014Q1 were provided. It is mandatory to supply SA data for job vacancies and occupied posts at least for individual/aggregated NACE sections B-E, F, G-I, J, K, L, M-N, O-Q, R-S. Member States that detected no seasonality in their series were asked to send the same series twice while Eurostat checked the absence of seasonality in those cases.

All Member States except Belgium, Finland and Sweden now provide SA data for both job vacancies and occupied posts. Sweden provides SA figures for job vacancies only, but not for occupied posts. Belgium and Finland have not provided seasonally adjusted data, as changes in their JVS national methodology have resulted in a break in time series. Belgium will be able to provide SA data from June 2016 (reference quarter 2016Q1) and Finland from June 2017 (reference quarter 2017Q1). Sweden has undertaken to provide missing SA data in June 2016.

As regards EFTA countries, Iceland, Norway and Switzerland have not provided SA data, while Liechtenstein is exempted from the JVS Regulation. Eurostat is in touch with EFTA's Statistical Office.

### 2.2.3. *News release*

In June 2014, Eurostat started publishing a quarterly news release on job vacancy rates. This new publication gives greater prominence to JVS and has been well received by users. However, some of these, including the European Central Bank, said there was a need for the four Member States which did not yet cover the economy as a whole (Denmark, France, Italy and Malta) to do so. They also requested that the number of vacancies and the job vacancy rate be published for all Member States, the euro area and the European Union.

The situation has improved as regards restrictions on publishing vacancy numbers. Ireland allowed these figures to be published as of the reference quarter 2014Q4. However, France and Italy still do not release those figures, due to the partial coverage of the economy, which hampers the publication of European totals.

## 3. **QUALITY**

Quality is assessed on the basis of the six main dimensions defined by Commission Regulation (EC) No 1062/2008, namely: relevance, accuracy, timeliness/punctuality, coherence, comparability and accessibility/clarity.

### 3.1. **Relevance**

Collecting JVS data is very relevant, as these are the only statistics that measure unmet labour demand.

Quarterly data on job vacancies are used by the Commission (the Directorate-General for Employment, Social Affairs and Inclusion and the Directorate-General for Economic and Financial Affairs) and the European Central Bank to monitor short-term developments in the business cycle and the labour market. The job vacancy rate is one of the Principal European Economic Indicators (PEEIs)<sup>7</sup> which are the primary source of information for analysing and monitoring short-term cyclical economic developments within the European Union, the euro area and the Member States.

<sup>7</sup>

Communication of the Commission to the European Parliament and the Council on eurozone statistics 'Towards improved methodologies for Eurozone statistics and indicators', COM(2002) 661.

JVS data are also used for indicator-based structural analyses conducted in the context of the Europe 2020 strategy for smart, sustainable and inclusive growth<sup>8</sup>. One JVS-based indicator has been included in the Joint Assessment Framework (JAF), the scoreboard for monitoring progress with the employment-related aspect of the Europe 2020 strategy. The JVS-based indicator is also included in the Employment Performance Monitor, a selection of key challenges in the labour market that are based on JAF variables.

The JVS would be far more relevant if the existing gaps in the coverage of NACE sections O to S and small businesses were filled.

### **3.2. Accuracy**

As an indication of accuracy, Member States calculate the coefficients of variation in the number of job vacancies (not seasonally adjusted), taking into account the characteristics of their national sample design. The coefficient of variation expresses the standard error as a percentage of the quantity being estimated. It provides a measure of the variability of the estimated number of job vacancies. According to the information provided in the quality reports for the reference year, 2014, the coefficients of variation for the total number of job vacancies were below ten per cent in most Member States except Belgium, Bulgaria, Cyprus, Finland, France, Latvia and Spain (at least for one of the four quarterly surveys conducted)<sup>9</sup>.

The sample size and response rate significantly affect the accuracy of estimates. According to the quality reports, the sample size varied from around 1 300 companies in Malta and 3 000 in Cyprus to around 75 000 in Germany (in the survey conducted in the fourth quarter) and 100 000 in Poland. The response rate varied from 17% in Germany (for the survey conducted in the fourth quarter) and 42% in Croatia – the only two countries with a rate below 50% (at least for one quarter) – to 99% in Romania.

Revised estimates are of particular concern to users, and are a significant aspect of accuracy. The situation is different for the two releases of the job vacancy rate.

The flash estimates for the aggregated job vacancy rates of the euro area and EU-28, which are published at T+50 days, may be revised at T+78 days, when the final estimates are released. Although the flash data did not cover all the countries, revisions did not go beyond 0.1 p.p. for the euro area and EU-28 aggregates. Moreover, the estimates published at T+78 days for the euro area and EU-28 could require revision by the time of the next release. In practice, it proved unnecessary to revise estimates by more than 0.1 p.p., except in one news release,<sup>10</sup> in which Germany revised its data by a significant amount. Germany's job vacancy rates were revised because of a new extrapolation method used.

### **3.3. Timeliness and punctuality**

The time within which JVS data was supplied was broadly satisfactory: 27 Member States generally provided their data on time, whilst Greece supplied its data with slight delays (2-3 days). However, in some cases, quality issues were detected when the first data set was supplied. This held Eurostat back from making further progress towards timely final publication of JVS data.

