

Topic 5, item 5.3: The use of LCI by social partners for wage negotiations

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Summary

This paper explores the actual use of the LCI by employer organisations. The LCI is an obvious choice when looking for statistics on wage changes, but the employer organisations are reluctant. In relation to wage negotiations, collective bargaining or influencing national minimum wages, employer organisations prefer other data sources. A majority think that an indicator to be used for wage negotiations etc. should primarily reflect changes in wages. The LCI is a macroeconomic indicator with much of the same characteristics as the National Accounts' Compensation of employees, and as such not well suited for purposes related to wage negotiations etc.

Business Europe believes Eurostat and NSI have an obligation to make this perfectly clear to users. And we also urge Eurostat and NSI to pay more attention to the needs of non-governmental users such as the social partners and businesses. Finally we suggest that Eurostat and NSI consider what alternatives for European labour cost and wage comparisons may be offered to businesses, employer organisations and labour unions.

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Motivation

The LCI is meant to be used for wage negotiations

One of the purposes of the Labour Cost Index (LCI) is to be used by the social partners for wage negotiations, as it is stated in the report to the European Parliament and Council on the implementation of the LCI regulation every second year.

In the online metadata description by Eurostat it is stated:

*"LCI responds to the needs of the European Central Bank and Commission services for monitoring price stability. **Private companies may use the LCI for indexing contracts, wage agreements and competitiveness analysis.**"*

An overall evaluation of the national quality reports shows that every second country mentions employers or employer organisations as users of the LCI (18 of 27 countries), but only 7 countries relates the use to wage negotiations or a similar task (see appendix).

This paper explores the actual use of the LCI by employer organisations

in this regard.

What are the user needs from an employer perspective?

In relation to wage negotiations and collective bargaining, the employer needs for wage and labour cost statistics are in general:

Businesses needs statistics to regulate wages and social partners needs statistics to estimate room for wage increases

- Wage levels as a guideline when negotiating wages for newly employed or renegotiation with employees.
- Wage changes when regulating wages for employees (and when estimating room for wage increases).
- Labour cost levels as input when analysing the competitive situation to be used in relation to collective bargaining.
- Labour cost changes when projecting the competitive position to be used in relation to collective bargaining.

Besides the use related to wage negotiations and collective bargaining, employers may also use labour cost statistics for other purposes such as regulation of service contracts and general analysis of the economy.

About the LCI

The LCI is a quarterly indicator of changes in labour costs, wages and social contributions. The indicator contains breakdowns on country and general economic activity (first level NACE).

The LCI measures changes in costs, hours and employment

The LCI measures changes in labour costs at an aggregated level, where changes may be caused by both changes in labour costs, changes in hours worked and compositional changes in the employed part of the population. It is not possible to distinguish the three effects from one another.

The LCI is first and foremost a macroeconomic indicator to survey inflationary pressure coming from the labour market. *A relevant question is if it can also be used for other purposes? For instance for surveying changes in labour costs and wages as experienced by companies or employees?*

Originally the LCI was accompanied by another indicator – the Labour Price Index (LPI) – at least in theory. The latter was meant to measure changes coming solely from changes in labour costs without any effects from different compositions of employment over time. Together with the LCI the LPI would make it possible to distinguish effects from changes in labour costs, hours worked and changes in composition.

The LPI was never realised in an EU-scale, because it was considered to be too burdensome. Furthermore user demands was low at the time, when all eyes were at the LCI instead.

The intention of making an index also to be used by the social partners

for wage negotiations would most likely have been more fulfilled in the LPI than in the LCI.

About the survey

To obtain a better understanding of the actual use of the LCI by employer organisations, The Confederation of Danish Employers (who is representing Business Europe in LAMAS) has conducted a survey among the member organisations of Business Europe.

Target group criteria's

The member organisations was also urged to forward the survey to their member organisations to make sure, that the survey was answered by persons who at the same time:

1. Have knowledge about collective bargaining, wage negotiations or on influencing national minimum wages.
2. Have knowledge about what kind of statistics that are used in relation to this.

The term "wage negotiation" is used in a broad sense in this report meaning both wage negotiations, collective bargaining and influencing national minimum wages.

The survey questionnaire was sent out to a target group representing 14 organisations, where some chose not to answer and some chose to forward the survey to their member organisations.

The target group members did not have to be users of the LCI to qualify for participation in the survey, but they had to be aware of what statistical data sources are used in their organisations regarding labour costs and wages. The target group is therefore more mixed than what you would normally expect in a user survey.

13 respondents from 8 countries

The survey was answered by 13 respondents representing the following organisations:

Denmark:

- Danish Chamber of Commerce
- The Danish Employers' Association for the Financial Sector
- The Confederation of Danish Employers

Finland:

- Confederation of Finnish Industries

Germany:

- German Electrical and Electronic Manufacturers' Association (ZVEI)
- Verband der Metall und ElektroIndustrie NordrheinWestfalen (METALL NRW)

- The Employers' Association for insurance companies in Germany (AGV)
- German Printing and Media Industries Federation (BVDM)

Iceland:

- Business Iceland

Netherlands:

- The Confederation of Netherlands Industry and Employers (VNO-NCW)

Norway:

- Confederation of Norwegian Enterprise

Spain:

- The Confederation of Employers and Industries of Spain (CEOE)

Sweden:

- Confederation of Swedish Enterprise

Insight from dedicated users

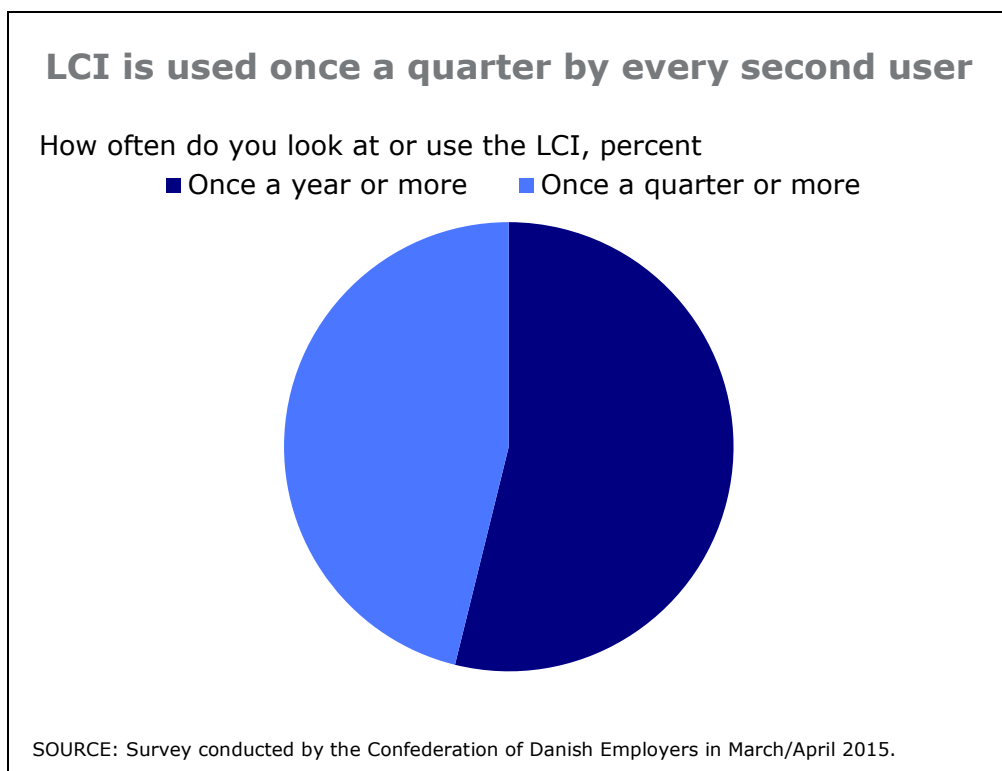
The survey results come from 8 countries out of the 33 countries represented in Business Europe with a clear bias towards northern Europe. The survey results cannot be seen as representative for all employer organisations in Europe, but rather as an insight in the understandings of some dedicated users of international wage statistics with employer background.

