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INFORMATION MEMO

Survey of industrial wages in the
European Economic Community
1960

Continuing its wage studies, the Statistical Office of the European Communities is publishing the results of a second wage survey in its Social Statistics series, No. 1/1963. This survey, which is a sequel to one for 1959 covering fourteen branches of industry (1), covers eight other branches for the accounting year 1960.

It surveyed all firms employing not less than fifty persons in the following branches:

- (a) Chocolates, confectionery and biscuits
- (b) Fruit and vegetable preserves
- (c) Macaroni, spaghetti, etc.
- (d) Footwear
- (e) Plywood
- (f) Wooden furniture
- (g) Hollow and flat glass
- (h) Precision engineering and optical instruments.

The demarcation of the various industries is based on the "Nomenclature of industries in the European Communities" (NICE), which was published by the SOEC in 1961. The inquiry covers altogether about a million floor and office workers in about five thousand firms.

Broadly speaking the eight industrial branches studied represent roughly 10% of manufacturing industry in each of the EEC member countries.

Luxembourg did not take part in the survey: the branches selected were not always represented in the Grand Duchy, or if they were, there was not the minimum number of firms (three) for statistics to be published without divulging business secrets.

The inquiry, in which national statistical institutes and Labour Ministries have co-operated, has yielded the following overall results:

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(1) "Social Statistics", No. 3/1961 and No. 3/1962.

Outlay on wages and employers' contributions in eight EEC industrial branches (per hour).

1960

Industry	Average for wage-earners only				
	Germany (FR)	France	Italy	Netherlands	Belgium
Chocolates, confectionery and biscuits	29.59	32.90	29.19	26.64	32.29
Fruit and vegetable preserves	26.71	27.59	20.10	29.86	30.21
Macaroni, spaghetti, etc.	36.60	34.56	28.04	-	29.69
Footwear	35.31	31.44	27.65	27.27	31.91
Plywood	34.86	36.10	24.47	32.26	35.63
Wooden furniture	37.31	36.31	28.62	31.59	36.70
Hollow and flat glass	39.36	46.59	37.15	-	42.75
Precision engineering and optical instruments	38.18	42.10	34.35	33.32	36.60

Outlay on salaries and employers' contributions in eight EEC industrial branches (per month).

1960

Industry	Average for salary-earners only				
	Germany (FR)	France	Italy	Netherlands	Belgium
Chocolates, confectionery and biscuits	10 357	12 255	10 212	9 730	11 962
Fruit and vegetable preserves	9 843	11 512	9 814	9 413	13 858
Macaroni, spaghetti, etc.	10 620	12 408	10 064	-	11 411
Footwear	9 879	9 102	7 828	8 223	9 568
Plywood	11 948	14 574	9 750	9 836	12 552
Wooden furniture	9 532	12 560	7 730	8 990	10 103
Hollow and flat glass	11 111	15 102	13 802	-	14 200
Precision engineering and optical instruments	10 956	14 146	13 315	9 612	13 673

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These two tables show:

a) Wage costs:

- (i) In 1960 these were, in very general terms, much the same in France, the Federal Republic and Belgium where they were appreciably higher than in the Netherlands and Italy;
- (ii) Without forgetting the very wide scope of the concept of average costs, the gap between wage costs in the first three countries and in the second two may be estimated at between 12% and 20%;
- (iii) This survey confirms the findings of the first one that the geographical factor is less important in its impact on costs than the "structural" factor, since costs vary less between the same industry in different countries than between different industries in the same country;
- (iv) On the question of classifying industries much the same order emerges in the various Community countries. The hollow and flat glass industry has, generally speaking, the highest costs in all countries; next, in order, comes precision engineering and optical instruments followed by wooden furniture. The lowest costs are in fruit and vegetable preserves, chocolate confectionery and biscuits, and, in some countries, macaroni, spaghetti, etc.

b) Salaries costs:

- (i) These are highest in France and Belgium; in the Federal Republic they are moderate, but nearer the lower levels recorded in Italy and the Netherlands than the high ones in France and Belgium;
- (ii) The average difference between France and Belgium and the others may be expressed in very approximate percentages at 15% to 25%;
- (iii) The glass and precision instruments industries are again at the top of the classification;
- (iv) Salaries costs are lowest, however, in footwear and in wooden furniture.

This second study marks a considerable improvement over the first, since new aspects of the wage problem have been considered and analysed.

In particular, figures broken down by size of firm and by area have been studied. In the first case, a definite positive correlation has been found between the size of the firm and its

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wage costs: total wage costs per worker vary directly with the size of the firm. This also holds good for both workers and employees.

An analysis of labour costs broken down by area has shown that the Rhine - Westphalia area in Germany and the Paris region in France are those where, generally speaking, costs are highest. Schleswig-Holstein and Bavaria in the Federal Republic and the Aquitaine basin in France are the areas where costs are lowest. A less detailed area breakdown for Italy shows that costs are highest in the north-west and lowest in the south and the Islands.

c) The study was mainly theoretical in nature, but it did reveal that France was the country where workers' incomes were highest and that in most cases Belgium, the Federal Republic, the Netherlands and Italy followed in that order.

A third wage survey, covering thirteen other industrial branches for 1961, is now being evaluated at the SOEC. Publication of the results is planned for the end of this year.

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