European Foundation for the Improvement of Living and Working Conditions

Developments in collectively agreed pay 2013

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The available national data reveal that average nominal collectively agreed pay increases in 2013 were roughly the same as or lower than those in 2012 in all the countries examined. However, because of lower inflation rates, employees in a number of countries saw the purchasing power of their wages increase again. This is a change from the post-crisis trend that had been observed since 2011 in many EU Member States. The increases in collectively agreed nominal wages for the chemical sector were lower in 2013 than in 2012. The development in the retail sector was less straightforward, with 10 countries reporting a lower wage increase in 2013 than in 2012 and another 10 countries reporting a higher or equal wage increase. From the sectors examined (civil service, retail and chemical sectors), civil service pay trends were the most negative, with the majority of countries surveyed reporting pay freezes or pay cuts in the sector.

Introduction

Collective wage bargaining is a core exercise of national social partners and according to the Treaty on the functioning of the European Union, it lies within their autonomy. Outcomes of collective bargaining are a major determinant of wage developments and they therefore influence not only the competitiveness of nations, sectors, regions and companies but also employees' income and thus aggregate consumer demand, which is in turn another determining factor of economic growth. There is a range of approaches for negotiating pay collectively throughout Europe, whereby social partners aim to arrive at a mutually agreed increase that satisfies both sides of industry. Pay can be negotiated at national, sectoral, regional or company level and these levels can be interlinked in quite sophisticated ways. This annual process is often supported by the state through setting the rules of the game, extending agreements to non-affiliated parties, setting the pace for agreements to follow, and other mechanisms.

Eurofound has reported on developments in collectively agreed pay across Europe for almost two decades. This year's annual update on pay reports on average increases of collectively agreed pay stemming from national databases, outcomes of pay indexation mechanisms, pace-setting agreements and national or cross-sectoral agreements. It explains these in relation to the national bargaining context and debate. The report also covers the outcomes of negotiations in three sectors: the chemical industry, the retail sector and the civil service. It also reports on the developments of and debates on statutory minimum wages. (Relevant research in this area includes a 2014 study on changes to wage-setting mechanisms in the context of the crisis).

While the annual report compares developments from 2012 and 2013, the interested reader is advised to consult Eurofound's web portal on collective wage bargaining for a longer time series and additional background information. The recently published report Pay in Europe in the 21st century provides further analysis of these data.

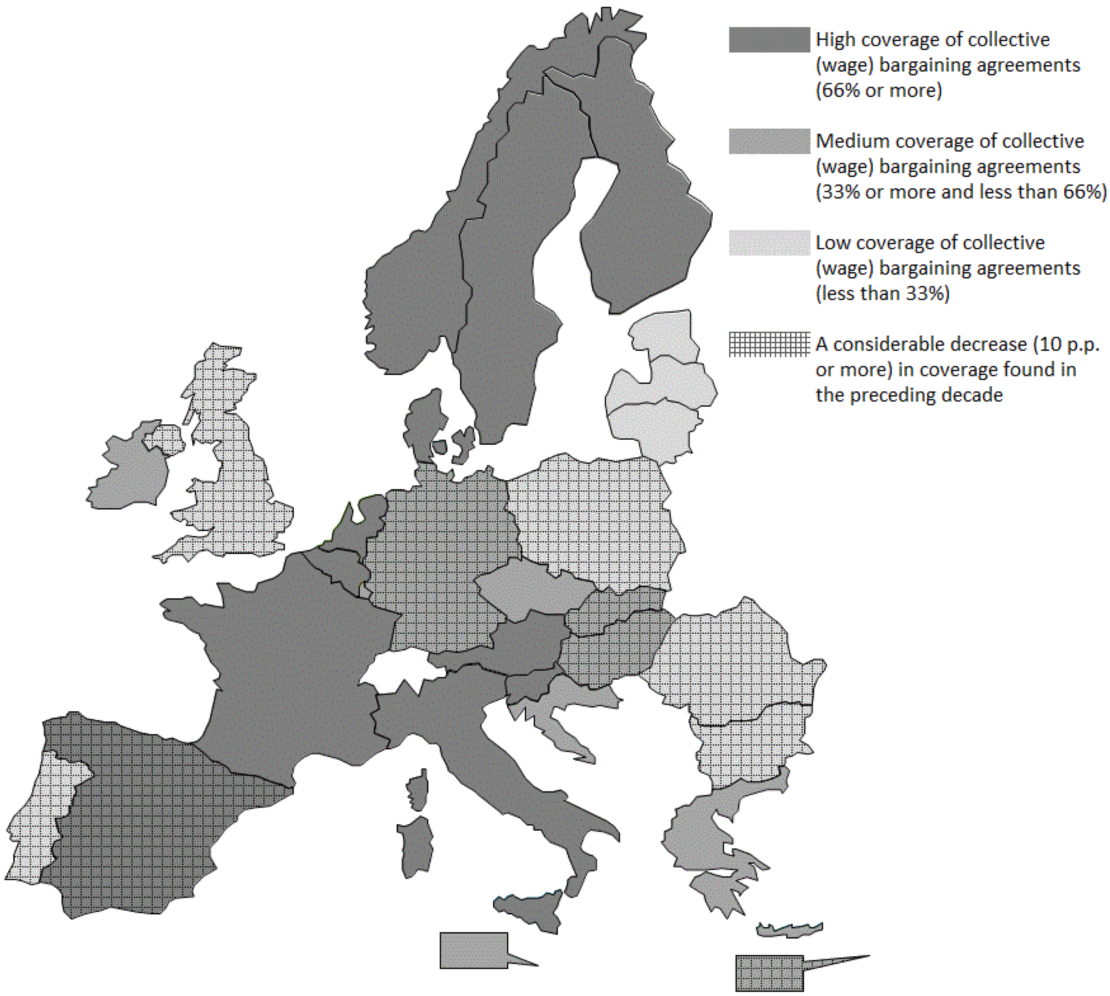
Collectively agreed pay – total economy

The importance of collective wage bargaining varies from country to country across Europe. Because of data availability issues, it is difficult to compare the coverage of collective wage bargaining between countries. This report attempts to do so using the most recent ICTWSS 4.0 data (ICTWSS, 2013), which are available for all European countries from 2007 to 2012.

Figure 1 shows that there are considerable variations between the EU countries and Norway in the coverage of employees by collective (wage) bargaining. Generally, the newer Member States that joined since 2004 have lower collective bargaining coverage than the older Member States. In the latter group, only Portugal and the United Kingdom have low bargaining coverage. Slovenia is the only newer Member State that has high coverage. The highest coverage of collective (wage) bargaining in Europe is found in Austria and Belgium where virtually all employees are covered. Furthermore, in the majority of countries coverage appears to have decreased over the past decade. In 10 countries, there has been a considerable decrease in coverage (more than 10 percentage points). No Member State experienced a considerable increase in coverage.

Finally, it is important to mention the limitations of the available data. The aim is to report the most recent information, and thus the coverage in different countries does not always relate to the same year (see Annex 2 for a full overview of the figures).

Figure 1: Coverage by collective (wage) bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining



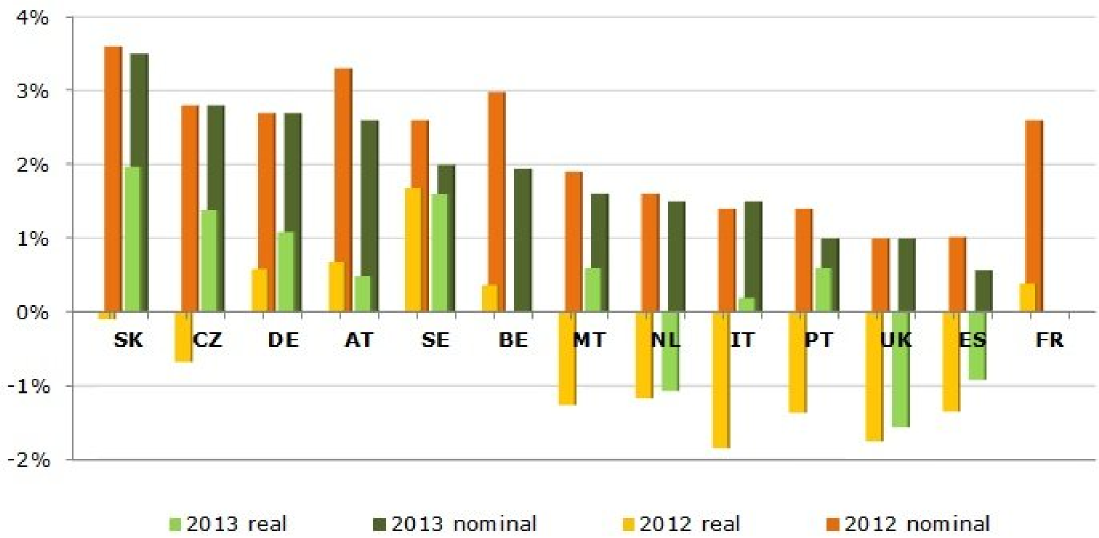
Notes: Given the data limitations, the coverage is displayed for different countries in different years (2007–2011). For more details, please refer to the table in Annex 2.

Source: ICTWSS 4.0 (2013) and EIRO national correspondents

Averages of collectively agreed pay across the economy

The available data reveal that the average nominal collectively agreed pay increases in 2013 were roughly the same as or lower than those in 2012 in all countries. However, in real terms an opposite development took place. In the majority of countries, the change in real collectively agreed pay in 2013 was more positive than in 2012. In real terms, collectively agreed pay increased the most in Slovakia (2.0%) and Sweden (1.6%) while it decreased the most in the United Kingdom (-1.6%). Figure 2 and Table 1 provide further information about these developments.

Figure 2: Average collectively agreed pay from national databases of collective agreements (%)



Notes: Austrian 2013 data and Spanish 2012 and 2013 data are preliminary. 2013 data for Portugal capture only the first six months. Annex 1 provides a full list of country codes.

Source: Various national sources, reported by EIRO national correspondents. See source description in Table 1. Inflation rate determined according to Eurostat's Harmonised Indices of Consumer Prices, real developments based on Eurofound's own calculation.