Results from the survey

Regular use of LCI

Most users find the LCI data at Eurostat, but more than two third also find the data at their National Statistical Institute (NSI). All users look at the LCI at least once a year, and every second user look at the LCI every quarter, cf. figure 1.

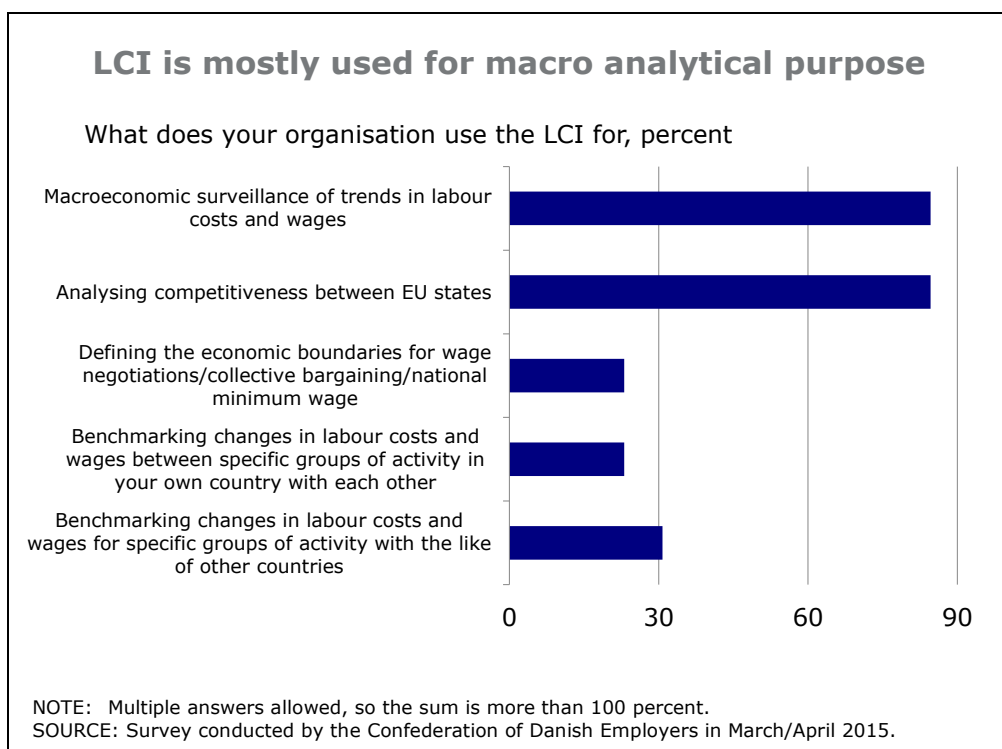
Figure 1



Mostly used at macro level

In general the LCI is mostly used at a macroeconomic level analysing trends in labour costs and competitiveness between countries. Only 23-30 percent of the users relate the LCI to tasks that are more directly connected with wage negotiations, cf. figure 2.

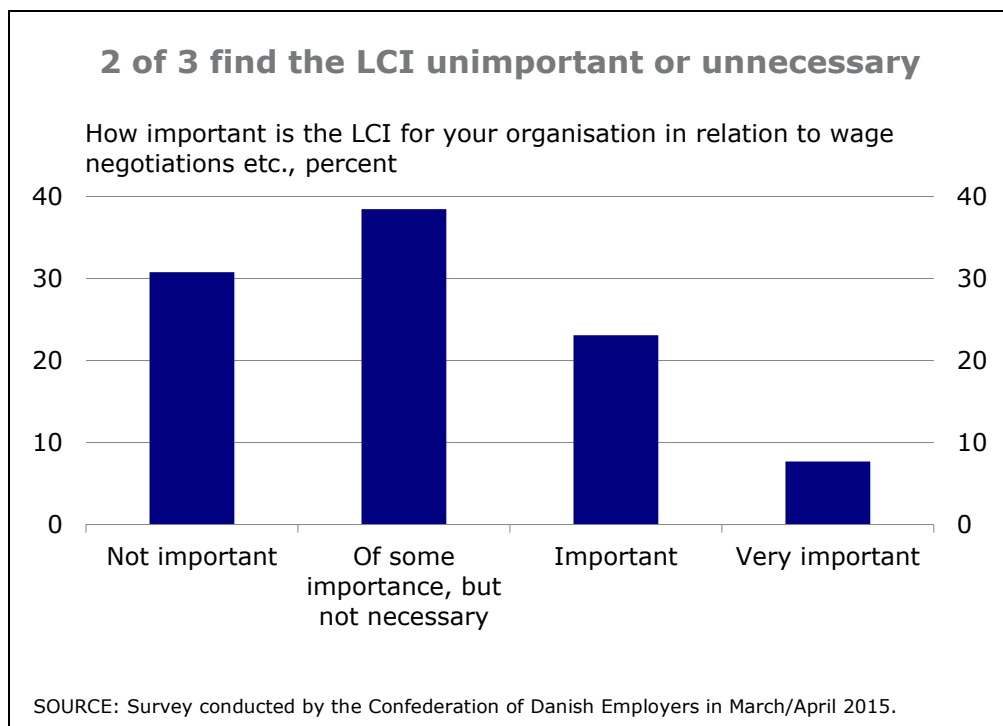
Figure 2



Not necessary for wage negotiations

In fact only one third of the users find the LCI important in relation to wage negotiations etc. while two third find the LCI to be unimportant or unnecessary, cf. figure 3

