

Earnings disparities across European countries and regions

A glance at regional results of the Structure of Earnings Survey 2002

Statistics in focus

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The level of gross earnings and earnings disparities in "Industry and services" vary significantly across European countries. Low earnings disparities are found in the Scandinavian countries and higher ones in the Baltic countries and the two Acceding Countries participating in the survey. For those countries providing data below the national level, the regional differences are minor or moderate, except, in most cases, for the capital-city regions, where earnings tend to be higher and less equally distributed. Furthermore, the present publication illustrates by means of the financial sector that the overall picture drawn for the aggregate "Industry and services" may differ considerably for individual economic activities.¹

This *Statistics in Focus* is part of a series dealing with results of the recent European Structure of Earnings Survey (SES) carried out for the reference year 2002. The SES is conducted every 4 years under Council Regulation 530/1999 and the implementation Regulation (Commission Regulation 1916/2000, recently replaced by Regulation 1738/2005). It provides detailed information on the level of remuneration of employees, their individual characteristics and the enterprise or local unit to which they belong. The SES 2002 micro data refer to approximately 7.9 million employees in "Industry and services" (sections C to K of the economic activity classification scheme NACE 1.1). The regions in which the employer is located are classified according to the common nomenclature of territorial units (NUTS, level 1).

By April 2005 Eurostat had received data from 24 out of the current 25 Member States (all except Malta), the Acceding Countries Bulgaria and Romania, as well as from Norway and from Iceland. The data were collected by the national statistical offices in 2003 and processed during 2004.² More information as regards the coverage of the survey, methods, definitions or abbreviations of countries, NACE sections and NUTS-1 regions is presented in the Methodological Notes at the end. This publication focuses on the comparison of gross annual earnings across countries and NUTS-1 regions. It presents selected tables with earnings data expressed in euro or in Purchasing Power Standards (PPS)³ and graphs related to characteristics of earnings distributions.

Earnings inequality low in Scandinavian countries

Figure 1 displays for all 27 countries fully participating in the SES 2002 the interval defined by the 10% and 90% quantiles (deciles D1 and D9) of the micro-data on gross annual earnings of employees in "Industry and services"

¹ Eurostat's dissemination of SES results is constrained by data confidentiality issues. In order to avoid disclosure risks, this publication does not cover SES results for all individual economic activities. In addition, a breakdown of regional results by sex or by full-time and part-time employees is suppressed. Earnings for part-time employees are grossed up to those for full-time employees.

² The German data refer to 2001 and were processed in 2003. The Icelandic SES data only cover the NACE sections D, F and G. The NACE aggregate C-K is hence not available for Iceland. This explains why Iceland is not included in the graphs or tables of this publication.

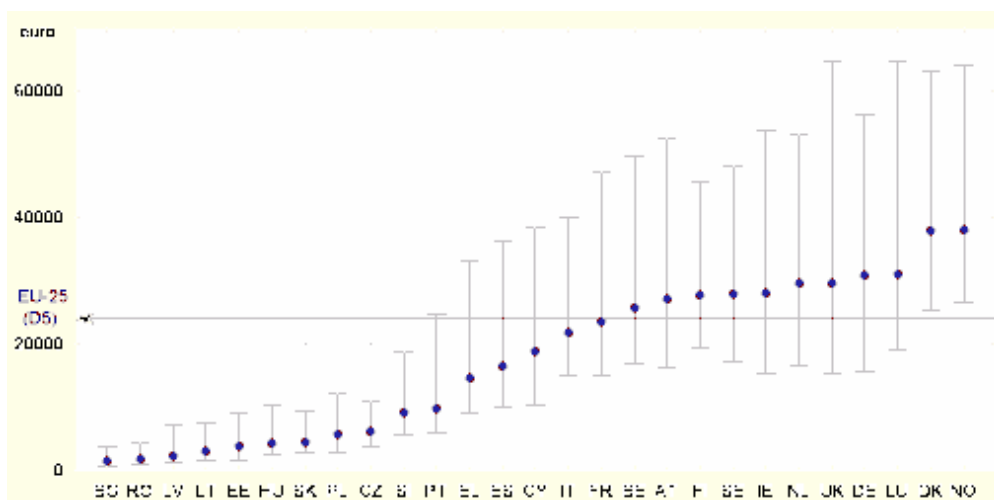
³ This publication presents earnings data in euro and in PPS. The latter represent an artificial currency unit which reflects differences in national price levels that are not taken into account by exchange rates. The PPS figures are calculated on country level.



Figure 1: Gross annual earnings, in euro and in PPS, “Industry and services” (deciles D1 and D9, complemented by the median D5)

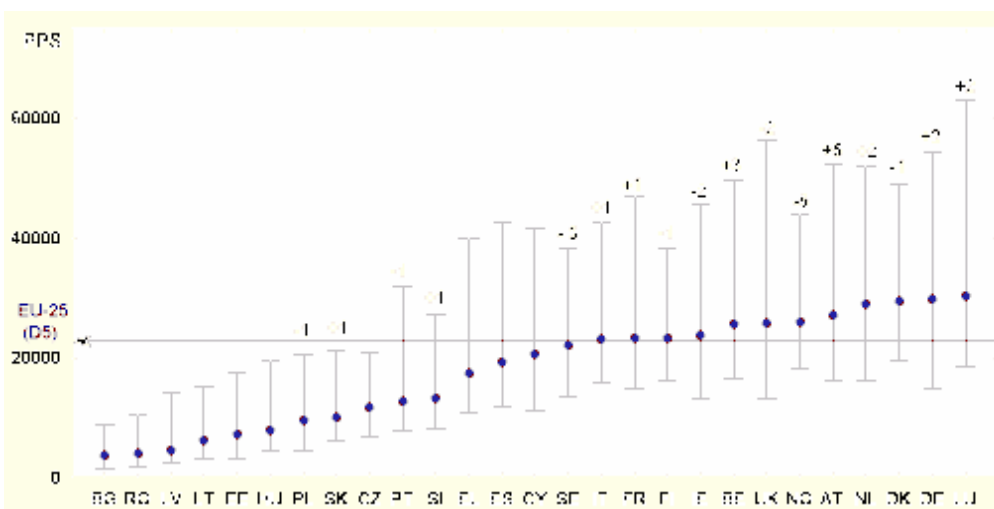
Source: Eurostat, SES 2002

a) Earnings in euro



b) Earnings in PPS

Figures on top of the intervals: Rank position changes (compared to part a)



(NACE aggregate C-K).¹ The intervals also display the 50% quantile (median D5). Figure 1a refers to the “inner 80%” of the empirical earnings distribution in euro whereas Figure 1b shows the same interval expressed in PPS. In each graph, the countries are ordered by increasing medians. The rank position changes between part a and part b are displayed on top of the interval [D1, D9]. It should be mentioned that for some countries the earnings data refer to all sizes of enterprises whereas other countries excluded small enterprises (for details see the methodological notes). The inclusion of small enterprises tends to slightly lower the level of earnings.

