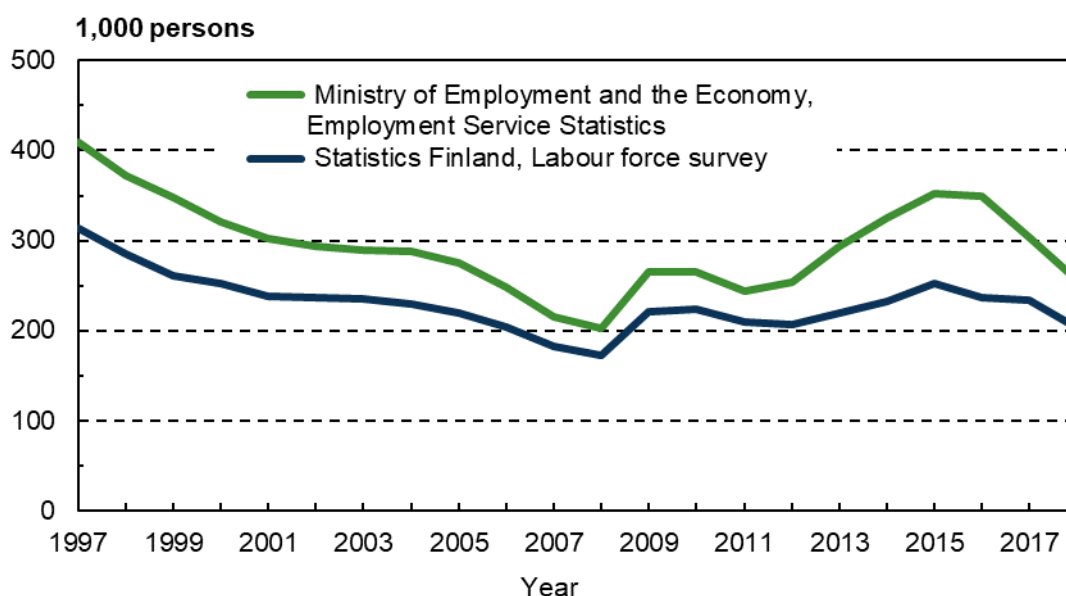


Comparison between the employment statistics of Statistics Finland and the Ministry of Economic Affairs and Employment

Statistics Finland's unemployment figures are based on the sample-based Labour Force Survey. The figures of the Ministry of Economic Affairs and Employment are in turn based on the Employment Service Statistics made on the basis of the Employment and Economic Development Offices' customer registers. The figures of Statistics Finland and of the Ministry of Economic Affairs and Employment (MEAE) have always deviated from each other. In recent years, the number of unemployed persons has been 10,000 to 50,000 lower on the annual level in the Labour Force Survey than in the Employment Service Statistics (figure). The main reason for the difference in unemployment figures is the differing definition of unemployed in the two statistics. In addition, the difference has been affected by, for example, the discontinuation of unemployment pension and changes in legislation affecting the definition of unemployed job seekers in the Employment Service Statistics. Many other countries also produce national unemployment figures based on administrative data sources, in which the difference to the Labour Force Survey figures of that country is often great.

Unemployed persons in the Labour Force Survey and unemployed job seekers according to the Ministry of Economic Affairs and Employment in 1997 to 2018, annual averages



Measuring unemployment is just one of the Labour Force Survey's tasks. More extensively, the Labour Force Survey describes the demand and supply of labour in the national economy. In the Labour Force Survey, the definitions for an employed and unemployed person comply with the recommendations of the ILO, the International Labour Organisation of the UN, and the regulations of the European Union. The aim is for the figures to be internationally comparable. The data of the Labour Force Survey are based on a sample drawn from the population aged between 15 and 74.

The Ministry of Economic Affairs and Employment's Employment Service Statistics describe employment and economic administration customers. The data are used in monitoring the activity of employment and economic administration and in developing services needed by various customer groups. The figures on unemployment based on the Employment Service Statistics cannot be internationally compared because the labour force administrations and legislations on unemployment benefits vary by country.