Table 1: Changes in collectively agreed nominal pay across the economy and data sources

Country	2011–2012 change	2012–2013 change
	Data and data source description	
AT	2011–2012: 3.3%	2012–2013: 2.6% (preliminary)
	Index of minimum collectively agreed wages (in German) by Statistics Austria The figures reported are average minimum wage increases. The index is based on a sample of 295 collective and work agreements at all levels (sectoral, intersectoral, single-employer and multi-employer) out of about 450 collective agreements in Austria. The companies and municipalities are sampled according to a two-dimensional stratified random sample (by sector and by employment size classes). The results are representative for 3.16 million dependent employees who are covered either by a collective agreement or by a wage regulation set by law.	
BE	2011–2012: 2.98%	2012–2013: 1.944%
	Index of Collectively Agreed Wages (FR/NL) The reported figure is a weighted average (by number of employees according to National Social Security Office (NSSO) data based on the Index of Collectively Agreed Wages). The index is derived from a register that contains all collective agreements at sector level (joint committees – around 170 in total) in the private sector. Company-level collective agreements are not included. The weighting between sectors is based on employment figures.	
CZ	2011–2012: 2.8%	2012–2013: 2.8%

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	Working Conditions Information System by Trexima Ltd. The figure is based on a regular annual survey of a sample of collective agreements. The 2013 figure is based on 1,324 agreements from the private sector (out of 4,739 company-level collective agreements in total within the Trade Union Confederation) covering 1.35 million employees (around 33% of employees in the Czech Republic). The agreements in the public sector are not included here because they do not stipulate the wage development. The total figure is not weighted.	
DE	2011–2012: 2.7%	2012–2013: 2.7%
	WSI Collective Bargaining Archive (in German) of the Institute for Economic and Social Research within the Hans Böckler Foundation The data are based on all collective agreements concluded by affiliates of the Confederation of German Trade Unions (DGB), covering more than 1,000 employees (western Germany) or 500 employees (eastern Germany) and including provisions for the given year. The duration of the agreement and one-off payments are taken into account. The figures are weighted by the number of employees (liable to social security contributions) covered by the agreement.	
ES	2011–2012: 1.02% preliminary)	2012–2013: 0.57% preliminary)
	Statistics of Collective Agreements (in Spanish) by the Ministry of Employment and Social Security All company and sectoral collective agreements are collected in the database. The collective bargaining coverage in 2012 was estimated to be 72%. The figure is weighted according to the number of employees covered by the agreement. The figure includes basic wages, cost of living allowances and other guaranteed and regularly paid allowances.	
FR	2011–2012: 2.6%	2012–2013: not available yet
	Annual collective bargaining reports (in French) published by the Office for Research and Statistics of the Ministry of Labour and Employment The figures reported refer to the agreed minimum rise in basic salaries, which also includes some bonuses (production or individual performance bonuses, and rewards in kind). Data are based on the sectoral collective agreements filed with the Ministry of Labour and Employment until the first quarter of the following year, usually covering around 95% of all sectoral agreements concluded over the respective year. Only sectoral agreements covering 5,000 employees or more are included in the calculation. The figures are weighted based on the employees covered by each agreement.	
IT	2011–2012: 1.4%	2012–2013: 1.5%
	National Institute of Statistics data on collective agreements and contractual wages (in Italian) The figure is based on a sample of 74 agreements (out of 270). The agreements included in the sample cover 12.9 million employees out of 17.2 million employees in the whole economy. Lump-sum payments are taken into account when calculating the wage increases.	
MT	September 2011–September 2012: 1.9%	September 2012–September 2013: 1.6%
	Data from the Economic Survey All agreements notified to the Department of Economic Policy by the Department of Industrial and Employment Relations are covered by the survey. Trade unions are obliged to submit all collective agreements to this department. The agreements listed in the database cover about 15% of companies in Malta. The figure is weighted according to company size and includes the wage indexation based on Cost of Living Allowance	

	(COLA).	
NL	2011–2012: 1.6%	2012–2013: 1.5%
	Report CAO-afspraken 2012 (in Dutch) (report on collective agreements) of the Ministry of Social Affairs and Employment The reported figure is based on a sample of 100 collective agreements. The sample covers 86% of all employees. The total number of agreements in the entire economy in 2013 was 674, and in 2012 it was 700. Lump sums are taken into account. The figure is weighted by the number of employees covered by the relevant collective agreements.	
PT	2011–2012: 1.4%	2012–2013: 1% (only first six months)
	Average weighted variation between wage tables **by the Ministry of Employment** The figures provided are the annualised data. For 2013, only the data for the first six months are available because the ministry stopped publishing these data in July 2013. All collective agreements (except public administration) signed under the legislation on collective bargaining are included in the register. The figures are weighted based on the number of employees.	
SE	2011–2012: 2.6%	2012–2013: 2%
	National Mediation Office data The figure is based on a sample of about 70 agreements (out of about 650 agreements in Sweden), weighted on the basis of payroll. Most agreements included in the data are at the sectoral level but agreements at the company level are included as well.	
SK	2011–2012: 3.6%	2012–2013: 3.5%
	Information System on Working Conditions issued by the Ministry of Labour, Social Affairs and Family and Trexima, s.r.o The figure is a simple average, based on a regular sample survey in companies with and without collective agreements. The sample is updated every year, which changes also the collective agreements covered. Annually, about 1,600 to 1,800 collective agreements are included. These represent 250,000 to 270,000 employees, accounting for about 35%–40% of all employees covered by collective agreements.	
UK	2011–2012: 1%	2012–2013: 1%
	Payline database maintained by the Labour Research Department These figures represent the median collectively agreed increase in the lowest basic pay rate, weighted for the number of workers covered by each agreement. The database has a convenience sample but an extensive coverage. The survey of the 2012–2013 bargaining round was based on 736 agreements covering 6.5 million workers. This indicates a coverage rate of around 90% given that about 7.3 million workers are covered by a collective pay agreement.	

Note: Annex 1 provides a full list of country codes.

Source: EIRO national correspondents

Pay indexation

Several European countries, namely Belgium, Cyprus, Luxembourg, Malta and to certain extent also Italy have systems of pay indexation. These systems aim to link wage developments to the evolution of living costs to ensure that real wages are not overtaken by inflation. They were addressed in the framework of the Country Specific Recommendations under the European Semester process. Eurofound's report Wage indexation in the European Union more closely investigates the different forms of wage indexation that can be found across Europe. More background information on the

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recent discussions on pay indexation can be found on Eurofound's web portal on collective wage bargaining.

The wage indexation system in Belgium is organised by collective agreements in the private sector, mostly at the sector level. The sectoral systems may differ in some details. Indexation also forms a part of the statutory employment regulations of civil servants. The coverage of the system is about 95%, with mostly higher-level managerial staff excluded. The wage increases are related to a price index (the so-called health index) containing a basket of consumer goods which excludes goods such as alcoholic beverages, cigarettes and car fuel. In general, two systems are applied. In the spill index system, the date of the automatic indexation is not fixed, but the wages increase when the index reaches a given value (for example 2%). This system is applied, for instance, in the public sector. In the coefficient system, the current and historical values of the index are compared. The difference between these values determines the change in wages that is adopted. There is a 'floor' to the system because the national minimum wage is also automatically indexed. The pay indexation agreed in Belgium was 2.6% in 2012 and 1.3% in 2013.

The Cost of Living Allowance (COLA) is a system of pay indexation that is used in Cyprus as a basis for pay increases. The wages of all employees covered by collective agreements are readjusted annually on 1 January on the basis of the percentage change in the consumer price index over the preceding 12 months. In March 2013, a Memorandum of Understanding (230 KB PDF) on Specific Economic Policy Conditionality provided for a total freeze of the COLA for 2013 and 2014. A newly introduced system for calculating the COLA retained most of the elements of a proposal put forward by the Ministry of Labour and Social Insurance (**CY1303029Q**). Although the ministry's proposal effectively cancels out the automatic nature of the system, indexation can still be arranged through collective bargaining. The COLA system applies at national level and covers about 220,000 employees across all sectors (about 70% of all employees). However, in practice, wage indexation covers all employees, regardless of whether they belong to a trade union. Recent COLA increases were 2.6% in 2011 and 3.0% in 2012 (1.7% on 1 January 2012 and 1.3% on 1 July 2012).

Although there is no 'proper' automatic pay indexation mechanism in Italy, the IPCA reference indicator is meant to protect the purchasing power of wages. It is based on the European Harmonised Indices of Consumer Prices (excluding imported energy) and it is calculated by the National Institute of Statistics. The IPCA for 2012 was 3% and for 2013 it was 1.8%. These figures are not set in any agreement and are only to be considered as a reference for collective bargaining actors in order to establish wage increases. The IPCA was establised by an interconfederal agreement signed on 22 January 2009 by a number of employer associations, including the Confederation of Italian Industry (the major Italian employer organisation), the government (representing the state as an employer), the Italian Confederation of Workers' Trade Unions (CISL), the Union of Italian Workers (UIL) and other unions, excluding the General Confederation of Italian Workers (CGIL).

In Luxembourg, wages and social contributions (including the social minimum wage) are adjusted in line with movements in the cost of living. When the consumer price index rises or falls by 2.5% during the previous six months, salaries are normally adjusted by the same proportion. As a measure to combat the economic crisis, in 2011 the government decided that until 2014 adjustments would take place only once a year, on 1 October. Therefore, the indexation of 2.5% took place on 1 October 2013. The indexation of wages covers all employees. There is an ongoing debate in Luxembourg on whether or not to maintain the indexation system. In a report on the essentials of competitiveness (in French, 198 KB PDF) published in July 2013, the employers claimed that the country is becoming less competitive and that it needs to abolish the indexation system to regain competitiveness. Trade unions defend the system as a guarantee for social peace in the country and issued a document (in French, 87 KB PDF) outlining their opposition to the decision to postpone the indexation of wages. Under the country's new coalition government, which took office late in 2013, the automatic indexation of wages or salaries will continue.