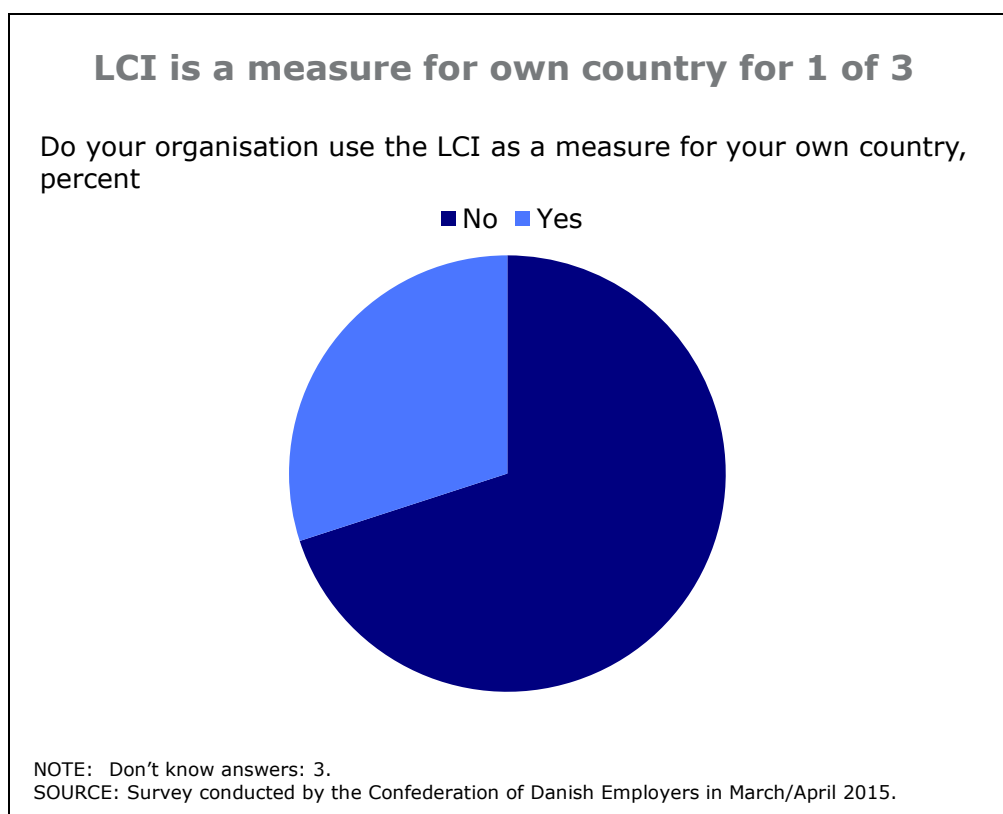
Figure 3



Typically not used for own country

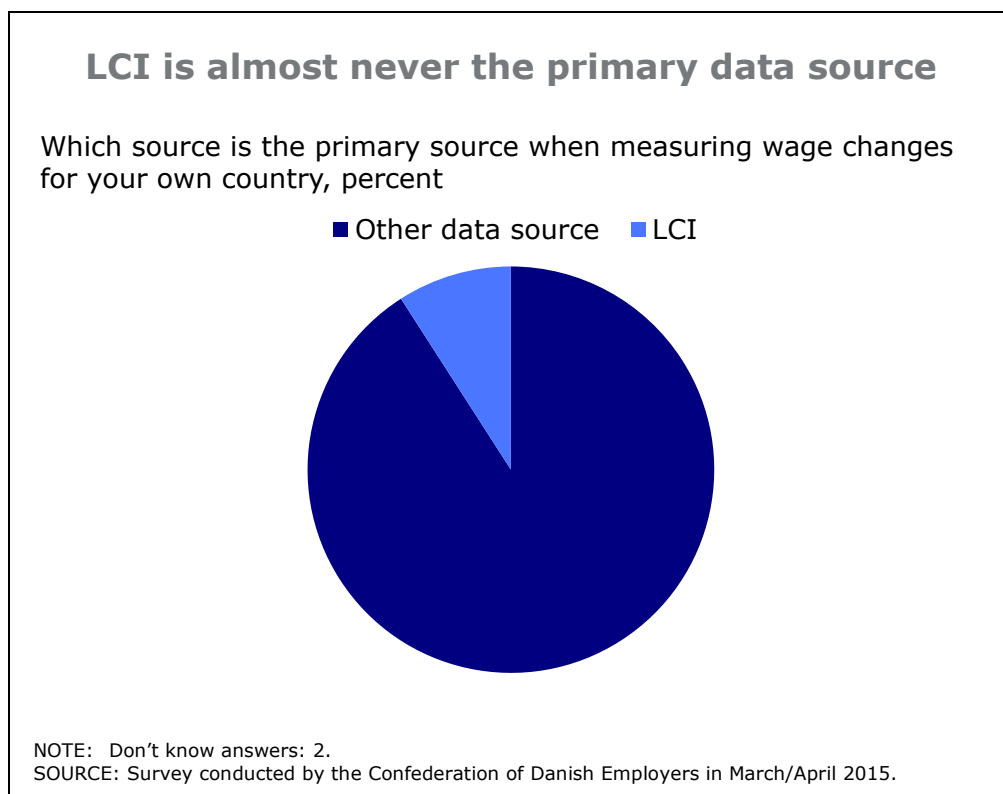
When measuring wage changes in relation to wage negotiations etc. for the users own country, only one third uses the LCI, cf. figure 4. Of this group only one third uses the LCI as the primary source.

Figure 4

**Other data sources are more important**

All respondents use other data sources than the LCI for measuring wage changes for the users own country (in relation to wage negotiations etc.). In most cases the other data source is the primary source, cf. figure 5.

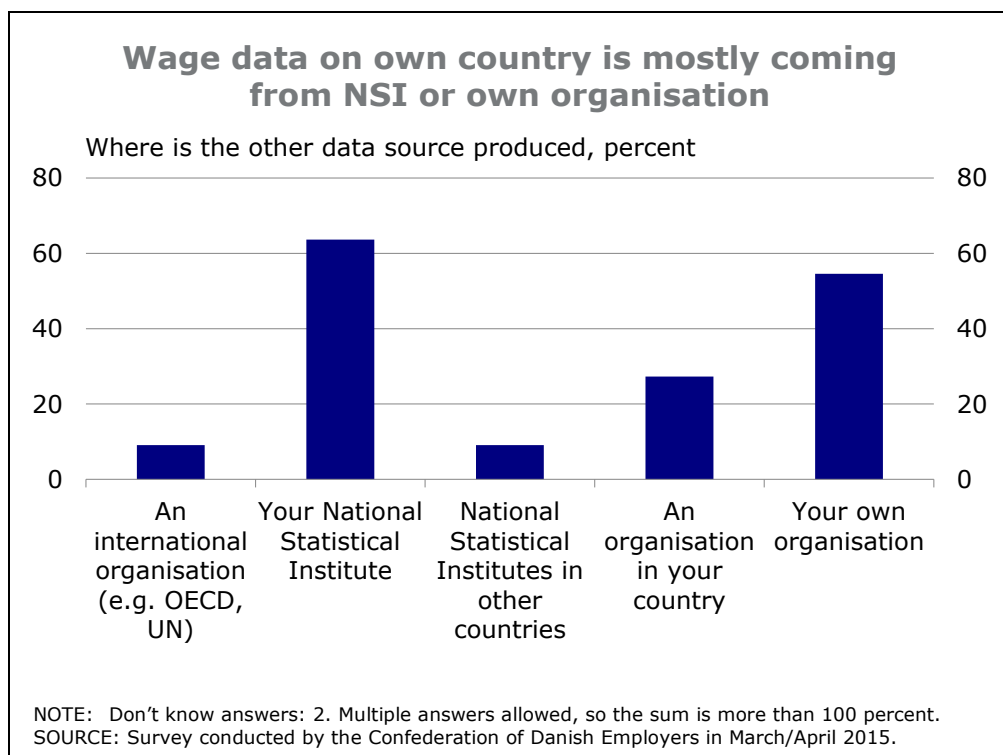
Figure 5



Often other sources from NSI are used

The most common data sources for measuring wage changes in the respondents own country (besides the LCI) is coming from the users own organisation or the NSI, cf. figure 6. This result is probably biased by the respondents' background in organisations where statistical production is done in-house. It is plausible that the frequency of "Your own organisation" would have been lower if more organisations had responded.

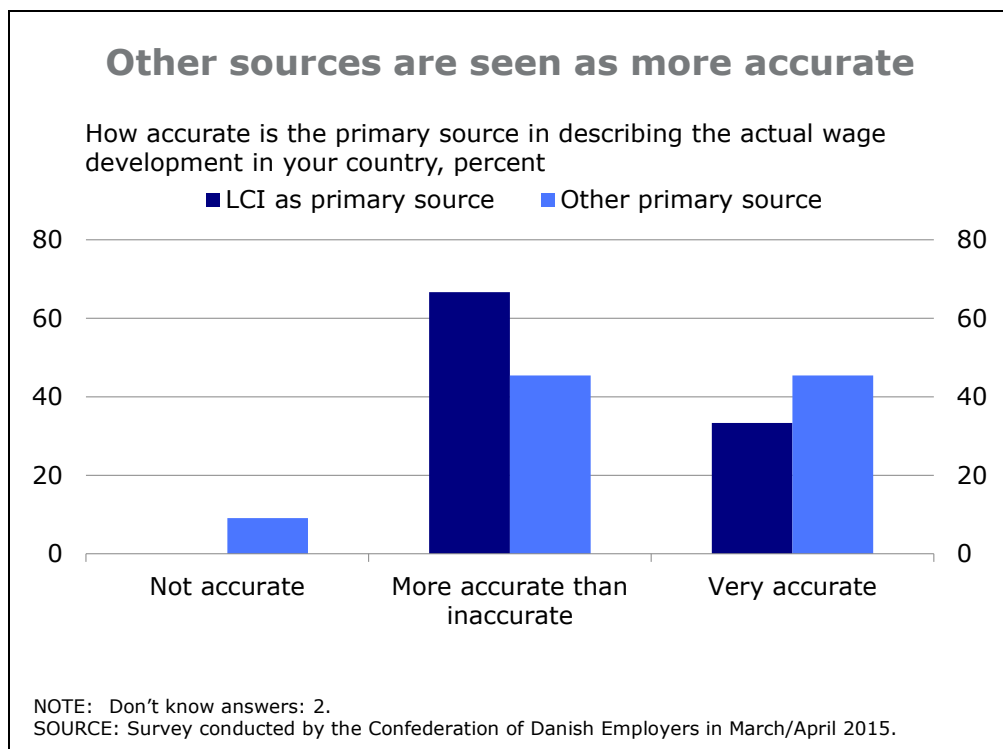
Figure 6



Other sources are seen as more accurate

An important reason to why other data sources are often preferred is that the other sources often are seen as more accurate than the LCI, cf. figure 7.

