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European Data Watch

This section will offer descriptions as well as discussions of data sources that may be of interest to social scientists engaged in empirical research or teaching courses that include empirical investigations performed by students. The purpose is to describe the information in the data source, to give examples of questions tackled with the data and to tell how to access the data for research and teaching. We will start with data from German speaking countries that allow international comparative research. While most of the data will be at the micro level (individuals, households, or firms), more aggregate data and meta data (for regions, industries, or nations) will be included, too. Suggestions for data sources to be described in future columns (or comments on past columns) should be send to: Joachim Wagner, University of Lueneburg, Institute of Economics, Campus 4.210, 21332 Lueneburg, Germany, or e-mailed to (wagner@uni-lueneburg.de).

The European Community Household Panel (ECHP)

By Christine Wirtz and Lene Mejer¹

1. Introduction

The ECHP is a standardised survey conducted in Member States of the European Union under the auspices of, and with support and co-ordination from Eurostat, the Statistical Office of the European Communities. It was launched in response to the increasing demand in the European Union for comparable statistics on income, work and employment, poverty and social exclusion, and other social indicators. The survey is multidimensional and covers a large number of issues.

¹ Christine Wirtz is working for Unit E2 of Eurostat. Lene Mejer is working for the INSEE, the French national statistical office from 01. 09. 2001. The material used for this article has been taken from documents produced by Eurostat staff or consultants working on the ECHP. Not least Dr. Vijay Verma's input has been important in this respect.

The ECHP is designed to supplement the two other major social surveys co-ordinated at the EU-level, namely the Labour Force Survey (LFS) and the Household Budget Surveys (HBS), but, unlike these two data sources, micro-data can be obtained and used by the research world by acquisition of the so-called ECHP Users' Data Base (UDB). Potential users interested in the ECHP can access and download the detailed documentation on the ECHP and on the ECHP UDB from the ECHP website:

<http://forum.europa.eu.int/irc/dsis/echpanel/info/data/information.html>

The survey was started in 1994 in all the 12 Member States at that time. New panels were established in all countries except in Belgium and the Netherlands, where existing panels were adapted. Austria joined the survey in 1995 at the same time as their entry into the Community, whereas Finland joined in 1996. Sweden remains the only exception to full-scale participation in the ECHP; however starting from 1997 comparable data from the Swedish Living Condition survey (ULF) has been included in the ECHP UDB. From the fourth wave (1997), the harmonised ECHP survey was stopped in Germany, Luxembourg and the United Kingdom. Instead running national panels have been adapted to the ECHP format and included in the ECHP UDB².

The last wave of the ECHP was conducted in 2001; from 2003 onwards, the ECHP will be replaced by a new instrument EU-SILC (EU Statistics on Income and Living Conditions)³. This means that there will eventually be 8 waves of ECHP data available for exploitation.

The major aim of the survey is to provide up-to-date and comparable data on income. Comparable information on income of persons and households is indispensable for policy makers at national and European level, particularly in monitoring changes arising from EU policies. During recent years this emphasis has been underlined by the adoption of different policies related to the social dimension of the EU. These policies are conducted mainly through exchanges of information on 'best methods' and by creating a structural indicators programme partly focussed on 'social cohesion'. Programmes relating to the fight against 'social exclusion' are also focussing on comparisons and thus use the ECHP as a main source. Hence, a related aim for which the ECHP is heavily exploited is to provide information on poverty and social exclusion by using its multidimensional character (using income variables in conjunction with other variables).

² Luxembourgish data for 1997 has not yet been included in the ECHP UDB as the adaptation process is not finalised yet.

³ The 'missing' year 2002 (and potential further years should the adoption of the EU-SILC be delayed) will be covered by tabular information.

Another focus of the survey is to provide information on patterns of economic activity over time. In doing that the ECHP complements the LFS, which provides static information on the situation of the labour market. A prominent feature of the ECHP is the calendar of activity, which allows a person's activity status to be followed month by month. Hence it is possible to study individuals' patterns of economic activity over time, for example by looking at length of unemployment spells.

Furthermore, the ECHP is used for providing information on housing, health and more broadly on living conditions in general. A number of more qualitative opinion-related questions also make the ECHP an adequate source for measuring 'satisfaction / dissatisfaction' among different populations.