Figure 1 shows that the median for gross annual earnings differed considerably across European countries. The lowest medians in euro were observed in Bulgaria (1470 €) and Romania (1687 €), the highest in Denmark (37879 €) and Norway (37940 €). The corresponding minima in PPS are again those from Bulgaria (3628 PPS) and Romania (4100 PPS) whereas the maxima in PPS refer to Germany (29770 PPS) and Luxembourg (30321 PPS). The ranking position changes in part b are striking for a few countries, in particular for Norway, Sweden and Austria (decline or improvement of 5 rank positions). Furthermore, the graph shows that the variability of earnings is not uniform across countries.

¹ The decile D1 is defined as the smallest value with the property that at least 10% of the data do not exceed D1. The deciles D5 and D9 are defined analogously (50% and 90%, respectively).

Table 1 gives the full numerical information on annual earnings presented in Figure 1. The table displays the numerical values in euro and in PPS for the deciles D1, D5 and D9 of the earnings distribution in "Industry and services", complemented by the values for the earnings disparity measure D9/D1. The ratio D9/D1 is the same for euro and for PPS. High values for D9/D1 indicate a high level of earnings inequality whereas low values

indicate low disparity in earnings. The table shows that earnings inequality in "Industry and services" are very pronounced (D9/D1 exceeding 5.0) for the Member States Estonia, Latvia and Lithuania as well as for the Accessing Countries Bulgaria and Romania. Particularly low levels of earnings inequality (D9/D1 not exceeding 2.5) are observed for the Member States Finland and Denmark as well as for Norway.

Table 1: Gross annual earnings, in euro and in PPS, "Industry and services"

*Last column but two: Ratios D9/D1 exceeding 5.0 in bold, not exceeding 2.5 in bold italic.
Last column: Ratio "mean / median". Source: Eurostat, SES 2002*

Country	euro				PPS				D9/D1	mean/D5
	D1	D5	D9	mean	D1	D5	D9	mean		
EU-25	6236	23638	49940	28024	9563	23190	47757	27808	3.0	1.20
BE	16668	25710	49782	30694	16646	25677	49717	30654	3.0	1.19
CZ	3604	6103	10811	7212	6971	11805	20912	13949	3.0	1.18
DK	25364	37879	63179	41736	19696	29414	49059	32408	2.5	1.10
DE	15460	30803	56244	34622	14942	29770	54358	33461	3.6	1.12
EE	1562	3746	9111	4934	2982	7150	17392	9418	5.8	1.32
EL	8919	14518	33206	18751	10685	17393	39782	22465	3.7	1.29
ES	10075	16457	36347	21063	11821	19309	42646	24713	3.6	1.28
FR	14963	23404	47106	29139	14912	23325	46946	29041	3.1	1.25
IE	15392	28024	53751	32912	13055	23769	45590	27915	3.5	1.17
IT	14814	21711	39907	25808	15771	23114	42486	27476	2.7	1.19
CY	10276	18841	38279	22315	11214	20560	41772	24351	3.7	1.18
LV	1239	2272	7161	3616	2456	4504	14197	7168	5.8	1.59
LT	1494	3026	7548	4097	3035	6145	15329	8320	5.1	1.35
LU	18962	31030	64682	38103	18528	30321	63203	37232	3.4	1.23
HU	2470	4267	10372	5906	4608	7963	19353	11021	4.2	1.38
NL	16595	29537	52930	33683	16271	28961	51897	33026	3.2	1.14
AT	16061	27073	52359	32434	16096	27133	52474	32505	3.3	1.20
PL	2688	5619	12128	7065	4545	9503	20510	11948	4.5	1.26
PT	6012	9735	24515	13609	7852	12714	32016	17773	4.1	1.40
SI	5587	9040	18621	11275	8134	13162	27111	16416	3.3	1.25
SK	2718	4395	9266	5708	6252	10110	21316	13132	3.4	1.30
FI	19213	27712	45572	30965	16200	23366	38425	26109	2.4	1.12
SE	17064	27778	47930	32056	13635	22196	38299	25615	2.8	1.15
UK	15266	29603	64761	38538	13295	25779	56397	33560	4.2	1.30
BG	643	1470	3569	1884	1587	3628	8806	4649	5.5	1.28
RO	748	1687	4303	2321	1818	4100	10459	5642	5.8	1.38
NO	26557	37940	64140	42475	18182	25975	43912	29080	2.4	1.12

Table 1 also presents the mean and the ratio "mean / median". All figures for this ratio are above 1.0. Hence, the mean always exceeds the median which implies that the earnings distribution is positively skewed, i.e. it has a longer tail to the right.

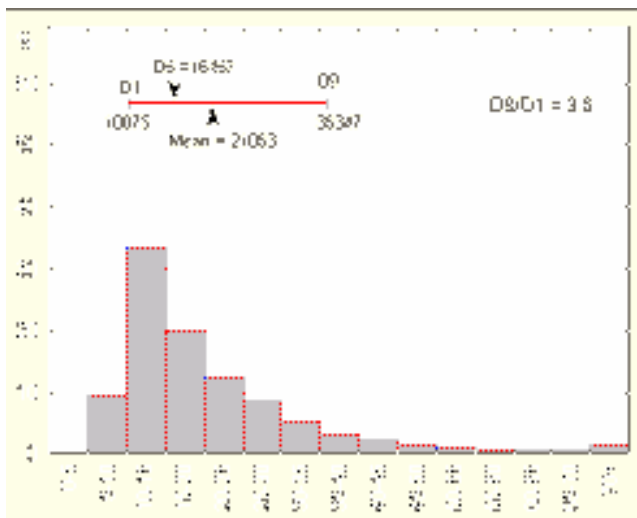
Figure 1 and Table 1 refer to only three key characteristics of the empirical distribution of gross annual earnings in "Industry and services". In contrast to this, Figure 2 shows for selected countries (Spain, Portugal, Slovakia and Latvia) the complete distribution of this variable by presenting the number of employees

assigned to 15 or 26 bands of earnings in euro. The graphs are complemented by the intervals [D1;D9] and also display the median D5 and the mean in order to illustrate that for all countries the mean clearly exceeds the median D5. The graphs show the asymmetry of the earnings distributions. The degree of asymmetry is obviously positively correlated with the inequality measure D9/D1. The national earnings distributions for Spain and Slovakia show a more balanced profile than those observed for Portugal and Latvia, i. e. the percentage of employees occupying the bottom part of the distributions is higher in Portugal and Latvia.