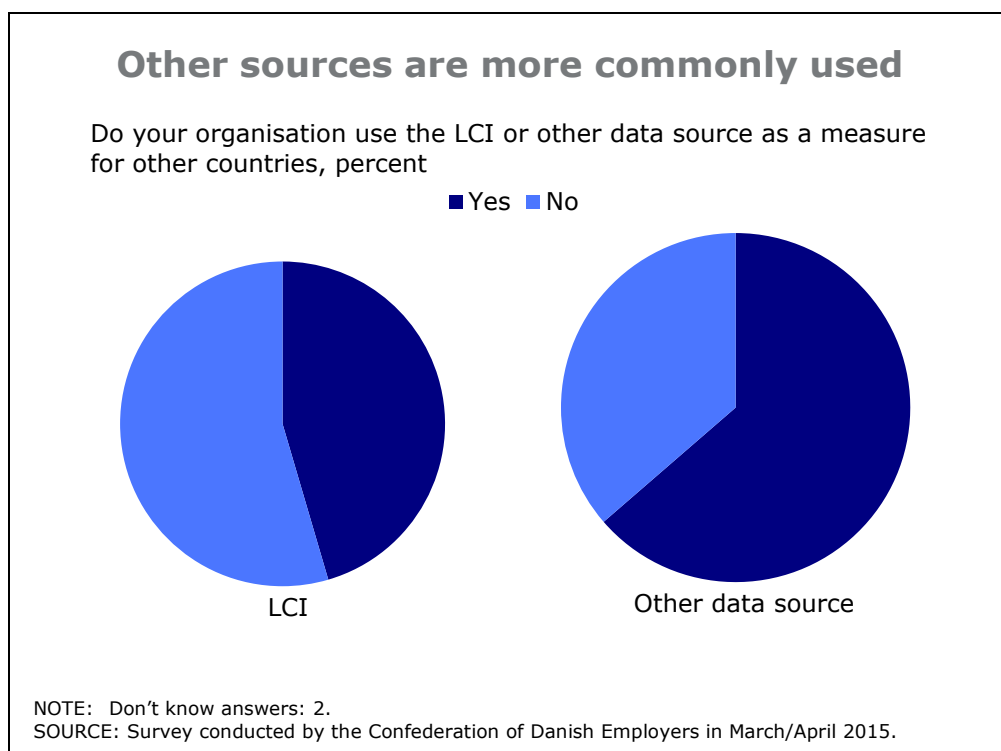
Figure 7



Other sources are more common for other countries

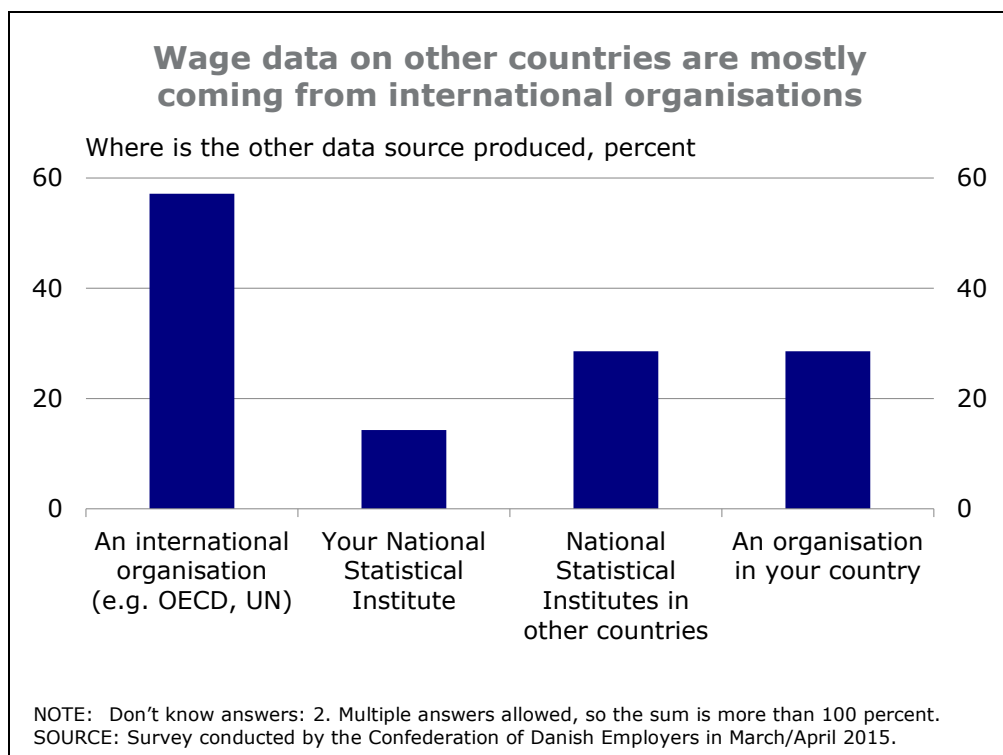
While less than half of the respondents are using the LCI to measure changes in wages in other countries in relation to wage negotiations etc., almost two third are using other sources for the same purpose, cf. figure 8.

Figure 8



The other data sources comes from mostly international organization, but also NSI in other countries and national organisations contributes, cf. figure 9.

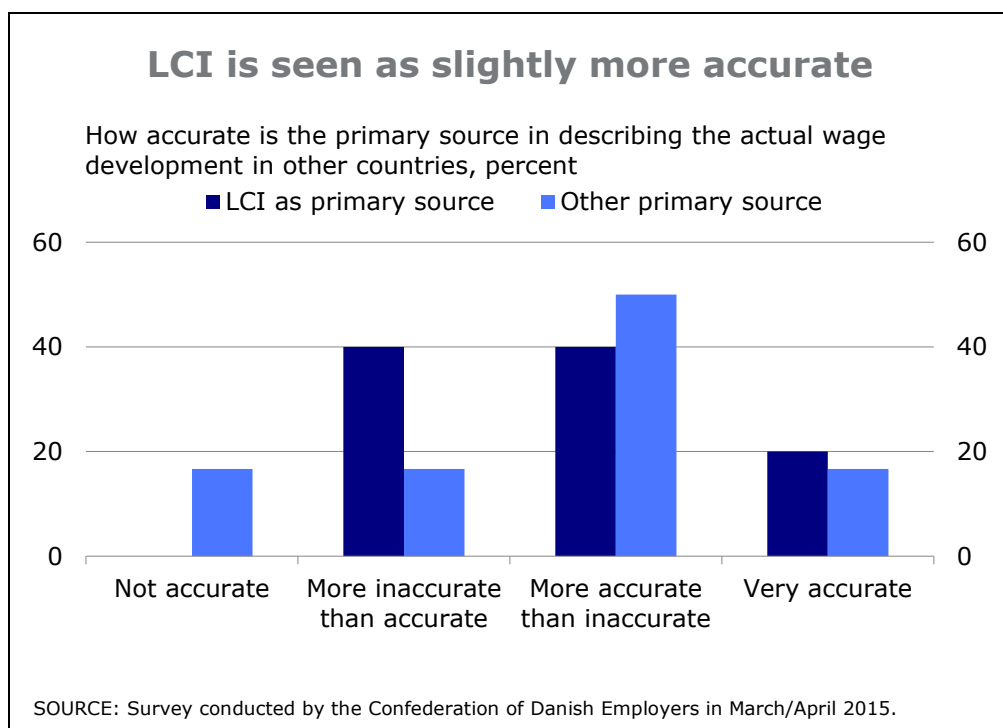
Figure 9



LCI is seen as more accurate for other countries

Even though other sources are more commonly used than the LCI for measuring wage changes in other countries in relation to wage negotiations etc., the LCI is viewed as slightly more accurate than these other sources, cf. figure 10

