

## Methodological remarks

The basic source of data: Hungarian Quarterly Labour Force Survey, and Monthly Institutional Earnings Survey. Other source of information: Job Vacancy Survey (which is a quarterly institutional survey based on Regulation (EC) No 453/2008 of the European Parliament and of the Council), Administrative Register of Unemployed (See detailed information on the web page of the National Employment Service: <https://nfsz.munka.hu/>), and the statistics of the Ministry of Interior on public workers. (See detailed information on the website: [www.kozfoglalkoztataskormany.hu](http://www.kozfoglalkoztataskormany.hu))

**The Labour Force Survey (LFS)** is a representative household survey which provides information on the economic activity of persons aged 15–74. Survey categories are: – economically active persons (labour force) and – economically inactive persons.

The group of economically active persons consists of those being on the labour market either as employed or unemployed in the reference week.

The definitions used in the survey follow the ILO recommendations. According to this, employed are persons who worked one hour or more for pay or profit or had a job from which they were temporarily absent (sick-leave, holiday, etc.) during the reference week (the week is meant from Monday till Sunday).

Unemployed persons are those who simultaneously:

- neither worked nor had a job from which they were temporarily absent during the reference week,
- were actively seeking work in the four weeks before the reference week,
- were available for work i.e. could start work within two weeks following the reference week if a proper job was found.
- or found a job which they start in the following 3 months

Calculated indicators:

- employment rate is the ratio of employed persons to the population of the same age,
- unemployment rate is the ratio of unemployed persons to the economically active population of the same age,
- participation rate is the ratio of economically active persons to the population of the same age.

The Labour Force Survey is based on a multi-stage stratified sample design. The sample design strata were defined in terms of geographic units, size categories of settlements and area types such as city centres, outskirts, etc. The sample has a simple rotation pattern: any household entering the sample at some time is expected to provide labour market information at six consecutive quarters, and then leaves the sample forever. The quarterly sample is made up of three monthly sub-samples. Since 1998, the number of addresses selected for the sample in a quarter is about 38 thousand. In the correction procedure the further calculated population and dwelling numbers have a key role.

Grossing up of LFS data has been carried out for population numbers broken down by sex, age groups and certain categories of types of settlement, on the basis of the population number of the last (2011) Census corrected with the extrapolated population numbers.

Although the extrapolated number of population based on the 2001 census differs only by 5 per thousand from the results of the 2011 census, the differences in the age group structure was more significant. Compared to the extrapolated data the number of young and young middle-aged people being the most active in the labour market and also the most affected in labour market migration remained lower in the 2011 Census. However, in age group 55 and older (where the employment rate is much lower), there was a surplus compared to the extrapolated data.

The difference mentioned above is obviously appearing in the main results of the labour force survey; in case of the number of the employed resulting in a difference slightly exceeding the sampling error. However, the difference occurring in the number of the unemployed is not significant. Time series have been corrected retrospectively, but this has not caused changes in the data relating to the period before 2006.

From 2019, the data collection system for **earnings statistics** was renewed. In connection with this, the source of monthly earnings and related headcount information has changed. The data are from the so-called tax returns received from the National Tax and Customs Administration, as well as from the administrative records of the Hungarian State Treasury. From 2019, working income, working hours and regular earnings data, like job vacancy data, is provided by quarterly data collection. The reference range for interim institutional employment data shall be, unless otherwise stated, all enterprises with at least five employees, all budgetary organizations and non-profit institutions relevant for employment.

From 2019 onwards, the reference scope used for monthly earnings and headcount statistics will be determined on the basis of the actual headcount of the organizations for that month. In order to ensure comparability, the indices are presented in a comparative structure, but due to changes in the source, direct comparability of the basic data is limited.

Full-time employees are persons in employment with an employer for a period exceeding 5 working days (since 1999 for min. 60 hours actually worked according to the work contract), including outworkers and those who are working members of partnerships or co-operatives and get salary (wage) for the work done. In full-time employment the compulsory (daily weekly, monthly) working time is equal with that defined in the Labour Code or laid down in rules for labour relations and it is equal with the working time generally specific for the given employer.

Part-time workers are those working in part-time, apprentices, paid workers as well as students engaged.

Public workers: people working in the frame of public work programs belonging to active labour market policies. Since 2012, in addition to budgetary institutions, public workers may be employed in the business sector as well. Their employment is fixed-term and may be full-time or part-time. The remuneration is specially regulated; the minimum wage due to public workers is lower than the one generally applied (in 2019 like in 2018, it amounted to HUF 81,530/month or 106,555/ month as opposed to the generally valid minimum wage of HUF 149,000/ month or HUF 195,000/ month).

