

Labour market statistics: labour cost index

2001/0166(COD) - 23/07/2001 - Legislative proposal

PURPOSE: To establish a legal basis for a Labour Cost Index (ILC). **CONTENT:** In an economic zone as large as the European Union labour costs can significantly determine inflation levels. As a result quick and effective analysis of labour costs is essential, especially for institutions such as the European Central Bank. In September 2000, the ECOFIN Council endorsed the Action Plan on Economic and Monetary Union in which statistical requirements on short-term labour costs was prioritised. In line with these Council conclusions, the Commission has prepared the following Regulation which will give legal definition to the Labour Cost Index (LCI). The proposed action will require Member States to provide quarterly data from employers on labour costs, using existing data where possible. The Regulation ensures that the amount of detailed information required will be simplified. For example, no breakdown by occupation of full-time/part-time workers will be necessary. The proposed Regulation has been drafted to be consistent with existing legislation labour costs, earnings and national accounts. Further, the methodology to be used for the index and data transmission formats will be defined in detail in the Commission regulation, together with the criteria for assessing the quality of the LCI from each Member State.