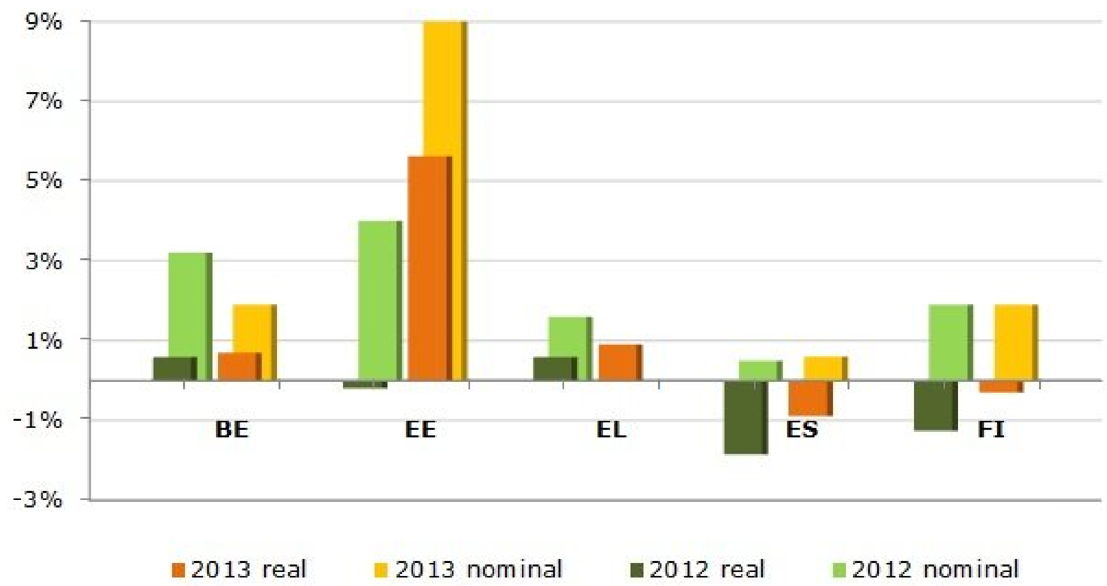
The wage indexation system in Malta is based on the average annual inflation rate as determined by the retail price index. This mechanism establishes the mandatory COLA which is granted to all employees each January through the Wage Increase National Standard Order (Subsidiary Legislation

452.65). All 152,000 employees in Malta are covered by this mechanism. The COLA is announced in the budget speech and comes into effect on 1 January of the following year. The wage increases were €4.08 for 2012 and €3.49 for 2013. Revision of the COLA has been on the social partners' agenda for a number of years. The Malta Employers' Association and the Chamber of Commerce have campaigned consistently to abolish the COLA and link wage increases to productivity. The European Commission has also advised the Maltese government to ensure a better relation between wage increases and productivity. However, the Maltese government has decided to retain the COLA, in order not to disrupt the harmony prevailing in the industrial relations field.

Central or major cross-sector agreements

Figure 3 shows the outcomes for the central or major cross-sectoral agreements in Belgium, Estonia, Finland, Greece and Spain in 2012 and 2013. The agreed wage increase in 2013 did not match the pace of growth of consumer prices in Spain and Finland, resulting in a decrease in real terms. Although there was a 0% wage increase in nominal terms in 2013 in Greece, the decrease in the consumer price index (that is, deflation) meant that the agreed pay increased by almost 1% in real terms. The fastest growth of nominal and real pay agreed in central or cross-sectoral agreements in 2013 took place in Estonia.

Figure 3: Outcomes of central or cross-sectoral agreements or recommendations (%)



Notes: The figures for Belgium capture 2.9% price indexation and 0.3% agreed wage evolution in 2012 and 1.9% price indexation and 0% agreed wage evolution in 2013. The figures reported for Spain are the maximum wage increases that should be stipulated by collective bargaining. The figures for Estonia are also the increase in the minimum wage and are often taken as a reference for further collective agreements.

Source: EIRO national correspondents, based on individual agreements

While the automatic wage indexation in **Belgium** almost always sets the minimum wage increase, the Interprofessional Agreement (IPA) imposes the maximum wage evolution above the automatic wage indexation (0.3% in 2012 and 0% in 2013). The maximum wage increase in the IPA is based on the expected wage evolution in Germany, France and the Netherlands. No IPA was signed for the period

2013–2014. If no agreement is signed, the Belgian government has the right to impose the maximum wage evolution. The maximum wage evolution should be respected by the sectoral agreements. All blue-collar and white-collar workers employed in the private sector (2,711,000 as of September 2013) are covered by the IPA.

In Estonia, the national minimum wage agreement and the national minimum wage agreement for cultural workers (which applies to specific groups of cultural employees) are often taken as a reference for further negotiations. The wage increase of the national minimum wage is not directly linked with any specific indicator and employers as well as trade unions use different economic indicators (**EE1201019I**).

In Finland, in October 2011 the social partners agreed a so-called framework agreement on pay and conditions, which expired at the end of 2013. The renewal of this agreement proved difficult, but in August 2013 the social partners concluded a long-term national centralised labour market settlement (The Pact for Employment and Growth (25 KB PDF)).

In Greece, until 2012 collective bargaining had determined the minimum wages of all employees through the National General Collective Employment Agreement (EGSSE). The last national collective employment agreement was effective from 1 August 2012 to 31 October 2013 (including extension). In 2013, no new agreement was signed. In November 2012, Law No. 4093/12 introduced important changes to the industrial relations system, restricting the applicability of the EGSSE only to workers employed by enterprises represented by employer organisations that are parties to the EGSSE. As of 1 April 2013, a new minimum wage scheme came into force. Under this scheme, employers are able to choose whether to remain in the employment organisations that have signed the EGSSE and pay their employees the salaries stipulated by the agreement, or whether they will pay the wages stipulated by the state. However, such change requires signing a new enterprise-level agreement or an agreement with individual employees. It is estimated that in 2014 in the majority of cases wages will be shaped through individual agreements and not collective agreements. The recent changes affect about 750,000 public servants and 1.5 million workers in the private sector.

In Hungary, the partners within the private sector's and the government's Permanent Consultative Forum (VKF) consulted about the wage increases and compensation system in the private sector for 2013. For the first time in 23 years, there had been a wage recommendation (in Hungarian) without detailed figures to keep the Hungarian economy competitive. All employees in the private sector (around 1.8 million employees) are covered by the non-binding recommendations of the VKF.

In Spain, the cross-sectoral agreement for employment and collective bargaining sets guidelines that social partners commit to follow at lower levels. However, these guidelines are not mandatory. Until 2010, the wage indexation mechanism followed by the social partners was based on the inflation rate forecast by the government and wage increases agreed in Spain have tended to evolve in line with the inflation rate. After 2010, the references for salary increases agreed in collective bargaining did not take into consideration the inflation rate. The national cross-sector agreements concluded by the social partners mirrored the Euro Plus Pact commitments and recommendations of the European Council from 2011. These guidelines advocated wage moderation and wage growth reflecting labour productivity.

Table 2: Signatory parties to central or major cross-sector agreements

Country	Employers	Trade unions
Belgium (Interprofessional Agreement)	FBE-VBO, UNIZO, UCM and Agrofront	CSC-ACV, FGTB-ABVV and CGSLB-ACLVB
Estonia (National minimum wage agreement)	Estonian Employers' Confederation	Estonian Trade Union Confederation
Estonia (National minimum wage agreement for cultural workers)	Ministry of Culture	Estonian Employees' Unions' Confederation

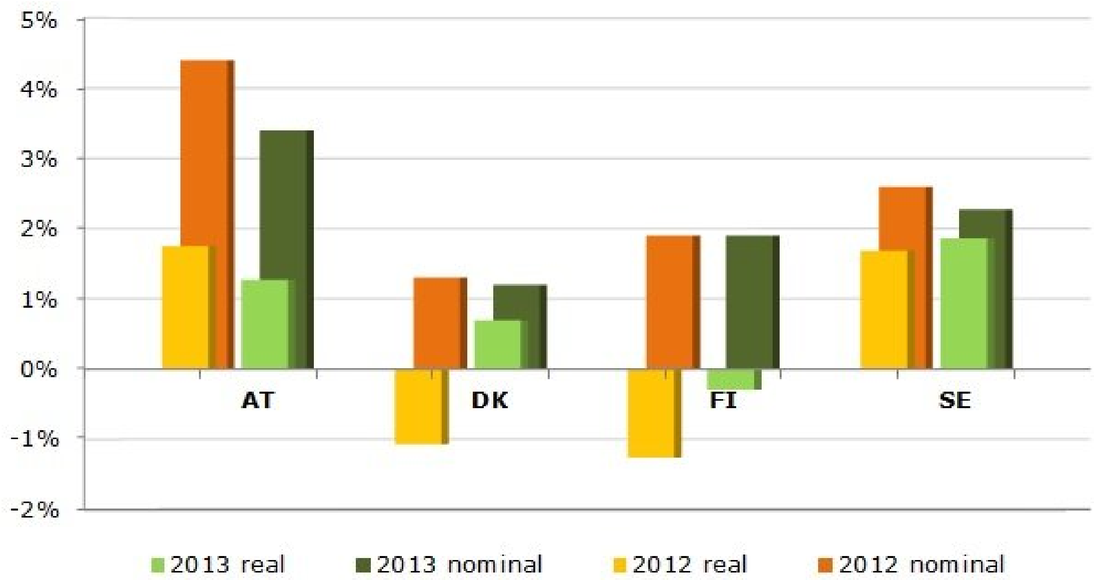
Finland (framework agreement on pay and conditions)	The Confederation of Finnish Industries (EK), KT Local government employers, State Employer's Office (VTML) and Church Employers (KiT)	The Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Professionals (STTK) and the Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA)
Greece (2012 National General Collective Labour Agreement)	National Confederation of Hellenic Commerce Unlike in the previous EGSSE, the Hellenic Federation of Enterprises did not sign this agreement	The Greek General Confederation of Labour and the Hellenic Confederation of Professionals, Craftsmen and Merchants
Hungary (National Wage Recommendation)	MGYOSZ, VOSZ, AFEOS	LIGA, MOSZ, MSZOSZ
	The government took part in the negotiations but did not sign the agreement	
Spain (The cross-sectoral agreement for employment and collective bargaining 2012–2014)	The Spanish Confederation of Employers' Organisations and the Spanish Confederation of Small and Medium-Sized Enterprises	The General Workers Confederation and the Trade Union Confederation of Workers' Commissions

Source: EIRO national correspondents

Pace-setting agreements

Pace-setting agreements were made in Austria, Denmark, Finland, Norway and Sweden. Such agreements form the basis for collective bargaining in the other parts of the economy. The highest increases in the nominal wage (in both 2012 and 2013) were reported in Austria (Figure 4). However, in real terms the Swedish pace-setting agreement set a higher pay increase in 2013. The increases agreed in the Finnish pay-setting agreements did not cover the increase in the consumer prices, resulting in a decrease in real pay. When interpreting these results, one should however keep in mind that additional increases can be agreed in the following sectoral or lower-level collective agreements.

Figure 4: Outcomes of pace-setting sectoral agreements (%)



Notes: The reported figures for Austria refer to the minimum wage increase in the lowest wage groups. Norway is not reported because of comparability issues.