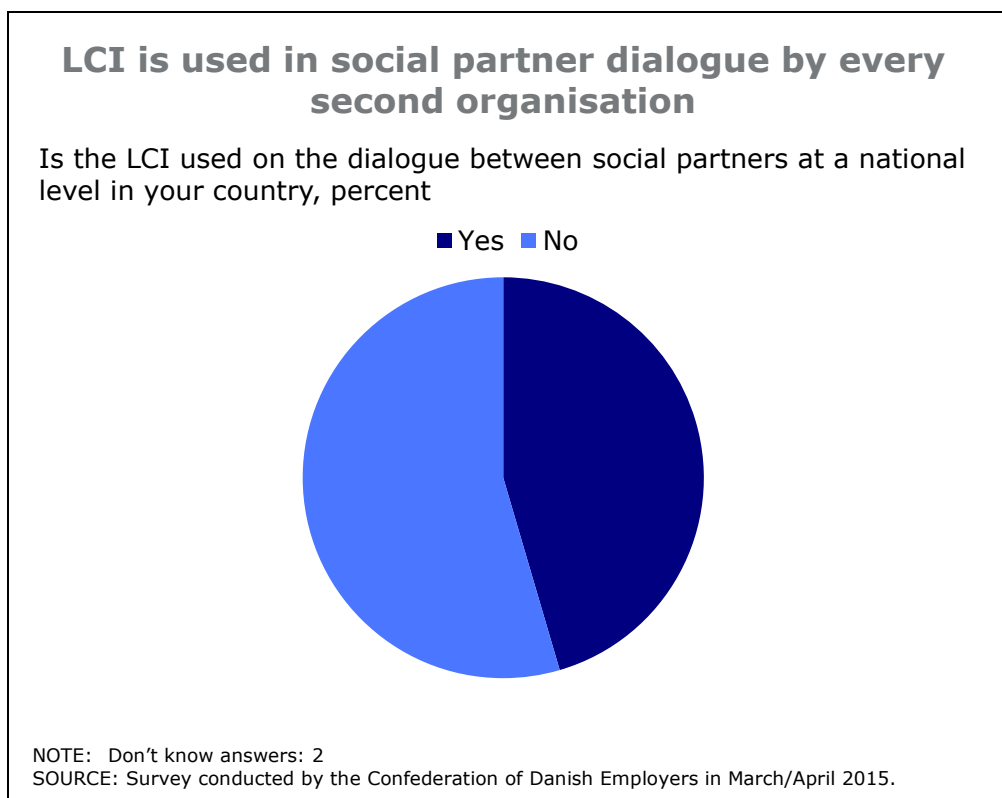
Figure 10



LCI is used in social dialogue by every second

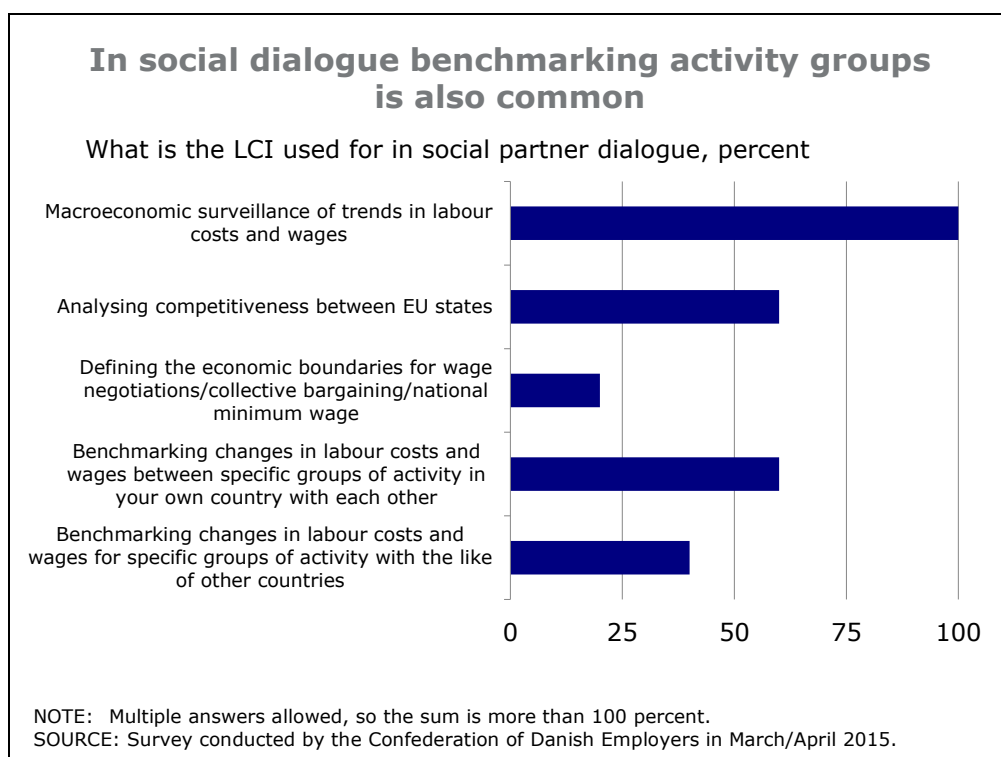
Asked directly if the LCI is used in the dialogue between social partners at a national level, half the users confirm this (cf. figure 11). They all believe the LCI is important in relation to this dialogue.

Figure 11



Compared to the general use of the LCI (as shown in figure 2), the use in relation to the social dialogue also involves more heavily benchmarking changes between specific groups of activity in the users own country, cf. figure 12.

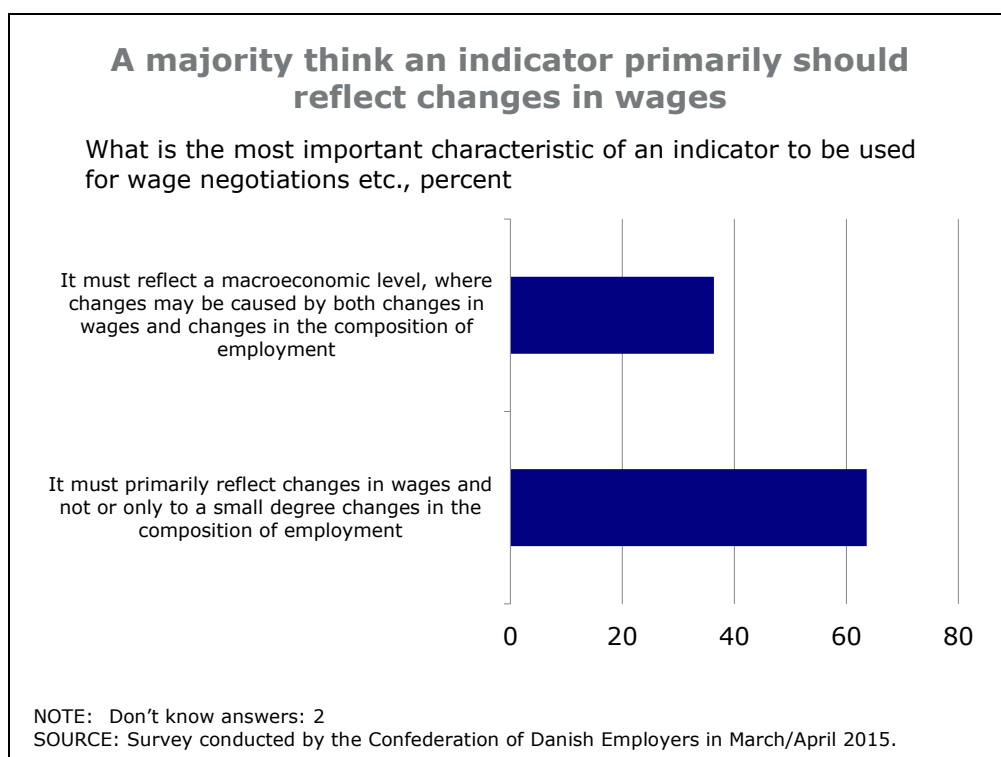
Figure 12



For wage negotiations an indicator should primarily reflect changes in wages

In general a majority of users believes that an indicator to be used in relation to wage negotiations etc. should have the characteristics of measuring changes in first and foremost wages and not or only to a small degree changes in the composition of employment. A minority think it should also reflect changes in the composition of employment, as is the case in the LCI, cf. figure 13

