

## Labour Force survey

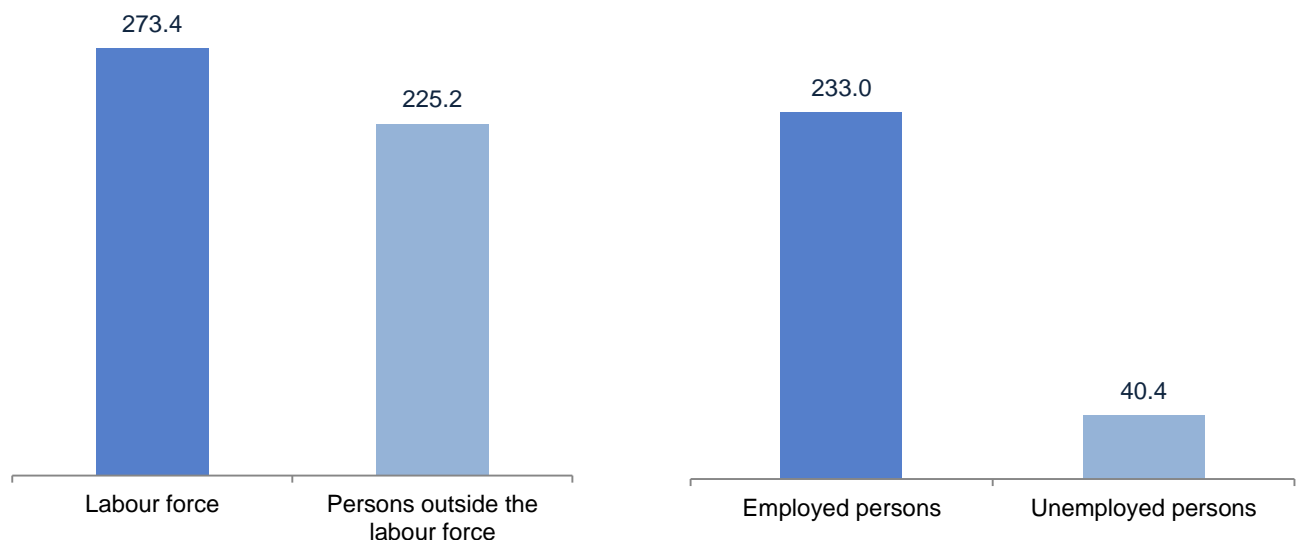
### 3<sup>rd</sup> quarter 2021<sup>1</sup>

This release contains data received through the Labour Force Survey conducted in the third quarter 2021 and the observation period was from July to September 2021. The interviewing was done in 1 897 households on the territory of Montenegro. There were collected data about demographic characteristics for all members of the households (5 027 persons were surveyed) and in addition also data about economic activity for persons aged 15 to 89 (4 373 persons).

According to the data for the third quarter of 2021, there were 273.4 thousand of active populations in Montenegro, out of which there were 233.0 thousand of employed persons or 85.2% and 40.4 thousand of unemployed<sup>2</sup> or 14.8%. There were 225.2 thousand of persons outside the labour force (15 to 89 years old).

For the persons aged 15 to 89 in the third quarter 2021 the activity rate is 54.8%, the employment rate is 46.7%, the unemployment rate is 14.8% and population outside the labour force rate is 45.2%.

