

ECONOMIC STATISTICS

Docente:	MARIA GIOVANNA GONANO
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Module 5	Productivity and the Labour Market
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Lecture 1	1 April 2026
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Topic	Labour Force Survey (LFS)
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THE LABOUR FORCE SURVEY

The information produced by ISTAT that allows labour market trends to be reconstructed is derived from a plurality of sources, including sample-based surveys and administrative data.

Labour supply data come primarily from the Labour Force Survey (RFL), whose main methodological features—such as the definitions of variables and indicators—are harmonised at the European level.

Here, some key aspects of the sample survey will be presented, with further details available in the methodological notes published by ISTAT.

THE LABOUR FORCE SURVEY

The LFS (RFL) is a sample survey carried out through interviews with individuals living in selected private households.

Its primary objective is to estimate the main labour supply aggregates: the employed, the unemployed, and the economically inactive.

Since January 2004, the survey has been conducted on a continuous basis, meaning that information is collected with reference to all the weeks of each quarter, through a uniform distribution of the sample over time.

Each household is interviewed for two consecutive quarters, rotates out of the sample for the following two quarters, and is then interviewed again for a further two consecutive quarters.

This type of survey, often referred to as “longitudinal”, also makes it possible to analyse respondents’ transitions from one labour market status to another.

THE LABOUR FORCE SURVEY

The LFS (RFL), the target population includes all members of households' resident in Italy, including those temporarily abroad. Consequently, households usually resident abroad and permanent residents living in “communal establishments” (e.g. religious institutions, military barracks, etc.) are excluded.

The resident population includes all individuals—both Italian and foreign nationals—who are registered in the municipal population registers.

The unit of observation is a private household, defined as a group of individuals living together and connected by marriage, kinship, adoption, guardianship, or stable affective ties.

Each quarter, approximately 75,000 households—corresponding to around 175,000 individuals—are interviewed across more than 1,200 municipalities in all provinces nationwide. Overall, a sample of more than 250,000 resident households (around 600,000 individuals) is interviewed each year.

THE LABOUR FORCE SURVEY

The RFL uses a two-stage sample design, with municipalities as the primary sampling units (PSUs) and households as the secondary sampling units (SSUs). The PSUs are stratified.

At the first stage, the sampling frame consists of all municipalities within each province. Municipalities are stratified according to demographic size.

Two types of municipalities are distinguished:

- 1) Provincial capitals and municipalities above a specified population threshold are included with certainty and are observed in every reference week (self-representing municipalities).
- 2) All other municipalities are grouped into size-based strata and are selected probabilistically. In each stratum, one municipality is drawn, and it enters the sample for one reference week per month. The assignment of reference weeks to sampled municipalities follows a random rotation scheme.

THE LABOUR FORCE SURVEY

Second stage: within each municipality included in the survey, a simple random sample of households is drawn from the population register.

Household interviews are conducted using CAPI (Computer-Assisted Personal Interviewing) and CATI (Computer-Assisted Telephone Interviewing).

Each household is interviewed for two consecutive quarters and, overall, remains in the sample for 15 months. This panel structure also allows transitions between labour market statuses to be analysed (e.g. from unemployment to employment).

THE LABOUR FORCE SURVEY

The survey provides a wide range of information and is the most appropriate source for analysing individuals' labour market status by socio-demographic characteristics (e.g. sex, age, educational attainment, citizenship), as well as by labour market characteristics (e.g. occupation among the employed, duration of unemployment, and reasons for inactivity).

It also enables the production of labour market indicators at territorial level (down to the provincial level), including information on contractual arrangements, underemployment, and the incidence of part-time work (voluntary and involuntary) among the employed population.

THE LABOUR FORCE SURVEY

Moreover, within the economically inactive population it is possible to distinguish between individuals who are available for work and those whose profile is closest to that of the unemployed—for example, persons who are available to work but have not actively searched for a job in the past four weeks, in part because they are discouraged by a perceived lack of job opportunities.

In addition, the longitudinal design of the survey makes it possible to monitor changes over time, including emerging forms of employment, newly relevant individual and contextual factors, and the most effective job-search channels. It also allows transitions between labour market statuses to be analysed at three- and twelve-month intervals, and enables the construction of household- and family-level indicators.

THE LABOUR FORCE SURVEY

Employed: includes persons aged 15 and over who, in the reference week to which the information refers (usually the week preceding the interview):

- worked at least one hour in any activity for pay or profit, in cash or in kind;
- worked at least one hour as an unpaid family worker in a family business in which they usually assist;
- had a job but were temporarily absent from work (e.g. due to annual leave/holiday, illness, or other reasons).

THE LABOUR FORCE SURVEY

Employees who are absent from work are classified as employed if the absence does not exceed three months, or if they continue to receive at least 50% of their usual pay during the absence.

Self-employed persons who are absent from work—except unpaid family workers—are classified as employed provided that they maintain their business activity during the period of absence.

Unpaid family workers are classified as employed if the absence does not exceed three months.

The survey provides information on all forms of employment, including permanent and fixed-term contracts; full-time and part-time work (with varying weekly hours); seasonal employment; shift work; and work performed at non-standard hours.

THE LABOUR FORCE SURVEY

Unemployed persons are individuals seeking employment.

They include persons aged 15–74 who are not in employment and who:

- have carried out at least one active job-search activity in the 30 days preceding the interview and are available to start work (or to begin a self-employed activity) within the two weeks following the interview;
- or have already arranged to start a job within three months of the interview date and are available to start work (or to begin a self-employed activity) within the two weeks following the interview, should it be possible to bring the start date forward.

Thus, unemployment is defined by the combination of three elements: a condition (not being in employment), a behaviour (having carried out at least one active job-search activity in the 30 days preceding the interview), and an attitude (being willing and available to start work within two weeks following the interview).

THE LABOUR FORCE SURVEY

Official estimates of the main labour supply aggregates derived from the Labour Force Survey are disseminated through monthly and/or quarterly press releases and data tables. Results are available at regional level on a quarterly basis and at provincial level as annual averages.

The estimates are produced by assigning a weight (expansion factor) to each sample observation, which represents the number of population units accounted for by that observation; the final weight is derived from a base weight adjusted for non-response and calibrated to known population totals.