

# **TWINNING CONTRACT**

**AM/14/ENP/ST/15**

## **Strengthening of the National Statistical System of Armenia – Phase II**



### **STUDY VISIT REPORT**

**on**

**Labour Market Statistics**

**Activity 3.4: Study visit**

**Study visit to Statistics Denmark**

**20-23 September 2016**

**Final version**



National Statistical Service  
Republic of Armenia



**Table of contents**

1. General comments ..... 3

2. Lessons Learned ..... 3

3. Conclusions and recommendations..... 6

Annex 1. Programme ..... 7

Annex 2. List of participants..... 8

**List of Abbreviations**

|       |   |
|-------|---|
| EU    | European Union  |
| NSI   | National Statistical Institute (e.g. NSSRA)             |
| NSS   | National Statistical System (of official statistics)    |
| NSSRA | National Statistical Service of the Republic of Armenia |

# 1. General comments

This study visit report was prepared within the frames of Twinning Project ” Strengthening of the National Statistical System of Armenia – Phase II ” and organised under component 3, activity 3.4.

The purpose of the study visit was to gain knowledge on the Danish experience and the practical application related to labour market statistics, and to draft description on how this knowledge can be used in NSSRA.

The staff of NSSRA would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Denmark and which highly facilitated the work.

This views and observations stated in this report are those of the participating staff of NSSRA and do not necessarily correspond to the views of EU, NSSRA or Statistics Denmark.

## 2. Lessons Learned

The following topics had been discussed during the study visit:

- A brief overview on Statistics Denmark (SD)
- The purpose of Wage and Earnings statistics and business processes
- Structure of Earnings Survey (SES), Danish experience, from EU Regulations to SES of Eurostat
- The purpose of Labour Cost Index (LCI), business-procedure of calculation of the indicator, main stakeholders.
- Discussion of the process and upcoming activities related with the Pilot Study of SES in Armenia
- Labour Force Survey: National experience and Eurostat’s ad-hoc modules
- Job Vacancy statistics, the goal of the survey and business –process

The Experts from Statistics Denmark emphasized the special importance of quality management issues of statistical products in all their presentations.

The first day of the study visit, September 20, started with a welcome speech and introduction by Ms. Silja Emmel, International Consulting Division, Statistics Denmark. She briefly introduced with Statistics Denmark, it’s establishment, the chronology of key events from legal and operational point of view, the organizational structure of Statistics Denmark (including Labour Statistics unit), the management system and hierarchical levels, as well as mission of SD, the strategy of 2016-2020, which is aimed at studying and meeting the core needs of targeted users of the society and respondents.

Ms. Silja Emmel also presented the vision of SD, main challenges, the strategy of data collection and dissemination.

After the introductory part, Ms. Maria Boye, Senior Advisor, Statistics Denmark presented the study visit program and introduced with the staff in charge of Labour Statistics.

Ms. Maria Boye and Ms. Hege Hauglund, Head of section, Statistics Denmark presented Power Point Presentations on data sources of wage and earnings statistics as well as data collection methods.

Particularly, based on the example of Statistics Denmark they described business-processes of wage and earnings statistics, starting from data collection up to dissemination. Different pay-system procedures necessary for wage and earnings statistics in the country were presented, the procedures such as data exchange, integration, preliminary testing, treatment of missing, wrong data, extreme

values/outliers, data correction, removing and recovering data through automatic system and procedure of unidentifying the individual data.

MS experts presented in details the following topics:

- Methodology of Structure of Earnings Survey (SES) or “Satellite” processing system, classifications based on Council Regulation and Commission Regulation
- Minimum and extended data set necessary for SES
- Some key issues related with the sample of survey

The next day on September 21, Ms. Hege Hauglund continued the presentation on SES, which covered the following topics:

- Differences between National data and SES of Eurostat, the process of transmission from national data to SES of Eurostat.
- Quality Reports presented to Eurostat in accordance with Regulation with the description of the methodology and information proving the reliability of data
- Problems occurred in different stages of the process and the solution options

The next topic presented by the experts from SD was Danish experience of Labour Force Survey, which was not initially included in the third component of the project, but taking into consideration the request from NSS RA specialists the topic was added to the agenda of the study visit.

