

# Labour cost structural statistics - levels

Statistics Explained

*Data extracted in March 2019.*

*Planned article update: June 2019.*

*Full update: December 2022*

This article is based on the latest vintage of the 4-yearly [Labour cost survey \(LCS\)](#) , with reference year 2016. The changes between 2008 and 2016 are highlighted in another article available here: [Labour cost structural statistics - changes](#) .

## General overview

In 2016, the mean hourly [labour cost](#) in the [European Union \(EU\)](#) was EUR 26.3 per hour worked and EUR 29.8 in the [euro area \(EA\)](#) .In the economic sector "financial and insurance activities" ( [NACE Rev.2 Section K](#)) it was 68.4 % higher than the EU average (EUR 44.3), while in the economic sector "accommodation and food service activities" ([NACE Rev. 2 Section I](#)) it was 41.1 % lower (EUR 15.5).

On average, full-time [employees](#) in the EU were paid for 37.9 hours per calendar week (i.e. all weeks of the year including e.g. holidays periods), while part-time employees were paid for 19.7 hours, slightly more than 50 % of full-timers.

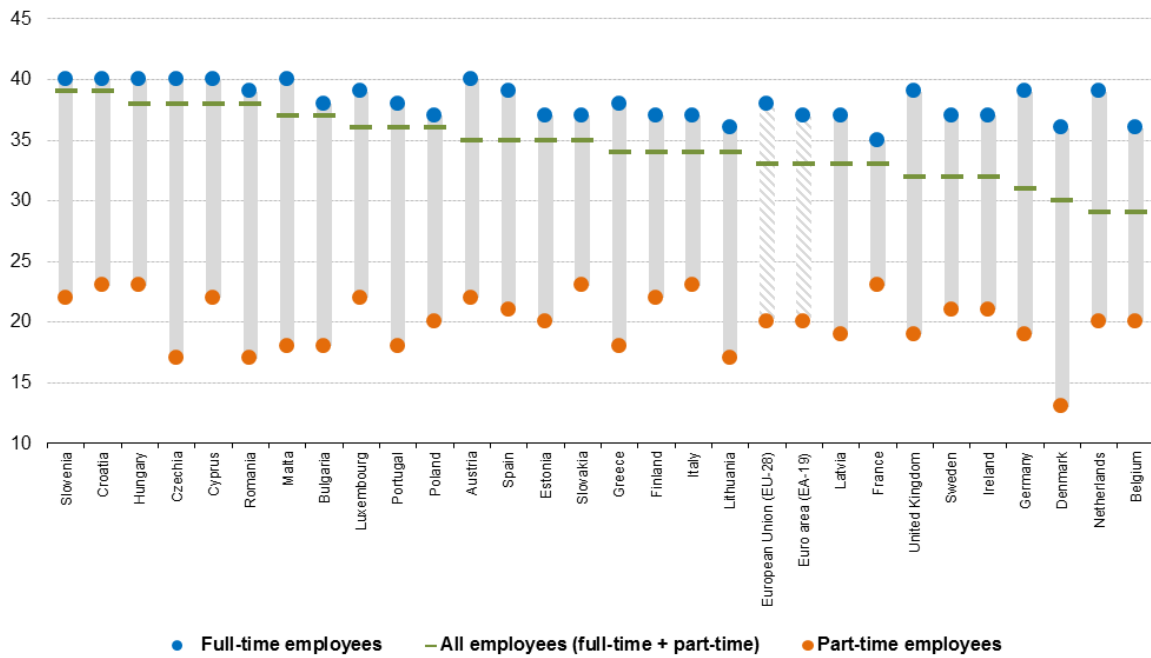
Wages and salaries, including social contributions payable by employees, represent the largest share (76.3 %) of total labour costs, followed by social contributions paid by employers (22.3 %). The remainder (1.4 %) is absorbed by vocation training costs, other expenditure and taxes less subsidies on labour.

## Weekly hours paid

In 2016, *full-time employees* were paid on average for 37.9 hours per calendar week in the EU, while part-time employees were paid for 19.7 hours (Figure 1). The highest average number of weekly hours paid for full-time employees were observed in Malta (40.3 hours), followed by Austria (39.9 hours) and Hungary (39.8 hours). The average weekly number of hours paid for full-time employees was below the EU average in 13 EU Member States, ranging between 35.1 hours paid in France and 37.6 hours in Portugal.