Source: EIRO national correspondents, based on individual agreements

In Austria, the metalworking sector traditionally starts the annual bargaining rounds. The agreement has been considered as setting a pattern for the rest of the economy because the unionisation rate in the sector is comparatively high. The negotiated increases are not automatically adopted in other sectors and they usually mark the highest wage increases of all sectors. Following strikes in the sector in the 2011 bargaining round, six sector-related employer organisations that formerly negotiated jointly ceased to do so. Since the 2012 bargaining round they have conducted separate wage negotiations. This decentralised negotiation continued in 2013 and it is questionable if the sector can keep its pattern-setting nature. Instead of one communal set of negotiations, the negotiations are now split into six different subsectoral negotiations covering about 165,000 employees. In both years, however, the six agreements resembled each other and the wage increases agreed upon were in the same range.

In Denmark, the minimum wage increases in the Industry Agreement mainly function as a guideline for wage determination in the other sectors. In the agreement, the partners agree to a nominal increase at central level, which is then further negotiated at company level, where the actual wage is set. Eighty-five per cent of wages in the Danish private sector are covered by this system. The rest are covered by the normal wage system, where wages are only negotiated and agreed at central level. After the agreement in industry, the sectors to follow are normally transport and construction. The Industry Agreement itself covers 240,000 employees in the manufacturing industry.

In Finland, the collective agreement in the technology sector (including metalworking) traditionally serves as the pace-setting agreement. Although there have been no recent major changes to the practice, the Confederation of Finnish Industries (EK) and particularly some affiliated associations representing the export industry have expressed their dissatisfaction with the recent trend whereby the pay increases in the private services sector and in the public sector have been higher than the pay increases in industry.

In Norway, the Industry Agreement (Industrioverenskomsten), covering about 38,000 employees, mainly refers to the metal and textile industry and in 2012 it formed the basis for other agreements. These agreements either copied the general increase through sector-level bargaining or used it as a guideline taking into account also the estimated carry-over effects and wage drift in the reference sectors. Collective bargaining was organised differently in 2012 and 2013. In 2012, a major renegotiation of the two-year agreements took place while in 2013 only pay rates were renegotiated. According to 2013 report on wage formation and challenges for the economy (in Norwegian), published by the public committee appointed by the government to review the collective bargaining system, there is consensus between the major social partners on the trend-setting industry model. Pay increases are not presented for Norway due to comparability issues.

In Portugal, there is no sectoral agreement that could be identified as a pace-setter for collective wage bargaining in general. However, the public administration has increasingly influenced wage setting in general during recent years. Pay cuts in the public administration have not been mirrored directly in the private sector, but they have strongly influenced the climate of wage bargaining in the private sector.

In Sweden, the pay increase negotiated by industry, the Industrial Cooperation and Negotiation Agreement (Industriavtalet), directly covers about half a million employees and serves as a benchmark for pay increases in other sectors. The agreement is signed by the members of the Industry Council (Industrirådet), 12 employer's associations and seven trade unions (see article on collective agreements (in Swedish)). The new industry agreement (in Swedish) has been agreed from 1 April 2013 to 31 March 2016. Other agreements usually deviate by just a few tenths of a percentage. In 2013, the Transport Group, the Swedish Electricians' Union and the Union of Service and Communication Employees (SEKO) did not support the agreement because they considered the benchmark too low. By contrast, as highlighted in an online article (in Swedish), the spokesperson of the Confederation of Swedish Enterprise (SvD Näringsliv) criticised the benchmark for being set too high. The confederation ran a campaign on its website (in Swedish) emphasising the importance of all sectors following the agreement, in order to maintain competiveness in industries exposed to global competition. The Union of Metalworkers argued along the same lines. However, the Confederation of Executives and Managerial Staff (Ledarna) questioned the agreement and wage negotiations on a sectoral basis, arguing for negotiations to be more individualised (see article (in Swedish)).

Table 3: Signatory parties to pace-setting agreements

Country	Employers	Employees
Austria (until 2011)	Six subsectoral organisations of the Federal Economic Chamber of which the largest is the Association of Austrian Machinery and Metalware Industries	The Union of Salaried Employees, Graphical Workers and Journalists for white-collar workers and the Manufacturing Union representing blue-collar workers
Denmark (Industry Agreement)	Confederation of Danish Industry (DI)	The Central Organisation of Industrial Employees (CO-industri)
Finland	Federation of Finnish Technology Industries (Teknologiateollisuus ry)	Metalworkers' Union (Metalli)
Norway (Industry Agreement)	NHO/Norsk Industri	LO/Fellesforbundet
Sweden	The Swedish Industrial and Chemical Employers Association, the Swedish Forest Industries Federation, the Employer's Association of the Steel and Metal Industry, the Association of Swedish Engineering Industries and other employers' associations within the Confederation	The Forestry, Woodworking and Graphic Workers Union, the Union of Metalworkers, the Swedish Association of Graduate Engineers, etc.

	of Swedish Enterprise.	

Source: EIRO national correspondents

Table 4: Economic indicators used in the negotiation of trend-setting agreements or as a basis for lower-level negotiations

Country	Indicator
Austria	The unions apply a formula according to which wage increases should fully compensate workers for inflation and grant them half of the productivity growth. The compromise reached between the unions and the employer association(s) always lies well below that initial request. In practice, the inflation rate of the previous 12 months is taken as a starting point for negotiations. This was somewhat disputed in 2013, when the Association of Austrian Machinery and Metalware Industries initially took the current monthly inflation rate (which was below the inflation rate of the previous 12 months) as a starting point for negotiations.
Denmark	Indicators could be past and expected inflation, the state of the Danish economy, growth of labour productivity, and consideration of Danish companies' competitiveness – as well as wage and production increases in recent years.
Finland	Normally both past and predicted inflation, as well as the growth of labour productivity are the key indicators.
Sweden	The basis for the assessment is the development in Swedish industry, including economic indicators such as inflation, unemployment and growth.

Source: EIRO national correspondents

Collectively agreed pay in three sectors

This chapter considers in some detail the collectively agreed pay developments in the chemical sector, retail sector and civil service. When comparing the information on the collectively agreed wage increases between the Member States, it is important to bear in mind the data source. While the database data are supposedly representative for the whole sector, the information based on sectoral or multi-employer agreements may provide only a snapshot on the wage increases in a part of the sector that is covered by the agreement. Finally, information based on a company collective agreement provides an example of a wage increase in a single company that was selected by the EIRO correspondent.

Table 5 specifies the demarcation of the sectors used. However, this demarcation is only a general guideline because most of the data reported in this study overlap, sectionally overlap or cover just parts of the NACE code mentioned below. In this sense, their comparability across countries is limited. Within countries and over time, however, the aim is to provide a consistent mapping of outcomes of collective agreements.

Table 5: Sectoral demarcation in this study

Sector	Demarcation
Chemical	NACE code Rev. 2: 20, 21 and 22
Retail	NACE code Rev. 2: 47
Civil service	NACE code Rev. 2: 84 (but local government and

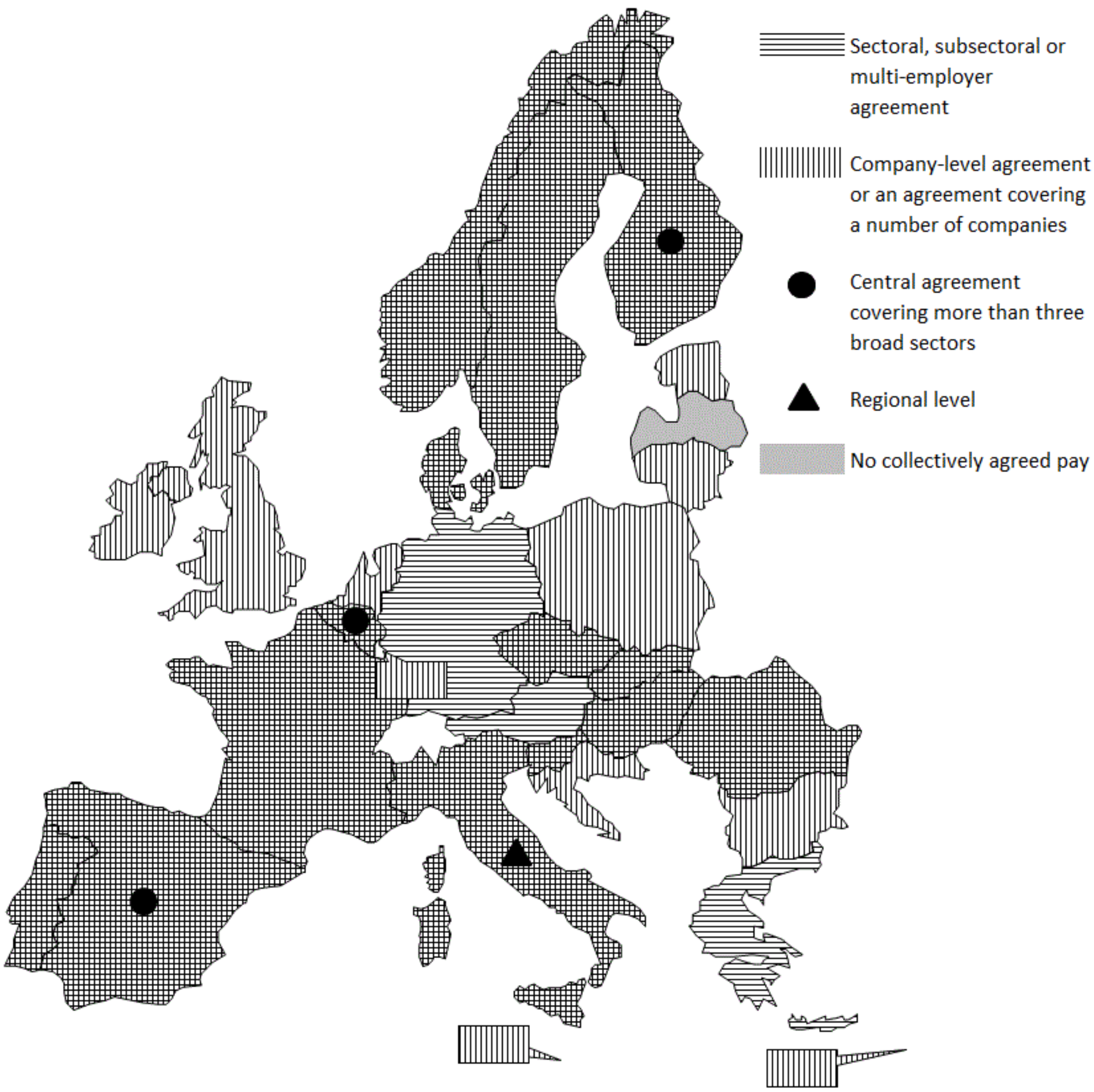
	defence are excluded)

Source: EIRO national correspondents

Collective wage bargaining in the chemical sector

Figure 5 shows the levels of collective bargaining in the chemical sector by country. It should be noted that the picture presented serves as a rough comparison only and that it is rather simplified. In 14 countries, both (sub)sectoral and company-level bargaining were reported by the correspondents. In Belgium, Finland and Spain, these two levels were supplemented by central agreements, and in Italy by regional-level bargaining. In 11 countries, only company-level bargaining was identified by the EIRO correspondents. Three countries reported only collective bargaining at sectoral, subsectoral or multi-employer level.