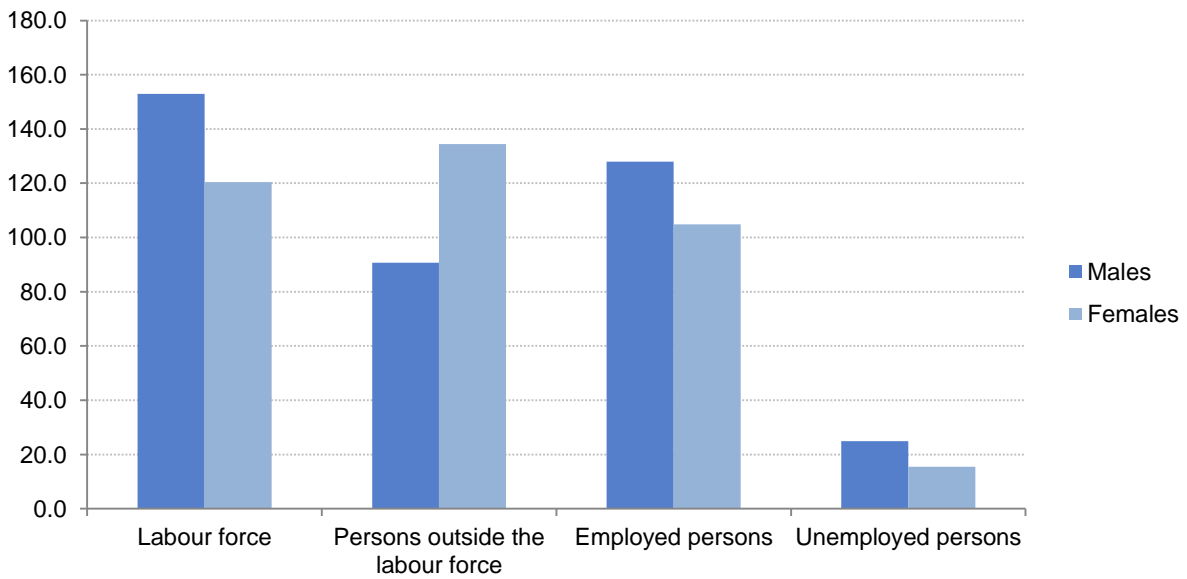
**Chart 1. Working age population by status in activity**  
*(in thousands)*



<sup>1</sup> Due to the implementation of the new methodology in the Labor Force Survey, the data for the second quarter of 2021 are not comparable with the data from previous years. Please, see [Methodological explanation](#).

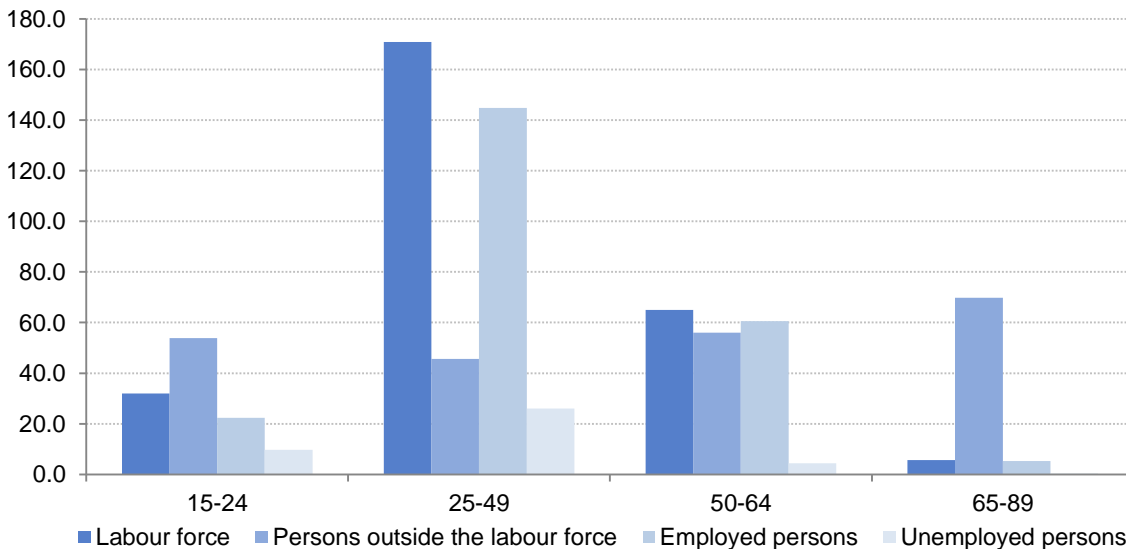
<sup>2</sup> [Guide on manner of determining survey and registered unemployment rate](#)