### Average number of weekly hours paid, in 2016, whole economy

(hours per week)

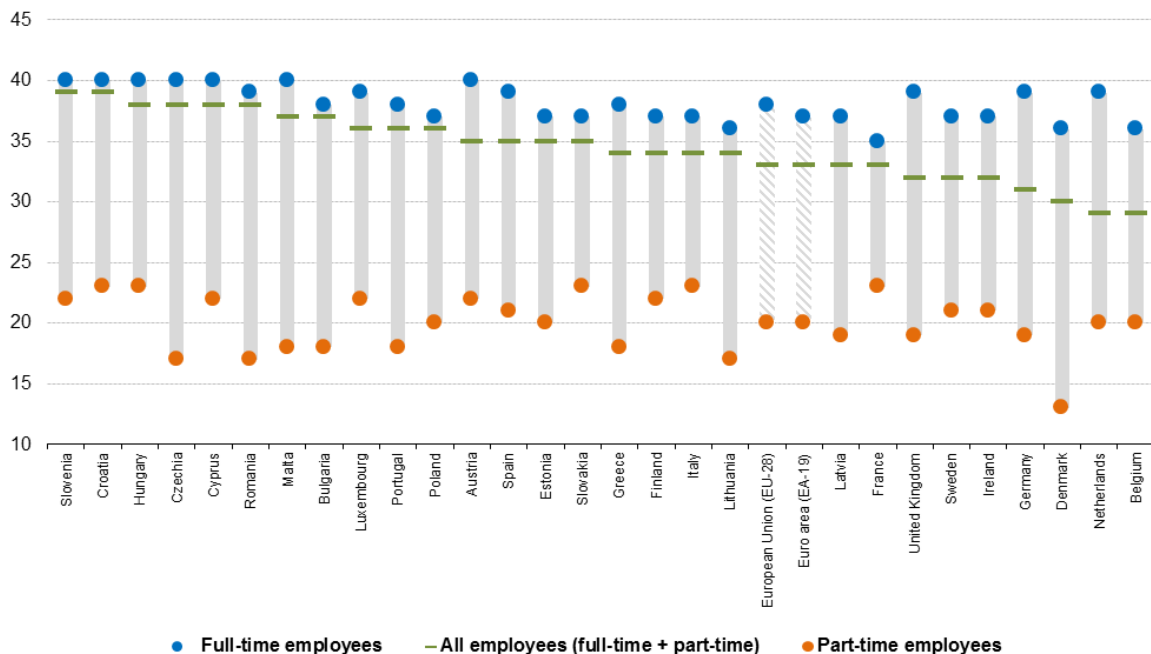


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### Average weekly number of hours paid - LCS 2016

### Average number of weekly hours paid, in 2016, whole economy

(hours per week)



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Figure 1: Average weekly number of hours paid - LCS 2016

The highest numbers of average weekly hours paid to *part-time employees* in the EU were observed in Hungary

(22.9 hours), followed by Croatia and France ( 22.7 both). The average weekly number of hours paid to part-time employees was below the EU average in 13 EU Member States, ranging between 12.9 weekly hours paid to part-time employees in Denmark and 19.5 hours in Poland.

The highest number of average weekly hours paid to *all employees*, be they working on a full-time or a part-time basis, in the EU was observed in Croatia (38.9 hours) followed by Slovenia (38.8 hours). The lowest numbers were recorded in the Netherlands (28.7 hours) and Belgium (28.9 hours). Those figures result from the combined effect of (1) the average number of hours paid to full-timers (2) to part-timers and (3) the proportion of part-time employees in the mentioned economies.

## Share of part-time employees

In 2016, 26.0 % of all employees were working part-time in the EU and 28.1 % in the euro area (Table 1). In the EU, the highest share of part-time employees was recorded in the mainly non-business economy (36.4 %) and the lowest in industry and construction (both 8.7 %).

In 2016, part-time employees represented more than one third of all employees in four Member States: the Netherlands (55.1 %), Belgium (42.2 %), Germany (36.9 %) and the United Kingdom (33.0 %). Nine countries recorded a share below 10 %: Croatia (4.3 %), Romania (5.1 %), Slovenia (5.2 %), Bulgaria (5.6 %), Cyprus (6.8 %), Portugal (7.6 %), Poland (7.7 %), Slovakia (8.3 %) and Czechia (9.3 %).