Figure 5: Level of collective bargaining in the chemical sector, by country, 2013

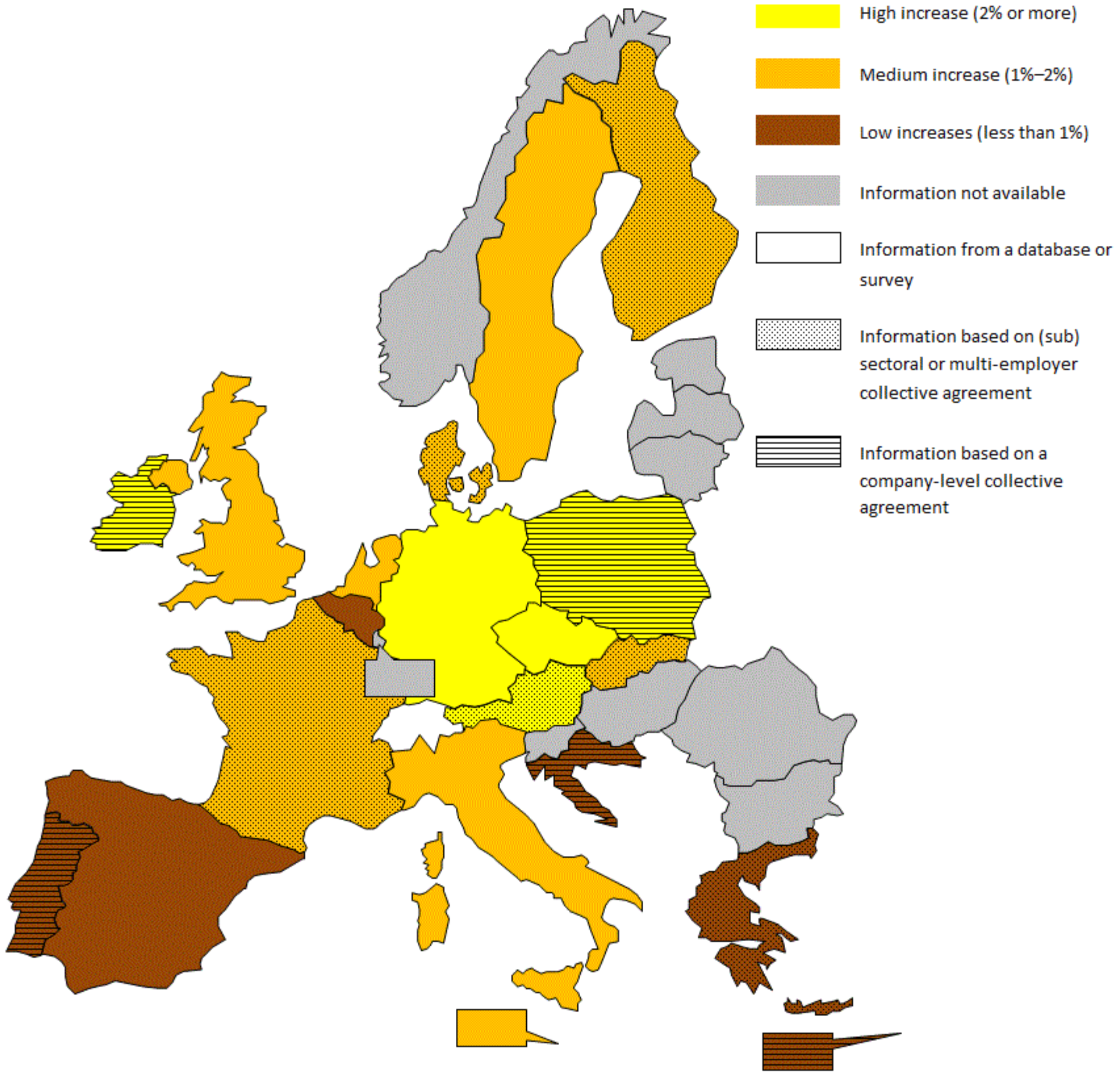


Source: EIRO national correspondents

In **Austria**, agreements in the sector are organised along the lines of large industrial enterprises versus small trade companies and along the lines of blue-collar versus white-collar employees. In **Spain**, a general multi-employer agreement exists in the chemical sector encompassing NACE Rev. 2 codes 20, 21 and 22. Concerning pay setting, the 2013 sectoral collective agreement established a multi-tier system – a minimum wage set at sectoral level for the professional group, extra pay agreed at company level and a personal extra payment. In **Hungary**, the relevance of collective agreements is high as most chemical workers in Hungary are covered by one or more collective agreements. This is an exceptional situation for the Hungarian economy.

The outcomes of the collective wage bargaining in 20 countries with available information are displayed in Figure 6 and Table 6. The data show that the wage development for the chemical sector in 2013 was lower than in 2012. While 13 countries reported a lower wage increase in 2013 than in 2012, only three Member States recorded higher wage increases. In four countries, the wage increases remained the same. In 2013, high nominal wage increases (2% or more) were reported in five countries (in two of which information was based on company-level collective agreements). This is considerably less than in 2012, when high nominal wage increases were noted in 10 countries. Nevertheless, the number of countries with a low wage increase or a pay freeze increased from three in 2012 to six in 2013 (in three of these countries, this information was based on company-level collective agreements).

Figure 6: Outcomes of collective wage bargaining in the chemical sector and the type of data source (nominal wage increases in 2012–2013)



Source: EIRO national correspondents

Table 6: Changes in collectively agreed nominal pay in the chemical sector and data sources

Country	2011–2012 change	2012–2013 change
	Data source description and other details	
AT	2011–2012: 3.15%	2012–2013: 4.5%
	Chemical industry collective agreement (one for blue-collar workers and one for white-collar workers) The figures presented capture the increase of the minimum wages in the sector. The multi-employer sectoral agreements were concluded between the Federal Association of the Austrian Chemical Industry (employers) and GPA-djp (white-collar workers) and PRO-GE (blue-collar workers) for a period of 12 months between 1 May 2012 and 30 April 2013. All industrial enterprises in the sector are affiliated to the employers' organisation. Thus, the agreement covers 270 companies with 45,000 employees (both blue-collar and white-	

	collar).	
BE	2011–2012: 2.827%	2012–2013: 0.044%
	Index of Collectively Agreed Wages (FR/NL) The reported figure is a weighted average (by number of employees according to National Social Security Office (NSSO) data based on the Index of Collectively Agreed Wages). The index is derived from a register that contains all collective agreements at sector level (joint committees, JC) in the private sector. For the chemicals sector, it concerns the agreements made in JC 116 (blue-collar workers) and JC 207 (white-collar workers). Company-level collective agreements are not included. No weighting is done within a sector.	
CY	2011–2012: 0%	2012–2013: 0%
	Collective agreement between Pattichis/Remedica Ltd and the trade unions OVIEK-SEK and SEVETTYK-PEO The signatory parties of the agreement are Pattichis/Remedica Ltd and the trade unions OVIEK-SEK and SEVETTYK-PEO. The agreement was valid between 1 January 2011 and 31 December 2013 and covered 550 employees.	
CZ	2011–2012: 2.7%	2012–2013: 2.9%
	Working Conditions Information System by Trexima Ltd. The figure is based on a regular annual survey of a sample of collective agreements. The 2013 figure is based on 38 collective agreements covering 27,000 employees (within the trade union ECHO). The total figure is not weighted and lump-sum payments are not taken into account.	
DE	2011–2012: 2.9%	2012–2013: 2.5%
	WSI Collective Bargaining Archive (in German) of the Institute for Economic and Social Research within the Hans Böckler Foundation The data are based on all collective agreements concluded by affiliates of the German Confederation of Trade Unions (DGB), covering more than 1,000 employees (western Germany) or 500 employees (eastern Germany) and including provisions for the given year. The duration of the agreement and one-off payments are taken into account. The figures are weighted by the number of employees (liable to social security contributions) covered by the agreement.	
DK	2011–2012: 1.3%	2012–2013: 1.2%
	Industry Agreement between the Central Organisation for Industrial Employees (CO-industri) and the Confederation of Danish Industry (DI) The agreement is valid from 1 April 2014 for a period of 24 months and covers all activities within the manufacturing industry. The agreement covers about 240,000 employees, of which about 9,000 are in NACE 20. Around half of the 850 companies in NACE 20 are members of the DI and are thus covered by the agreement.	
EL	2011–2012: 1.6%	2012–2013: 0%
	Collective agreements at sectoral, company and national or local occupational level (SSE) of 26 November 2010 on the pay and working terms of the chemical industry blue-collar workers across the country The agreement covers about 28,000 employees and is one of nine agreements concluded by the Federation of Chemical Industry Workers of Greece with the Hellenic Federation of Enterprises (SEV) in 2010. The agreement expired in 2012 and no further agreement was signed. From August 2012, no increases took place pursuant to Law 4046-14/02/2012 and	

	the Cabinet Act no. 6 of 28 February 2012.	
ES	2011–2012: 0.7%	2012–2013: 0.08%
	Labour Statistics Bulletin (in Spanish) by the Ministry of Labour The reported figures are the averages of agreed pay increases in the sector (NACE Rev. 2 codes 20, 21 and 22) weighted by number of employees. All collective agreements are collected in the register. The figure includes basic wages, cost of living allowances and other guaranteed and regularly paid allowances. The reported number of employees covered by the collective agreements varies between 203,000 and 288,000 depending on the source consulted.	
FI	2011–2012: 2.5%	2012–2013: 1.9%
	Collective agreement for workers in rubber industries The agreement between the Chemical Industry Federation of Finland and Industrial Union TEAM was valid from 1 February 2012 to 28 February 2014. It has been extended to non-affiliated companies and covers in total about 4,400 employees in 55 companies.	
FR	2011–2012: 1.7%	2012–2013: 1.6%
	National collective agreement for the chemical industry and its auxiliaries The agreement has been extended and applies to all companies in the sector (229,600 employees as of 31 December 2009). The pay increase for 2013 consisted of a general increase of 1.3% and an increment of 0.6% to be negotiated at company level.	
HR	2011–2012: 0%	2012–2013: 0%
	Company-level collective agreement for Petrokemija d.d. Kutina The agreement was signed by the management of the company and the company trade union (with the aid of the Autonomous Trade Union in Power Industry, Chemistry and Non-Metal Industry Croatia). It is valid from 1 July 2011 for an indefinite period and covers 280 employees in the company.	
IE	2011–2012: 2%	2012–2013: n.a.
	Agreement between Prizer Ringaskiddy and SIPTU and TEEU A company-level agreement covering 500 employees, valid for 24 months from 1 January 2011 to 31 December 2012.	
IT	2011–2012: 3.3%	2012–2013: 1.8%
	National Institute of Statistics data on collective agreements and contractual wages (in Italian) The figure is based on a panel of national sectoral agreements. The whole sample covers 12.9 million out of 17.2 million employees in the whole economy. A total of 204,000 employees are covered in the chemical sector and 331,000 employees in the manufacture of rubber and plastic products. The reported figure is weighted by the employment structure. Lump-sum payments are taken into account when calculating the wage increases.	
MT	September 2011–September 2012: 1.9%	September 2012–September 2013: 1.7%
	Data from the Economic Survey All agreements notified to the Department of Economic Policy by the Department of Industrial and Employment Relations are covered by the survey. The estimates and other statistics which appear in this survey are provisional and may be subject to revision. The survey has a total sample of 192 companies employing 25,981 employees. The reported	

