

3 August 2006

Coverage  
United Kingdom  
Theme  
Labour Market

## 15 years of change in using the Labour Force Survey

### Labour Market Trends August 2006

The Labour Force Survey has played a major part in improving confidence in labour market statistics over the last 15 years, says an article in this month's *Labour Market Trends*,\* out today. In particular, monthly publication of LFS data, which began in 1998, has helped improve the public perception of the quality and integrity of the UK's labour market statistics.

The monthly publication of the LFS results alongside other key labour market indicators in a single integrated First Release enabled greater weight to be given to the LFS, which uses the internationally-agreed definitions recommended by the International Labour Organisation. Because the LFS measures the three states of employment, unemployment and economic inactivity, this enabled a more coherent picture of the labour market to be presented. It also defused the previous long-standing concern that unemployment figures relied too much on the claimant count.

Other developments to the LFS have included improved local information, with the development of local area databases. Boosts to the sample size at local area level have enabled the publication of much more comprehensive local area estimates for the key labour market variables.

The article, which is a personal reflection by Barry Werner, who retires shortly from ONS after 15 years in charge of the publication and analysis of the LFS, traces the history of the LFS from its origin as a one-off survey in 1973 through to today's continuous survey with monthly publication of data. From 1975 to 1983 the survey was biennial, and from 1984 to 1991 it took place every year. The full-scale quarterly LFS began in Great Britain in 1992 and throughout the UK in 1995.

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Next publication date  
7 September 2006

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\**Labour Market Trends* Volume 114 No 8. For subscriptions and sales, tel: 01256 357893, fax: 01256 812358. Downloadable free at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=550>



Every quarter approximately 53,000 households, equating to approximately 101,000 people aged 16 and over, are surveyed. The sample is designed in five waves, with participating households being interviewed first face-to-face, then followed up by telephone interview after three, six, nine and 12 months before dropping out of the sample. The LFS was the first major government survey to use computer-assisted interviewing and telephone interviewing.

The article also looks ahead to future developments in the LFS. These include:

- improvements to industry and sector data by linking LFS responses to details on the respondent's employer from the Interdepartmental Business Register;
- better identification of temporary foreign workers in the UK; and
- the incorporation of the LFS into a new Integrated Household Survey, planned for 2008.

Other articles this month include:

#### **Estimation of compensation of employees**

This article presents the findings of a recent review of the methodologies for calculating National Accounts' estimates of 'compensation of employees' – that is, broadly speaking, pay. It recommends that in future data from HM Revenue and Customs be used throughout the annual calculation, while the recently launched Average Weekly Earnings measure should be used for the quarterly estimates.

News and research items include:

- Age discrimination in the workplace
- *People in low-paid informal work*
- Acas' role in the employment tribunal system
- New qualifications in the management of volunteers

#### **BACKGROUND NOTES**

1. An electronic version of *Labour Market Trends* will be downloadable on the National Statistics website at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=550>
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