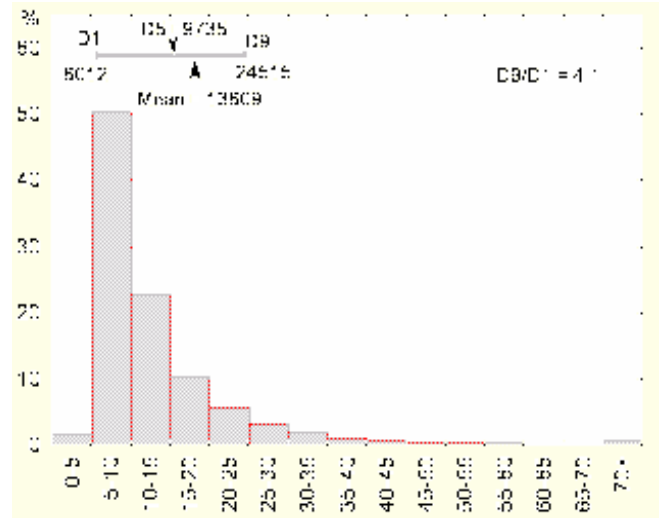
Figure 2: Percentage of employees in different bands of gross annual earnings, “Industry and services”

The bands for earnings refer to units of 1000 euro. All bands include the lower and exclude the upper limit. The last band has no upper limit.
Source: Eurostat, SES 2002

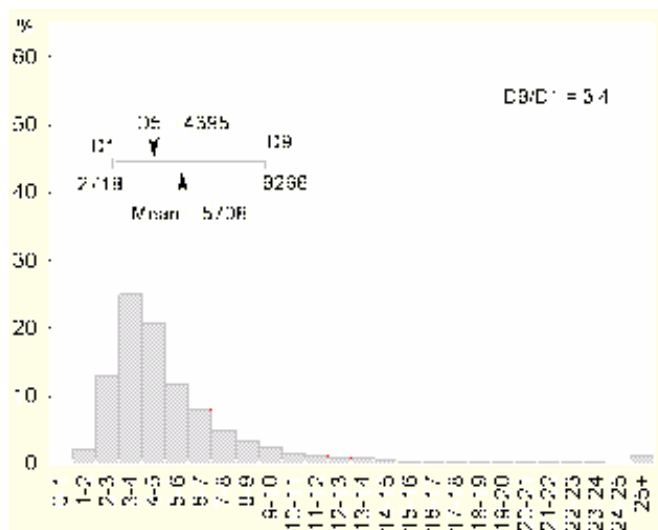
a) Spain (15 bands)



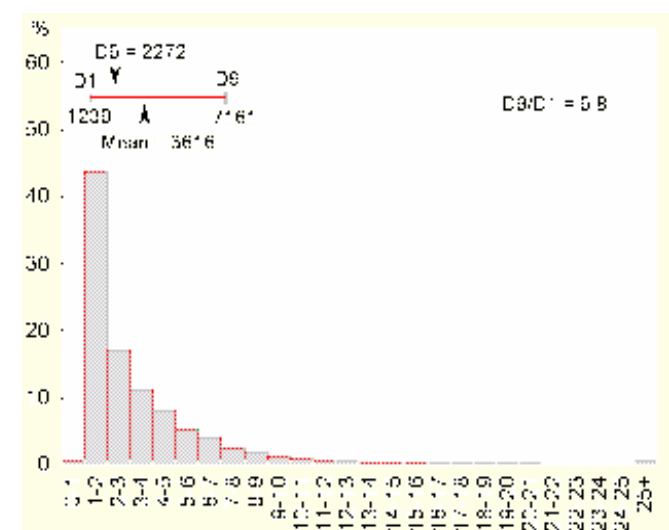
b) Portugal (15 bands)



c) Slovakia (26 bands)



d) Latvia (26 bands)



Earnings in “Industry and services” tend to be higher in capital-city regions

Figure 3 goes beyond Figure 1 by presenting the characteristics D1, D5 and D9 of the empirical distributions of gross annual earnings with a breakdown by regions (set of NUTS-1 regions as valid for 2002). Due to space restrictions, the graph only refers to earnings in PPS. For countries without NUTS-1 regions, the information displayed in Figure 3 and Figure 1 is identical.

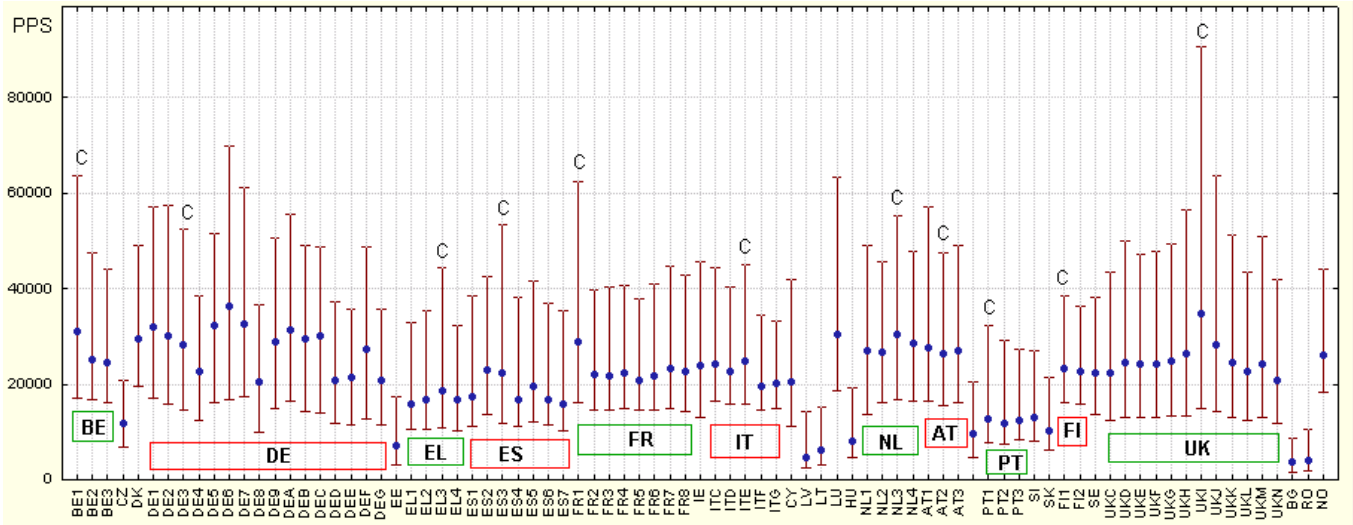
Figure 3a shows that for countries with NUTS-1 regions the differences between the individual regions with respect to the median of gross annual earnings are either low (Greece, Netherlands, Austria, Portugal, Finland) or moderate with higher earnings for only one

region, usually for the capital-city region (France, United Kingdom). For Germany and the United Kingdom, the ratio “largest regional median / smallest regional median” amounts to 1.8 and 1.7, respectively. Figure 3a is particularly suitable for an intranational comparison of gross annual earnings whereas Figure 3b provides a more transparent overall picture for Europe. The length and location of the intervals [D1; D9] provide qualitative information as regards the level and the variability of gross annual earnings within and across countries. Remarkably high variability is observed in the region of London (UKI) but it is likewise relatively high for other capital-city regions, such as Brussels (BE1), Madrid (ES3), Ile de France (FR1) or Attiki (EL3).