**Share of part-time employees by economic sectors in 2016**

(%)

	Whole economy (NACE Rev. 2 sections B to S excluding O)	Industry (NACE Rev. 2 sections B to E)	Business economy (NACE Rev. 2 sections B to N)	Construction (NACE Rev. 2 section F)	Services (NACE Rev. 2 sections G to N)	Mainly non-business economy* (NACE Rev. 2 sections P to S)
EU-28	26.0	8.7	22.1	8.7	29.2	36.4
EA-19	28.1	10.7	24.2	8.8	31.6	38.8
Belgium	42.2	15.0	32.7	8.0	41.3	58.8
Bulgaria	5.6	2.5	5.1	6.0	7.1	7.5
Czechia	9.3	2.7	6.3	2.4	10.3	21.1
Denmark	25.9	8.9	25.5	14.8	31.7	26.7
Germany	36.9	14.8	30.8	13.7	40.4	55.3
Estonia	13.1	3.5	8.9	6.0	12.7	25.2
Ireland	28.8	6.3	26.3	6.7	33.5	35.0
Greece	19.2	7.6	22.8	27.3	27.0	8.4
Spain	21.4	6.8	20.2	5.5	25.9	25.1
France	17.7	5.9	13.7	3.0	17.8	31.1
Croatia	4.3	0.8	2.0	1.2	2.9	11.6
Italy	19.2	7.7	20.3	7.3	29.1	16.1
Cyprus	6.8	2.1	7.0	0.9	8.5	6.0
Latvia	21.1	13.8	19.9	25.3	21.9	23.9
Lithuania	13.3	5.0	10.1	12.0	12.6	21.5
Luxembourg	18.3	4.5	15.3	3.6	19.5	37.4
Hungary	10.4	7.6	11.4	12.4	14.0	8.1
Malta	17.5	4.9	18.0	3.1	22.2	16.1
Netherlands	55.1	26.8	47.6	18.0	54.2	73.1
Austria	29.7	12.8	25.1	10.1	32.6	51.2
Poland	7.7	2.4	5.6	5.6	8.4	13.9
Portugal	7.6	0.7	7.8	1.5	12.3	7.0
Romania	5.1	2.0	4.9	8.0	6.7	5.8
Slovenia	5.2	2.7	4.5	.	6.2	7.4
Slovakia	8.3	3.2	6.8	4.1	10.0	13.4
Finland	19.6	6.9	18.7	7.1	25.4	21.3
Sweden	29.9	7.7	23.4	7.6	31.9	39.4
United Kingdom	33.0	9.4	28.0	11.1	32.8	43.9

: data not available

\* excluding NACE Rev. 2 section O

Source: Eurostat (online data code: lc\_nnum1\_r2)

eurostat 

**Table 1: Share of part-time employees by economic sectors - LCS 2016**

## Structure of labour costs

'Labour costs' are the costs borne by employees to employ labour. The components of the labour costs are: compensation of employees (D1), vocational training costs (D2), other expenditure (e.g. recruitment costs and money spent on uniforms) (D3), taxes paid by the employer on behalf of employees (D4) less subsidies (D5) received as incentives to employ labour, as shown in the diagram below.

