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## LABOUR COSTS IN THE IRON AND STEEL INDUSTRY 1981

The principal results of the 1981 Community Survey of labour costs in the iron and steel industry are given in this bulletin; for purposes of comparison some results of previous annual surveys are also included. No data is available for Ireland and Greece, while for the Netherlands no distinction between manual and non-manual workers can be made.

Table 1 - Average hourly labour costs in the iron and steel industry 1978-1981

(manual and non-manual workers)

		D	F	I	NL	B	L	UK	DK
		<u>DM</u>	<u>FF</u>	<u>LIT</u>	<u>HFL</u>	<u>BFR</u>	<u>LFR</u>	<u>UKL</u>	<u>DKR</u>
1) in national currency	1978	25,70	46,64	6585	29,32	449	405	3,34	53,62
	1979	27,62	51,39	7745	31,60	495	435	3,84	66,29
	1980	30,01	60,36	9092	36,27	555	477	4,44(a)	73,67
	1981	31,32	71,07	11178	40,84	600	505	5,28(a)	78,28
2) in ECU	1973	10,05	3,13	6,10	10,65	11,21	10,11	5,03	3,36
	1979	11,00	3,32	6,80	11,50	12,32	10,33	5,94	9,20
	1980	11,39	10,37	7,65	13,19	13,67	11,75	7,42(a)	9,41
	1981	12,46	11,77	3,85	14,72	14,54	12,23	9,55(a)	9,33
3) Annual change in % (in national currency)	78/79	7,5	10,2	17,6	7,3	10,2	7,4	15,0	13,0
	79/80	3,7	13,4	17,4	14,3	12,1	9,7	15,6	11,1
	80/81	4,4	16,3	22,9	12,6	3,1	5,9	18,9	6,3
4) Annual change in % (in ECU)	78/79	9,5	3,5	11,5	3,0	9,9	7,1	13,1	10,0
	79/80	3,1	17,6	12,5	14,7	11,0	3,5	24,9	2,3
	80/81	4,3	13,5	15,7	11,6	6,4	4,1	28,7	5,0

(a) Excluding severance payments (labour costs including severance payments: 1980 = UKL 6.04; 1981 = UKL 5.89)

Between 1980 and 1981, average hourly labour costs for all employees in the iron and steel industry, expressed in national currencies, showed increases ranging from 4.4% (Germany) to about 23% (Italy). These increases were significantly less than those for the previous annual period (1979 to 1980), in all countries except Italy and the UK, where the largest increases of recent years were recorded.

Comparing 1981 data expressed in European currency units (ECU) it will be noted that the highest costs were shown by the three Benelux countries and Germany and that the lowest costs were in the UK and Italy; by comparison with 1980, the Netherlands have overtaken Belgium to reach the first place, and Italy has succeeded the UK in the lowest position. It should be recalled here that variations in costs expressed in ECU partly reflect changes in exchange rates during the period under consideration.

Table 2 - Structure of average hourly labour costs  
(manual and non-manual workers) 1973-1981  
(in % of total labour costs)

		D	F	I	NL	B	L	UK	DK
Direct costs <sup>1)</sup>	1978	73,7	68,3	70,9	70,8	76,1	80,6	81,3	93,5
	1979	74,0	67,3	70,8	70,1	76,2	81,1	80,7	93,4
	1980	74,4	67,2	70,6	68,6	76,3	81,3	80,6	93,8
	1981	74,8	65,6	75,5	69,0	76,9	81,2	82,8	94,6
Indirect costs <sup>2)</sup>	1978	26,3	31,7	29,1	29,2	23,9	19,4	18,7	6,5
	1979	26,0	32,7	29,2	29,9	23,8	18,9	19,3	6,6
	1980	25,6	32,8	29,4	31,4	23,7	18,7	19,4	6,2
	1981	25,2	34,4	24,5	31,0	23,1	18,8	17,2	5,4
of which: employers' contributions to social security	1978	23,2	26,6	27,5	25,3	21,2	15,4	16,4	4,9
	1979	23,4	27,5	27,4	26,4	20,9	15,1	17,2	5,3
	1980	23,1	28,3	25,4	27,3	20,6	14,3	17,4	4,8
	1981	22,0	29,9	22,6	26,0	19,5	15,0	16,0	4,1

1) Direct remuneration, payment for days not worked, bonuses and gratuities and benefits in kind

2) Employers' contributions to social security and other costs of a social nature

A summary of the components of total hourly labour costs is given in Table 2. It can be seen that, for the year 1981, the proportion of indirect labour costs fell in every country (and most significantly in Italy) except France, where it rose from 32.8% to 34.4%. These changes are largely due to changes which have been made to employers' social security contributions.

Table 3 - Average hourly labour costs (manual workers) 1976-1981

	D	F	I	B	L	UK	DK
a) in national currency							
	DM	FF	LIT	BFR	LFR	UKL	DKR
1976	21,13	32,56	4697	349	305	2,32	45,81
1977	22,33	37,49	5585	386	341	2,65	52,20
1978	23,45	41,74	6231	416	355	3,07	55,83
1979	24,97	46,55	7343	458	376	3,54	63,40
1980	27,41	52,73	8610	514	407	4,08	70,04
1981	28,73	61,33	10534	549	423	4,87	72,60
b) in ECU							
1976	7,50	6,09	5,05	8,07	7,06	3,73	6,78
1977	8,43	6,69	5,55	9,44	8,35	4,06	7,61
1978	9,17	7,27	5,77	10,39	8,85	4,63	7,95
1979	9,94	7,99	6,45	11,40	9,36	5,48	8,75
1980	10,86	8,99	7,24	12,67	10,02	8,02	8,95
1981	11,43	10,15	8,38	13,29	10,24	8,80	9,16