Figure 3: Gross annual earnings by NUTS-1 regions, in PPS, "Industry and services" (deciles D1 and D9, complemented by the median D5)

C = Regions containing the capital-city (countries with several NUTS-1 regions). Source: Eurostat, SES 2002

a) Regions ordered by countries



b) Regions ordered by increasing median

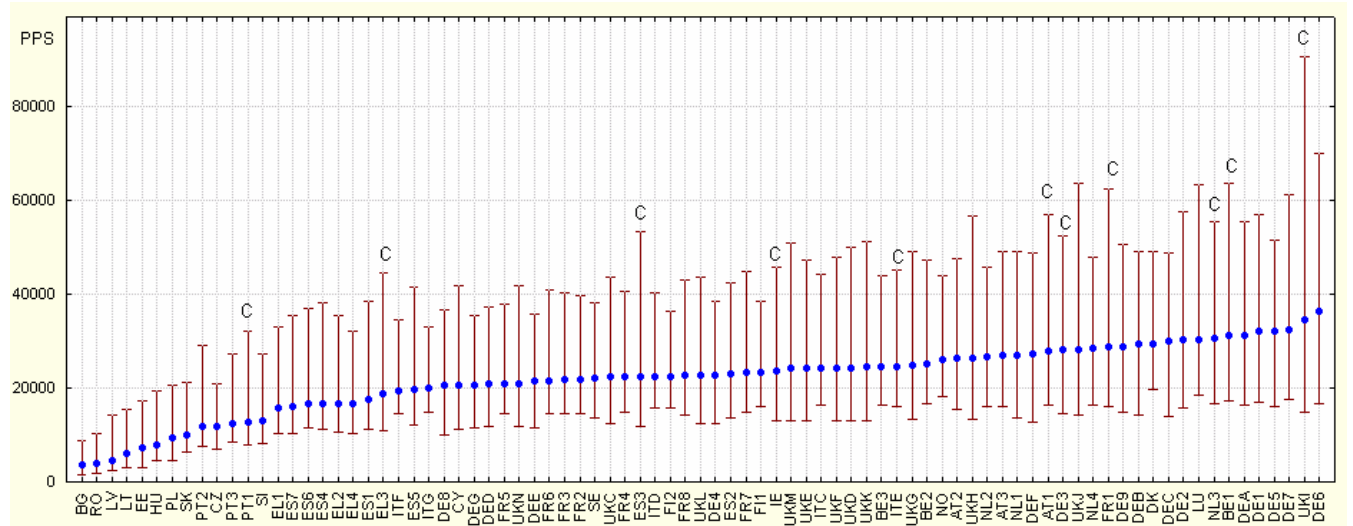


Table 2 presents the numerical values behind Figure 3, complemented by the corresponding information in euro. The last column of Table 2 provides numerical information about earnings disparities between NUTS-1 regions by means of the ratio D9/D1. For London, the earnings inequality measure D9/D1 amounts to 6.1. No other NUTS-1 region exceeds this value for "Industry and services". It is a general observation for countries with NUTS-1 regions that the median for gross earnings

and the ratio D9/D1 are usually highest in the capital-city regions. An exception is Germany where Hamburg (DE6) is leading (D5 = 36415 PPS, D9/D1 = 4.2). In Spain, the median of the capital-city region Madrid (ES3, D5 = 22411 PPS) is slightly below that of the region Noreste (ES2, D5 = 22903 PPS) but Madrid leads as regards the earnings disparity measure D9/D1 for individual regions which amounts for Madrid to 4.1.

Table 2: Gross annual earnings by NUTS-1 regions, in euro and in PPS, "Industry and services"

Second column: Codes *Italic* denote NUTS-1 regions containing the capital city
 Medians (D5) in *Italic*, only for countries with several NUTS-1 regions: highest median within the corresponding country
 Last column: Ratios D9/D1 exceeding 5.0 in bold, not exceeding 2.5 in bold *Italic*. Ratios with dark-shadowed background refer to regions, those with light-shadowed background to countries. Source: Eurostat, SES 2002

Country	Region	euro			PPS			D9/D1
		D1	D5	D9	D1	D5	D9	
BE	<i>BE1</i>	17162	<i>31203</i>	63725	17140	<i>31162</i>	63642	3.7
	BE2	16733	25162	47419	16711	25129	47357	2.8
	BE3	16259	24477	44072	16238	24445	44015	2.7
CZ		3604	6103	10811	6971	11805	20912	3.0
DK		25364	37879	63179	19696	29414	49059	2.5
DE	DE1	17631	33101	59035	17040	31991	57055	3.3
	DE2	16362	31223	59522	15813	30176	57526	3.6
	<i>DE3</i>	15045	29163	54161	14540	28185	52345	3.6
	DE4	12816	23536	39700	12386	22747	38369	3.1
	DE5	16570	33337	53351	16014	32219	51562	3.2
	DE6	17317	<i>37679</i>	72228	16736	<i>36415</i>	69806	4.2
	DE7	18074	33641	63302	17468	32513	61179	3.5
	DE8	10309	21225	37843	9963	20513	36574	3.7
	DE9	15244	29733	52331	14733	28736	50576	3.4
	DEA	16926	32304	57352	16358	31221	55429	3.4
	DEB	14688	30386	50785	14195	29367	49082	3.5
	DEC	14418	31086	50422	13934	30043	48731	3.5
	DED	12271	21491	38657	11859	20770	37361	3.2
	DEE	11859	22172	36970	11461	21428	35730	3.1
DEF	13089	28215	50543	12650	27269	48848	3.9	
DEG	11780	21430	36813	11385	20711	35578	3.1	
EE		1562	3746	9111	2982	7150	17392	5.8
EL	EL1	8679	13131	27575	10398	15731	33036	3.2
	EL2	8776	13939	29495	10514	16699	35336	3.4
	<i>EL3</i>	9100	<i>15603</i>	37070	10902	<i>18693</i>	44411	4.1
	EL4	8545	13965	26904	10237	16731	32232	3.1
ES	ES1	9610	14943	32796	11275	17533	38479	3.4
	ES2	11596	19520	36103	13606	<i>22903</i>	42359	3.1
	<i>ES3</i>	10087	<i>19101</i>	45418	11835	22411	53289	4.5
	ES4	9516	14165	32545	11165	16620	38185	3.4
	ES5	10406	16716	35307	12209	19613	41426	3.4
	ES6	9685	14162	31384	11363	16616	36823	3.2
	ES7	8818	13583	30107	10346	15937	35324	3.4
FR	FR1	16142	<i>28815</i>	62585	16087	<i>28717</i>	62373	3.9
	FR2	14750	21936	39956	14700	21862	39821	2.7
	FR3	14627	21743	40392	14577	21669	40255	2.8
	FR4	14863	22406	40773	14813	22330	40635	2.7
	FR5	14650	20936	37946	14600	20865	37817	2.6
	FR6	14609	21646	40957	14559	21573	40818	2.8
	FR7	14926	23307	44835	14875	23228	44683	3.0
	FR8	14436	22656	43032	14387	22579	42886	3.0
IE		15392	28024	53751	13055	23769	45590	3.5
IT	ITC	15348	22730	41650	16340	24199	44342	2.7
	ITD	14867	21143	37786	15828	22509	40228	2.5
	<i>ITE</i>	14988	<i>23159</i>	42291	15957	<i>24656</i>	45024	2.8
	ITF	13560	18259	32300	14436	19439	34387	2.4
	ITG	13856	18825	31094	14751	20042	33103	2.2
CY		10276	18841	38279	11214	20560	41772	3.7
LV		1239	2272	7161	2456	4504	14197	5.8
LT		1494	3026	7548	3035	6145	15329	5.1

