COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.06.1995
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Draft

COUNCIL REGULATION (EC)

on statistics on the structure and distribution of earnings

(proposed by the Commission)

EXPLANATORY MEMORANDUM

1. In order to carry out its tasks in the field of economic and social affairs, particularly with regard to employment and working conditions, the Commission needs to have at its disposal comparable data on the distribution and structure of earnings in the European Union. This is why, pursuant to Council Regulations, four Community surveys directly relating to this matter were carried out between 1966 and 1978 in the areas of industry, commerce, banking and insurance. The results of these surveys, which were published by Eurostat, were very much appreciated by the departments within the Commission, the national governments, the economic and social sectors and researchers, and served as a basis for labour-market analyses.

2. Despite the fact that various factors - the main one being the considerable burden on the national statistical offices - meant that these surveys were discontinued at Community level, some Member States nevertheless continued to carry out surveys of this kind. There is still a current need for such data. Various departments in the Commission have pointed out to Eurostat the need to have information available on the structure and distribution of earnings at European level. In response to the proposal made by Eurostat, all Member States gave their backing to a survey on the structure of earnings based on accounting data for 1995.

3. In line with the decisions taken at the Essen summit, the Member States of the European Union have taken measures to put in place various action programmes concerning in particular, labour-market flexibility, job-creation and fighting unemployment. In order to set out more clearly the context in which these policies are being implemented and to provide the means for a follow-up to the national employment programmes, the departments of the Commission will in the coming years need to have statistical information available on the various aspects of earnings.

4. In keeping with the principle of subsidiarity, responsibility for the overall planning of a survey on the structure of earnings at EU level is shared between the Commission and the Member States. The aim is to achieve harmonization of concepts and classifications in the data collected, and to identify the information required by the principal users, i.e. Community institutions, national governments, regional and local authorities, international organizations, employers' associations, trade unions and research bodies. The actual collection of data and the methods used to do this are the responsibility of the Member States.

5. It is not intended that all businesses be covered as part of an exhaustive survey, but rather that a representative sample be taken. Accordingly, in countries with sufficient sources of statistical data, especially data gathered by public authorities, it will acceptable for such data to be used (or possibly set out in a simplified form on questionnaires), provided that this approach is compatible with the definitions and methodology being used and meets all requirements concerning variables.

6. The legal basis for the survey ensures that a common set of variables will be available which have been collected and processed using harmonized classification systems and methodology. Legislation in this field has proved necessary because the proposed survey extends beyond the scope of existing national surveys. Legislation at EU level is thus necessary both for carrying out the survey and for the required adjustments to be made to national laws.

7. The basic aim of statistics on the structure of earnings is to bring out the relationship, in statistical terms, between earnings and certain characteristics of wage-earners (sex, level of education, professional qualifications, age, type of employment contract, length of service, etc.) and of the business or kind-of-activity unit employing them (economic activity, size, region, etc.). In addition, these statistics provide information on the distribution of individual earnings and on differences in earnings between the various categories of wage-earner; they also help to establish the extent to which differences in earnings levels between different economic activities and different countries are attributable to differences in the structure of the workforce. Finally, these statistics play a key role in Eurostat's system of statistics in that they provide a means of assessing the degree of comparability of harmonized earnings data and serve as a basis for the possible use of weightings in other surveys.

8. The main aim of compiling statistics on the structure of earnings is to provide comparable good-quality information on all EU Member States. There is currently a lack of such data, even though they are indispensable for defining and assessing the effect of social policies and measures on the labour market at both national and EU level. For example, the lack of comparable data on the structure of earnings makes it difficult to assess employment policies aimed at various categories of employee in the EU, such as young people.

9. The Commission has been behind a number of initiatives aimed at combatting discrimination as regards earnings, in particular the Directive on equal treatment between men and women and the Commission Opinion on an equitable wage, which was presented in September 1993. In this Opinion, the Commission considered that appropriate measures had to be taken to improve the quality of information available at Community level with respect to the structure of earnings. As regards the matter of equal pay for men and women, it was important to carry out comparisons in terms of the individual characteristics of the individuals concerned (e.g. profession, similar areas of activity and lengths of service).