Table 4 - Average monthly labour costs (non-manual workers) 1978-1981

	D	F	I	B	L	UK	DK
a) in national currency							
	DM	FF	1000 LIT	BFR	LFR	UKL	DKR
1973	4843	8207	1180	89216	85851	570	10802
1979	5249	9206	1362	96775	94363	650	11966
1980	5560	10635	1624	106210	103020	:	13231
1981	5699	11771	1926	117131	106696	869	14478
b) in ECU							
1978	1895	1430	1092	2227	2143	859	1539
1979	2091	1579	1196	2409	2349	1006	1660
1980	2203	1812	1366	2616	2538	:	1690
1981	2267	1949	1525	2836	2584	1571	1327

Table 5 - Structure of labour costs 1981

	D	F	I	NL	B	L	UK	DK
a) manual and non-manual workers in % of total labour costs								
1. Direct remuneration	52,8	49,7	51,8	52,9	56,8	68,4	66,6	83,9
2. Payment for days not worked	12,4	7,5	14,4	7,9	13,3	11,2	15,8	9,5
3. Bonuses and gratuities	9,2	6,7	9,1	7,9	6,3	0,1	0,1	1,2
4. Benefits in kind	0,4	1,7	0,2	0,3	0,5	1,5	0,3	-
5. Direct costs (1+2+3+4)	74,8	65,6	75,5	69,0	76,9	81,2	82,8	94,6
6. Statutory social security contributions	17,2	19,3	21,2	15,9	17,8	14,2	7,7	3,0
a) sickness, maternity, invalidity, old age and unemployment	15,3	12,5	12,9	14,7	9,8	9,3	7,0	0,7
b) injuries and occupational diseases	1,8	2,4	3,8	1,2	2,6	3,1	0,7	0,4
c) family allowances	-	4,9	4,1	-	5,0	1,7	-	-
d) other	0,1	-	0,4	-	0,4	0,1	-	1,9(a)
7. Voluntary social security contributions	4,8	10,1	1,4	10,1	1,7	0,8	8,3	1,1
8. Total employers' social security contributions (6+7)	22,0	29,9	22,6	26,0	19,5	15,0	16,0	4,1
9. Other costs	3,2	4,5	1,9	5,0	3,6	3,8	1,2	1,3

(a) old age included

Table 5 - Structure of labour costs 1981

	D	F	I	NL	B	L	UK	DK	
		b) manual workers			in % of total labour costs				
1. Direct remuneration	52,2	48,7	50,4	:	58,0	69,3(a)	64,4(a)	81,0(a)	
2. Payment for days not worked	12,5	7,0	13,7	:	13,5	11,4	18,7	13,3	
3. Bonuses and gratuities	9,2	6,7	9,0	:	5,2	-	0,1	-	
4. Benefits in kind	0,4	1,7	0,2	:	0,5	0,2	0,4	-	
5. Direct costs (1+2+3+4)	74,3	64,1	73,3	:	77,2	80,9	83,6	94,3	
6. Statutory social security contributions	18,8	21,8	22,9	:	18,7	16,1	8,1	3,9	
a) sickness, maternity, invalidity, old age and unemployment	16,6	13,5	14,0	:	10,1	10,5	7,1	0,8	
b) injuries and occupational diseases	2,1	2,7	4,5	:	3,0	3,4	1,0	0,4	
c) family allowances	-	5,6	4,0	:	5,1	2,1	-	-	
d) other	0,1	-	0,4	:	0,5	0,1	-	2,7(b)	
7. Voluntary social security contributions	3,2	9,2	1,3	:	0,6	0,6	7,2	-	
8. Total employers' social security contributions (6+7)	22,0	31,0	24,7	:	19,3	16,7	15,3	3,9	
9. Other costs	3,7	4,9	2,0	:	3,5	2,4	1,1	1,8	

(a) bonuses and gratuities included

(b) old age included

Table 5 - Structure of labour costs 1981

	D	F	I	NL	B	L	UK	DK
c) non-manual workers		in % of total labour costs						
1. Direct remuneration	54,2	50,7	55,7	:	53,3	66,7	70,9	90,4
2. Payment for days not worked	12,3	3,0	16,2	:	12,8	11,0	9,9	0,8
3. Bonuses and gratuities	9,1	6,8	9,4	:	9,6	0,3	0,1	4,0
4. Benefits in kind	0,4	1,6	0,1	:	0,4	3,7	0,3	-
5. Direct costs (1+2+3+4)	76,0	67,1	81,4	:	76,1	81,7	81,2	95,2
6. Statutory social security contributions	13,9	17,7	16,6	:	15,4	10,9	7,0	1,1
a) sickness, maternity, invalidity, old age and unemployment	12,6	11,4	9,9	:	8,9	7,2	6,9	0,6
b) injuries and occupational diseases	1,2	2,0	2,0	:	1,5	2,7	0,1	0,3
c) family allowances	-	4,3	4,5	:	4,7	1,0	-	-
d) other	0,1	-	0,2	:	0,3	0,0	-	0,2
7. Voluntary social security contributions	8,2	11,2	0,3	:	4,9	1,2	10,3	3,5
8. Total employers' social security contributions (6+7)	22,1	28,9	16,9	:	20,3	12,1	17,3	4,6
9. Other costs	1,9	4,0	1,7	:	3,6	6,2	1,5	0,2