Country	Region	euro			PPS			D9/D1
		D1	D5	D9	D1	D5	D9	
LU		18962	31030	64682	18528	30321	63203	3.4
HU		2470	4267	10372	4608	7963	19353	4.2
NL	NL1	14024	27453	49973	13750	26917	48998	3.6
	NL2	16430	27288	46500	16109	26756	45593	2.8
	NL3	16993	31038	56391	16661	30432	55291	3.3
	NL4	16670	29148	48737	16345	28579	47786	2.9
AT	AT1	16309	27690	56924	16345	27751	57050	3.5
	AT2	15426	26323	47341	15460	26381	47445	3.1
	AT3	16016	26795	48998	16051	26854	49106	3.1
PL		2688	5619	12128	4545	9503	20510	4.5
PT	PT1	6008	9755	24642	7846	12740	32182	4.1
	PT2	5709	9015	22212	7456	11774	29009	3.9
	PT3	6450	9544	20934	8424	12464	27340	3.2
SI		5587	9040	18621	8134	13162	27111	3.3
SK		2718	4395	9266	6252	10110	21316	3.4
FI	FI1	19215	27717	45578	16202	23370	38430	2.4
	FI2	18574	26708	43031	15661	22519	36282	2.3
SE		17064	27778	47930	13635	22196	38299	2.8
UK	UKC	14136	25576	50018	12310	22273	43558	3.5
	UKD	14905	27980	57343	12980	24366	49936	3.8
	UKE	15002	27769	54291	13065	24182	47279	3.6
	UKF	14885	27907	54868	12962	24303	47781	3.7
	UKG	15165	28625	56508	13206	24927	49209	3.7
	UKH	15303	30355	64927	13326	26434	56541	4.2
	UKI	16931	39756	104034	14744	34621	90597	6.1
	UKJ	16423	32511	73145	14301	28312	63698	4.5
	UKK	14993	28038	58817	13056	24416	51220	3.9
	UKL	14406	26117	49982	12545	22743	43526	3.5
	UKM	14853	27742	58515	12934	24159	50957	3.9
	UKN	13498	23992	47960	11755	20893	41766	3.6
BG		643	1470	3569	1587	3628	8806	5.5
RO		748	1687	4303	1818	4100	10459	5.8
NO		26557	37940	64140	18182	25975	43912	2.4

Table 1 has highlighted remarkably high and low values for the earnings disparity measure D9/D1 (values exceeding 5.0 / not exceeding 2.5) on country level. Table 2 shows that on NUTS-1 level, London is the only region with a ratio D9/D1 exceeding 5.0 in "Industry

and services". Low values for the disparity of earnings are seen in the Italian regions Nord Est (ITD), Sud (ITF) and Isole (ITG) and in the two Finnish regions Manner-Suomi (FI1) and Åland (FI2).

Level of earnings differs considerably between economic activities

The graphs and figures presented so far only referred to the aggregate "Industry and services" (NACE aggregate C-K) which contains very different economic activities. It is worth glancing at individual economic activities where the average of gross earnings and its variability may differ considerably¹. This will be illustrated below by means of the economic activity "Financial intermediation" (NACE section J) where earnings tend to be particularly high. Figure 4 corresponds exactly to

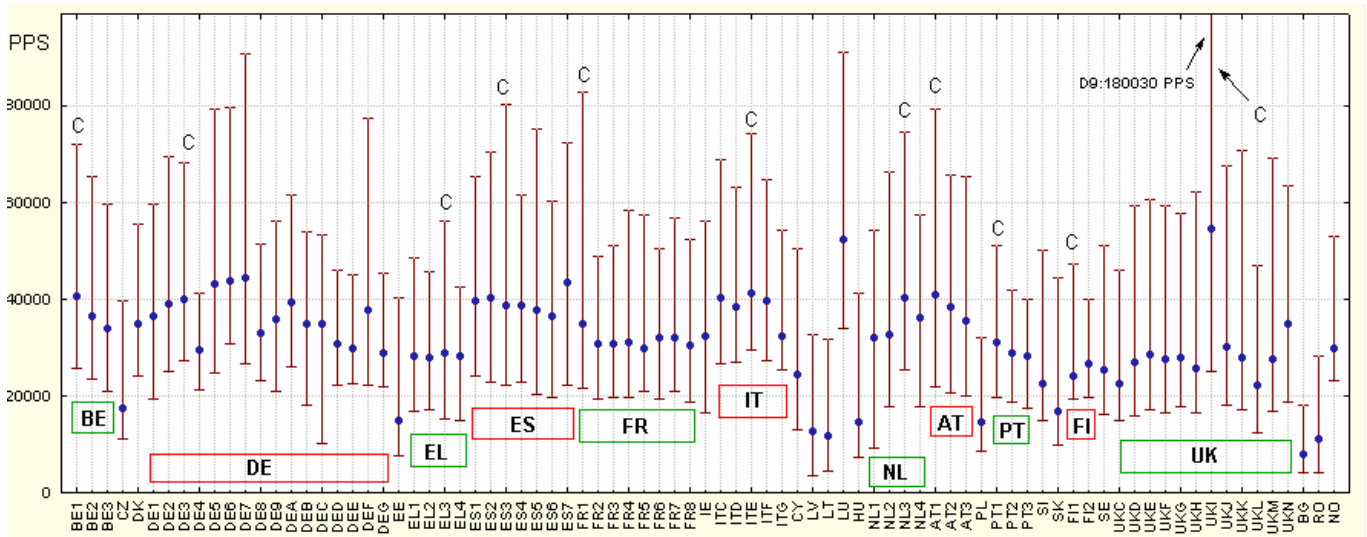
Figure 3. It presents the deciles D1, D5 and D9 of the empirical distributions of gross annual earnings by NUTS-1 regions for NACE section J. Analogous to Figure 3, the graph refers to earnings in PPS. In order to facilitate a direct comparison of Figure 4 and Figure 3, the scaling of the vertical axis in Figure 4 remains unchanged in spite of the fact that the decile D9 for gross annual earnings in the capital-city region of London lies outside the graph window.

¹ For details, see the Statistics in Focus edition 12/2005 which dealt with the main results of the SES 2002 on country level. An interactive version of this publication is accessible via <http://forum.europa.eu.int/irc/dsis/wages/info/data/interactive.htm>.