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	figure is weighted according to company size. Definite contracts of employment are not considered and the employment benefits over and above the basic wage are excluded.	
NL	2011–2012: 1.7%	2012–2013: 1.2%
	Statline (in Dutch) of Statistics Netherlands Statline includes a complete register of agreements in the chemical sector which is updated every year. The reported figure is weighted according to the number of employees. Lump sums are taken into account.	
PL	2011–2012: 3.8%	2012–2013: 4.0%
	Agreement for employees of Polpharma Starogard Gdański A company-level agreement between the management board of Polpharma Starogard Gdański and NSZZ Solidarność covers about 1,500 employees in the pharmaceutical plant, which amounts to about 7.3% of all employees in the pharmaceuticals, medicinal chemicals and botanical products sector.	
PT	2011–2012: 1.3%	2012–2013: 0.26%
	Company-level agreement between REPSOL Polímeros and trade unions led by the Federation of Unions in Industry and Services The agreement was signed on 1 January 2013 for a period of 12 months. There was no agreement in 2013. The agreement covers 445 employees. Workers with less than 12 years of schooling or who have completed a corresponding vocational educational and training (VET) course are not covered.	
SE	2011–2012: 3.4%	2012–2013: 1.9%
	National Mediation Office data The wage growth figures are based on all 15 agreements in the chemical sector (out of about 650 collective wage agreements in Sweden). Lump-sum payments are not taken into account when calculating the wage growth.	
SK	2011–2012: 1.5% for one group of companies (a larger group in terms of employment) and 0.5% for another group	2012–2013: 1.5% for one group of companies (a larger group in terms of employment) and 1% for another group
	Multi-employer agreement for 2012–2014 and its Annex for 2012–2014 An agreement signed for 36 months by the Energy-Chemical Trade Union Association, the Association of Managerial Employees in the Chemical and Pharmaceutical Industry of Slovakia and the Association of Chemical and Pharmaceutical Industry of Slovakia. It covers about 10,000 employees in 15 companies, setting different wage increases for two groups of companies listed in the agreement.	
UK	2011–2012: 3%	2012–2013: 1.75%
	Payline database maintained by the Labour Research Department (LRD) These figures represent the median collectively agreed increase in the lowest basic pay rate, weighted for the number of workers covered by each agreement. The survey of the 2012–2013 bargaining round included 32 agreements in the sector covering 37,000 workers. With regard to manufacturing (chemical, mineral and metals), all agreements covered by the database are single-employer, company agreements. There are no extension provisions.	

Source: EIRO national correspondents

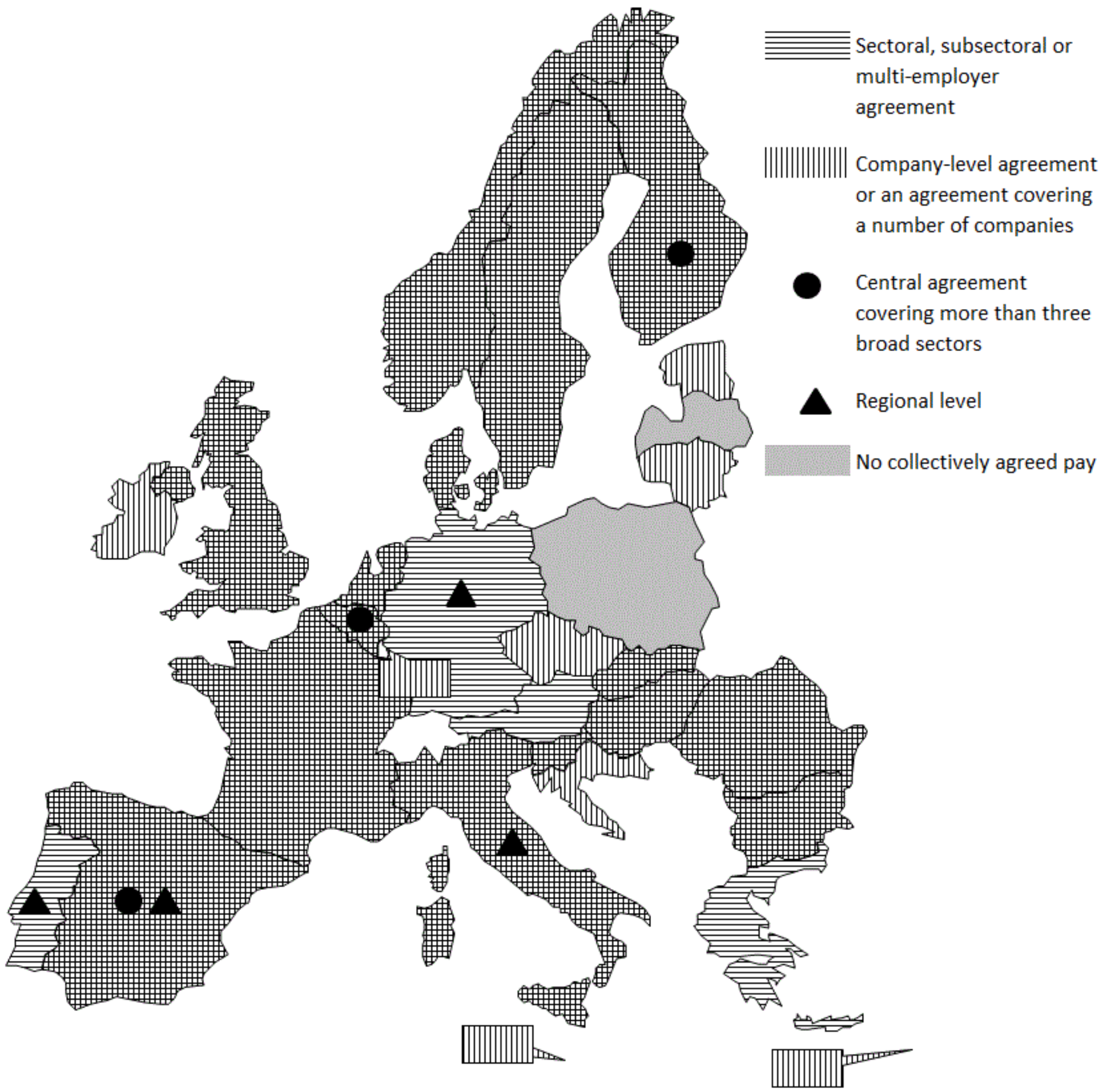
No (comparable) information was available for **Bulgaria, Estonia, Hungary, Lithuania, Luxembourg, Norway** and **Romania**. In **Latvia**, there are no collective pay agreements in the chemical sector. In **Slovenia**, the sectoral Collective Agreement for Chemical and Rubber Industry of Slovenia, which covered about 19,500 employees, was cancelled in 2013 due to changes in legislation and in the market situation. Both employers and trade unions indicated their intention to conclude a new collective agreement. In **Portugal**, there has been no sectoral collectively agreed wage increase in the chemical industries since 2010. Similarly, no collective agreements were bargained and registered at sectoral or 'group of units' level in **Romania**.

In addition to the company agreement reported in Table 6, three out of the five most important company-level collective agreements in **Cyprus** (**CY1402039Q)** provided for a decrease in the Provident Fund (which provides for lump-sum benefits and is mostly financed by contributions from employers and employees) between 4% and 5% and for a decrease in the 13th and/or 14th month payments of between 1.8% and 1.4%. In **Ireland**, the Services, Industrial, Professional and Technical Union (SIPTU) estimates that around three-quarters of its members in the chemicals and pharmaceuticals sector received a pay increase between 2010 and 2013. SIPTU's target figure for annual pay increases was 2% per annum, using German pay settlements in the chemicals sector as one of the influencing factors.

Collective wage bargaining in the retail sector

Figure 7 displays the level of collective bargaining in the retail sector as reported by the EIRO correspondents. In a similar way to the chemical sector, most countries (15) reported that collective bargaining in the sector takes places both at (sub)sectoral and company level. In Belgium and Finland, these two levels are supplemented by central agreements, in Italy and Portugal by bargaining at regional level, and in Spain by central agreement and regional-level bargaining. Eight countries reported only company-level collective bargaining. In **Croatia**, social partners would like to have a collective agreement that would apply to the whole sector, but negotiations are still in progress. Four countries reported (sub)sectoral-level bargaining in absence of company-level bargaining. In two of these countries, Germany and Portugal, the (sub)sector level of bargaining was accompanied by the regional level. In **Germany,** wage bargaining takes place at sectoral level in various bargaining regions whereby a settlement reached in one region usually serves as a pilot for settlements in the other regions. In **Poland** and **Latvia**, no collectively agreed pay could be identified in the retail sector.

