

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 237 final

Brussels, 3 May 1983

Draft

COUNCIL REGULATION (EEC)

relating to the organization of surveys of labour costs in industry, wholesale
and retail distribution, banking and insurance

(submitted to the Council ~~by the Commission~~)

COM(83) 237 final

Explanatory Memorandum

The Commission cannot carry out certain tasks assigned to it by the Treaty establishing the European Economic Community, in particular with respect to the implementation of Articles 2, 3, 117, 118, 120 and 122, without access to valid data, comparable for the different countries, on the cost of labour and on the incomes of employees in the Community.

That is why, since 1959, in pursuance of Council Regulations, a whole series of specific Community surveys has been carried out in industry(1) and in commerce, banking and insurance (2). These surveys were carried out by the Statistical Office of the European Communities in collaboration with the National Institutes of Statistics and the Ministries of Labour of Member States. The results of these surveys were published by the Statistical Office of the European Communities (3); they were greatly appreciated by governments and by economic and social bodies.

The activities of the Commission in the various sectors make it necessary that the most recent possible figures on total labour costs should be available at all times. In collaboration with the competent authorities in Member States, the Statistical Office has, therefore, developed methods of updating the results of surveys of labour costs. However, in view of the fact that expenditure on wages and related costs is subject to substantial change, this technique of updating can provide valid results only for the first few years following a survey; thereafter, the survey must be repeated.

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- (1) Regulation No 10 (OJ No 56, 31.8.1960, p. 1199/60).
 Regulation No 14 (OJ No 55, 16.8.1961, p. 1054/61).
 Regulation No 28 (OJ No 41, 28.5.1962, p. 1277/62).
 Regulation No 151 (OJ No 133, 13.12.1962, p. 2841/62).
 Regulation No 101/66/EEC (OJ No 134, 22.7.1966, p. 2540/66).
 Regulation (EEC) No 1899/68 (OJ No L 289, 29.11.1968, p. 4).
 Regulation (EEC) No 2259/71 (OJ No L 238, 23.10.1971, p. 1).
 Regulation (EEC) No 328/75 (OJ No L 37, 12.2.1975, p. 1).
 Regulation (EEC) No 494/78 (OJ No L 68, 10.3.1978, p. 1).
 Regulation (EEC) No 1596/81 (OJ No L 159, 17.6.1981, p. 1).
- (2) Regulation (EEC) No 2053/69 (OJ No L 263, 21.10.1969, p. 8).
 Regulation (EEC) No 3192/73 (OJ No L 326, 27.11.1973, p. 1).
 Regulation (EEC) No 494/78 (OJ No L 68, 10.3.1978, p. 1).
 Regulation (EEC) No 1596/81 (OJ No L 159, 17.6.1981, p. 1).
- (3) Series "Social Statistics" No 3/1961, 3/1962, 1/1963, 2/1964, 5/1964, 6/1965, 5/1966, 4/1969, 1/1970, 6/1970, 3/1971, 4/1972, 4/1974, 6/1975, 1977, 1979, 1982.

It is in that connection that the Working Party on "Wages Statistics", comprising representatives of governments (Ministries of Labour and National Institutes of Statistics) and of employers and labour, came to the conclusion that it would be necessary to repeat the surveys of labour costs at three-yearly intervals; this view was shared by the Commission and the Council; thus the years 1966, 1969, 1972, 1975, 1978 and 1981 have been selected so far as survey reference years.

In order to rationalize and further facilitate procedures, it has been decided to incorporate, from 1978 on, the investigations into industry on the one hand, and into commerce, banking and insurance on the other in a single survey.

Considering the fact that the organisation of these surveys constitutes a heavy work load the Working Party "Wages Statistics" has expressed the opinion that the legal basis for carrying out the 1984 and the 1987 surveys should be established by one single regulation. This approach is also justified by the fact that the detailed procedures for the conduct of the survey have remained practically unchanged, it facilitates the implementation of the survey in Member countries and has also been approved by the Conference of the Directors General of National Statistical Institutes.

So that the survey should not constitute too heavy a burden on the undertakings and on the budget of the European Communities and Member States, the intention is not that it should involve exhaustive returns from all undertakings, but that it should be based on a representative sample.

The Working Party on "Wages Statistics", which met in Luxembourg on 10 and 11 June 1982, reached agreement on the technical basis for the survey (the basic questionnaire, the survey field, methods, transmitting of results, etc.) which will ensure the comparability of the results and will allow the maximum amount of information on the Community to be derived from the survey.

As in the surveys of 1972, 1975, 1978 and 1981, this survey will cover the establishments or undertakings employing at least ten wage-earners. This will ensure the comparability of the survey with those of previous years and with the other wage statistics of the Community (harmonized statistics on earnings and statistics on the structure and distribution of wages) which cover the same field.