10. Following the adoption by the Member States of a Community Charter of Fundamental Social Rights of Workers, the Commission presented a number of initiatives, some of which related to employment contracts and measures to combat distortion of competition. The reasons for these measures and the follow-up work on the impact of this legislation make it necessary to have better monitoring of developments as regards earnings, particularly in relation to the nature of employment contracts and hours worked.

11. The initial surveys which were carried out looked only at industry; subsequent surveys also covered wholesale and retail trade, banking and insurance. However, the increase in jobs in the services sector means that it too must be better covered by statistical surveys. The attention which the White Paper gives to the services and tourism sectors as sources of new jobs also serves to confirm this. This is why Eurostat proposed that the scope of the survey be extended to cover all economic activity. Such blanket coverage has, however, proved extremely difficult for some Member States. Therefore, the following sections of NACE Rev. 1, which are referred to in the draft Regulation, have been declared priority areas for those countries unable to carry out surveys covering the entire economy: C to E (all industries), F (construction), G (commerce), H (hotels and restaurants), I (transport and telecommunications), J (finance) and K (real estate, letting and leasing and business services). This choice of areas takes account of the Commission's current priorities as regards the compilation of statistics on the services sector. While covering the traditional aspects of earnings in the same way as in the past, the new survey which is proposed will also cover some aspects for the first time, such as type of employment contract, level of education, existence of collective agreements, etc.

12. The "Earnings Statistics" working party has urged that a decision giving the go-ahead for this statistical information to be gathered be taken as quickly as possible in order to allow the businesses and local units to be included in the sample to make the necessary arrangements enabling them to respond to the questionnaires from 1995 onwards. The Statistical Programme Committee, which met on 1 and 2 December 1994 in Luxembourg, gave a favourable opinion on this draft Regulation.

13. To this end, the Commission submits the attached draft Regulation for the approval of the Council.

DRAFT COUNCIL REGULATION (EC)

on statistics on the structure and distribution of earnings

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European 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, the Commission must be kept informed of the position and trend of earnings in the countries of the European Community with regard, on the one hand, to their variations in terms of the structure of the labour force and on the other hand to the distribution of employees according to earnings level;

Whereas the development of the European Community and the operation of the internal market increase the need for comparable data on the structure of earnings, particularly as a means of analysing the progress of economic and social cohesion and for establishing reliable comparisons between the Member States and the regions of the European Community;

Whereas the best method of assessing the situation as regards the structure and distribution of earnings is to carry out Community surveys of the structure of earnings using harmonised methods and definitions, as was done in 1966, 1972, 1974 and 1978 pursuant to Council Regulations (EEC) No 188/64, 2395/71, 178/74 and 494/78[1];

Whereas, owing to the changes which occur in the structure of the labour force and in the distribution of earnings, particularly as regards economic activities, the results of the earlier surveys are no longer up-to-date and do not cover all the countries of the European Community;

Whereas the data currently available for the Member States as a whole supply only averages and are not therefore likely to provide any indication either of the relationship between earnings and the individual characteristics of wage earners (particularly age, sex, professional status, length of service) or of the spread of earnings;

Whereas statistical information in this field is available only in certain Member States and therefore valid comparisons cannot be made and, consequently, the surveys of the structure of earnings must be carried out on the basis of common definitions and harmonised methodologies;

Whereas, in accordance with the principle of subsidiarity, the creation of common statistical standards enabling harmonised information to be produced is action which can only be effectively undertaken at Community level and these will be implemented in each Member State on the authority of the agencies and institutions appointed to compile official statistics;

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1 Regulation No 188/64 EEC, OJ No 214, 24.12.1964, p. 3634/64
Regulation (EEC) No 2395/71, OJ No L249, 10.11.1971, p. 52
Regulation (EEC) No 178/74, OJ No L21, 25.01.1974, p. 2
Regulation (EEC) No 495/78, OJ No L68, 10.03.1978, p. 3

Whereas the conduct of a survey of the structure of earnings at Community level is one of the priority actions in the Statistical Programme 1993 to 1997[2];

Whereas it may be acceptable for the countries which have administrative sources or other appropriate statistical sources to use these or perhaps link them up with a simplified questionnaire if this method is compatible with the definitions and methods approved and corresponds to the whole set of variables required;

Whereas the Statistical Programme Committee established by Council Decision 89/382 (EEC/ Euratom)[3] has reached a favourable conclusion to the Commission proposal.