Within the frames of the mentioned topic the specialists from SD presented national experience of Labour Force Survey, referring to the following survey related issues:

- Staff included in the field work, data collection methods, periodicity, data confidentiality procedure
- Sample methodology: sample unit, coverage, sample method, sample size, rotation scheme, etc.;
- Data processing: preliminary data correction via automatic system, filtering errors, treatment of missing values, coding, data checking from Eurostat, etc.
- Annual ad-hoc module surveys coordinated by Eurostat;
- Procedure of transferring LFS data to Eurostat
- Strategy of dissemination and cooperation with stakeholders, constantly increasing demand of the survey results.

On the same day, the delegation from Armenia had the honour to meet with Director General of Statistics Denmark, Mr. Jorgen Elmeskov, accompanied by Ms. Charlotte Juul Hansen, Project Leader, International Consulting Division and Ms. Maria Boye, Senior Advisor Statistics Denmark. During the briefing it was mentioned that the collaboration within the frames of Twinning project between SD and NSS RA is mutually highly appreciated (Armenian delegation involved Mr. Gagik Gevorgyan, Member of State Council on Statistics, the head of delegation and the staff of NSS RA). Both sides wished success to the project and continue cooperation.

During the work day the delegation from NSS RA was also welcomed by Mr. Steen Pedersen, Personal Finance and Welfare division head, coordinator of wage, earnings statistics. He presented the general overview of the topics of the study visit program.

On the third day of the study visit, September 22 the participants from NSS RA referred to NSS RA experience of the discussed topics and particularly to the topics related with the upcoming Pilot Study of Structure of Earnings to be carried out by NSS RA.

Head of Labour Statistics division of NSS RA Ms. Lusine Kalantaryan presented in details all the actions taken related with the mentioned upcoming survey, current situation and planned activities, taking into consideration the complexity of the survey, as well as constraints of time and resources. Particularly it was mentioned that NSS RA again received the denial from State Revenue Committee (SRC) in regards to the request to have access to their database on individual employees and using it for statistical purposes. This means that it will be necessary to have new strategy for necessary data collection, meanwhile continuing negotiations with SRC of RA. The MS Experts were also informed that the draft of questionnaire for the Pilot Study of SES has been already developed. It was mentioned that data collection will be done electronically, taking into consideration it's cost-effectiveness both financially and timewise. The survey questionnaire and instructions will be posted on NSS RA website. Ms. L. Kalantaryan also introduced other details related to the process of Pilot Study, such as sample, sample size, coverage of the organizations and types of activities, data processing, etc.

The questions and answers followed her presentation. All the discussed topics and recommendations provided during the study visit were of great importance, which will contribute to the development of functional tools for the PS in order to create a knowledge-based SES database in Armenia.

The next topic of the study visit was presented by Sven Egmoose, Head of Division, Statistics Denmark; a presentation on Job Vacancies, which covered the following topics:

- The goal and relevance of Job Vacancy survey
- Sample methodology
- Data collection methods, periodicity
- Coverage of organizations, limitations
- Seasonal adjustments
- Data processing and dissemination strategy

It was mentioned that the role of job vacancy survey is very important in terms of assessment of supply and demand inconsistencies in the labour market. The dynamics of the index growth in post-crisis period had been also presented.

On September 23, the last day of the study visit, Mr. Uwe Pedersen, Senior advisor, Statistics Denmark made a presentation on Labour Cost Index, which covered the following topics in details:

- Main purpose of LCI, LCI as a Key Figure (Principal European Economic Indicator PEEI) in European labour market statistics and its main users
- Index of Average Earnings (IAE) as a core system to compile LCI
- Major strengths and major weaknesses of LCI compared to IAE
- The software packages used: SAS – for processing data on earnings and other labour cost, Excel – for the calculation of LCI index, Demetra – for the seasonal adjustments of quarterly index series
- The methodology for compiling LCI and business processes, “Satellite” processing system
- Compliance of national data with EU standards

All the presentations during the study visit were followed by active discussions, questions/ answers and comparisons between Armenian and Danish approaches, as well as additional clarifications and comments by the experts.

On the last day of the study visit Ms. Maria Boye, Senior Advisor, Statistics Denmark made a final speech and as a summary presented the results of the study visit, as well as outlined the further steps and upcoming activities to be carried out. Particularly the experts came to an agreement that the draft of Timetable and Questionnaire for Pilot Study of SES will be sent to MS Experts before the next mission.

