

Methodological Note

Labour Market Situation and Unemployment News releases

Unemployment

The OECD unemployment rates, compiled for all 38 OECD member countries, are based on [definitions of the 19th Conference of Labour Statisticians](#) (generally referred to as the ILO guidelines). Under these definitions, the unemployed are persons in their working age who, in the reference period:

- do not have a job;
- are available for work; and,
- have taken specific steps to find a job.

The uniform application of the definitions results in estimates that are more internationally comparable than those based on national definitions. For example, national unemployment data in some countries only include persons registered at government labour offices. Under the ILO definition, persons without a job who are seeking employment through other means can also be classified as unemployed and registrants can be excluded if they worked or were not available for work. The unemployment rates shown here are calculated as the number of unemployed persons as a percentage of the labour force (*i.e.*, the unemployed plus those in employment) and are seasonally adjusted.

The unemployment rates for the European Union (EU) member states and their aggregates, Iceland, Norway and Switzerland are produced by the Statistical Office of the European Union (Eurostat). The OECD is responsible for collecting data and calculating unemployment rates for the remaining OECD member countries.

The entry into force in 2021 of the Integrated European Social Statistics (IESS) Framework Regulation resulted in a new methodology of the EU Labour Force Survey, [updating the definitions of the labour status](#). Information by country on the status of the implementation of IESS regulation as well as on possible resulting breaks in time series can be found in a Eurostat Statistics Explained [article](#).

The figures reported by the OECD are seasonally adjusted. When needed, the OECD undertakes the seasonal adjustment based on the TRAMO-SEATS method. For Germany, the Netherlands, Finland, Sweden, Iceland and Norway the trend component figures are shown instead of the more volatile seasonally adjusted figures. Area aggregates compiled by OECD assume that the unemployment rates for the countries without estimates for the most recent period remain unchanged at the level observed in the latest available period.

Employment

Statistics on Employment compiled for all 38 OECD member countries, are drawn from *Labour Force Surveys* based on [definitions provided by the International Conference of Labour Statisticians](#).

Under these definitions (from the 19th Conference of Labour Statisticians in 2013), persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise:

- employed persons “at work”, i.e. who worked in a job for at least one hour;
- employed persons “not at work” due to temporary absence from a job, or to working-time arrangements (such as shift work, flexitime and compensatory leave for overtime).

The uniform application of these definitions across all OECD member countries results in employment estimates that are internationally comparable.

The data shown in this release refer to the number of people in employment (total for people aged 15-64, as well as by gender and age-groups), employment rates (persons employed in a given group as a ratio of the total number of persons in their working age in that same group) and labour force participation rates (share of persons of working-age who are either employed or unemployed).

Employment data for the OECD member countries that are also member states of European Union (EU) – as well as those for Iceland, Norway, Switzerland and Türkiye and for the euro area and the European Union are collected from the Statistical Office of the European Union (Eurostat). The OECD collects data for the remaining OECD member countries from their national statistics offices. The Labour Force Survey data used here, while ensuring cross-country comparability, may differ from those conventionally used in some countries (e.g. establishment surveys in the United States) to monitor employment conditions. The Labour Force Survey data used here may also differ from employment data compiled for the national accounts, which refer to the concept of domestic employment.

The OECD undertakes the seasonal adjustment (based on the TRAMO-SEATS method) of the series for all OECD member countries, the euro area and the European Union.

Geographical groupings

- The OECD Total covers all 38 OECD member countries.
- The G7 area covers Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.
- The euro area covers the 19 participating member states;
- The European Union covers the 27 EU member states;

The *OECD Unemployment and Labour Market Situation News Releases* present time series which extend beyond the date of the United Kingdom's withdrawal from the European Union on 1 February 2020. In order to maintain consistency over time, the “European Union” aggregate presented here excludes the United Kingdom for the entire time series. Interested readers may refer to the [Eurostat website](#) for further information on Eurostat's dissemination of EU aggregates and to the [Eurostat database](#) for the series.

Employment and unemployment statistics during the COVID-19 crisis

The broad comparability of unemployment and employment data across OECD countries is achieved through the adherence of national statistics to International Guidelines from the International Conference of Labour Statisticians (ICLS).

Departures from these guidelines may however exist across countries depending on national circumstances (e.g. statistical environment, national regulations and practices). Typically, these departures have only a limited impact on broad comparability of employment and unemployment statistics. However, the unprecedented impact of COVID-19¹ is amplifying divergences and affects the cross-country comparability of unemployment statistics in this news release.

This concerns in particular the treatment of persons on temporary layoff or employees furloughed by their employers. These are persons not at work during the survey reference week due to economic reasons and business conditions (i.e. lack of work, shortage of demand for goods and services, business closures or business moves).