HAS ADOPTED THIS REGULATION

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2 Council Decision No 93/464/EEC, OJ No L 219, 28.8.1993, p.1

3 OJ L 181, 28.6.1989, p.47

Article 1

General provisions

The Member States shall undertake a Community statistical survey on the structure and distribution of all employees' earnings that shall be aimed at employees in the economic activities defined in Article 3.

Article 2

Reference period

The survey shall be carried out on the basis of statistical information for the financial year of 1995 and for a corresponding representative month.

Article 3

Survey coverage

The survey shall cover all activities defined in sections C, D, E, F, G, H, I, J and K of the Classification of Economic Activities in the European Community, hereinafter referred to as "NACE Rev. 1" established by Council Regulation (EEC) No 3037/90 of 9 October 1990[4] and amended by Commission Regulation (EEC) No 761/93 of 24 March 1993[5].

Article 4

Survey Units

Collection of data and compilation of statistics on the structure and distribution of earnings shall be based on a sample drawn in respect of any of the statistical units defined in the Council Regulation (EEC) N° 696/93[6] and which provides information for a sample of employees in local units of 10 and more employees classified by size and principal activity.

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4 OJ No L 293, 24.10.1990, p.1

5 OJ No L 83, 3.4.1993, p.1

6 OJ No L76, 30.3.1993, p.1

Article 5

Characteristics of the required information

Data shall be collected on:

1. The local unit to which the sampled employees are attached:

   the region of workplace, size, economic activity classified according to NACE Rev. 1, the form of financial and economic control within the meaning of the Commission Directive EEC N° 723/80 and the type of collective pay agreement in force.

2. Each employee in the sample:

a) gross earnings for a complete pay period for the reference month, including the various bonuses regularly paid, additional payments for overtime, shift work, night work, weekend work and commissions; likewise included are remuneration for periods of absence (leave or sickness) entirely paid by the employer and family allowances and other benefits laid down by collective agreements or voluntarily within the local unit; the following must be specified separately: 1) total earnings related to overtime; 2) special payments for shift work, night work or weekend work;

b) annual gross earnings in the relevant financial year, i.e. the gross earnings as defined in 2 a) referred to an annual basis, plus occasional bonuses (such as holiday bonuses, 13th month and profit sharing); the amount of occasional bonuses must be specified separately;

c) the number of hours paid or the number of hours in a standard working week or month for which payment is made, the number of paid overtime hours in the pay period and the number of holidays, excluding public holidays per year;

d) the sex, age, occupation classified according to the International Standard Classification of Occupations hereinafter referred to as ISCO-88 (COM), level of education and training, length of service in the enterprise, working arrangements, i.e. full time or part time and type of employment contract.

Article 6

Data collection

1. The survey shall be carried out through the appropriate statistical services of the Member States which shall draw up the appropriate methods for collecting the information.

2. For some characteristics such as level of education and training, as well as type of employment contract, the Member States are allowed to carry out trailer surveys in a subsample of employees drawn on the main survey.

3. Persons required to supply information shall reply to the questions truthfully, completely and within the time limits set. The Member States shall take appropriate measures to avoid any infringement of the obligation to supply the information referred to in Article 5.

4. The survey need not be carried out if the Member States have information from other appropriate sources which is at least equivalent as regards accuracy, quality and timeliness.

5. The Member States shall transmit to the Commission (Eurostat) at its request all information, particularly concerning methodologies, needed for the application of this Regulation.