The ECHP is a highly harmonised and co-ordinated survey at the EU level. The basis is a common questionnaire as well as common data processing tools. The data collection takes place under the control of national data collection units (NDUs) in each country, with a degree of flexibility allowing each country to adapt common procedures to its national situation. The NDUs are responsible for selecting the national sample, adapting the questionnaire and for doing basic editing and processing at national level. The NDUs are either national statistical offices or a research institution in each country. Each of the NDUs has a contract with Eurostat for delivering data.

The micro-data are transmitted by the NDUs to a central team at Eurostat. Eurostat, further processes the data (editing, weighting and imputations) and produces the UDB and a number of publications using the data. Specific technical issues as well as control of data quality are likewise solved at Eurostat level in broad co-operation with different producer and user groups. Most importantly, a Working Group with delegates from each NDU and EFTA countries is developing and supervising the harmonised design and its implementation through regular meetings. Lately, a big effort has been made to provide better documentation on the survey and its data. This documentation is available over the internet on the address cited above.

2. Design and coverage

The ECHP involves annual interviewing of a representative panel of households and individuals in each country, covering a wide range of topics concerning living conditions of private households and persons. Information is obtained each wave on the household and its members (household questionnaire) and persons aged 16 and over are interviewed individually (personal questionnaire). The survey is designed to provide longitudinal data;

however representative cross-sectional data are also produced for each wave.

2.1. Initial sample and follow-up

The initial sample covered approximately 60,000 private households (around 130,000 completed personal interviews). The achieved sample size varied from country to country, from around 7,000 households in Spain, France and Italy, to around 3,500 in Belgium and Denmark and only 1,000 in Luxembourg.

All persons in the initial sample are followed up from one year to the next, including those moving to other private households within the EU area. Persons not in the initial sample are included as long as they reside together with one of the original sample persons. This also includes children born to sample women. Young persons becoming 16 will be eligible for the personal interview. Populations which are outside the scope are immigrants and persons moving to institutions or outside the EU.

2.2. Interviews and questionnaires

The information obtained via the ECHP covers a wide range of issues. Firstly, demographic background information and family relationships are obtained in each wave using a household register. The detailed household interview obtains information on migration status, tenure of accommodation, housing amenities and costs, possession of durable goods, major sources of income and diverse indicators of the household's financial situation. The personal interview covers items as economic activity, income, education and training, social relations and responsibilities, health, pensions and insurance, 'satisfaction' with different aspects of life and biographical information. Hence a unique feature of the ECHP is its integrative character, linking domains of information such as earnings *and* social protection benefits *and* working conditions *and* housing *and* family structures etc.

The content of the questionnaires has been kept stable over time, except for some changes between the first and second wave. This provides a sound basis for longitudinal analysis.

On average the household interview takes 20 minutes and each personal interview around 25 minutes. A majority of countries use traditional paper and pencil interviewing, however some are using computer-assisted interviewing.

2.3. Data quality

Different response rates were obtained at the initial wave ranging from a high of around 90% in the South European countries (Italy, Portugal and Greece), to a low of around 50 to 60% in Luxembourg, Germany, Ireland and Denmark. Attrition rates between waves have been broadly stable for the first three waves; highest rates of non-response data were from the United Kingdom. The quality of data are documented as far as possible through different quality reports and the suitability of the data for analyses on notably poverty and social exclusion has been documented.

2.4. Comparability over time and across countries

The ECHP provides highly comparable data over time and space (across the national surveys). This high degree of comparability is reached via a common survey structure and procedures, common sampling requirements, common concepts and definitions, common questionnaire, common data processing tools and via the creation of standardised micro-data sets. As underlined above, some flexibility is acquired by for example adapting the questionnaire to national specifications. However, the common questionnaire design is playing a major role in providing harmonised data and most countries have followed the standard version closely. The major flaws from having a harmonised output is introduced when national panels have been adopted, mainly because of non-availability of a certain number of standard ECHP variables.

3. Topics of analysis

The ECHP can be and has been used for obtaining statistics on the EU and its population for a large number of issues. One should here distinguish between analysis and publications provided by the EU Commission/Eurostat and those coming from the use of the UDB by researchers all over Europe and beyond.