In Statistics Finland's Labour Force Survey, a person is **unemployed**, if he/she is without work during the survey week, that is, has not done paid work or has not worked as self-employed, has sought work as an employee or self-employed in the past four weeks and could start work within two weeks. A person who is without work and waiting for an agreed job to start within three months is also classified as unemployed if he/she could start work within two weeks. Students or those in labour market training, who fulfil the above-mentioned criteria for unemployed, are unemployed persons. Similarly, persons laid off for the time being or for a fixed term of over three months are unemployed if they fulfil the above-mentioned criteria for unemployed persons. Those having worked at least one hour during the survey week are, however, always employed in the Labour Force Survey.

In the Ministry of Economic Affairs and Employment's Employment Service Statistics, **unemployed persons** are those registered as job seekers at the Employment and Economic Development Offices who do not have an employment relationship or do not work full-time as an entrepreneur or a self-employed worker. Employed persons are also considered unemployed if they are fully laid off or their regular weekly working time is under four hours. The Employment Service Statistics do not classify as unemployed those in services promoting employment nor full-time school children and students, not even during school holidays.

The main reason for the difference in the numbers of unemployed in the statistics is that the criteria for unemployed used in Statistics Finland's Labour Force Survey are stricter than those used in the Ministry of Economic Affairs and Employment's Employment Service Statistics. In the Labour Force Survey, unemployed are expected to both be active in seeking work (e.g. reading job advertisements) and have the possibility to accept work within a short time. The difference is also due to a larger share of fully laid off persons being visible as unemployed in the Employment Service Statistics than in the Labour Force Survey.

The difference in number of unemployed in the statistics is also affected by so-called disguised unemployment. Persons outside the labour force who would want gainful work and could start work within two weeks, but who have not looked for work in the past four weeks are in disguised unemployment. In 2018, the average number of those defined as persons in disguised unemployment was 128,000. Persons in disguised unemployment can be registered as unemployed job seekers in the Employment Service Statistics. However, not all persons in disguised unemployment are necessarily registered as unemployed job seekers at Employment and Economic Development Offices, which is the case for unemployed persons in the Labour Force Survey, too.

The difference between the numbers of unemployed persons in the statistics was at its smallest in years when the employment situation was good (figure above). The growing difference in 2013 to 2016 is related to a prolonged poor employment situation, when the definitional differences of the statistics described above gain more emphasis because, for example, disguised unemployment increases. Legislative amendments made in 2013 to 2016 also increased the number of unemployed in the Employment Service Statistics. For

example, the gradual discontinuation of unemployment pension is visible in the Ministry of Economic Affairs and Employment's statistics. In total, these legislative changes increased the number of unemployed in the Employment Service Statistics in 2014 by around 24,000 to 30,000 persons compared to the time before the changes.

On the annual level, the unemployment figures of the Ministry of Economic Affairs and Employment have been higher than those of Statistics Finland's Labour Force Survey. Because of students seeking entry to the labour market, the number of unemployed in spring has usually been higher in the Labour Force Survey than in the Employment Service Statistics because students seeking work are not entered as unemployed job seekers in the Employment Service Statistics. The share of students of the unemployed in the Labour Force Survey for May 2018 was 45 per cent.

In addition to the unemployment figures of the Labour Force Survey, Statistics Finland publishes unemployment data based on the Ministry of Economic Affairs and Employment's Employment Service Statistics in the register-based [employment statistics](#) as part of the description of the main type of activity of the whole population. The data describe the situation on the last week of the year, but the statistics also include accumulated data on the months of employment and unemployment in the year. Preliminary data of the statistics are completed around 12 months and final data around 16 months from the statistical reference period.

Links to the quality descriptions:

[Statistics Finland's Labour Force Survey](#)

[Employment Service Statistics of the Ministry of Economic Affairs and Employment](#)