Figure 13



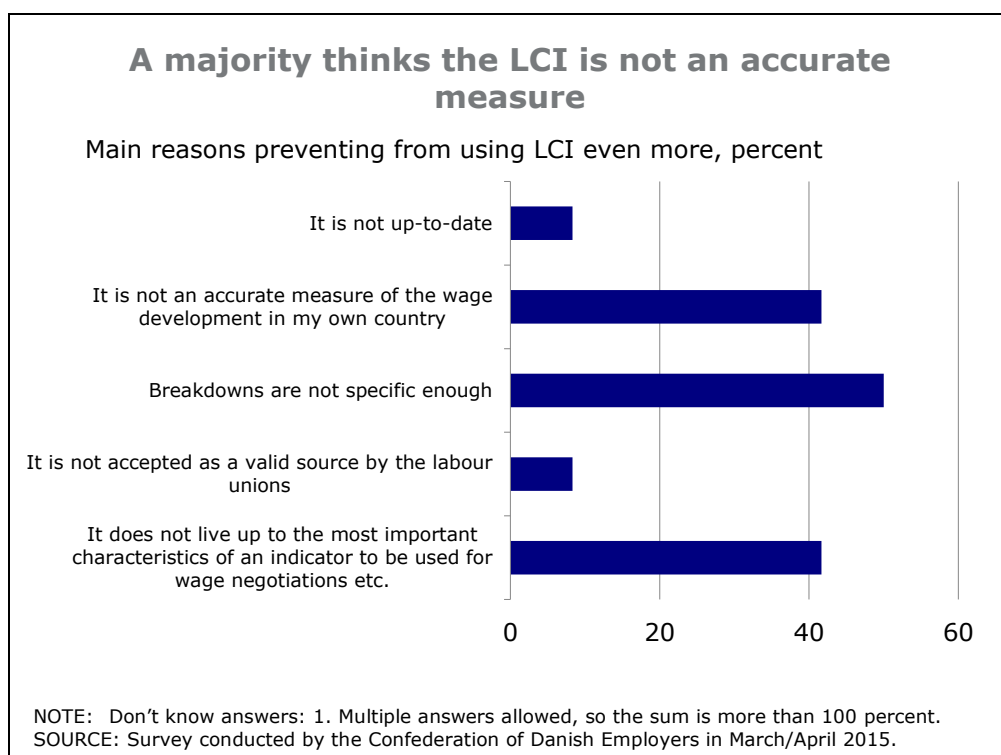
Respondents would like breakdown on occupation and private/public sector

The fact that the LCI does not live up to the expectations of this kind of indicator for all users is not the predominant reason why users do not use the LCI even more. It is instead because breakdowns are not specific enough, and it is especially the lack of breakdown on occupation and private/public sector that are pinpointed, cf. figure 14.

Respondents would use the LCI more if it was more accurate and primarily reflecting changes in wages

Also the fact that the LCI is not seen as an accurate measure of the wage development in the users own country plays an important part in why the LCI is not used in a larger scale. This is possibly connected to the question of the main characteristics of such an indicator, where an indicator not reflecting changes in composition of employment to such a large degree as the LCI might be considered more accurate.

Figur 14



Conclusion

Increasing need for international comparable statistics on wages and labour costs

The European integration is a success in the way that trade of goods and services as well as migrant workers are bringing great benefits to consumers and increasing nation's wealth. At the same time more and more businesses faces competition from businesses in other countries operating under other conditions. Wages and labour costs are a big part of this. It is no wonder why businesses are increasingly requesting reliable statistics on wages and labour costs in other countries.

Employer organisations are reluctant towards LCI

The LCI is an obvious choice when looking for statistics on wage changes, but the employer organisations are reluctant. In relation to wage negotiations, collective bargaining or influencing national minimum wages, employer organisations prefer other data sources when it comes to statistics for their own country. The LCI is seen as less accurate.

When looking for statistics on wages changes in other countries employer organisations are more willing to use the LCI and view the indicator as more accurate. But it is unclear if this is a reflection of thorough insight or instead a reflection of lack of better alternatives.

For wage negotiations an indicator should primarily reflect changes in wages

A majority think that an indicator to be used for wage negotiations etc. should primarily reflect changes in wages, and there is a strong connection with users saying that the LCI is not an accurate measure of wage changes in their country. This is no surprise because the LCI is not in

line with this favoured characteristic.

The LCI is a macroeconomic indicator with much of the same characteristics as the National Accounts' Compensation of employees, and as such not well suited for purposes related to wage negotiations etc.

Eurostat and NSI should make it clear to users, what the LCI is reflecting

Business Europe believes Eurostat and NSI have an obligation to make this perfectly clear to users. And we also urge Eurostat and NSI to pay more attention to the needs of non-governmental users such as the social partners and businesses.

Eurostat and NSI should consider what alternatives may be offered

Finally we suggest that Eurostat and NSI consider what alternatives for European labour cost and wage comparisons may be offered to businesses, employer organisations and labour unions.

Appendix:

Indications of national use of the LCI by employers or employer organisations in relation to wage negotiations

Country	User needs (item 4.1 in LCI Quality Reports)	Use by employers?	
		In general	For wage negotiations
Belgium	The main user of the Labour Cost Index (LCI) is Eurostat. In addition to the European institutions, other important users are the Belgian National Bank, several federal ministries, research institutions and enterprises. Concerning this latter group, we have noticed an increasing use of the LCI for updating price clauses in contracts.	Yes	Not mentioned
Bulgaria	The main users of the Labour Cost Index can be divided into two groups: <ul style="list-style-type: none"> • International users – European Central Bank to monitor development of labour costs in European Union and Eurostat in its role of intermediate user responsible for data publication and calculation of EU aggregates; • National users – mainly media, every press release of the LCI is covered by most of the main national newspapers and internet sites. Within NSI, Labour cost index figures are used by the National accounts in calculating the GDP flash estimates and from the Construction and Investment Statistics department. 	Not mentioned	Not mentioned
Czech Republic	The main and regular user of Labour Cost Index has been Eurostat. The Czech National Bank (Central Bank) has requested some results of LCI occasionally for monitoring of inflation pressures. The satisfaction of its needs and the relevance has not been expressed. A shortened time series of the labour cost indices by NACE Rev 2 section have been included to the CZSO Social and Economic Development Indicators of the Czech Republic (available on the CZSO's web pages).	Not mentioned	Not mentioned
Denmark	The users of the Danish LCI are at the moment primarily Eurostat and the European Central Bank. Since autumn 2003 Statistics Denmark also disseminate figures on the yearly LCI growth rates for the Member States and the USA every quarter, in order to place the development of Danish labour costs in an international perspective. The release of these figures still seems to face increasing national interest, especially by the Danish trade and employer organizations.	Yes	Not mentioned
Germany	Germany published the national Labour Cost Index for the first time when data were supplied for the 1st quarter 2005. In addition to the European Central Bank and the European Commission, the	Yes	Not mentioned