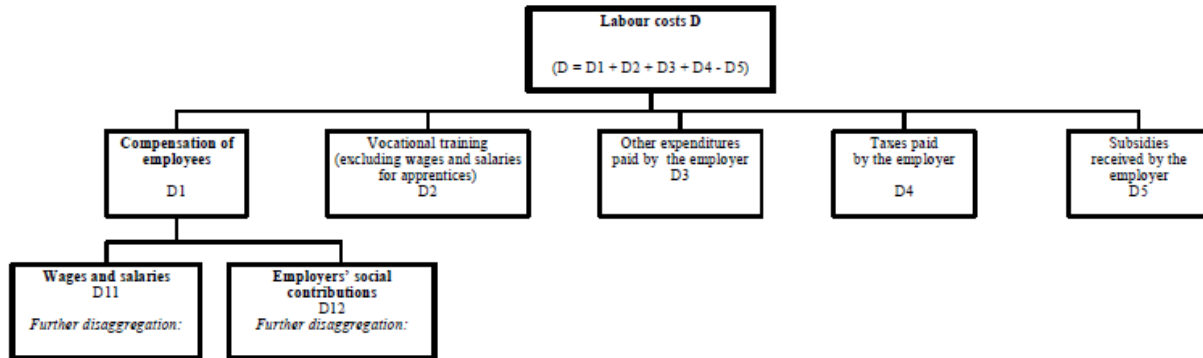
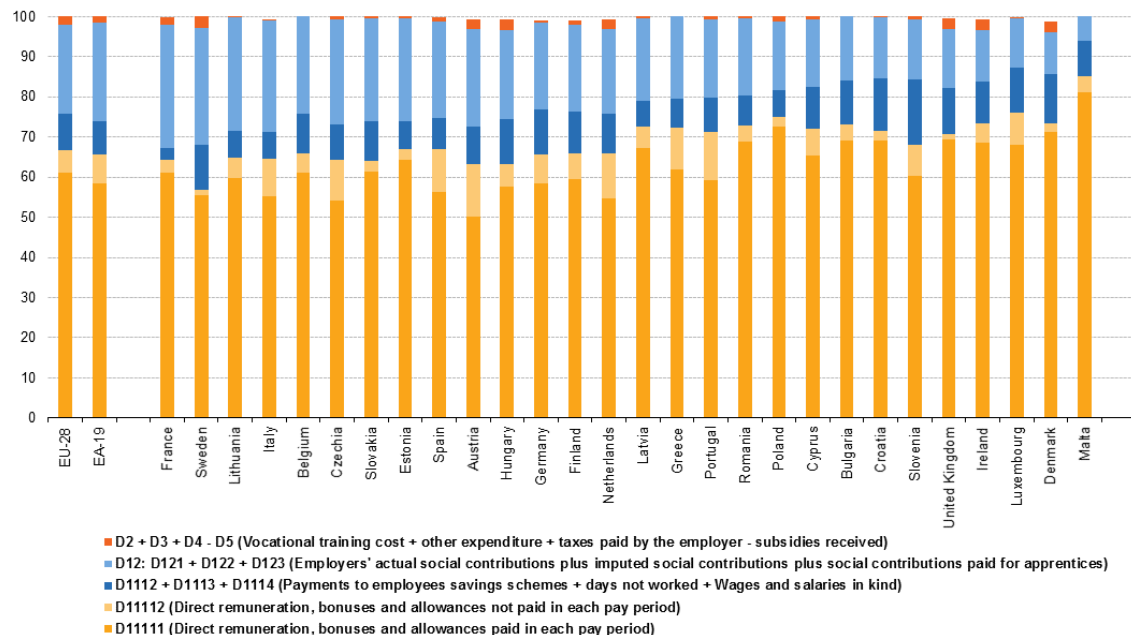


Diagram 1: Structure of labour cost

Wages and salaries, including social contributions payable by employees, represent the largest share (76.3 %) of total labour costs, followed by social contributions paid by employers (22.3 %). The remainder (1.4 %) is absorbed by vocation training costs, other expenditure and taxes less subsidies received on labour (Figure 2).

### Structure wage and non-wage costs - LCS 2016

(regular and non-regular wage costs and non-wage costs, by country)



Source: Eurostat (online data code: lc\_nstruc\_r2)

eurostat

Figure 2: Structure wage and non-wage costs - LCS 2016

The main part of labour costs corresponds to 'Compensation of employees' including (gross) wages and salaries

(D11) and employers' social contributions (D12). Wages and salaries are further split, distinguishing between direct remuneration, bonuses and allowances paid in each pay period (D11111), direct remuneration, bonuses and allowances not paid in each pay period (D11112), payments to employees' savings schemes (D1112), payments for days not worked (D1113) and wages and salaries in kind (D1114). Similarly, employers' social contributions (D12) are split into employers' actual social contributions (D121) and employers' imputed social contributions (D122) both excluding apprentices, as well as employers' social contributions for apprentices (D123).

In 2016, the average share of direct remuneration, *bonuses and allowances paid in each pay period* (D11111) was 61.0 % in the EU and 58.4 % in the euro area. The highest share was observed in Malta (81.2 %), followed by Poland (72.5 %) and Denmark (71.3 %). The lowest shares were observed in Austria (50.1 %), Czechia (54.2 %), the Netherlands (54.7 %), Italy (55.3 %) and Sweden (55.4 %).