Earnings (by national concept) refer to persons employed full-time. Earnings comprise the basic wages and salaries, supplements, wages in kind, bonuses, premiums, 13<sup>th</sup> month salary and payments for time not worked. The term “Income from work” is earnings by national concept supplemented by

given types of fringe benefits, e.g. monthly travel card, canteen/meal voucher (in labour cost part) which is equal to gross earnings by SNA.

Based on the government decree a compensation is paid to employees of budgetary and a given part of non-profit institutions in order to compensate for the changes in taxes and contributions. Though this amount is paid together with the monthly earnings, this compensation is not a part of wages and salaries. In statistical aspect, it is taken into account among social costs.

Net earnings derive from gross earnings (by national concept) at enterprise level separately for manual and non-manual employees after subtracting employee's contribution, personal income tax, and compulsory social security contribution (incorporating health contributions, retirement schemes and unemployment insurance).

In line with EU recommendations, newly created, unoccupied jobs or those which are about to become vacant in the near future (within 3 months) can be taken into account as **job vacancy** if the following criteria are met: the employer is taking active steps and continues to do so in the future in order to find a suitable candidate for the job from outside, and in case of finding the suitable candidate, the job can be filled after having become vacant. The job vacancy rate is the rate of job vacancies to all jobs (occupied jobs and job vacancies).

According to the statement of the President of HCSO No. 7/2010 (IV.23.), the International Standard Classification of Occupations (ISCO-08) entered into force on 1 January 2011. Till 2010, occupations were classified according to ISCO-03 Manual and non-manual occupations are always defined on the basis of the prevailing ISCO main groups. Manual workers are persons with occupations classified in major groups 5–9. Non-manual workers are persons with occupations classified in major groups 1–4.

## Annex

### Look-up table of the LFS on quarterly sampling errors at 95% reliability for the population of employed\*, 2018

Number (persons)	Sampling error ( $\pm$ persons)	Number (persons)	Sampling error ( $\pm$ persons)
5000	1979	1000000	25128
10000	2759	1100000	26092
15000	3357	1200000	26965
20000	3861	1300000	27755
30000	4707	1400000	28467
40000	5419	1500000	29108
50000	6047	1600000	29680
60000	6613	1700000	30187
70000	7134	1800000	30631
80000	7618	1900000	31016
90000	8073	2000000	31343
100000	8502	2100000	31615
125000	9487	2200000	31832
150000	10375	2300000	31997
175000	11188	2400000	32110
200000	11943	2500000	32173
225000	12648	2600000	32188
250000	13313	2700000	32154
275000	13942	2800000	32073
300000	14540	2900000	31945
325000	15111	3000000	31772
350000	15657	3100000	31554
375000	16181	3200000	31292
400000	16685	3300000	30985
425000	17171	3400000	30636
450000	17639	3500000	30243
475000	18092	3600000	29808
500000	18529	3700000	29331
600000	20151	3800000	28813
700000	21596	4000000	27653
800000	22894	4250000	25976
900000	24066	4500000	24050

\* In case of the number of the employed is less than 5000 persons, the relative sampling error of the estimates is generally more than 40% (the confidence interval at 95% reliability).

Based on the Labour Force Survey, 2018

**Look-up table on quarterly sampling errors at 95% reliability for the population of unemployed\*, 2018**

Number (persons)	Sampling error (± persons)	Number (persons)	Sampling error (± persons)
4000	1507	50000	5825
5000	1712	55000	6120
6000	1897	60000	6403
7000	2066	65000	6677
8000	2224	70000	6942
9000	2371	75000	7199
10000	2510	80000	7450
12000	2769	85000	7695
14000	3005	90000	7936
16000	3225	95000	8171
18000	3431	100000	8403
20000	3625	105000	8632
22000	3810	110000	8858
24000	3987	115000	9080
26000	4156	120000	9301
28000	4318	125000	9519
30000	4475	130000	9736
32000	4626	135000	9951
34000	4774	140000	10164
36000	4916	145000	10377
38000	5055	150000	10588
40000	5191	155000	10798
42000	5323	160000	11008
44000	5453	165000	11217
46000	5579	170000	11426
48000	5703	175000	11634

\* In case of the number of the unemployed is less than 4000 persons, the relative sampling error of the estimates is generally more than 30% (the confidence interval at 95% reliability).

Based on the Labour Force Survey, 2018