**Chart 2. Working age population by status in activity and sex**  
(in thousands)



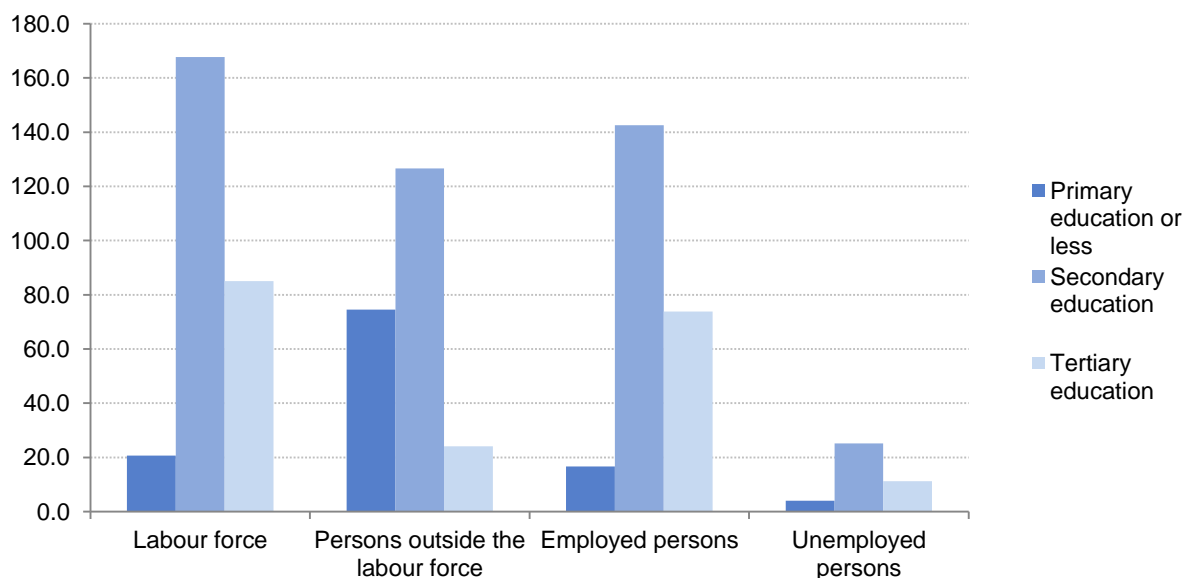
Out of total number of labour force (active population), there are 152.9 thousand or 55.9% of men and 120.4 thousand or 44.1% are women, while 134.5 thousand or 59.7% of persons outside the labour force are women and 90.7 thousand or 40.3% are men. Out of total number of employed persons, there are 128.0 thousand or 55.0% of men and 104.9 thousand or 45.0% are women. When unemployed persons observed, there are 24.9 thousand or 61.6% of men and 15.5 thousand or 38.4% are women.

**Chart 3. Working age population by status in activity and age groups**  
(in thousands)



The highest number of labour force (active population) refers to the age group 25 to 49 years (170.8 thousand). An age group with the highest number of persons outside the labour force is the 65 to 89 years (69.8 thousand of inactive persons). The highest number of employed persons refers to the age group 25 to 49 years (144.8 thousand). Also, the highest number of unemployed persons is persons of the same age group (26.0 thousand of unemployed persons).

**Chart 4. Working age population by status in activity and educational attainment**  
(in thousands)



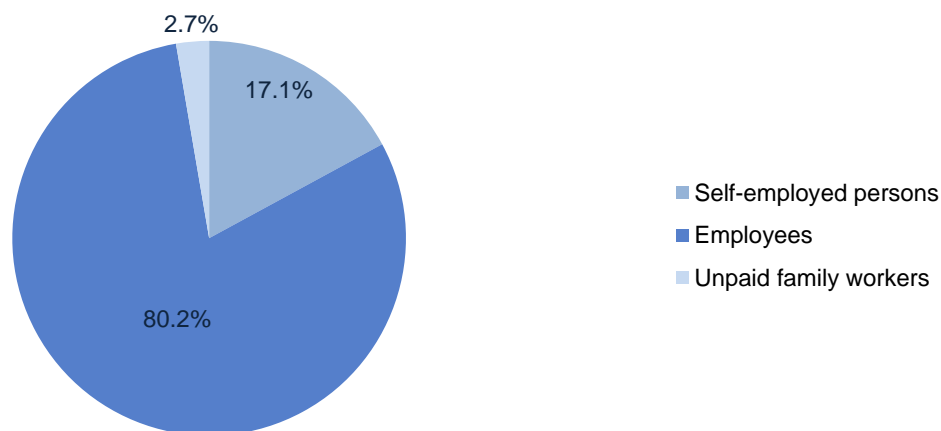
The educational structure of labour force (active population) shows that 61.3% persons have finished the secondary school, followed by persons who have graduated tertiary education 31.1% and persons who finished the primary school or lower education 7.6%.