The average share of *bonuses and allowances not paid in each pay period* (D11112), in 2016, was 5.7 % in the EU, and 7.2 % in the euro area. The highest shares, all above 10%, were recorded in 6 EU Member States: Czechia (10.2 %), Greece (10.3 %), Spain (10.7 %), the Netherlands (11.2 %), Portugal (12.1 %) and Austria (13.3 %).

For *social contributions paid by employers* (D12) at EU level, the biggest share (19.1 %) of total labour cost was for Employers' actual social contributions (D121). In eight EU Member States, they accounted for more than one quarter of the total labour cost: (25.0 %) in Estonia, (25.1 %) both in Slovakia and Italy, (25.4 %) in Czechia, France and Belgium and (27.9 %) in Sweden. The lowest shares were observed in Malta (5.4 %) and Denmark (7.8 %).

The highest share of *vocational training costs* (D2) was observed in Ireland (2.8 %) and the United Kingdom (2.5 %) followed by the Netherlands (1.1 %), France (1.4 %) and Hungary (1.4 %). In the remaining 23 EU Member States, share of vocational training costs ranged between 0.1 % in Belgium and 0.7 % in Sweden.

## Data sources

The Labour cost survey (LCS) provides details on the level and structure of labour cost data, hours worked and hours paid for employees in the European Union (EU).

Employees include all persons employed at the observation unit and with an employment contract (permanent or not), except family workers; home workers; occasional workers; persons wholly remunerated by way of fees or commission; board of Director Members; directors/managers paid by way of profit share or by fee; self-employed persons. Data do not cover apprentices except in the case of Bulgaria, Latvia, Croatia, Slovenia and Serbia where they represent a low share of the total labour force (less than 1 %).

If not otherwise stated, data refer to full-time and part-time employees working in enterprises employing 10 employees or more, in all economic sectors except: agriculture, forestry and fishing (NACE Rev. 2 Section A) and public administration and defence; compulsory social security (NACE Rev. 2 Section O). The transmission of LCS data for NACE section O is voluntary.

Hours worked are defined as the periods of time employees spent on direct and ancillary activities to produce goods and services, including normal periods of work, paid and unpaid overtime and time spent on preparation, maintaining, repairing, cleaning and writing reports associated to main work. They exclude periods of vacation and other public holidays, sick leave and other type of absence which employees are paid for. The average hours paid per calendar week are calculated as the total number of hours paid by a full time employee during the year divided by the decimal number of all weeks in that year (i.e. 52.29) including vacation/holidays and other periods (e.g. sick leave) where the employee is not available for producing goods and services. This number should not be confused with the standard number of hours worked during a working week.

## Context

Labour costs refer to the total expenditure borne by employers in order to employ staff. They cover wage and non-wage costs less subsidies. They do include vocational training costs or other expenditures such as recruitment costs, spending on working clothes, etc.

## Other articles

- [Labour cost structural statistics - changes](#)
- [Hourly labour costs](#)
- [Labour cost index - recent trends](#)
- [Labour markets at regional level](#)
- [Wages and labour costs](#)
- [Earnings statistics](#)

## Tables

- [Labour costs](#)

## Further Eurostat information

### Publications

- [Eurostat Yearbook 2012](#) , Chapter 5: Labour market

### Database

- [Labour costs](#)

### Dedicated section

- [Labour costs](#)

### Methodology

- [Labour cost surveys](#) (ESMS metadata file — lcs\_esms)
- [Labour market](#) (including [Labour Force Survey](#) , see Methodology - Labour costs)

### Legislation

- [Regulation \(EC\) No 530/1999](#) of 9 March 1999 concerning structural statistics on earnings and on labour costs
- [Regulation \(EC\) No 1737/2005](#) of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs (Text with EEA relevance)
- [Regulation Regulation \(EC\) No 698/2006](#) of 5 May 2006 implementing Council Regulation (EC) No 530/1999 as regards quality evaluation of structural statistics on labour costs and earnings (Text with EEA relevance)
- [Regulation \(EC\) No 1893/2006](#) of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (Text with EEA relevance)
- [Regulation \(EC\) No 973/2007](#) of 20 August 2007 amending certain EC Regulations on specific statistical domains implementing the statistical classification of economic activities NACE Revision 2