The planned survey will provide detailed statistical information on the expenditure on wages and salaries and related costs borne by the employers, as well as on the number of hours worked annually by employees in all branches of industry (including energy, water and construction) and in commerce, banking and insurance (1). The results of this survey will, of course, be used as a new basis for the updating which is carried out regularly during intervening years.

Both government experts and the representatives of professional organizations of employers and workers have urged that the decision to undertake this survey be taken as quickly as possible, so that the undertakings forming part of the samples should be in a position at the beginning of 1984 to take the necessary measures enabling them to complete the questionnaire.

With this in view, the Commission submits to the Council for its approval the attached draft regulation and financial record.

(1) Classes and groups falling under Divisions 1 to 5 and Classes 61, 64/65, 81 and 82 of the Nomenclature of Economic Activities in the European Communities (NACE).

Draft
COUNCIL REGULATION (EEC)

relating to the organization of surveys of labour costs in industry,
wholesale and retail distribution, banking and insurance

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community, and in particular Article 213 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas, in order to carry out the tasks assigned to it by the Treaty, in particular those set out in Articles 2, 3, 117, 118, 120 and 122 thereof, the Commission must be kept informed of the position and trends in the Member States as regards labour costs and employees' incomes;

Whereas statistical information available in each Member State does not provide a valid basis for comparisons, in particular because of the differences existing between the laws, regulations and administrative practices of the Member States and surveys must therefore be carried out and the results processed on the basis of uniform definitions and methods;

Whereas the best method of assessing the level, composition and trends both of labour costs and of employees' incomes is to carry out specific Community surveys, as has been done since 1959, pursuant to Council Regulations No 10 (1), No 14 (2), No 28 (3), No 151 (4), No 101/66/EEC (5), (EEC) No 1899/68 (6), (EEC) No 2259/71 (7), (EEC) No 328/75 (8), (EEC) No 494/78 (9)

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- (1) OJ No 56, 31.8.1960, p. 1199/60.
 - (2) OJ No 55, 16.8.1961, p. 1054/61.
 - (3) OJ No 41, 28.5.1962, p. 1277/62.
 - (4) OJ No 133, 13.12.1962, p. 2841/62.
 - (5) OJ No 134, 22.7.1966, p. 2540/66.
 - (6) OJ No L 289, 29.11.1968, p. 4.
 - (7) OJ No L 238, 23.10.1971, p. 1.
 - (8) OJ No L 37, 12.2.1975, p. 1.
 - (9) OJ No L 68, 10.3.1978, p. 1.

and (EEC) No 1596/81 (1) on the basis of accounting data for the years 1959 to 1964, 1966, 1969, 1972, 1975, 1978 and 1981 in industry, and Regulation (EEC) No 2053/69 (2), (EEC) No 3192/73 (3), (EEC) No 494/78 and (EEC) No 1596/81 on the basis of accounting data for the years 1970, 1974, 1978 and 1981 in distribution, banking and insurance ;

Whereas, since expenditure by undertakings on wages, salaries and related costs is subject to substantial change in both level and structure, it is appropriate to carry out new surveys at regular intervals in order to bring up to date the results of the previous surveys,

Whereas, experience shows that the organization of these surveys constitutes a heavy work load, whereas it is appropriate to reduce this load by establishing the legal basis for carrying out the next two surveys by means of a single Regulation;

Whereas it is thus appropriate to carry out new surveys based on accounting data for the years 1984 and 1987 in industry and in distribution, banking and insurance ;

Whereas, in view of the scope of the survey and in order to lighten the burden on undertakings and on the budgets of the European Communities and of the Member States it is necessary to proceed on the basis of sampling,

HAS ADOPTED THIS REGULATION:

(1) OJ No L 159, 17.6.1981, p. 1.
(2) OJ No L 263, 21.10.1969, p. 8.
(3) OJ No L 326, 27.11.1973, p. 1.

Article 1

Within the framework of its periodic surveys on labour costs and employees' incomes, the Commission shall undertake in 1985 and 1988, on the basis of accounting data for the year 1984 and 1987, surveys of labour costs (manual and non-manual workers) in industry, wholesale and retail distribution, banking and insurance.

Article 2

The survey shall cover undertakings or establishments employing at least 10 persons who carry on activities defined in Divisions 1, 2, 3, 4 and 5 and Classes 61, 64/65, 81 and 82 of the Nomenclature of Economic Activities in the European Communities (NACE), with the exception of groups 651, 652 and 811.

In banking and insurance in Luxembourg, however, the survey shall be conducted without regard to a minimum number of employees.

The survey shall be carried out by sampling.