The highest share in the educational structure of persons outside the labour force has persons with completed secondary education, 56.2%; then 33.1% of persons with primary school or lower education and remaining 10.7% have graduated tertiary education.

The educational structure of persons in employment shows that the 61.2% persons have finished secondary education, followed by persons who have graduated tertiary education 31.7% and persons with primary school or lower education 7.1%.

The educational structure of unemployed persons shows that 62.4% persons have finished the secondary education, followed by persons who have graduated tertiary education 27.7% and persons who finished the primary school or lower education 9.9%.

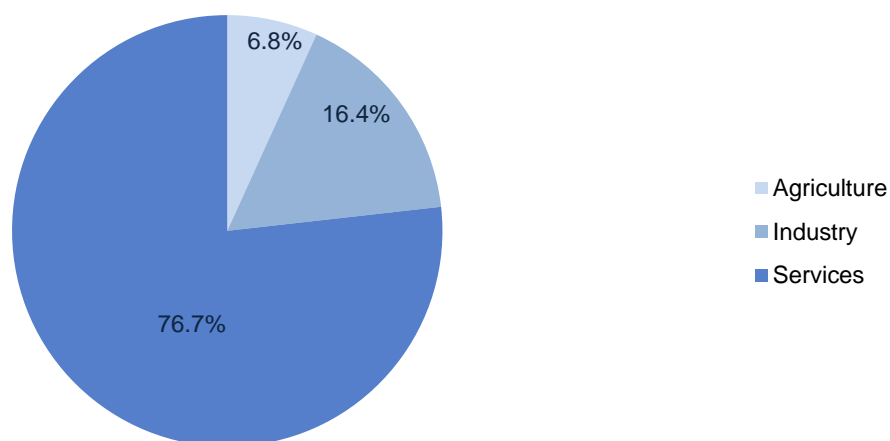
**Chart 5. Persons in employment by status in employment**



Persons in employment by status in employment is consist of:

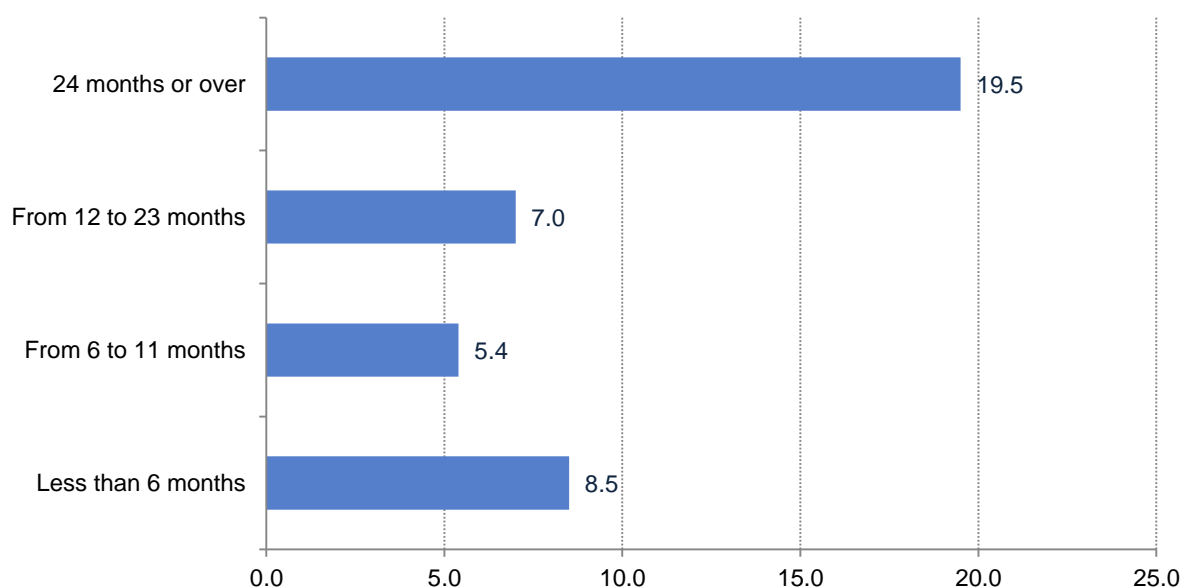
- employees 80.2%,
- self-employed persons 17.1% and
- unpaid family workers 2.7%.