3.1. Publications / Analysis by the EU Commission / Eurostat

Detailed statistics derived from the ECHP are published in Eurostat's reference database NewCronos in three domains, namely health, housing and 'ILC' – income and living conditions. The domain 'income and living conditions' covers multi-dimensional tables on income sources, income distribu-

tion, income levels, subjective and non-monetary indicators of the economic situation, and social exclusion and poverty. The classification plans for these tables can be accessed via the Eurostat homepage, and tables may be requested via the Eurostat datashops. Information on the datashops can be found via Eurostat's website at: www.europa.eu.int/comm/eurostat/.

During the year 2000, a number of *Statistics in Focus* have been produced on the basis of ECHP data. Topics have been low wages, income poverty and social exclusion. Other topics such as housing and labour market activity (flows) have also been treated. Since 2000, ECHP data have been used for the statistical publication 'European Social Statistics: Income, Poverty and Social Exclusion'; and were also extensively drawn upon in the joint Eurostat/European Commission publications on 'The Social Situation of the European Union'. The Eurostat publications 'Living Conditions in Europe: Statistical Pocketbook' and 'Eurostat yearbook' also include data derived from the ECHP. Other Commission publications such as the reports on employment, social protection etc. use ECHP results as well.

One of the main uses made of ECHP data was for the production of structural indicators for the synthesis report for the Spring 2001 European Council. In its communication COM(2000) 594 on structural indicators, proposing a set of 27 indicators, the Commission selected seven indicators of social cohesion, three of which are based on ECHP data. These are:

- Distribution of income (income quintile ratio S80 / S20)
- Poverty rate before and after social transfers
- Persistence of poverty

Work on social cohesion indicators is being developed at the moment (autumn 2001) and will result in different reports, notably one for the Laeken summit in December 2001 using a first set of social cohesion indicators agreed upon at Community level. More methodological work in this direction is planned for the coming years using the ECHP as a principal data-source.

3.2. Research contracts

The ECHP UDB is widely distributed to more than 100 universities/research institutions/networks. ECHP data is used for research on a wide range of projects, of which several are listed in the annex.

4. Data access

Back in November 1997, Eurostat decided to construct a user friendly longitudinal users' database containing "anonymised" ECHP micro-data on households and persons. Direct access to this database (called ECHP UDB) is possible through ECHP research contracts.

4.1. Data anonymisation and dissemination

ECHP micro-data contain information considered "confidential" in terms of the EU Council regulation N° 322.97 of 17/2/1997 on Community statistics, the so-called EU "Statistical Law". Therefore, direct access to the original data has had to be more restrictive than what is desirable for a full exploitation of the data, despite the strong interest expressed by many researchers and other users. Moreover, the structure of the original micro-data is complex and thus difficult to use outside as well as inside Eurostat, increasing significantly the risk of errors using the data.

In view of this situation and given the growing demand for ECHP data from both inside and outside the Commission, Eurostat has decided to construct the ECHP UDB.

4.2. ECHP research contracts

Access to the anonymised micro-data contained in the ECHP UDB is possible by means of "ECHP research contracts". These contracts, which are signed with Eurostat, stipulate the conditions of data use and access such as:

a) The contractor must ensure that the files contained in the UDB are used exclusively for the research purposes clearly specified in the contract, excluding in particular any possible administrative use.

b) The contractor will be required to take all the necessary regulatory, administrative, technical and organisational measures to ensure that none of these data are distributed to third parties, and that there will be no attempt to identify nor will the contractor claim to have done so, by any means whatsoever, any individual statistical unit. In particular, the UDB shall not be connected with other data sets from any other source.

c) The contract should be agreed between Eurostat and all individual partners in a network. Once the contract is established, it will not be possible to include another network member.

There is no possibility for individual persons to acquire the UDB directly. Any request needs to come from the organisation where the person interested is studying or working.

4.3. Data covered by ECHP research contracts

Contracts cover all the waves of the ECHP, i.e. those currently available and also those to come later. Organisations signing an ECHP research contract will therefore receive immediately the available data-set. Updated data-sets will then be provided as soon as they become available. The standard price for data from all the waves of the ECHP depends on the type of organisation and can be either 5,000 or 8,000 EUR.

The quickest way to get access to the ECHP UDB is via Eurostat data-shops. Addresses of datashops are available from

<http://europa.eu.int/comm/eurostat/>.

4.4. Availability of data

The ECHP UDB covering data collected in 1994–1997 has been available since June 2001. An update containing 1994–1998 data should be available by the end of 2001. The survey years 1999 and 2000 are scheduled to be ready during the year 2002; and 2001 data by the end of 2003.