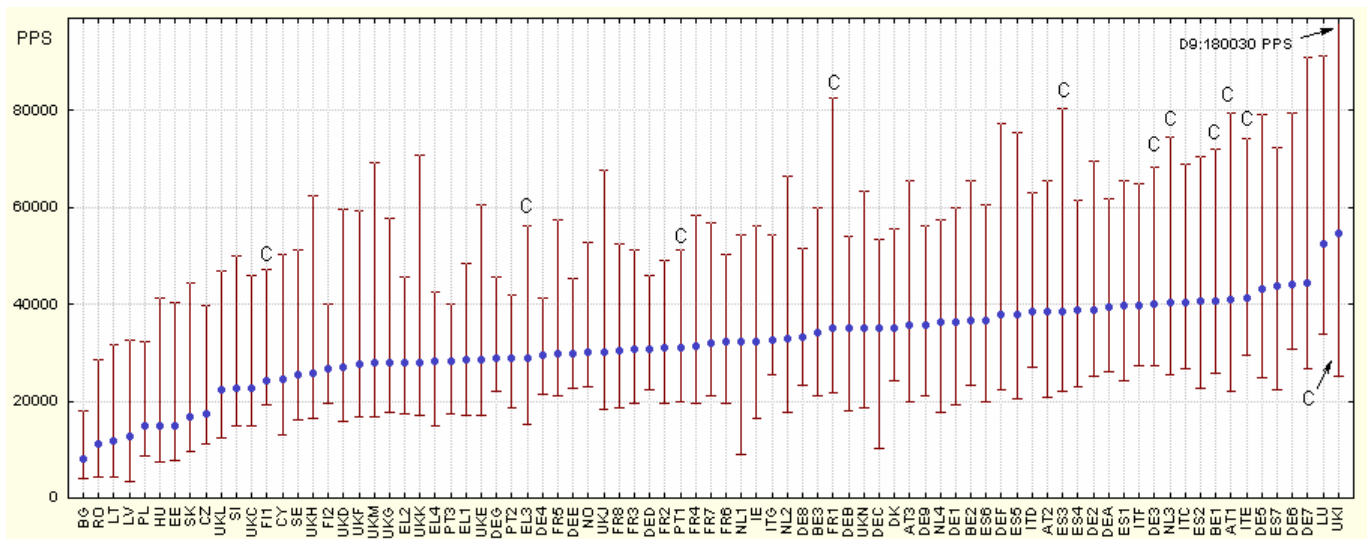
Figure 4: Gross annual earnings by NUTS-1 regions, in PPS, “Financial intermediation” (deciles D1 and D9, complemented by the median D5)

C = Regions containing the capital-city (countries with several NUTS-1 regions). Source: Eurostat, SES 2002

a) Regions ordered by countries



b) Regions ordered by increasing median



Both parts of Figure 4 look very similar to Figure 3 but the level of earnings in “Financial intermediation” is usually much higher than for the NACE aggregate “Industry and services”. It is not surprising that regions containing the main national stock markets, such as the NUTS-1 regions London (UKI) and Hessen (DE7), contains Frankfurt, the main German financial centre, or a country with a very strong financial sector (Luxembourg), are those with noticeably high levels of earnings and earnings variability. London plays a particularly important role as a world financial centre and the earnings here can be exceptionally high.

Similar to Figure 3a, Figure 4a shows that for most countries with NUTS-1 regions the highest intranational median of gross annual earnings is that observed in the capital-city region (Belgium, France, United Kingdom).

Exceptions are Finland and Germany where the highest earnings are not observed in the NUTS-1 regions containing the capital city. In Germany, the largest value D5 does not relate to Berlin (DE3) but to Hessen (DE7). If one looks for each of the 11 countries with NUTS-1 regions at the ratio “largest regional median / smallest regional median”, one gets for Austria, Portugal and France a ratio close to 1 (1.1 for Austria and Portugal, 1.2 for France) but the ratio amounts to 1.5 in Germany and to 2.4 in the United Kingdom. Figure 4b provides a clear overall picture for all European regions. It shows, for example, that the median for gross annual earnings are particularly high in Luxembourg (D5 = 52450 PPS) and London (D5 = 54632 PPS) but the variability and inequality of earnings in Luxembourg is much lower than in London.

Table 3 gives the numerical information belonging to Figure 4, again complemented by the corresponding information in euro and the earnings disparity measure D9/D1. The extreme values D9/D1 are in bold. The highest values D9/D1 are for the Baltic countries Latvia (9.3) and Lithuania (7.1) and the NUTS-

1 region London (7.1). For Germany, the range for the measure D9/D1 in section J lies between 1.9 (Brandenburg - DE4) and 5.2 (Saarland - DEC) while for the NACE aggregate C-K it lies between 3.1 (Brandenburg - DE4, Sachsen-Anhalt - DEE, Thüringen - DEG) and 4.2 (Hamburg - DE6).

Table 3: Gross annual earnings by NUTS-1 regions, in euro and in PPS, "Financial intermediation"

Codes for regions in *Italic*: NUTS-1 regions containing the capital city
 Medians (D5) in *Italic*, only for countries with several NUTS-1 regions: highest median within the corresponding country
 Last three columns: Ratios with dark-shadowed background refer to regions, those with light-shadowed background to countries
 Last column but two: Ratios D9/D1, values exceeding 5.0, not exceeding 2.5 in bold *Italic*
 Last column but one: Ratios "(D9/D1 in section J) / (D9/D1 in aggregate C-K)", values exceeding 1.3 in bold
 Last column: Ratios "(D9 in section J) / (D9 in aggregate C-K)", values exceeding 2.0 in bold. Source: Eurostat, SES 2002