	<p>national users are: the German Bundesbank, several federal ministries, economic research institutes as well as enterprises and organisations representing their interests. Private enterprises and public administration make increasingly use of the Labour Cost Index for sliding-price clauses in contracts.</p>		
Estonia	<p>Main users are Eurostat and other EU institutions. Other users are Ministry of Finance; Ministry of Social Affairs; Ministry of Economic Affairs; banks; scientific institutions; foreign and local employer's associations; foreign entrepreneurs; trade unions; media and Statistical Office of Estonia itself. Above mentioned users are more interested in the average labour costs per hour worked and the average labour costs per employee. The LCI is still not very known. We have no information about user satisfaction. We don't carry out the survey on the user satisfaction on this topic.</p>	Yes	Not mentioned
Ireland	<p>The main users of the LCI are Eurostat and other EU institutions (including the European Central Bank). It is not published nationally. National users rely on the Earnings Hours and Employment Costs (EHECS) quarterly release for data on earnings, hours and labour costs. As Ireland supplies provisional data by the required deadline and is, therefore, included in the press release, access to LCI index is also available to National users via the Eurostat website.</p> <p>These national users include other government departments, the Irish Central Bank, social partners such as trade unions and employer's associations as well as the Central Statistics Office itself (in the calculation of data for National Accounts purposes, for example).</p>	Yes	Not mentioned
Spain	<p>The main users could be classified in the following groups:</p> <ul style="list-style-type: none"> • International Organisations: European Union Institutions, OECD, International Monetary Fund, International Labour Organisation, etc. • Public Organisms: different Ministries such as the Ministry of Economy, the Ministry of Employment and Social Security, etc.; the National Statistical Institute itself for several of its units, such as National Accounts; the Bank of Spain; Regional Institutions, etc. • Social Institutions such as trade unions, employers' organisations, political parties, • Research Centres and Universities • The media <p>Each of these users have different needs depending on the destination and usefulness of the information they need. Specifically, changes in labor costs per hour worked is an important indicator for analyzing the short and medium term economic developments. The Commission and the European Central Bank use the Labour Costs Index, which shows the short-term evolution of labor costs, to assess the potential inflationary pressures due to the evolution of labor in the labor market.</p>	Yes	Not mentioned
France	<p>A labour cost index has three distinct purposes: to inform the pub-</p>	Not men-	Not men-

	lic, to facilitate the adjustment of contracts to account for inflation, and to be used in economic analyses.	tioned	tioned
Croatia	There are no national users of LCI data identified. Major foreign user of data on LCI is Eurostat. Data are transmitted to Eurostat according to regulations currently in force.	Not mentioned	Not mentioned
Italy	The LCI results should provide a sound empirical foundation for decision-makers in national wage negotiations and social and economic policy, and should also establish reliable and harmonized comparisons of the evolution of labour costs among European countries. The data had not been released at national level but main users of the indicators should be the Ministry of Labour, the Ministry of Economy, trade unions (CGIL, CISL, UIL), employers' associations (Confindustria, etc.), Members of Parliament, political parties, research centres, universities and the media. All those potential users already use the national Oros per Fte similar indicators.	Yes	Yes
Cypres	<p>The users of the LCI data are divided into Internal and External Users. The most important Internal Users are the following.</p> <ul style="list-style-type: none"> • Ministries – especially the Ministry of Finance • Other Government Bodies (i.e. National Central Bank) • Enterprises • Trade Unions/Employers' Associations • Students • Mass Media • Research Institutes and Universities <p>The main external user of the Labour Cost Index is Eurostat. The Labour Cost Index is published in the annual Labour Statistics Report together with the Labour Cost per hour of work (annual). This is a publication containing mainly annual figures, which is very well known among users of labour statistics.</p>	Yes	Not mentioned
Latvia	<p>The main <u>external users</u> of the data of LCI are Eurostat, the European Central Bank, labour market research institutions as well as foreign companies.</p> <p>The main <u>national users</u> are grouped as following:</p> <ul style="list-style-type: none"> • governmental bodies: the Ministry of Finance and the Ministry of Economy, the Central Bank of Latvia • employers and employers' associations • research institutes and universities • mass media • students • commercial banks • Producer Price Indices Section of Central Statistical Bureau of Latvia 	Yes	Yes

	<p><u>Their main needs:</u></p> <p>The LCI are used for price stability monitoring. The construction companies use LCI for indexing contracts, wage agreements and competitiveness analysis.</p>		
Lithuania	<p>The main users of statistical information are State and municipal authorities and agencies, international organisations, the media, research and business communities, students, whose needs are satisfied without a breach of the confidentiality principle.</p>	Yes	Not mentioned
Luxembourg	<p>The Labour Cost Index (LCI) has a lot of features making it unique and relevant in Luxembourg:</p> <ul style="list-style-type: none"> • It is available at t+70 days after the end of each quarter, i.e. faster than any other labour cost or wage indicator in Luxembourg; • There is comparable data for other European countries; • Availability of breakdowns by activity (NACE rev2 sections): • Distinction between wages and labour costs • Long and overlapping series: 1995 to 2008 for NACE rev1 and 2000 to date for NACE rev2 <p>The main user of the LCI is EUROSTAT. The most important national user is STATEC. Indeed, the LCI is used in various publications and analyses. Other more occasional users are professional Chambers, Ministries as well as the press.</p> <p>There is no systematic and formal assessment of the users' satisfaction. Nevertheless, the small size of the national user community enables STATEC to have a direct contact with the users. As a result, STATEC can be very responsive to the users' needs. The informal feedback suggests that the users' needs are generally satisfied.</p>	Not mentioned	Not mentioned
Hungary	<ul style="list-style-type: none"> • Ministries: Policy-making, strategy of development in different fields of economy, impact of price of labour on the labour demand, labour market policy, spatial decisions, impact of burden on employment (social costs) • National Bank (etc.): Short-term and medium term forecasting, evaluation of the performance of the economy, measurement of competition • Enterprises, and employers organisations: Internal and international comparisons, benefit policy, human resource management, recruitment • Trade unions: To integrate different labour cost elements into collective agreement, informing their members on income from employment • Hungarian Academy of Science, research institutes, universities, students: Research purposes for different analysis, forecasting, methodological analysis • Media: Information based on objective data • EUROSTAT: Needs of European users, ECB, transferred by the Eurostat, international comparisons, data for investors 	Yes	Yes

	and for employees.		
Malta	<p>Main users of this data include: (1) International organisations (such as Eurostat, UNESCO, OECD, EU's Directorate General for Employment), (2) Public Entities (such as Ministries, Authorities) (3) Private entities (research organisations, unions, businesses), and (4) Research Institutes (5) Universities (6) Other policy makers</p>	Yes	Not mentioned
Netherlands	<p>The LCI is not published by Statistics Netherlands itself, but only compiled for Eurostat. It is unclear in how far the LCI results are used in the Netherlands. So far, the LCI has raised no apparent interest from the users with whom Statistics Netherlands is in touch. The LCI's, as provided by the various NSI's and published by Eurostat, are used by Statistics Netherlands for comparing the development of labour costs among different European countries.</p> <p>In the context of the National accounts (NA) Statistics Netherlands publishes hourly labour costs on an annual basis (in euro's, not as an index) and total labour costs and total hours worked on a quarterly basis. Subsidies on labour cost are not included in the calculation of these NA-labour costs.</p> <p>Some years ago Statistics Netherlands started a new statistic: the Price index of labour. The labour cost in this index relates to the total compensation of employees minus subsidies on labour cost (exactly like the LCI). These figures on total compensation of employees and the hours worked per industry originate from the National Accounts of the Netherlands (exactly like the LCI). The two main differences between the LCI and the Price index of labour are:</p> <ul style="list-style-type: none"> • The labour costs per hour worked in the LCI is only weighted by NACE, while the labour costs per hour worked in the Price index of labour are weighted by (a) 64 industries, (b) sex, (c) age, (d) level of education and (e) yes or no collective labour agreement. The Price index of labour represents the development of the real price of labour. • The Price index of labour 2006=100 is published every quarter, but relates to a moving period of four quarters. 	Not mentioned	Not mentioned
Austria	<p>The LCI is used by entrepreneurs to update employment contracts and by the Austrian Control Bank (österreichische Nationalbank) for various analyses.</p>	Yes	Yes
Poland	<p>The main users who are interested in the LCI are:</p> <ul style="list-style-type: none"> • government bodies like Ministry of Economy and Ministry of Labour and Social Policy which analyse trends mainly in wage costs index by different types of activities; • National Bank of Poland which regularly receives the LCI data for their analyses; • research institutes which examine quarterly costs index by different breakdowns; • country and foreign employers and investors who are interested in development of their employment and investment policy; 	Yes	Yes