**Chart 6. Persons in employment by sectors of activity**



The structure of persons in employment by sectors of activity shows that the highest share of them works in the service sector, 76.7%; than in industry and construction, 16.4% and 6.8% in agriculture, forestry and fishing.

**Chart 7. Unemployed persons by duration of unemployment**  
*(in thousands)*



In the observed period there were 13.9 thousand or 34.4% of unemployed persons who searched for work for less than 12 months; 7.0 thousand or 17.3% of unemployed persons searched for work up to 2 years, while 19.5 thousand or 48.3% of unemployed persons searched for work 2 years and over.

## METHODOLOGICAL EXPLANATIONS

The Labour Force Survey is carried out in compliance with standards and recommendations of the International Labour Organisation (ILO) guidelines for labour force statistics, as well as in compliance with the new Regulation (EU) 2019/1700 of the European parliament and of the Council applied from 1 January 2021 and with others delegated and implementing acts in relation to a methodology, survey organisation, sample procedure, design of questionnaires and definition of employment and unemployment.

Labour Force Survey provides the data on working age population by activity in the reference quarter, not by formal status of interviewed persons.

**Working age population** comprises active population (labour force) and population outside of labour force. **Active population (labour force)** include employed persons and unemployed persons.

The term employed in the survey refer to persons who:

- performed any work for wage or profit (in cash, goods or services) during the reference week, even for one hour. Persons who receive wages for on-the-job training (apprentices or trainees) are also considered as employed.
- did not work (due to illness, annual leave or state holidays, education or training, maternity/paternity leave, reduced production and other temporary inability to work) but have a job or business to return to.

Self-employed persons with a business or farm are also considered to be working if one of the following applies:

- A person works in his own business or farm for the purpose of earning a profit, even if the enterprise is failing to make a profit;
- A person spends time on the operation of a business or farm even if no sales were made, no professional services were rendered, or nothing was actually produced (for example, a farmer who engages in farm maintenance activities; an architect who spends time waiting for clients in his/her office; a fisherman who repairs his boat or nets for future operations; a person who attends a convention or seminar);
- A person is in process of setting up a business or farm, such as the buying or installing of equipment, renting the office or ordering of supplies in preparation for opening a new business;
- A person who works on its own agriculture farm to produce agricultural goods and if the main part of the agricultural output is intended to be sold or bartered are also considered as employed.

Unpaid family worker is a person who assisted the other member of the household in running family business or agricultural holding, without receiving any formal pay and providing that they not considered themselves as employed. Unpaid family workers includes e. g.:

- A son or daughter working in the parents' business or on the parents' farm without pay (living inside or outside the parents' household).
- A wife who assists her husband in his business (in trade, agriculture) without receiving any formal pay.

Persons in own-use production work, voluntary workers, unpaid trainees are not included in employment on the basis of those activities.

The term unemployed refers to persons who:

- in the reference week did not work (not in paid employment or self-employment and did not do any paid work),
- in the past four weeks were actively seeking work (specific steps were taken to seek paid employment or self-employment),
- were currently available for work (within two weeks).

Person who has already found a job which will start within a period of at most 3 months and they are available for work in the two weeks after the reference week are also included among unemployed persons.

**Active population (labour force)** include employed persons and unemployed persons aged 15 to 89 years.

**Population outside of labour force** comprise persons who were aged 15 to 89 and neither employed nor unemployed, as well persons who were aged above 89.

**Activity rate** represents the percentage of active population in the total population of the same age group.

**Employment rate** represents the percentage of employed persons in the total population of the same age group.

**Unemployment rate** represents the percentage of unemployed persons in the total active population.

**Population outside of labour force rate** represents the percentage of persons outside of labour force in total population of the same age group.