Article 3

Employers shall, in respect of their undertakings or establishments which are included in the sample, provide the information needed to determine labour costs (manual and non-manual workers) on the basis of the accounting data for the whole of the years 1984 and 1987, in the manner set out hereinafter.

Article 4

The survey shall cover:

- a) costs of wages and salaries, including bonuses and allowances, and all incidental expenditure, in particular employers' contributions to social security and supplementary schemes, and other social payments, including the cost of vocational training of employees, and any taxes and subsidies directly related to labour costs;
- b) the number of employees engaged in the undertakings or establishments;
- c) the length of time worked.

Article 5

The information shall be collected by the statistical offices of the Member States by means of questionnaires drawn up by the Commission in cooperation with those offices.

The Commission shall, in cooperation with those offices, determine the technical procedures for the conduct of the survey. Further, it shall lay down in the same way the starting and closing dates of the survey and the time limit for replying to the questionnaires.

Persons required to supply information shall reply to the questionnaires truthfully, completely and within the time limits set.

Article 6

The statistical offices of the Member States shall analyse the replies to the questionnaires. They shall forward to the Commission the results of the survey, excluding individual items of information, in accordance with the processing programme laid down by the Commission; the results shall be broken down by sectors of activity and, if so required, by region and size category of the undertakings or establishments.

Article 7

Individual items of information supplied for purposes of the survey shall be used for statistical purposes only. It shall be prohibited to use such information for other purposes, particularly for taxation purposes, or to communicate it to third parties.

Member States shall take appropriate measures against any infringement of:

- a) the obligation to supply the information referred to in Article 3,
and
- b) the obligation, under the first paragraph, to maintain confidentiality as regards the information obtained.

Article 8

For the conduct of the 1984 and 1987 surveys, Member States shall receive a flat-rate sum proportional to the number of undertakings or establishments surveyed. This amount shall be entered against appropriations provided for this purpose in the budget of the European Communities.

Article 9

This Regulation shall enter into force on 1 October 1983.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

FINANCIAL RECORD

1. Budget heading code: art. 263
2. Title of project: Draft Council Regulation (EEC) relating to surveys of labour costs in industry, wholesale and retail distribution, banking and insurance, to be carried out in 1985 and 1988 on the basis of the accounts for 1984 and 1987.
3. Legal basis: Council Regulation (EEC)
4. Objective and justification of the project: To dispose of valid and comparable data on labour costs in the member countries of the Community. The last survey in this field has been carried out in 1982 on the basis of the accounts for 1981. An annual updating system using estimates based on this survey supplied by the Member States has been set up; however, this system can provide reliable results only for the first few years following a survey year. Thus it is now necessary to carry out a new survey. The data are to be collected by the statistical services of Member States, covering undertakings or establishments employing at least 10 persons.
5. Financial implications of the project:
 - 5.0 in respect of expenditure:

According to article 8 of the draft regulation Member States will receive a lump sum for carrying out the survey in respect of each undertaking or establishment surveyed. These costs will be charged against the appropriations provided for this purpose in the budget of the European Communities (art. 263); they cover approximately one-third of the total costs of the survey. The amount of ECU 678.000 under both the 1985 and 1986 budgets is required for the financing of the 1984 survey. Similar amounts are to be made available under the 1988 and 1989 budgets for the financing of the 1987 survey.
 - 5.1 Method of calculation

It is proposed to calculate the flat rate contribution to Member States on the basis of an amount of 12 ECU per unit surveyed. Taking account of the number of holdings to be covered (\pm 113.000), the cost of the survey for the ten Member States would amount to

1.356.000 ECU. This amount equals that fixed for the previous 1981 labour cost survey so that there is a relative decrease in the charge on the EC budget. In view of the fact that the 1981 survey sample pattern will be used again without any significant change for the 1984 survey the data on the financing of the 1981 survey, given in the following table, can be considered as relevant for the 1984 survey.

1981 Labour cost survey: Sample size and EC Budget Commitments

Country	Sample size (1) (units)	Commitments (in ECU)		
		Total (1)	1982 budget	1983 budget (1)
D	27.000	324.000	162.000	162.000
F	19.000	228.000	132.000	96.000
I	25.000	300.000	150.000	150.000
NL	8.000	96.000	48.000	48.000
B	6.600	79.200	39.520	39.680
L	700	8.400	4.200	4.200
UK	15.000	180.000	93.600	86.400
IRL	4.300	51.600	30.000	21.600
DK	4.400	52.800	30.600	22.200
GR	3.000	36.000	18.000	18.000
EUR 10	113.000	1.356.000	707.920	648.080

(1) Provisional data

The size of the sample for each Member State has been determined bilaterally, taking national particularities into account. Any attempt to reduce the size would be harmful to the results of the survey; this is particularly true as regards detailed data on the structure of labour costs as well as the breakdown by size classes of the establishments and by regions.