Article 7

Representativeness

The reliability and comparability on a high quality level shall be attained by the use of sampling sizes allowing that the relative standard error for the variable average gross hourly earnings by section or subsection, where it exists, of NACE Rev.1 at NUTS 1 level does not exceed 3 %.

Article 8

Processing of results

The Statistical services of the Member States shall process the replies to the questions (Article 6 §3) or the information from other sources (Article 6 §4) so as to obtain comparable results.

Article 9

Transmission of results

The results shall be transmitted within a delay of 18 months from the end of the calendar year of the reference period, including data declared confidential by the Member States pursuant to domestic legislation or practice concerning statistical confidentiality, in accordance with the provisions of Council Regulation (EEC/Euratom) No 1588/90 of 11 June 1990[7] on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities.

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7 OJ No L 151, 15.06.90, p.1

Article 10

Committee

The arrangements for implementing the present regulation, in particular:

- definitions to be used,
- accuracy and quality rules,
- the levels of breakdown to be applied to the variables,
- the appropriate forms of the transmitted variables and
- the list of tables to be disseminated

shall be laid down by the Commission after consulting the Statistical Programme Committee set up by Council Decision 89/382 (EEC/ Euratom)[8] in conformity with the procedure set out in the article 11.

Article 11

Procedure

1. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that topic. The chairman shall not vote.

2. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event, the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to the previous paragraph.

Article 12

Entry into force

This Regulation shall enter into force on the twentieth day after its publication in the Official Journal of the European Communities.

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

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8 OJ L 181 , 28.6.1989, p.47

ANNEX

SPECIAL PROVISIONS

I. Exceptions to the scope of the survey

1. For Germany: sections H, I, the division 67 of the J section and section K

2. For Greece: sections F and K

3. For Ireland: sections I, J and K

II. Exceptions to the reference period

1. For France: the financial year of 1994 and a corresponding representative month

2. For Austria: the financial year of 1996 and a corresponding representative month

III. More complete information

Member States may provide for the supply of more detailed information, for example by covering other sections of the NACE Rev.1 or by covering units with fewer than 10 employees.

IMPACT ASSESSMENT FORM

THE IMPACT OF THE PROPOSAL ON BUSINESS, WITH SPECIAL REFERENCE TO SMALL AND MEDIUM-SIZED ENTERPRISES

TITLE OF PROPOSAL: **DRAFT COUNCIL REGULATION ON STATISTICS ON THE STRUCTURE AND DISTRIBUTION OF EARNINGS**

THE PROPOSAL:

1 Taking account of the principle of subsidiarity, why is Community legislation necessary in this area and what are its main aims?

In order to carry out its tasks in the field of economic and social affairs, particularly with regard to employment and working conditions, the Commission needs to have at its disposal comparable information on the structure and distribution of earnings in the Member States of the EU. This need has become more pressing because of the new policies set out in the White Paper on Growth, Competitiveness and Employment.

The main aim of this survey is to respond to the political needs which existing Community statistics are unable to meet. The Commission has identified a number of areas in which statistics on the structure of earnings are necessary:

- the functioning of labour markets in the Community;
- the problem of adjustment of workforces in sectors exposed to increased competition;
- the development of indicators enabling regional policies to be implemented;
- policy on equal pay for men and women, equitable wages and low wages;
- wage differentials by profession;
- wage negotiations.

There is currently a lack of such data, even though they are indispensable for defining and assessing the effect of social policies and measures on the labour market at both national and Community level.

The statistical information available in each of the Member States does not allow proper comparisons to be made, one particular reason for this being the differences in the nature of the surveys and the existing sources of data. In order to ensure that data are comparable, the surveys must be carried out and evaluated on the basis of standard definitions and a shared methodology, but without at the same time attempting to harmonize the Member States' existing arrangements for the collection of data. In the same way, existing administrative sources must be adapted to requirements and drawn on using a methodology set out beforehand. Legislation at Community level is the only way of ensuring that the required variables will be taken into account and processed in accordance with a common set of definitions and methods aimed at guaranteeing the comparability of results.