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<sup>8</sup> Communication from the Commission — 'EUROPE 2020 — a strategy for smart, sustainable and inclusive growth', COM(2010) 2020.

<sup>9</sup> See the JVS metadata: [http://ec.europa.eu/eurostat/cache/metadata/en/jvs\\_esms.htm](http://ec.europa.eu/eurostat/cache/metadata/en/jvs_esms.htm)

<sup>10</sup> See Eurostat's news release 54/2016 of 18 March 2016.

### 3.4. Coherence and comparability

The coherence of job vacancies cannot be checked directly as there is no other harmonised source collected at European level that measures unmet demand on the labour market. While in many countries vacancies reported to the public employment services are counted, using these figures to check the coherence of the JVS is problematic, as they suffer from heavy undercoverage and are based on national definitions.

The number of occupied posts, a variable which is part of the denominator for the job vacancy rate, can be compared with information from other sources, in particular the number of employed persons reported in the Labour Force Survey (LFS). Comparisons and subsequent assessments of differences must take account of conceptual and survey-related differences between sources.

The difference between the number of employees reported in the LFS and the number of occupied posts reported in JVS generally fluctuates between approximately -20% and 20%. A very high negative gap (below -40%) measured for Luxembourg can be explained by the significant impact of cross-border work, which creates large discrepancies between the domestic concept of the labour market used in the LFS and the national one (i.e. including posts filled by non-residents) applied in JVS. A positive gap of above 30% was recorded for Hungary and Romania. According to the 2014 quality report provided by Hungary, the gap could be explained by the fact that JVS do not cover firms employing fewer than 5 people, while the LFS overestimates the small sectors (e.g. NACE section B) and the public sector in general. Romania explained that the LFS covers the armed forces and the informal sector, whereas JVS do not include people whose employment contract is temporarily suspended (e.g. those on maternity leave, childcare leave, sickness leave or unpaid leave, or who are absent for other reasons).

As regards comparability, an important feature is the reference date on which JVS data are collected in a given quarter. Following Article 2 of Commission Regulation (EC) No 19/2009, preference is given to collecting information continuously or on a number of dates during the quarter. This is not yet the case in most Member States. They are, therefore, recommended to move to collecting information on several dates, to ensure the estimate is fully representative of the quarter as a whole.

Finally, the main challenge as regards comparability is for all Member States to cover the entire economy in their job vacancy surveys, i.e. to include small businesses and NACE sections O to S. As set out in sections 2.2 and 2.3 above, four countries still fall short of this objective.

### 3.5. Accessibility and clarity

Job vacancy statistics are disseminated through Eurostat's usual channels, namely the online database and the dedicated 'Statistics Explained' pages on Eurostat's website<sup>11</sup>. The website provides timely information on the job vacancy rate for both the European aggregates and individual countries, including charts on developments over time.

The annual quality reports provided by Member States have enabled Eurostat to update the metadata provided to users.

Job vacancy rate data thus meet good standards of accessibility and clarity.

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<sup>11</sup> See the articles on the Eurostat website: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Job\\_vacancy\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Job_vacancy_statistics) and [http://ec.europa.eu/eurostat/statistics-explained/index.php/Job\\_vacancy\\_and\\_unemployment\\_rates\\_-\\_Beveridge\\_curve](http://ec.europa.eu/eurostat/statistics-explained/index.php/Job_vacancy_and_unemployment_rates_-_Beveridge_curve)

#### **4. EUROPEAN AGGREGATES**

The aggregate job vacancy rate is published, but the aggregate number of vacancies is not, as small businesses and the public sector are only partially covered. This is also why France and Italy have not allowed the number of vacancies to be published so far.

Quality studies performed in some countries that cover the entire economy, such as those that compare the job vacancy rate for small businesses with that for larger businesses, have shown that larger businesses generally have a lower job vacancy rate than small ones. This could imply that the job vacancy rates of the EU and the euro area are currently slightly underestimated. Aside from this caveat, the European aggregates can be considered satisfactory.

Seasonal adjustments should provide a clearer view of real changes in EU data. Eurostat will publish seasonally adjusted data for the European aggregates in the second half of 2016.

In general, the European aggregates were subject to minor revisions, as mentioned in paragraph 3.2 on accuracy.

#### **5. CONCLUSIONS**

Much progress has been made in the past three years on implementing JVS legislation and collecting sound statistics on job vacancies. In particular, most Member States have started to provide seasonally adjusted data, which are published regularly by Eurostat. Eurostat intends to publish seasonally adjusted data for European aggregates in the second half of 2016.

JVS data have been supplied in good time and European aggregates have been published as scheduled, although there is scope for further progress in timeliness in years to come. In general, the European aggregates published, for both the flash and final estimates, have been subject to minor revisions.

Eurostat has started to publish a quarterly news release on job vacancy rates which gives greater prominence to JVS and has been well received by the users of JVS.

Nevertheless, incomplete coverage is still the main reason why JVS data are not used more widely. It is vital for all Member States to fully cover the public sector and small businesses in their quarterly estimates. Improved coverage would also enable the number of vacancies for the European aggregates to be published.