According to ILO guidelines, “employed” persons include those who, in their present job, were ‘not at work’ for a short duration but maintained a job attachment during their absence (ILO, 2013 and 2020). Job attachment is determined on the basis of the continued receipt of remuneration, and/or the total duration of the absence. In practice, formal or continued job attachment is established when:

- *the expected total duration of the absence is up to three months (which can be more than three months, if the return to employment in the same economic unit is guaranteed and, in the case of the pandemic, once the restrictions in place - where applicable - are lifted)*

OR

- *workers continue to receive remuneration from their employer, including partial pay, even if they also receive support from other sources, including government schemes.*

In turn persons are classified as “**not employed**” if:

- *The expected total duration of absence is greater than three months or there is no or unknown expected return to the same economic unit*

AND

- *People in this condition do not receive any part of their remuneration from their employer.*

Not-employed persons are classified as “**unemployed**” if they fulfil the criteria of active “job search”² and “availability” specified for the measurement of unemployment.

However, departures from these guidelines in national practices do exist. In Canada and the United States persons on temporary layoff are considered to be “only weakly or not at all attached to their job and are to be counted as unemployed” (Sorrentino, 2000). In the United States, people on temporary layoff are classified as ‘unemployed’ if they expect to be recalled to their job within six months. If they have not been given a date to

¹ Broad comparability is ensured during normal business conditions, while divergences are potentially exacerbated during economic and financial crises, such as the Great Recession or the Covid-19 crisis.

² Some people not in employment may be classified as “inactive/out of the labour force” because they are either not able to actively look for a job even if they are available to work or are not available to work because of family responsibilities as schools and care services are closed.

return to work by their employer and if they have no expectation to return to work within six months, they need to fulfil the “job search” criteria to be classified as “unemployed”. For the latest US figures “people who were effectively laid off due to pandemic-related closures were counted among the unemployed on temporary layoff” without further testing for their return to their previous job (BLS, 2020). In Canada, persons in temporary layoff are also classified as ‘unemployed’ if they have a date of return or an indication that they will be recalled by their employers.

Conversely, persons on temporary layoff are classified as employed (not at work) in Europe, as recommended by the ILO Guidelines (Eurostat, 2016). In practice, formal job attachment is tested on the basis of (i) an assurance of return to work within a period of three months or (ii) the receipt of half or more of their wage or salary from their employer. Somewhat stricter than ILO guidance, absences during COVID-19 crisis whose duration is unknown were treated as absences longer than three months. Those failing to satisfy these two criteria were classified as unemployed if they were “available to start working” (over the next two weeks) and have actively searched for a job in the last four weeks. All other persons on layoff were classified as inactive.

References

BLS (2020), Frequently asked questions: The impact of the coronavirus (COVID-19) pandemic on The Employment Situation for March 2020, U.S. Bureau of Labor Statistics, March 2020, Washington DC. <https://www.bls.gov/cps/employment-situation-covid19-faq-march-2020.pdf>

Eurostat (2016), EU Labour Force Survey Explanatory notes, Eurostat, March 2016, Luxembourg. <https://ec.europa.eu/eurostat/documents/1978984/6037342/EU-LFS-explanatory-notes-from-2016-onwards.pdf>

ILO (2013), Resolution concerning statistics of work, employment and labour underutilization, 19th International Conference of Labour Statisticians (ICLS), Geneva. https://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_233215/lang--fr/index.htm

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C. Sorrentino (2000), International unemployment rates: how comparable are they?, Monthly Labor Review, June 2000, Bureau of Labor Statistics (BLS), Washington DC. <https://www.bls.gov/opub/mlr/2000/06/art1full.pdf>

Contacts

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Annex: ISO codes

AUS	Australia	FIN	Finland	LVA	Latvia
AUT	Austria	FRA	France	MEX	Mexico
BEL	Belgium	GBR	United Kingdom	NLD	Netherlands
CAN	Canada	GRC	Greece	NOR	Norway
CHE	Switzerland	HUN	Hungary	NZL	New Zealand
CHL	Chile	IRL	Ireland	OECD	OECD average
COL	Colombia	ISL	Iceland	POL	Poland
CRI	Costa Rica	ISR	Israel	PRT	Portugal
CZE	Czech Republic	ITA	Italy	SVK	Slovak Republic
DEU	Germany	JPN	Japan	SVN	Slovenia
DNK	Denmark	KOR	Korea	SWE	Sweden
ESP	Spain	LTU	Lithuania	TUR	Türkiye
EST	Estonia	LUX	Luxembourg	USA	United States