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

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

(Text with EEA relevance)

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1. INTRODUCTION

Job vacancy statistics (JVS) provide information on the number of jobs that are vacant at a given moment in time. They correspond to the part of labour demand that is not met by labour supply, hence providing 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 vacancies¹ ('the JVS Regulation') establishes the framework for the production, transmission and evaluation of quarterly job vacancy statistics.

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

This is the second report that the Commission submits to the European Parliament and to the Council². It draws upon experience accumulated through the quarterly data transmissions and documentation provided by the Member States in their annual quality reports.

Section 2 of this 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. *Section 4* focuses on the European aggregates. Finally, *section 5* draws conclusions and suggests ways in which users' expectations can be met 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, namely:

¹ OJ L 145, 4.6.2008, p. 234.

² See previous report COM(2010) 421.

- Commission Regulation (EC) No 1062/2008³ that defines the seasonal adjustment procedures to be applied from the first quarter of 2014 as well as the structure, contents and transmission dates of the annual quality reports to be provided by the Member States to the Commission;
- Commission Regulation (EC) No 19/2009⁴ where the term ‘job vacancy’ is defined; transmission deadlines are fixed and the time periods to be covered by the first data transmission are specified. Finally the countries running feasibility studies and the subjects covered by these are listed in the annex to this legal act.

In accordance with the above legislation, all Member States are obliged to deliver time series for the number of vacancies and number of occupied posts, starting in the first quarter of 2010, no later than 70 days after the end of the quarter. In addition, Member States whose number of employees represents more than 3% of the EU total must transmit data 45 days after the end of the quarter.

Member States must provide the numbers of job vacancies and occupied posts for all business units and for each section of the NACE Revision 2 classification of economic activities⁵.

However, for small businesses (defined as units with less than 10 employees) and NACE sections O to S⁶ (where the main activities are public administration, health services and education) the JVS Regulation provides that those Member States having difficulties in providing data should carry out feasibility studies.

2.2 Feasibility studies

Denmark, Spain, France, Italy, Malta and Austria ran the feasibility studies mentioned above. All of them have delivered the results to Eurostat, although conclusions diverged as regards the possibility of extending the scope of JVS in the short term.

Following their feasibility studies, Spain and Austria immediately moved to cover the full economy. Denmark has started compiling data for small businesses and Malta has done so for NACE sections O to S. France collects data for small businesses on an annual basis and is

³ 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).

⁴ 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 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).

⁵ 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).

⁶ 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).

working towards extending the JVS coverage to the non-market parts of NACE sections O to S. Italy has recorded no tangible progress so far.

The JVS Regulation requires the Commission (Eurostat) to adopt measures once the results of the feasibility studies have become available. In line with this requirement, the Commission is currently reflecting on the appropriate action to be taken.

2.3 Developments since the last report

Since the first report to the European Parliament and the Council in 2010, Member States have developed further the collection and transmission of JVS data. The Commission granted some of them financial support for this purpose, as provided for in Article 8(1) of the JVS Regulation.

The last round of JVS grants took place in 2012. The grants have supported the beneficiaries in setting up new JVS surveys or improving existing data collection, for instance through measures to decrease the response burden.

Since 2010, all Member States have provided job vacancy statistics. However, some countries, in line with specific provisions of the JVS Regulation, excluded small businesses or one or more of the NACE sections O to S, due to difficulties they may have had when starting to collect the data. 22 Member States now provide data for the whole economy. For the remaining countries (Denmark, Greece, France, Italy and Malta) there are still coverage gaps relating to small business units or NACE sections O and/or P to S.

Since 2010, Eurostat has published the job vacancy rate, i.e. the proportion of vacant posts in all (occupied + vacant) posts, about 80 days after the reference quarter (T+80). In 2011, the timeliness of reporting improved considerably as Eurostat started compiling flash estimates for the job vacancy rate for the European Union and the euro area. This flash estimate of the quarterly job vacancy rate for the whole economy is available on the Eurostat website about 50 days after the end of the quarter (T+50).

In 2012, Croatia extended its JVS collection to cover small businesses in time for its accession on 1 July 2013.

With a view to exchanging good practices, Member States and Eurostat jointly organised a series of workshops that addressed quality and dissemination issues as well as methodological questions, including the calculation of coefficients of variation for job vacancies. The latest workshop was held in Luxembourg in March 2013.

3. QUALITY

Quality is assessed on the basis of the five main dimensions defined by the ‘ESS Standard for Quality Reports’ guidelines⁷ namely: relevance, accuracy, timeliness, coherence/comparability and accessibility/clarity.

3.1 Relevance

The collection of JVS data is very relevant, as it provides the only harmonised source to measure unmet labour demand.

Quarterly data on job vacancies are used within the Commission’s services (Directorate General for Employment, Social Affairs and Inclusion) and the European Central Bank to monitor short-term developments in the business cycle and the labour market. JVS are one of the principal European economic indicators (PEEIs)⁸ which have been selected as tools to monitor infra-annual macro-economic developments.

JVS data are also used for indicator-based structural analyses carried out in the context of the Europe 2020 strategy for smart, sustainable and inclusive growth⁹. Two JVS-based indicators have been included in the Joint Assessment Framework, which is the scoreboard used to monitor progress in the employment-related part of the Europe 2020 strategy.

The relevance of the JVS would increase further if the existing coverage gaps due to the optional provision of statistics on NACE sections O to S and small businesses were closed.