Country	Region	euro			PPS			D9/D1	Comparison with C-K	
		D1	D5	D9	D1	D5	D9		D9/D1 (relative)	D5 (relative)
BE	<i>BE1</i>	25829	<i>40713</i>	72074	25795	<i>40660</i>	71980	2.8	0.75	1.30
	BE2	23400	36543	65464	23370	36496	65379	2.8	0.99	1.45
	BE3	21135	34151	59835	21108	34107	59757	2.8	1.04	1.40
CZ		5748	9033	20581	11118	17473	39810	3.6	1.19	1.48
DK		31310	45186	71476	24313	35087	55502	2.3	0.92	1.19
DE	DE1	19937	37675	61846	19268	36412	59772	3.1	0.93	1.14
	DE2	25979	40266	71844	25108	38916	69435	2.8	0.76	1.29
	<i>DE3</i>	28129	41332	70715	27186	39946	68343	2.5	0.70	1.42
	DE4	21972	30514	42825	21235	29491	41389	1.9	0.63	1.30
	DE5	25521	44597	81968	24665	43101	79219	3.2	1.00	1.34
	DE6	31769	45456	82307	30704	43932	79547	2.6	0.62	1.21
	DE7	27645	<i>45864</i>	94026	26718	<i>44326</i>	90873	3.4	0.97	1.36
	DE8	24077	34312	53297	23270	33161	51510	2.2	0.60	1.62
	DE9	21662	37064	58229	20936	35821	56276	2.7	0.78	1.25
	DEA	27035	40851	63837	26128	39481	61696	2.4	0.70	1.26
	DEB	18611	36218	55716	17987	35003	53847	3.0	0.87	1.19
	DEC	10664	36265	55335	10306	35049	53479	5.2	1.48	1.17
	DED	23170	31771	47646	22393	30706	46048	2.1	0.65	1.48
DEE	23419	30885	46768	22634	29849	45200	2.0	0.64	1.39	
DEF	23052	39149	79975	22279	37836	77293	3.5	0.90	1.39	
DEG	22654	29781	47153	21894	28782	45572	2.1	0.67	1.39	
EE		4065	7856	21101	7760	14997	40280	5.2	0.89	2.10
EL	EL1	14149	23689	40430	16951	28380	48437	2.9	0.90	1.80
	EL2	14416	23319	38187	17271	27937	45749	2.6	0.79	1.67
	<i>EL3</i>	12751	<i>24175</i>	46899	15276	28963	56187	3.7	0.90	1.55
	EL4	12409	23628	35602	14866	28307	42652	2.9	0.91	1.69
ES	ES1	20626	33790	55777	24200	39646	65443	2.7	0.79	2.26
	ES2	19370	34501	60134	22727	40480	70555	3.1	1.00	1.77
	<i>ES3</i>	18831	32909	68420	22094	38612	80277	3.6	0.81	1.72
	ES4	19461	32982	52429	22834	38698	61515	2.7	0.79	2.33
	ES5	17357	32343	64257	20365	37948	75392	3.7	1.09	1.93
	ES6	16904	31216	51436	19833	36626	60350	3.0	0.94	2.20
	ES7	19012	<i>37195</i>	61572	22307	<i>43641</i>	72242	3.2	0.95	2.74
FR	FR1	21709	35099	82964	21635	34980	82683	3.8	0.99	1.22
	FR2	19469	30969	49124	19403	30864	48958	2.5	0.93	1.41
	FR3	19652	30783	51398	19585	30679	51224	2.6	0.95	1.42
	FR4	19764	31296	58525	19697	31190	58327	3.0	1.08	1.40
	FR5	21019	29829	57527	20948	29728	57332	2.7	1.06	1.42
	FR6	19455	32224	50577	19389	32115	50406	2.6	0.93	1.49
	FR7	21075	32122	57104	21004	32013	56911	2.7	0.90	1.38
	FR8	18690	30538	52696	18627	30435	52517	2.8	0.95	1.35

Country	Region	euro			PPS			Comparison with C-K		
		D1	D5	D9	D1	D5	D9	D9/D1	D9/D1 (relative)	D5 (relative)
IE		19548	38161	66221	16580	32367	56167	3.4	0.97	1.36
IT	ITC	24938	37949	64599	26550	40401	68774	2.6	0.95	1.67
	ITD	25419	36110	59218	27062	38444	63045	2.3	0.92	1.71
	ITE	27768	38740	69657	29562	41243	74158	2.5	0.89	1.67
	ITF	25761	37329	60875	27426	39741	64809	2.4	0.99	2.04
	ITG	23893	30572	51090	25437	32548	54392	2.1	0.95	1.62
CY		11983	22564	46160	13077	24623	50372	3.9	1.03	1.20
LV		1771	6414	16465	3511	12716	32641	9.3	1.61	2.82
LT		2193	5861	15601	4453	11904	31685	7.1	1.41	1.94
LU		34671	53677	93376	33878	52450	91241	2.7	0.79	1.73
HU		3915	7912	22185	7305	14764	41395	5.7	1.35	1.85
NL	NL1	9305	32815	55525	9123	32175	54442	6.0	1.67	1.20
	NL2	18060	33437	67753	17708	32785	66431	3.8	1.33	1.23
	NL3	25912	41115	75923	25406	40313	74442	2.9	0.88	1.32
	NL4	18001	36963	58578	17650	36242	57435	3.3	1.11	1.27
AT	AT1	21902	40976	79137	21950	41066	79311	3.6	1.04	1.48
	AT2	20755	38483	65423	20801	38568	65567	3.2	1.03	1.46
	AT3	19963	35477	65332	20007	35555	65476	3.3	1.07	1.32
PL		5133	8710	19052	8681	14731	32220	3.7	0.82	1.55
PT	PT1	15203	23778	39248	19855	31054	51258	2.6	0.63	2.44
	PT2	14272	22060	32166	18639	28810	42009	2.3	0.58	2.45
	PT3	13282	21729	30536	17346	28378	39880	2.3	0.71	2.28
SI		10210	15466	34345	14865	22518	50006	3.4	1.01	1.71
SK		4223	7261	19302	9715	16705	44407	4.6	1.34	1.65
FI	FI1	22920	28581	55969	19325	24099	47191	2.4	1.03	1.03
	FI2	23249	31748	47366	19603	26769	39938	2.0	0.88	1.19
SE		20183	31857	63997	16128	25456	51137	3.2	1.13	1.15
UK	UKC	17207	25924	52776	14984	22576	45959	3.1	0.87	1.01
	UKD	18188	30956	68317	15839	26957	59493	3.8	0.98	1.11
	UKE	19657	32686	69562	17118	28464	60577	3.5	0.98	1.18
	UKF	19083	31622	68098	16618	27538	59302	3.6	0.97	1.13
	UKG	20452	32063	66275	17811	27921	57715	3.2	0.87	1.12
	UKH	19037	29692	71561	16578	25857	62318	3.8	0.89	0.98
	UKI	28990	62735	206733	25246	54632	180030	7.1	1.16	1.58
	UKJ	20893	34660	77526	18194	30183	67513	3.7	0.83	1.07
	UKK	19748	32204	81391	17197	28045	70878	4.1	1.05	1.15
	UKL	14403	25713	53908	12543	22392	46945	3.7	1.08	0.98
	UKM	19213	31881	79454	16732	27763	69191	4.1	1.05	1.15
	UKN	21492	40237	72832	18716	35039	63425	3.4	0.95	1.68
BG		1682	3267	7295	4149	8061	18000	4.3	0.78	2.22
RO		1757	4625	11686	4271	11243	28407	6.7	1.16	2.74
NO		33717	43811	77230	23084	29994	52873	2.3	0.95	1.15

The last column but one displays the ratio “(D9/D1 in section J) / (D9/D1 in aggregate C-K)” and the last column compares the earnings level in section J and NACE aggregate C-K by means of the ratio “D5 in section J / D5 in aggregate C-K”. These two columns do not provide a uniform picture but in most European regions the relative value for D9/D1 is below 1.0 whereas the relative figure for D5 is always clearly above or at least very close to 1.0. This implies that earnings disparities in “Financial intermediation” are usually less pronounced than in “Industry and services”, but the earnings level is nearly always higher. In all Portuguese NUTS-1 regions, for example, the relative figures for D9/D1 are low (the range goes from 0.58 to

0.71) whereas the median of gross annual earnings in “Financial intermediation” exceeds double that observed in “Industry and services” (range from 2.28 to 2.45). For a few NUTS-1 regions or countries, the relative figures for D9/D1 are clearly above 1.0. Examples are Noord-Nederland (NL1 – 1.67), Saarland (DEC – 1.48) or Latvia (LV – 1.61) and Lithuania (LT – 1.41). For these regions or countries, the ratio “D5 in section J / D5 in aggregate C-K” is more or less clearly above 1.0 (NL1 – 1.20, DEC – 1.17, LV – 2.82, LT – 2.82). This implies that for these territorial units the level of earnings and the earnings disparity as well are higher in NACE section J.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

EU-wide harmonised structural data on gross earnings and hours paid are collected every four years in the European Structure of Earnings Survey (SES) under Council Regulation (EC) No 530/1999 and Commission Regulation (EC) No 1916/2000. The latter has meanwhile been replaced by Regulation No 1738/2005 which will be the basis for the implementation of the forthcoming SES 2006. The most recent SES refers to the year 2002,

encompassing information from more than 7.9 Mio employees in all Member States of the EU (except Malta) as well as in the Acceding Countries Bulgaria and Romania and the EEA countries Iceland and Norway. The data for Germany refer to the year 2001. The national surveys were generally conducted on the basis of a two-stage random sampling approach of enterprises or local units (first stage) and employees (second stage).