THE IMPACT ON BUSINESS:

2 Who will be affected by the proposal?

- *which sectors of business*

The survey will cover businesses engaging in activities defined in sections C, D, E, F, G, H, I, J and K of the Classification of Economic Activities in the European Community (NACE Rev. 1). It is intended that some countries' surveys should also cover sections L, M, N and O of NACE Rev. 1.

- *which sizes of business (what is the concentration of small and medium-sized firms)*

The statistical unit to be used in the survey is individuals in local units with 10 or more people in paid employment.

It is intended that results be obtained for various sizes of business.

Units employing fewer than 10 persons are not covered by the Regulation, but some Member States plan to have their surveys include units with one or more employees.

In the countries in which specific surveys are carried out, these will use a sampling method in order to lessen the burden on businesses and the national statistical offices. The sampling plans will be drawn up by the national statistical offices, which generally use different sampling ratios depending on the size of the statistical units to be used. A large proportion of the information requested on the questionnaires is available in businesses' administrative files, which means that the inconvenience will not be great. Likewise, the registers of businesses/local units also contain some of the information required. In Member States using other data sources, the burden on businesses will be considerably less because some variables will be derived from these sources.

- *are there particular geographical areas of the Community where these businesses are found*

In certain areas of the EU, small and medium-sized enterprises predominate. In order to draw up more detailed tables on salary structure at regional level, some data are requested at NUTS 1 level.

3 What will business have to do to comply with the proposal?

The units which are to be included in the surveys will be called on to give accurate and complete information on the questionnaires which will have been sent to them by their national statistical offices (and to return the questionnaires within the given deadline).

However, in the Member States which already carry out this type of survey (France, Germany, the Netherlands and the United Kingdom) and those which will use administrative data sources (Denmark, Portugal, Finland and Sweden), the extra effort required of businesses will not be very great, since the proposed variables do not exceed by much the scope of those which already exist.

4 What economic effects is the proposal likely to have?

- *on employment*
- *on investment and the creation of new businesses*
- *on the competitive position of businesses*

Generally speaking, statistical data - and especially data relating to earnings - are necessary for implementing and assessing economic and social policies in the areas referred to in point 1 above. In this respect, the proposal will have beneficial effects on employment and the fight against unemployment, and on investment and competitiveness. The access to reliable, up-to-date data provided to those responsible for economic and social-policy decisions will enable them to better appreciate the socio-economic conditions in which they have to work, and will allow employers to define general business policy more clearly.

The importance of the Community measures which would benefit in terms of both implementation and follow-up from the availability of better statistics would indicate that the resulting benefits will more than justify the costs involved.

5 Does the proposal contain measures to take account of the specific situation of small and medium-sized firms?

Yes. In order to reduce the number of units to be covered by the survey, units with fewer than 10 employees will not fall within its scope. Furthermore, the percentage of small and medium-sized enterprises included in the survey is generally very much lower than that of large enterprises because of the sampling method used.

6 Consultation

The Union of Industrial and Employers' Confederations of Europe (UNICE) took part from the outset in meetings organized by the "Earnings Statistics" working party throughout the phase during which the proposal was being formulated. Given the importance (which was mentioned several times) to employers' associations of information on the structure and distribution of earnings, the representatives of this organization made an active contribution to defining the nature of the survey.

The European Trade Union Confederation (ETUC) took part in some meetings. It warmly welcomed the plan to carry out a survey on the structure and distribution of earnings at EU level. The representatives of this organization were pleased with the choice of variables to be used in the survey.

The main users in the Commission (DG II and DG V) were consulted on a number of occasions while the draft was being prepared. Accordingly, their requirements were made known at the meetings of the working party, thereby enabling the representatives of the statistical services to take better account of their suggestions.

The overall planning of the proposed draft has greatly benefited from the experience of Member States which carry out this type of survey, and from studies and analyses by the Commission and scientific bodies on the basis of previous surveys.

The Statistical Programme Committee, which met on 1 and 2 December 1994 in Luxembourg, gave a favourable opinion on this proposal.

FINANCIAL STATEMENT NO 1

1. **TITLE OF THE ACTION**

Draft Council Regulation on statistics concerning the structure and distribution of earnings.