Mr. Gagik Gevorgyan, Member of State Council on Statistics of RA, on behalf of the whole delegation from NSS RA also had a closing speech and mentioned that the study visit was highly appreciated by the Armenian delegation and was properly organized by the experts of SD from both professional and organizational aspects.

### **3. Conclusions and recommendations**

The participation of Armenian statisticians in the study visit gave the opportunity to get acquainted with the best practice of Labour Statistics in Statistics Denmark, to learn about the latest developments in the mentioned field, to discuss the issues and challenges related with the implementation of standards in NSSRA practice in regards to Structure of Earnings Survey, Labour Cost Index and activities which will contribute to continuous improvement of Labour Statistics in Armenia.

All the presentations provided by Danish experts during the study visit were very useful and interesting. Also the large- scale usage of administrative registers and quality management experience of Statistics Denmark were very instructive. The study visit was very successful and productive.

The expenses of the study visit were covered by the Twinning project “Strengthening of the National Statistical System of Armenia- Phase II”.

## Annex 1. Programme

### Study visit programme: Earnings and labour costs

|               |  |  |
|---------------|--|--|
|               | <b><u>Tuesday September 20<sup>th</sup></u></b>  | <b><u>Venue: Bergsøe2</u></b>                |
| 10.00 - 10.30 | Welcome and introduction to Statistics Denmark   | Silja Emmel                                  |
| 10.30 – 11.30 | Discuss the program for the week and introduction to the employees working with earnings | Steen B. Pedersen, Maria Boye                |
| 11.30 – 12.30 | Lunch  |  |
| 12.30 – 14.10 | Introduction to collecting data  | Maria Boye                                   |
| 14.10 – 14.20 | Break  |  |
| 14.20 – 15.30 | Structure of Earnings Survey   | Hege Hauglund, Maria Boye                    |
|               | <b><u>Wednesday September 21<sup>st</sup></u></b>  | <b><u>Venue: Bergsøe2</u></b>                |
| 10.00 - 11.30 | Labour Cost Survey   | Hege Hauglund, Maria Boye                    |
| 11.30 – 12.30 | Lunch  |  |
| 12.30 – 14.10 | Labour Cost Index  | Maria Boye                                   |
| 14.10 – 14.20 | Break  |  |
| 14.20 – 15.30 | Labour Force survey  | Tine Cordes, Martin Nielsen                  |
|               | <b><u>Thursday September 22<sup>nd</sup></u></b>   | <b><u>Venue: Bergsøe2</u></b>                |
| 10.00 - 11.00 | Discussion of pilot study  | NSSRA  |
| 11.00 – 12.00 | Discussion of precursors   | NSSRA  |
| 12.00 – 13.00 | Lunch  |  |
| 13:00 – 14:10 | Discussion of precursors   | NSSRA  |
| 14.10 – 14.20 | Break  |  |
| 14.20 – 15.00 | Conclusion and evaluation  | Steen B. Pedersen, Hege Hauglund, Maria Boye |
| 15.00 – 15.30 | Job Vacancies  | Sven Egmos                                   |
|               | <b><u>Friday September 23<sup>rd</sup></u></b>   | <b><u>Venue: Bergsøe2</u></b>                |
| 10.00 - 11.00 | Labour Cost Index  | Uwe Pedersen                                 |
| 11.00 - 11.30 | Working with stakeholders  | Maria Boye                                   |
| 11.30 – 12.30 | Lunch  |  |
| 12.30 –       | Sightseeing in Copenhagen including Tivoli   |  |

## **Annex 2. List of participants**

### **National Statistics Service of the Republic of Armenia (NSSRA)**

Gagik Gevorgyan, Member of the State Council on Statistics of RA  
Lusine Kalantaryan, Head of Labour Statistics Division  
Jemma Avoyan, Leading Specialist, Labour Statistics Division  
Susan Hunanyan, Senior Specialist, Labour Statistics Division

### **RTA Office**

Liana Atoyan, Interpreter

### **Statistics Denmark**

Steen B. Pedersen, Head of division, Statistics Denmark  
Maria Boye, Senior advisor, Statistics Denmark  
Hege Hauglund, Head of section, Statistics Denmark  
Uwe Pedersen, Senior advisor, Statistics Denmark  
Silja Emmel, Head of Section, Statistics Denmark  
Sven Egmos, Head of division, Statistics Denmark  
Tine Cordes, Head of section, Statistics Denmark  
Martin Nielsen, Head of section, Statistics Denmark