Figure 7: Level of collective bargaining in the retail sector, by country, 2013

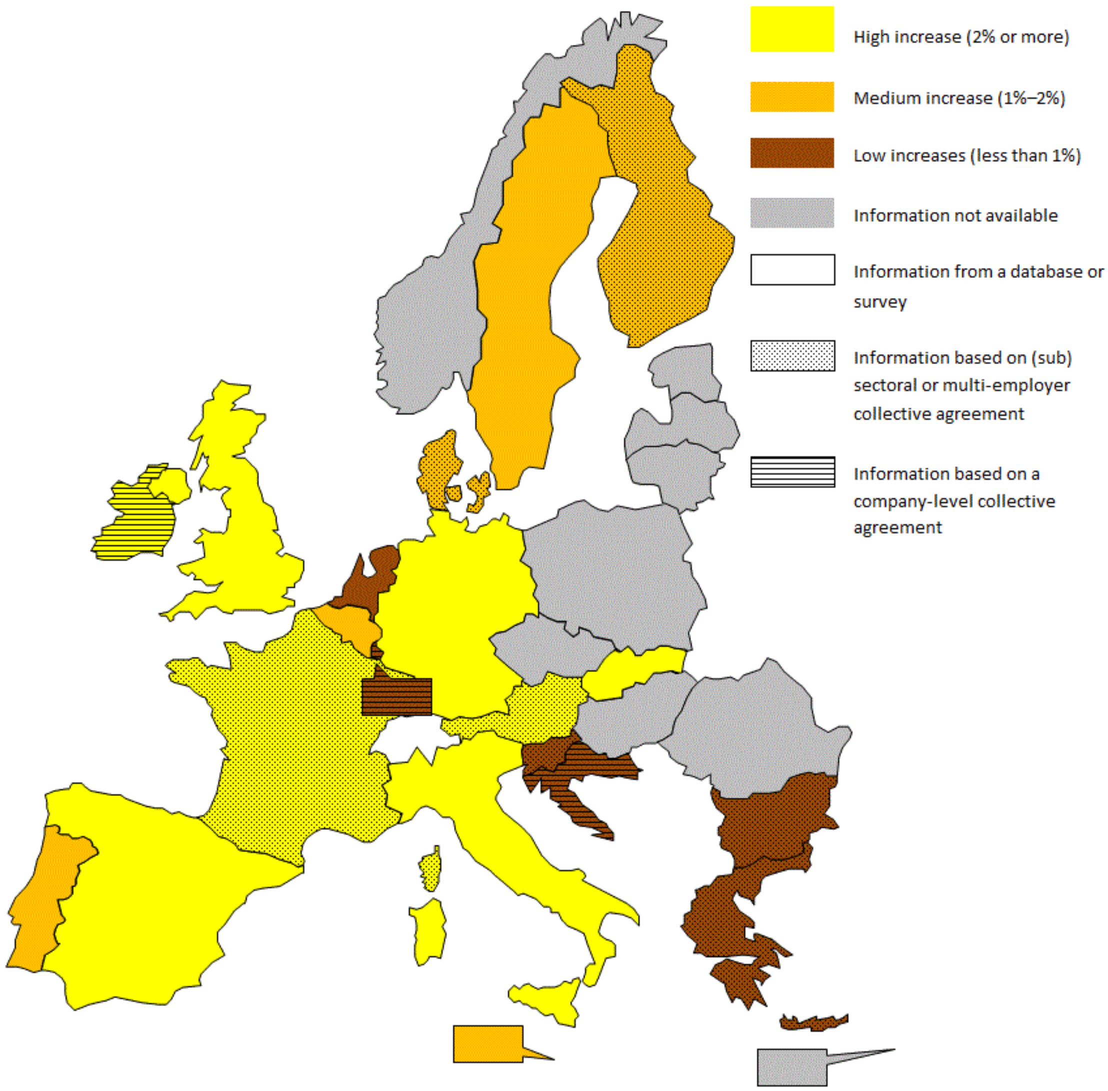


Source: EIRO national correspondents

A number of countries reported problems regarding collective bargaining in the retail sector. In **Bulgaria**, there have been difficulties in the past two years in the negotiation process to increase the salaries of employees in retail. The reason was the uncertainty about the current and future economic situation and the ability of companies to raise wages. In **Greece**, after difficulties concluding the agreement on time, the social partners agreed and signed on 21 December 2013 a new atypical accord and they will continue the collective bargaining until an agreement is reached. There appear to be no collective agreements in the retail sector in **Poland** partly because the unionisation rate in the retail and services sector is low (3% according to a report from CBOS (in Polish)). In addition, the economic crisis has had an adverse influence on social dialogue at the company level. In **Croatia**, the collective agreement for retail was terminated on 16 July 2013. In **Portugal**, there have been very few collective agreements published, covering 18,000 employees (in 2012) in a sector that employs about 374,000.

Information on the outcomes of the collective wage bargaining is available in 20 countries in 2013, as shown in Figure 8 and Table 7. The development between 2012 and 2013 in the retail sector was less straightforward than in the case of the chemical sector. Ten countries reported a lower wage increase in 2013 than in 2012, while a higher wage increase was recorded in six Member States. In four countries, the wage increases remained the same. In 2013, nominal wage increases of 2% or more were recorded in eight countries (in one of these countries, this information was based on company-level collective agreements). In 2012, an increase of 2% or more was noted in 10 countries, including the Czech Republic, for which no information is available in 2013. The number of countries with a low wage increase or a pay freeze rose from four in 2012 to six in 2013 (in two of these countries, this information was based on company-level collective agreements).

Figure 8: Outcomes of collective wage bargaining in the retail sector and type of data source (nominal wage increases in 2012–2013)



Note: Data for Portugal are only for the first six months; data for Spain are provisional.

Source: EIRO national correspondents

Table 7: Changes in the collectively agreed nominal pay in the retail sector and the sources of the data

Country	2011–2012 change	2012–2013 change
	Data source description and other details	
AT	2011–2012: 3.85%	2012–2013: 2.98%
	Collective agreement – Commerce The figures presented capture the rises in minimum wages in the sector. The multi-employer sectoral agreement between the commerce section of the Federal Economic Chamber (representing employers) and GPA-djp (white-collar workers) and vida (blue-collar workers) was valid for 12 months between 1 January and 31 December 2013. All employers in the sector are affiliated to the employers' organisation. Thus, the agreement covers 75,000 companies (with the exception of tobacco shops) with 120,000 blue-collar and 500,000 white-collar employees.	
BE	2011–2012: 3.124%	2012–2013: 1.952%
	Index of Collectively Agreed Wages (FR/NL) The reported figure is a weighted average (by number of employees according to data from the National Social Security Office (NSSO) based on the Index of Collectively Agreed Wages). The index is derived from a register that contains all collective agreements at sector level (joint committees, JC) in the private sector. For the retail sector, it concerns the agreements made in JC 119 (blue-collar workers in the food retail sector), JC 127 (blue-collar workers in the fuel trade), JC 201 (self-employed general retail), JC 202 (self-employed food retail), JC 311 (large retail), JC 312 (department stores) and JC 313 (pharmacies). Company-level collective agreements are not included. No weighting is done within a sector.	
BG	2011–2012: 0%	2012–2013: 0%
	Collective agreement for municipal, cooperative and private firms and companies and other organisations in the economic activity 'Trade' The agreement was signed by the Association of Traders in Bulgaria, CITUB (National Trade Union Federation of trade, cooperation, tourism, credit and public services) and CL Podkrepa (National Trade Union Federation of trade, services, control and tourism) for 24 months between 1 January 2013 and 31 December 2014. The agreement was extended to all employees (3,000) in the activity Trade, covering 150 companies.	
CZ	2011–2012: 2.1%	2012–2013: not available
	Working Conditions Information System by Trexima Ltd. The reported wage increase is based on a regular annual survey of a sample of collective agreements. The 2013 figure is based on 65 collective agreements covering 75,000 employees (within the Czech-Moravian Confederation of Trade Unions, ČMKOS). The total figure is not weighted and lump-sum payments are not taken into account.	
DE	2011–2012: 2.7%	2012–2013: 2.1%
	WSI Collective Bargaining Archive (in German) of the Institute for Economic and Social Research within the Hans Böckler Foundation The data are based on all collective agreements concluded by affiliates of the Confederation of German Trade Unions (DGB), covering more than 1,000 employees (western Germany) or 500 employees (eastern Germany) and including provisions for the given year. The duration of the agreement and one-off payments are taken into account. The figures are weighted by the number of employees (liable to social security contributions) covered by the agreement.	

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DK	2011–2012: 1.16%	2012–2013: 1.18%
	Retail agreement between the Union of Commercial and Clerical Workers in Denmark (HK) and the Danish Chamber of Commerce (Dansk Erhverv) The agreement is valid from 1 April 2012 for a period of 24 months and covers commercial workers within the retail sector only (about 10,000 companies with approximately 85,000 employees).	
EL	2011–2012: -6.7%	2012–2013: 0%
	Sectoral SSE on remuneration and employment terms of workers employed by commercial enterprises throughout Greece The agreement was valid for 12 months between 1 August 2012 and 31 July 2013 and the terms were extended until a new agreement is reached. At the end of 2013, no new agreement was signed. It potentially covers all 374,000 salaried workers who are employed in the sector.	
ES	2011–2012: 1.09% (preliminary)	2012–2013: 2.54% (preliminary)
	Labour Statistics Bulletin (in Spanish) by Ministry of Labour All collective agreements are collected in the register. The figure is weighted by the number of employees covered by the agreement. The figure includes basic wages, cost of living allowances and other guaranteed and regularly paid allowances. The reported number of employees covered by the collective agreements varies by source between 782,000 and 1,234,000.	
FI	2011–2012: 2.4%	2012–2013: 1.9% (+ lump sum of €150)
	Collective agreement for workers in the commerce sector The agreement between the Federation of Finnish Commerce and Service Union United was valid from 1 April 2012 to 30 April 2014. It has been extended to non-affiliated companies and covers in total about 166,000 employees in 30,000 companies.	
FR	2011–2012: 0% (no agreement)	2012–2013: 4.8% (lower pay grades) and 4.1% (higher pay grades)
	National collective agreement for the food retailing and wholesaling sector The agreement has been extended and applies to all companies in the sector (649,500 employees as of 31 December 2009). Senior managers are excluded from the agreement.	
HR	2011–2012: 0%	2012–2013: 0%
	Company-level collective agreement for Konzum d.d. Zagreb The agreement was signed by the management of Konzum d.d. and the Commercial trade union of Croatia and the Trade union of Belje workers. It is valid for 60 months from 1 August 2012 and it covers 11,437 employees in the company (excluding managers).	
IE	2011–2012: 0%	2012–2013: 2%
	Agreement between Tesco and Mandate and SIPTU trade unions A company-level agreement covering 14,000 employees, valid for 12 months between 1 January 2013 and 31 December 2013.	
IT	2011–2012: 2.1%	2012–2013: 2.1%
	National Institute of Statistics data on collective agreements and contractual wages (in Italian) The figure is based on a panel of national sectoral agreements. The whole sample covers 12.9 million out of 17.2 million employees in the whole economy. In the retail sector, 1.95 million employees are covered. The reported figure is weighted by the employment	