2. **BUDGET LINES INVOLVED**

Financial perspectives - 4, other policies
Sub-section B-5: Consumer protection, internal market, industry and trans-European networks
Chapter B5-60: Statistical information policy connected with the completion of the internal market and in support of Community policies.
Line B5-6000: Operating appropriations

3. **LEGAL BASIS**

Article 213 of the Treaty

Council Decision 89/382/EEC of 19 June 1989 establishing a Committee on the Statistical Programmes of the European Communities (OJ L 219, 28.8.1993).

4. **DESCRIPTION OF THE ACTION**

4.1 General purpose of the action

The purpose of the present Council Regulation is to make harmonized statistics on the structure and distribution of workers' earnings in the European Union available to all users. These data are essential for defining, monitoring and assessing social and labour market policies at the regional, national and Community levels.

The beneficiaries of this action are: the Community Institutions, the governments of the Member States, the economic and social decision-makers in the Member States and also research institutes, universities and the media.

To conduct this survey at European Union level is one of the priority projects of the 1993-1997 framework statistical programme of the Community (OJ L 219, 28.8.1993).

4.2 *Period covered by the action and procedures for renewing or extending it*

Once-only action in accordance with the draft Council Regulation (Euratom, EEC) on statistics concerning the structure and distribution of earnings (collection and processing of data and forwarding of the results to Eurostat) covering the period 1996-1998.

5. CLASSIFICATION OF EXPENDITURE/INCOME

5.1. *Non-compulsory expenditure*

5.2. *Differentiated appropriations*

5.3. *Type of income envisaged*

Sales of statistical products (database data and publications) cover some of the production costs.

6. TYPE OF EXPENDITURE/INCOME

The Commission's contribution represents only part of the real cost of collecting data - of the order of 18% - since the Commission's statistical work is subsidized to a very great extent, the operating and administrative costs being borne almost exclusively by the national governments. Nevertheless, the expenditure envisaged is essential to promote standardization of the data collected, and for these data to be processed and sent to Eurostat.

Cofinancing by the public sector (out of the budgets of the national statistical offices) and the private sector (income from sales of statistical products).

7. FINANCIAL EFFECT ON INTERVENTION APPROPRIATIONS (PART B OF THE BUDGET)

7.1 *Method of calculating the total cost of the action (definition of unit costs)*

The amount to be taken from the Community budget for the project to extend the existing systems for collecting data or setting up new surveys on the structure of earnings is calculated as follows:

18% of the operating costs for the two/three years of the project: conducting the survey (1996) and sending the data to Eurostat (1997/1998).

Type of expenditure to be borne by the Member States: production of questionnaires, contribution to the costs of collecting, processing, and disseminating the data and other operating costs.

The total action represents an average expenditure of approximately ECU 25 million for all the Member States.

Total contribution to the Member States (18% of total) (ECU 4.50 million)

7.2. *Indicative timetable for commitment and payment appropriations*

The survey will be conducted at the beginning of 1996 and the data sent to Eurostat in 1997/1998. It is proposed that payment be made in three phases: the first two tranches as a contribution to the cost of collecting and processing the data (1996/1997) and a third tranche once the results have been received. The last tranche will be payable in either 1997 or 1998 depending on whether the data are sent to Eurostat in 1997 or 1998.

	1996	1997	1998	Total
C.A.	ECU 4.5 million			ECU 4.5 million
P.A.	ECU 4.5 million 30 %	ECU 1.8 million 40 %	ECU 1.35 million 30 %	ECU 4.5 million

8. ANTI-FRAUD PROVISIONS (AND RESULTS OF IMPLEMENTING THEM)

Payment for the contracts and agreements concluded by the Commission is made only on the basis of detailed reports on the completion of the operations concerned or the results obtained.

Statistical information is considered to be an objective instrument for evaluating Community action programmes and thus contributes to consolidating the anti-fraud provisions.