## Overview of changes occurred in determining employment status

Determining employment status	New LFS methodology	Old LFS methodology
Persons worked at least one hour for pay or profit in the reference week	+	+
Persons raising agricultural products intended only or mainly for own-consumption	-	+
Persons old 89 years and over	-	+
Employed persons absent from work due to sick leave or maternity or paternity leave regardless of the reason for absence	+	+
Employed persons absent from work due to annual leave, working time arrangements, job-related training up to 3 months	+	+
Employed persons absent from work due to annual leave, working time arrangements, job-related training up to 3 months, more than 3 months	+	+ if receive 50% or more of net wage; - if receive less than 50% of net wage
Persons on parental leave up to 3 months	+	+
Persons on parental leave more than 3 months	-	+ if receive 50% or more of net wage; - if receive less than 50% of net wage
Employed persons absent from work up to 3 months due to childcare or incapacitated adults, strike, personal reasons, non-job-related training or reasons other than those already mentioned above	+	+
Employed persons absent from work more than 3 months due to childcare or incapacitated adults, strike, personal reasons, non-job-related training or reasons other than those already mentioned above	-	+ if receive 50% or more of net wage; - if receive less than 50% of net wage
Self-employed absent from work who own equipment of significant value, store, farm, advertisement	Not relevant	+
Self-employed absent from work due to annual leave, working time arrangements, job-related training, sick leave or maternity or paternity leave regardless of the reason for absence	+	Not relevant
Self-employed absent from work up to 3 months due to childcare or incapacitated adults, strike, personal reasons, non-job-related training or reasons other than those already mentioned above	+	Not relevant
Seasonal worker in off-season, regularly performing job-related tasks, in case of absence up to 3 months	+	+
Seasonal worker in off-season, regularly performing job-related tasks, in case of absence more than 3 months	+	Not relevant
Seasonal worker in off-season, not regularly performing any job-related task in case of absence up to 3 months	-	+
Seasonal worker in off-season, not regularly performing any job-related task in case of absence more than 3 months	-	+ if receive 50% or more of net wage; - if receive less than 50% of net wage
Unpaid family workers absent from work up to 3 months	+	+
Unpaid family workers absent from work more than 3 months regardless of the reason for absence	-	-

**Explanation of symbols:** plus (+) is included in number of employed persons, minus (-) is not included in number of employed persons.

## Key differences between Labour Force Survey and Registered Unemployment

	Unemployment from LFS	Registered Unemployment
<b>Based on</b>	Sample size of 2 964 households each quarter	Full scale survey based on personal registration
<b>Age</b>	15 – 74 years old	15 - 67 years old
<b>Reference population</b>	Target population in LFS in Montenegro is defined by International Labour Organisation (ILO) and Eurostat regulations (12 months criteria ESA 95)	Montenegrin citizens and foreigners with personal working licence, that are kept in records of Employment Agency of Montenegro
<b>Households and institutions (collective households)</b>	Covers only persons residing in private households.	Covers all persons that fulfil legal condition to be included in the Register of Unemployed Persons.
<b>Reference period</b>	Special reference periods (according to the methodology)	Special reference periods (according to the Law on Employment Mediation and Rights during Unemployment and Employment Agency regulations)
<b>Definition</b>	International definition in accordance with International Labour Organisation (ILO) and EUROSTAT.	Definition in accordance with Law on Employment Mediation and Rights during Unemployment (unemployment benefits, social assistance, health insurance, active policies, etc.)
<b>What they measure</b>	The Labour Force Survey collects data on the economically active population or the labour force in Montenegro according to ILO recommendations. The main categories covered by this survey are: total employment, unemployment, demographic, educational, socio-economic and other characteristics of individuals.	Number of registered persons recorded in Employment Agency of Montenegro
<b>Measures refer to what</b>	Measures state in the labour market. It is used for the analysis of long-term and middle-term trends in labour market	For analysing trends and forecasts of supply and demand of labour force at the labour market
<b>Data dissemination</b>	Quarterly and Annual Average.	Weekly, monthly, quarterly and annual data. All measure in this moment refers to the end of the reference period. The average can be also calculated.
<b>Quality</b>	Sampling error refers to (reduced) preciseness of data collected.	Not subject to sampling errors.
<b>Possible under/over estimation problems</b>	Non-response, non-contacts and refusals may be not at random. Overestimation of unemployed and persons outside of labour force which are easier to find and interview. Underestimation of employed persons (especially those in the informal sector)	Some unemployed persons are not interested to register themselves: a) underestimation of youth unemployment 15-24 (insufficient number of persons registered because they are non-qualified); b) Persons that have never worked or not recently worked; c) Persons that are in education system. Overestimation because of persons with informal or short-term employment, who do not report that and do not demand benefits.
<b>Accuracy for small domains</b>	Less accuracy for small areas, such as age groups by region, due to sampling errors.	High accuracy even for small areas such as municipalities and small age groups.

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