Official codes for countries and NUTS-1 regions included in this publication

NUTS (*nomenclature commune des unités territoriales statistiques*) denotes a hierarchically structured European classification scheme of territorial units for statistical purposes. The first level below the country level is NUTS-1 but not all countries are divided into different NUTS-1 regions. The list below

presents the codes for countries and NUTS-1 regions as valid for 2002 and used in this publication. Countries marked by an asterisk (*) have been divided into several NUTS-1 regions only after 2002. Countries in *Italic* provided SES data also for small enterprises.

Code	Country	Region, NUTS 1	Code	Country	Region, NUTS 1
BE	Belgium		IT	Italy	
BE1		RÉG. BRUXELLES-CAP.- BRUSSELS	ITC		NORD OVEST
BE2		HFDST. GEWEST	ITD		NORD EST
BE3		VLAAMS GEWEST	ITE		CENTRO (I)
CZ	Czech Republic	RÉGION WALLONNE	ITF		SUD
DK	Denmark		ITG		ISOLE
DE	Germany		CY	<i>Cyprus</i>	
DE1		BADEN-WÜRTTEMBERG	LV	<i>Latvia</i>	
DE2		BAYERN	LT	<i>Lithuania</i>	
DE3		BERLIN	LU	<i>Luxembourg</i>	
DE4		BRANDENBURG	HU*	<i>Hungary</i>	
DE5		BREMEN	HU1		KÖZEP-MAGYARORSZAG
DE6		HAMBURG	HU2		DUNÁNTÚL
DE7		HESSSEN	HU3		ALFÖLD ÉS ÉSZAK
DE8		MECKLENBURG-VORPOMMERN	NL	<i>Netherlands</i>	
DE9		NIEDERSACHSEN	NL1		NOORD-NEDERLAND
DEA		NORDRHEIN-WESTFALEN	NL2		OOST-NEDERLAND
DEB		RHEINLAND-PFALZ	NL3		WEST-NEDERLAND
DEC		SAARLAND	NL4		ZUID-NEDERLAND
DED		SACHSEN	AT	<i>Austria</i>	
DEE		SACHSEN-ANHALT	AT1		OSTÖSTERREICH
DEF		SCHLESWIG-HOLSTEIN	AT2		SÜDÖSTERREICH
DEG		THÜRINGEN	AT3		WESTÖSTERREICH
EE	<i>Estonia</i>		PL*	<i>Poland</i>	
EL	Greece		PT	<i>Portugal</i>	
EL1		VOREIA ELLADA	PT1		CONTINENTE
EL2		KENTRIKI ELLADA	PT2		REGIÃO AUTONOMA DOS AÇORES
EL3		ATTIKI	PT3		REGIÃO AUTONOMA DA MADEIRA
EL4		NISIA AIGAIU, KRITI	SI	<i>Slovenia</i>	
ES	Spain		SK	<i>Slovakia</i>	
ES1		NOROESTE	FI	<i>Finland</i>	
ES2		NORESTE	F11		MANNER-SUOMI
ES3		COMUNIDAD DE MADRID	F12		ÅLAND
ES4		CENTRO (E)	SE	<i>Sweden</i>	
ES5		ESTE	UK	<i>United Kingdom</i>	
ES6		SUR	UKC		NORTH EAST
ES7		CANARIAS	UKD		NORTH WEST
FR	France		UKE		YORKSHIRE AND THE HUMBER
FR1		ÎLE DE FRANCE	UKF		EAST MIDLANDS
FR2		BASSIN PARISIEN	UKG		WEST MIDLANDS
FR3		NORD – PAS-DE-CALAIS	UKH		EASTERN
FR4		EST	UKI		LONDON
FR5		OUEST	UKJ		SOUTH EAST
FR6		SUD-OUEST	UKK		SOUTH WEST
FR7		CENTRE-EST	UKL		WALES
FR8		MÉDITERRANÉE	UKM		SCOTLAND
FR9		DÉPARTEMENTS D'OUTRE-MER	UKN		NORTHERN IRELAND
IE	<i>Ireland</i>		BG*	<i>Bulgaria</i>	
			RO	<i>Romania</i>	
			NO	<i>Norway</i>	

Coverage of the survey and codes for economic activities

The codes below are as defined in the General Industrial Classification of Economic Activities, NACE, Rev 1.1 (nomenclature générale des activités

économiques). For the SES 2002, data for NACE sections C to K were mandatory and optional for the sections L to O.

Economic activity

C	Mining and quarrying	J	Financial intermediation
D	Manufacturing	K	Real estate, renting, business activities
E	Electricity, gas, water supply	L	Public administration and defense; compulsory social security
F	Construction	M	Education
G	Wholesale and retail trade, repair of motor vehicles, personal and household goods	N	Health and social work
H	Hotels and restaurants	O	Other community, social and personal service activities
I	Transport, storage, communication		

The SES 2002 data refer to enterprises with at least 10 employees. The inclusion of small enterprises was optional and 14 countries made use of this option (see previous page). The national data on earnings presented in this publication include all sizes of enterprises for which data are available.

Employees are all persons who have a direct employment contract with the enterprise or local unit and receive remuneration, irrespective of the type of work performed or the number of hours worked. *Gross annual earnings* of

employees cover their remuneration paid directly by the employer during the year (including payments not occurring in every pay period, such as quarterly or annual bonuses and allowances), before deductions of tax and social security contributions. All data on earnings presented in this publication cover full-time employees as well as part-time employees. The data for part-time employees are grossed-up to those for full-time employees. The medians and means in Table 1 referring to the EU-25 are weighted figures.

Further information:

Databases and Web links:

SES 2002 data are available at Eurostat's database freely accessible via www.europa.eu.int/comm/eurostat (path "Population and social conditions / Labour costs / Gross earnings / Structure of earnings survey 2002").

Main results of the SES 2002 (results on country level):

[Gross earnings in Europe – Main results of the Structure of Earnings Survey 2002](#). *Statistics in Focus* 12/2005, Eurostat, Luxembourg, October 2005.

Interactive visualisation of the SES 2002 main results:

<http://forum.europa.eu.int/irc/dsis/wages/info/data/interactive.htm> (item "Gross earnings in Europe 2002")
<http://forum.europa.eu.int/irc/dsis/wages/info/data/index.htm> (item "Gross earnings in Europe 2002")

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European Statistical Data Support:

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