9. COST/EFFICIENCY ANALYSIS ITEMS

9.1. Specific and quantifiable objectives, target population

The purpose of this Council Regulation is to establish comparable statistics on the structure and distribution of earnings of workers in the European Union. Following the guidelines in the White Paper on Growth, Competitiveness and Employment, and the conclusions of the Essen Summit, these statistics are indispensable for establishing, monitoring and assessing regional national and Community policies, in particular for monitoring national employment programmes.

9.2. Grounds for the action

The responsibility for financing this action rests mainly on the Member States (cf. 6 above), which have a well-established structure for collecting and processing data. Nevertheless, funds from the Community budget appear to be necessary, both for countries which are going to carry out this type of survey for the first time, and for those which must adjust existing surveys to Community needs. The purpose of this financial contribution is to co-finance part of the costs of collecting and processing data.

The purpose of this action is to achieve four results, viz.:

- to provide the Community Institutions with the quantitative data for drawing up, monitoring and evaluating any programme of action pursuant to Article 3 (2) of the Financial Regulation: "it therefore contributes to more effective and relevant use of the Community budget";

- to provide the national governments with comparable statistics on all the Member States for evaluating and monitoring the progress of Community policies;

- to provide political, economic and social decision-makers in the Community with the data necessary to take and assess decisions in their respective fields of action: it is therefore a key component of the European information market;

- to provide the scientific community with the information necessary to further study and obtain more information on economic and social life in the Community.

The results of the action will contribute to improving the statistical information used in the work linked to social policy, economic cohesion and convergence in the internal market.

Statistical information is collected using a highly-subsidized system, in which the national systems have a responsibility as regards each Member State. The Community Statistical Programme will become an integral part of the national statistical programmes, thus contributing to creating a European statistical area.

The potential of multiplier effects is fairly small. Nevertheless, the data concerned by the draft regulation will be of increased interest in that users will have access to a set of data which will enable them to make international comparisons of the structure and distribution of earnings.

The specific results of the action could be affected if some of the Member States - or the Commission - did not succeed in releasing the resources needed for the action to succeed.

9.3. Monitoring and assessing the action

The action forms part of the Community Statistical Programme, which is monitored continuously by means of a general table which determines the objectives and resources required for each project as a function of the objective/performance ratio. At the beginning of each year, Eurostat produces a progress report on the programme as at the end of the previous year. It comprises three parts as follows:

- the first summarizes the main achievements of the year in respect of each policy;
- the second describes the objective of each project and the results achieved;
- the third gives statistics on the use of human, budgetary, computer and administrative resources in the course of the previous year.

9.4. Cohesion with the financial programming

The Council Decision of 22 July 1993 on the framework programme for priority actions in the field of statistical information 1993 to 1997 provides for a survey to be carried out on the structure of earnings.[1]

[1] OJ L 219, 28.8.1993.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

10.1. Does the proposed action involve an increase in the number of Commission staff? If so, how many?

Yes: 1 B post as from 1995

The administrative resources required for this action will be obtained by means of credits allocated by the Commission, including staffing and supplementary amounts approved by the budgetary authority.

10.2. State the amount of staff and administrative expenditure involved in the proposed action. Explain the method of calculation

Indicators: annual cost of the post for 1995 (estimate)

Base: Average cost of a B2 post: ECU 90 009, of which ECU 73 711 is staff expenditure and ECU 16 298 administrative expenditure

	Title A1	**Title A2**
Expenditure:	**Staff**	**Administration**
Financial years 1995 et seq.	73 711	16 298

Cost in constant ecus (1995 value).

ADDITIONAL STATEMENT CONCERNING THE EFTA MEMBERS OF THE EEA

TITLE OF THE PROPOSED LEGISLATION

Proposal for a Regulation on the statistics of the distribution and structure of earnings

IMPACT ON THE EFTA MEMBERS OF THE EEA

The EFTA members of the EEA have an interest in the proposed Regulation, and have been associated in its discussion.

All the EFTA members of the EEA took part in the meetings of the Working Party relating to this matter.

FINANCIAL STATEMENT

The financial statement annexed to this document concerns the Member States of the European Union.

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