	<ul style="list-style-type: none"> international bodies: Eurostat, European Central Bank. <p>Starting with 2004 the whole LCI is published in a monthly Statistical Bulletin in the form of cross-country tables on the basis of the Eurostat's website. It satisfies users looking for the newest labour cost data. More information about the LCI availability can be found in p. 7 of this report.</p>		
Portugal	<p>Eurostat/European Central Bank Both are the main regular users of LCI.</p> <p>Gabinete de Planeamento, Estratégia, Avaliação e Relações Internacionais (GPEARI) from the Ministry of Finance The Gabinete de Planeamento, Estratégia, Avaliação e Relações Internacionais (Planning and Study Department) from the Ministry of Finance, is a unit that assures technical and economic advice to the Ministry of Finance and the State Secretaries. It develops, in a regular basis, finance and economic short term analysis, prepares studies concerning the Portuguese economy and produces statistical information related to the financial activity of the public administration sector. It produces a monthly "short term note" disseminating foreign and national statistics. Statistics Portugal provides to this department quarterly data for: IND1 (total), IND2 (wages and salaries) and IND3 (employers' social contributions) by section.</p> <p>Bank of Portugal (Central Bank of Portugal) Among other tasks, the Bank of Portugal disseminates the "main economic indicators" for the EURO zone. Statistics Portugal provides information for IND1 (total) by section.</p> <p>Enterprises Enterprises from several sectors of activity use the LCI indicators in order to follow the effects of labour and monetary policies on labour costs, to forecast and to plan the evolution of wages and personnel costs, as well as an element for indexing the value of contracts for the provision of services.</p> <p>Internal users at Statistics Portugal Departamento de Contas Nacionais (National Accounts Department). Direcção Regional de Estatística da Madeira (DREM) and Serviço Regional de Estatística dos Açores (SREA), that is, Regional Services of Statistics of the Autonomous Regions of Portugal.</p> <p>Other external users Gabinete de Estratégia e Estudos (Office for Strategy and Studies) from Ministry of Economy. This department assures the technical support to the strategic and operational planning and the formulation of national and international policy measures of the Ministry.</p> <p>Satisfaction of the users' needs Sometimes other users (journalists) ask for long series.</p>	Yes	Yes
Romania	<p><u>At EU level:</u> The main users of the Romanian LCIs are Eurostat and European</p>	Not mentioned	Not mentioned

	<p>Central Bank.</p> <p>Since 2000, the LCIs have been regularly released to Eurostat, in non-adjusted form (NSA). Starting with the end of 2007, the LCIs are produced and regularly transmitted to Eurostat in working-day (WDA) and working-day and seasonally (SA) adjusted forms (for the entire time series).</p> <p><u>At national level:</u></p> <p>The main user of the LCIs at national level is the Romanian National Bank.</p> <p>From year 2002 onwards (with data for year 2001), the LCIs have been annually published in the Romanian Statistical Yearbook in non-adjusted form (NSA) and starting with 2008 (with data for year 2007) also in adjusted forms.</p> <p>Also, from year 2007 (with data for the 4th quarter 2005 and all quarters of 2006 as provisional data), the LCIs have been quarterly published in the Monthly Statistical Bulletin in non-adjusted form (NSA) and starting with year 2008 also in adjusted forms.</p> <p>Starting with year 2008 a quarterly press release is prepared. The LCIs are presented in all three forms: non-adjusted (NSA), working-day adjusted (WDA), working-day and seasonally adjusted (SA).</p> <p>Starting with year 2010 the LCIs are quarterly released through the INS database (TEMPO), in all three forms: non-adjusted (NSA), working-day adjusted (WDA), working-day and seasonally adjusted (SA), since 2000.</p> <p>All interested parties have access to the LCIs, either in electronic format (on the INS web-site, www.insse.ro) or on paper (as publication – press release or yearbook). In all three disseminating papers, Yearbook, Monthly Bulletin and press releases, alongside with the labour cost index a methodological notes and a short description of the data sources used are included.</p>		
Slovenia	<p>The main users of survey results on Labour Cost Index (LCI) are the Institute of Macroeconomic Analyses and Development, the Bank of Slovenia, the Ministry of Labour, Family and Social Affairs, the Ministry of Finance, the Chamber of Commerce and Industry of Slovenia, the Association of Employers of Slovenia and trade unions. Another important user is the National Accounts Sector of the Statistical Office of the Republic of Slovenia (SURS). Other users of survey results on LCI are various research institutes, domestic and foreign companies, students and the media. Data are also sent to all users of the statistical monthly wage survey Monthly Report on Paid Earnings by Legal Persons (Monthly Wage Survey).</p> <p>The most important national users are the Ministry of Labour, Family and Social Affairs, the Institute of Macroeconomic Analyses and Development and the Employers' Association of Slovenia, which also actively participated in designing the questionnaire for the Labour Costs Survey. Many national users would prefer to have quarterly data on labour costs in absolute amounts instead of indices because they think that in this way they could easier understand what is going on in the field of labour costs.</p>	Yes	Not mentioned

	Major foreign users of survey data are Eurostat, the European Central Bank, the International Monetary Fund and the International Labour Organisation. Data are sent to Eurostat in accordance with the EU Regulation, not later than 70 days after the reference period.		
Slovakia	The key user obtaining data on the labour cost index (LCI) directly from the Statistical Office of the Slovak Republic (SO SR) is Eurostat. Other users who are interested in labour costs are ministries, financial institutions, employer's associations , trade unions, research institutions and media.	Yes	Not mentioned
Finland	The quarterly publication of the index forms a general frame for discussion about domestic change of labour costs. The role of the Labour Cost Index for national use is gradually growing - the Index of Wage and Salary Earnings still being the primary data source for earnings development. The Labour Cost Index is annually released in the printed publication and quarterly on Statistics Finland's web-side Wages, Salaries and Labour Costs. The main users of the index are Eurostat and European Central Bank.	Not mentioned	Not mentioned
Sweden	<p>The main users of Labour Cost Index (LCI) are the National Mediation Office, certain institutions within the EC administration, financial analysts, Statistics Sweden and other national statistics offices. The objectives and the needs vary between different users. Some important areas where LCI is used are studies of inflation, wages and competitive advantages. Statistics Sweden has not received any calling attention that the LCI does not meet the needs of the users, apart from some demands of monthly series.</p> <p>Until 2007 irregular bonuses was not included in LCI delivered by Sweden, but from 2008 a separate annual bonus survey is conducted, which makes it possible to estimate and include irregular bonuses in LCI. Index numbers starting from the first quarter of 2008 has been updated with results from the bonus survey. From 2008 the public sector is also included in the Swedish LCI. This means that Sweden from 2009 (LCI from Q1 2008) have been able to deliver series of indices including irregular bonuses and public sector, which have not previously been possible. Until 2011 seasonally and working day adjusted series were not delivered by Sweden. In the beginning of 2012 (LCI from Q1 1999) Sweden reported LCI as seasonally and working day adjusted for NACE Rev.2 sections B-N.</p>	Not mentioned	Not mentioned
United Kingdom	The European Community, and particularly its economic, employment and monetary authorities, need to have regular and timely labour cost indices for the purpose of monitoring changes in labour costs. A timely and consistent Labour Costs Index is also of utmost importance for the European Central Bank (ECB) to monitor inflation in the European Monetary Union (EMU), and for European partners to use it in negotiating pay deals . Eurostat requests a standardised Labour Costs Index, whereby each National Statistics Institute (NSI) produces an estimate with a comprehensive numerator, defined in respect of labour costs, deflated by total hours worked. This requires NSIs to produce an estimate of the total number of hours worked in each calendar quarter for sections B to S of NACE Rev. 2 (called the 2007 Standard Industrial Classifica-	Yes	Yes

	<p>tion in the UK, or SIC 2007).</p> <p>To adhere to these user requirements exactly, a new index was developed in the UK, called the Index of Labour Costs per Hours (ILCH), to address the Eurostat regulation. The development of ILCH was undertaken in light of the results of a business survey to assess the feasibility of collecting information on labour costs and hours worked by employees. This showed that the required data would not be available and in light of Article 7 (a), (b) and (c) of Regulation (EC) 450/2003^[1] existing sources have been used to construct ILCH.</p> <p>(The Regulation states that “the benefits of collecting, at Community level, complete data on all segments of the economy should be balanced against the reporting possibilities and the response burden on small and medium-sized enterprises.”)</p>		
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