5. Future developments

After a total duration of eight years (1994–2001), Eurostat together with EU Member States decided to stop the European Community Household Panel (ECHP) project and to replace it in 2003 by a new instrument, EU-SILC (Statistics on Income and Living Conditions). There are several reasons for this change:

The most important is the need for adapting the content and timing of production of the instrument to the new political needs, particularly after the Lisbon (23–24/03/00) and Nice (7–9/12/00) summits. During these summits, priority was given to the eradication of poverty – and a better understanding of social exclusion on the basis of commonly agreed indicators was requested. As a consequence, there is an increasing need for comparable and timely data on income and social exclusion, particularly in the context of the ‘Programme of Community action to encourage co-operation between Member States to combat social exclusion’ and for the structural

indicators to be produced annually for the Spring report to the European Council.

The ECHP has, during its lifetime, suffered from several operational problems. The most important one is delays in the availability of the data. The data collected nationally in 1997 were only available at EU level at the beginning of June 2001, i.e. with a time lag of 41 months. Some other problems relate mainly to initial response/attrition rates and the non-participation of one of the EU countries in the project, i.e. Sweden. Connected to this is a need to achieve a better integration of the EU project on income and living conditions in the National Statistical Systems, as the ECHP was considered by many countries as an EU, not a national, project. To this aim a *legal basis* will be developed for EU-SILC.

However, first results from EU-SILC, the new data source for EU Statistics on Income and Living Conditions, will not be available before the year 2005 – longitudinal data only in 2006. Thus, the ECHP will remain a unique data source for comparative analysis on income and living conditions at EU-level for the coming years.

Annex

The ECHP is a main data source for the European Panel Analysis Group's programme of research on *the dynamics of social change in Europe* – the theme of this special edition of Schmollers Jahrbuch. The following is a selection of other research projects and programmes being undertaken by independent analysts under ECHP user-contracts.

- Employment insecurity, unemployment and social exclusion
- Family change and the welfare state in Europe: long-term developments, new challenges and institution-building
- Economic determinants of the distribution of health and health care in Europe
- Comparative social inclusion policies
- Flexible labour and its impact on earnings and poverty
- Low wage employment and the working poor in the EU
- Gender earnings differentials
- Social integration by transnational labour markets
- An integrated tax-benefit model

- Public funding and private returns to education – a cross-country policy-oriented perspective on the private benefits of education
- Research in education and health
- EU national welfare systems
- Employment, earnings and job stability
- Measures of income mobility and persistence of poverty
- The incidence of disability by age and social characteristics
- Job search methods used by the unemployed and methods resulting in a job
- Research in poverty and social exclusion with a specific focus on the interrelationships between employment situation and income distribution
- Labour market, retirement, training and education
- Comparative analysis of social transfers in EU member states
- Transitions on the labour market and standard of living in EU member states
- From individual income to household standard of living
- A system for monitoring/reporting on employment trends and indicators
- Analysis of household panel survey data from a gender perspective
- Towards a European system of social reporting and welfare management
- In-depth analysis of disability and occupational ECHP data
- Disability adjusted life-expectancy
- Statistical analysis of occupational behaviour with special reference to living conditions in the European context
- Job mobility in the European Union
- Taxation, subsidies and the distribution of household income in the EU
- Intra-family transfers
- Intra-housing bargaining, job search and labour supply decisions
- Housing and labour mobility
- Social exclusion and social protection: the future role for the EU
- Traps and springboards in European minimum income schemes
- Determinants of permanent poverty in Spain as compared to the EU as a whole

- Temporary work, part-time work and other atypical forms of work in the EU
- The choice between going on further education or labour market entry
- Non-monetary effects of education and health
- Economic uncertainty and timing of the first birth
- Effects on income and labour market participation on family formation and first births
- Child care and labour market participation
- Differences in health expectancy among the elderly in EU countries
- Effects of health status on labour force
- Behaviour socio-employment factors affecting unhappiness
- Well-being of older people in ageing societies
- Child well-being in industrialised countries
- Study aspects of social stratification and the transition towards adulthood
- Lone mothers in the EU (patterns of social assistance receipts; work trajectories)
- Young adults in the EU
- Anti-poverty effectiveness of welfare and child support among single families and / or children with divorced parents
- Household structures, labour market status and poverty in five small EU countries (Denmark, Finland, Greece, Ireland, the Netherlands)
- Consortium of household panels for European socio-economic research