3.2 Accuracy

The calculation of coefficients of variation for job vacancies is particularly demanding due to the highly skewed distribution of vacant posts, i.e. most responses tend to be 0. According to the quality reports for the reference year 2011, the coefficients of variation for Member States’ estimates ranged between one and seven per cent for the number of job vacancies, with only Bulgaria falling outside this interval.

Revisions of estimates are of particular concern to users, and are an important element of accuracy. The situation is different for the two releases of the job vacancy rate. Normally information from all Member States is available in the data disseminated at T+80 days. Therefore the estimates published for the euro area and EU-27 (T+80 estimates) cover all data received. They are subject to revisions only when Member States deliver data after the publication deadline. As a matter of fact, there have been no revisions to the euro area or EU-27 estimates of the job vacancy rate since the third quarter of 2010.

⁷ See ‘ESS Standard for Quality Reports’ (available only in English) at:

http://epp.eurostat.ec.europa.eu/portal/page/portal/ver-1/quality/documents/ESQR_FINAL.pdf.

⁸ 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.

⁹ Communication from the Commission — ‘EUROPE 2020 — a strategy for smart, sustainable and inclusive growth’, COM(2010) 2020.

The flash estimates of the aggregated job vacancy rate for the euro area and EU-27, which are published at T+50 days, are open for revision by the time the T+80 estimates are released. There have been only limited revisions so far. In the six quarters 2011Q3 to 2012Q4 in which the flash estimate has so far been published, the estimate for the euro area has been revised twice (in 2012Q1 by 0.1 percentage point from 1.6% to 1.7% and in 2012Q4 by -0.2 percentage points from 1.8% to 1.6%), while the EU-27 estimate has been revised once (in 2012Q4 by -0.2 percentage points from 1.6% to 1.4%).

Some Member States, especially at the beginning of their series, have made significant revisions to both the number of vacancies and to the number of occupied posts. However, this had no sizeable impact on the European aggregates, as it primarily occurred in smaller Member States.

3.3 Timeliness

Member States have largely met their legal obligations in terms of the timely transmission of JVS data. In the case of Greece, however, a structural delay materialised. A roadmap was agreed with this country to resolve the late data-transmission problem.

Timeliness has improved since the last report, mainly with the introduction in 2011 of flash estimates for the euro area and the EU, which are published 50 days after the end of the quarter, well ahead of the original T+75 days target set under the PEEI framework. The second estimate covering all Member States has been published at about 80 days after the reference quarter.

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 measuring unmet demand on the labour market. While in many countries vacancies reported to the public employment services are counted, using these figures for checking coherence of the JVS is problematic as they suffer from heavy under-coverage and are based on national definitions.

The number of occupied posts, a variable which is part of the denominator for the job vacancy rate, should be compared with information coming from other sources, in particular with the number of employed persons reported in the Labour Force Survey. Eurostat has agreed with Member States to extend the scope of the quality reporting correspondingly. Comparisons and subsequent assessments of differences must take into account conceptual and survey-related differences between the sources.

As regards comparability, an important feature is the reference date for 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 on a continuous basis or on several dates during the quarter. For the time being, only twelve Member States and Croatia¹⁰ collect JVS data on

¹⁰ At the time of writing, Croatia is not yet a Member State.

several dates within the quarter. It is recommended that other Member States move to the same practice to ensure that the estimate for the entire quarter is fully representative.

Finally, the main challenge as regards comparability is to have all Member States 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, five Member States still fall short of this objective.

3.5 Accessibility and clarity

Job vacancy statistics are made available through Eurostat's usual dissemination channels, namely the Eurobase online database and the dedicated Statistics Explained pages on the Eurostat website¹¹. The latter provides timely information on the job vacancy rate for both European aggregates and individual countries, including charts on developments over time.

Member States provide annual quality reports in line with Commission Regulation (EC) No 19/2009 which allows Eurostat to update the metadata provided to the users.

The accessibility and clarity of the job vacancy rate data can thus be considered as good.

4. EUROPEAN AGGREGATES

European aggregates are currently disseminated only for the job vacancy rate, not for the absolute number of vacancies. The reason is that the underlying gaps in the coverage of small businesses and NACE sections O to S directly affect the number of vacancies, while the overall rate need not necessarily be affected.

However, quality studies performed in some countries that cover the entire economy, for instance comparing vacancies in small businesses with those in other sections of the economy, suggest that this assumption does not fully hold. As a consequence, there is a risk that the vacancy rate both for the EU and the euro area is being underestimated.

Despite this caveat, the quality of European aggregates can be considered as satisfactory. Flash estimates can also be deemed reliable, with only minor revisions being made when the final data are released about one month after the flash publication.

5. CONCLUSIONS

Much progress has been made in the past three years to implement JVS legislation and to build sound statistics in the field of job vacancies.

Country data have been transmitted in a timely manner and European aggregates have been published as scheduled. Timeliness improved further in 2011 when Eurostat started

¹¹ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Job_vacancy_statistics.

publishing flash estimates. The European aggregates published, for both the flash and final estimates, have been subject to only minor revisions.

Moreover, some of the countries that had previously produced more limited coverage of the economy have increased the scope of their JVS surveys in the recent past.

Nevertheless, incomplete coverage is still the main reason that JVS data are not used more widely. It is of the utmost importance that all Member States fully cover the public sector and small businesses in their quarterly estimates. The Commission will examine how to improve the situation in this regard, including the possibility of new legislative initiatives, with a view to ensuring the necessary improvements.