	structure. Lump-sum payments are taken into account when calculating the wage increases.	
LU	2011–2012: 1.1%	2012–2013: 0.5%
	Company-level agreement (in French) between Groupe Cactus and the unions OGBL and LCGB The agreement is valid from 1 January 2013 for 30 months and covers 3,960 employees in the company. It provides for a monthly wage increase of €14 with effect from 1 March 2013, which results in an average increase of about 0.5%.	
MT	2011–2012: 2.1%	2012–2013: 1.6%
	Data from the Economic Survey The data include wholesale and retail sectors. All agreements notified to the Department of Economic Policy by the Department of Industrial and Employment Relations are covered by the survey. The survey has a total sample of 192 companies employing 25,981 employees. The reported figure is weighted according to company size. Definite contracts of employment are not considered and the employment benefits over and above the basic wage are excluded.	
NL	2011–2012: 1.6%	2012–2013: 0.9%
	Statline (in Dutch) of Statistics Netherlands Statline includes a complete register of agreements in the retail sector which is updated every year. The reported figure is weighted according to the number of employees. Lump sums are taken into account.	
PT	2011–2012: 1%	2012–2013: 1.1% (only first six months)
	Average weighted intertable variation **by the Ministry of Employment** The figures provided are the annualised data. For 2013, only the data for the first six months are available because the ministry stopped publishing these data in July 2013. All collective agreements signed under the legislation on collective bargaining are included. The figures are weighted based on number of employees.	
SE	2011–2012: 2.6%	2012–2013: 1.9%
	National Mediation Office data Wage growth figures are based on all 40 collective agreements within the retail sector (out of about 650 collective wage agreements in Sweden). Lump-sum payments are not taken into account when calculating the wage growth.	
SI	2011–2012: 2.56%	2012–2013: 0.99%
	Collective agreement for the commerce sector The figures provided are the annualised data. This sectoral collective agreement is extended to non-affiliated companies and covers about 54,900 employees. A pay increase of 2.1% took effect in May 2011 and one of 1.7% in June 2013.	
SK	2011–2012: 3.6%	2012–2013: 3%
	Information System on Working Conditions issued by the Ministry of Labour, Social Affairs and Family and Trexima, s.r.o The figure is a simple average, based on a regular sample survey in companies with and without collective agreements. The sample is updated every year, which changes also the	

	collective agreements covered (usually between 54 and 68 collective agreements in wholesale and retail).	
UK	2011–2012: 2%	2012–2013: 2%
	Payline database maintained by the Labour Research Department (**LRD**) These figures represent the median collectively agreed increase in the lowest basic pay rate, weighted for the number of workers covered by each agreement. The survey of the 2012–2013 bargaining round included 32 agreements in the sector covering 589,000 workers. With regard to retail, wholesale, hotels and catering, all but one agreement covered by the database were single-employer (company) agreements. There are no extension provisions.	

Source: EIRO national correspondents

No (comparable) information on wage increases was available for **Cyprus**, the **Czech Republic** (in 2013), **Estonia**, **Hungary**, **Lithuania**, **Norway**, **Poland** and **Romania**. In **Latvia**, there are no collectively agreed pay agreements in the retail sector.

In **Cyprus**, collective bargaining in the retail sector is restricted to a very small part of the enterprise level (several large enterprises). Collective bargaining did not take place during 2012 and 2013. Legislation is the primary regulatory instrument in the sector, and retail sales is among the nine occupations that are currently covered by existing legislation on the minimum wage. In the cases where collective bargaining takes place, the minimum levels imposed by legislation are mostly higher than those provided by the collective agreements (**CY0808019Q**). In 2013, the negotiations in **Sweden** were initially complicated by questions concerning partial pensions. Eventually these questions were sorted out and agreements were reached. Within the retail sector, 93% of employees are covered by collective wage agreements, compared to 90% in the whole economy. In the **Czech Republic**, a higher-level collective agreement lasting two years is regularly conducted in the retail, wholesale, hotel, travel agencies, universities and vocational school sectors. This agreement provides the framework and guidance for the conclusion of about 65 company-level collective agreements in the commercial sectors. In 2013, 16 company-level collective agreements were conducted in the retail sector. Although the Commercial Sectoral Dialogue Committee in **Hungary** consults on sector-related issues, usually no agreements are signed. The main level for bargaining is the company level where agreements about wages are concluded.

Pay setting in the civil service

Figure 9 gives an overview of levels of collective bargaining in the civil service sector in 2013. A total of 17 countries reported (sub)sectoral or multi-employer collective bargaining. This level seems to be the most frequent (but not necessarily the most important) level of collective bargaining in the civil service in the European Union and Norway. In the **Netherlands**, there are no collective agreements in the public sector in a legal sense. There are, however, 15 subsector agreements in the public sector, which in practice are seen (and labelled) as collective agreements. Employees in the public sector in **Austria** do not have the right to conclude collective agreements. Employment conditions are fixed by law and service regulations are laid down by statute. However, informal bargaining for wage increases does take place.

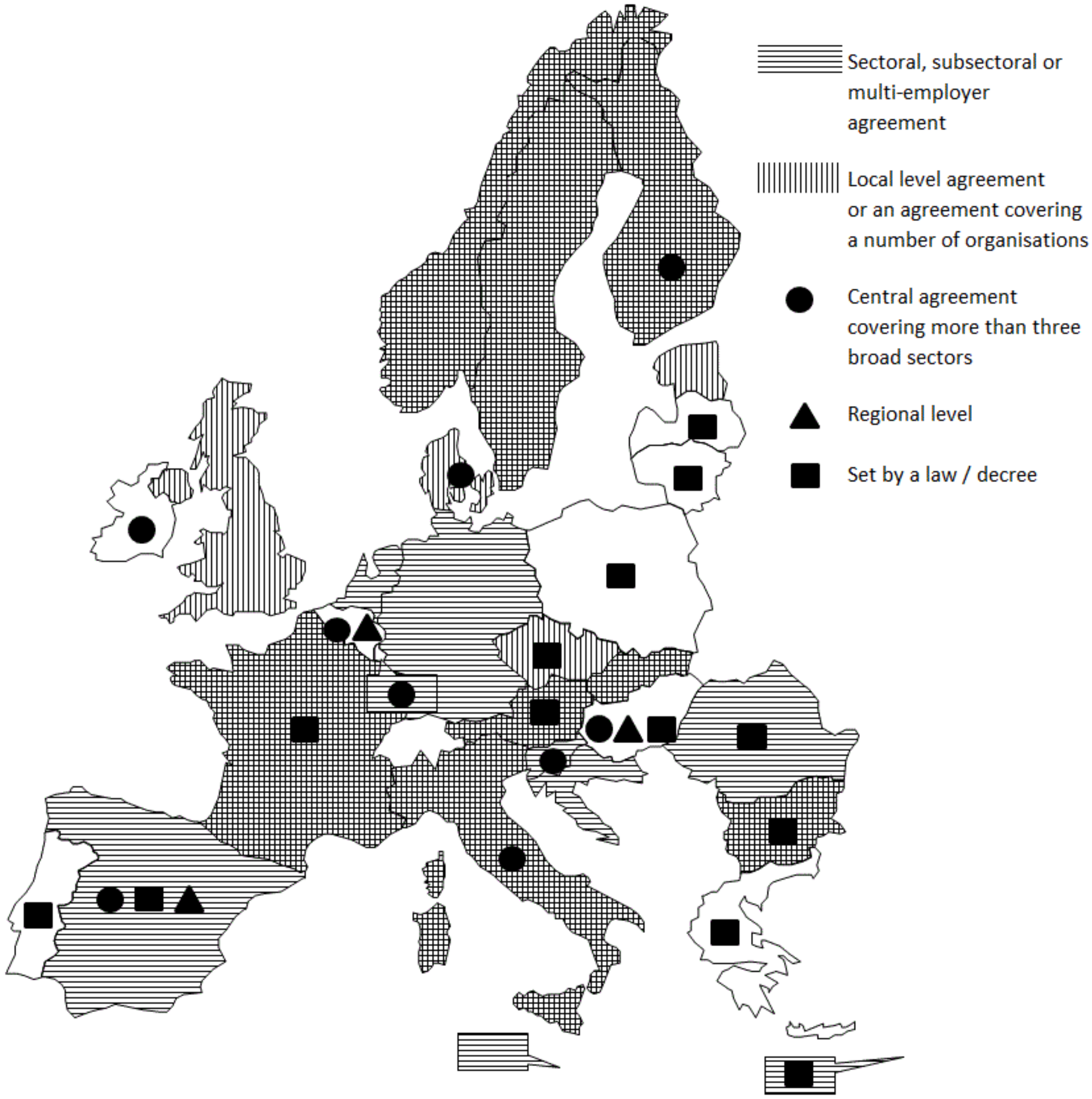
Collective bargaining at the local (institutional) level was reported in 12 countries. In **Sweden**, all employees in the civil sector are covered by a collective wage agreement. Pay is determined at the local level, with the industry agreement used as a guideline. However, in the **Czech Republic**, salaries and wages are set by the government while local-level agreements may be conducted. However, the generally binding legal regulations leave no room for collective agreements to stipulate wage development.

Thirteen countries reported that pay in the civil service is set by the government in a form of decree or a law. Wage increases in **Hungary** in practice are determined by governmental or ministerial regulation. Collective wage agreements rarely take place in the civil service and only concern some allowances. In **Latvia**, the pay increase is not discussed within the social dialogue but it is determined by law (in Latvian). Regular general pay increases are not granted and depending on the capacity of the state budget, amendments are adopted by the Latvian parliament regarding the pay of particular categories of employees of the state and self-government authorities. In **Portugal**, there has never been a collective agreement on wages in the civil service. The government imposed wage cuts on workers in public administration in 2011 and 2014. In 2012 and 2013, there were no cuts and no increases. In **Cyprus**, there is currently no collective agreement in place for the civil service. Since 2011, changes in terms and conditions of employment have been imposed by the enactment of specialised legislation without the consent of the social partners, based on the government's commitments under European economic governance (**CY1307019Q**). In **Greece**, the remuneration of civil servants is determined by the government.

Central agreements were found in nine countries, while regional-level collective bargaining took place in just three countries. In **Belgium**, social bargaining in the public sector is organised in so-called Consultation Committees, jointly composed by representatives of the government and representatives of the recognised trade unions. The Common Committee for all Public Services (Committee A) deliberates on the global social aspects, such as wage indexation. It is a legal requirement that changes in working conditions in the public sector are preceded by negotiations with the relevant trade unions.

Finally, 16 countries report two or more of these bargaining forms simultaneously.

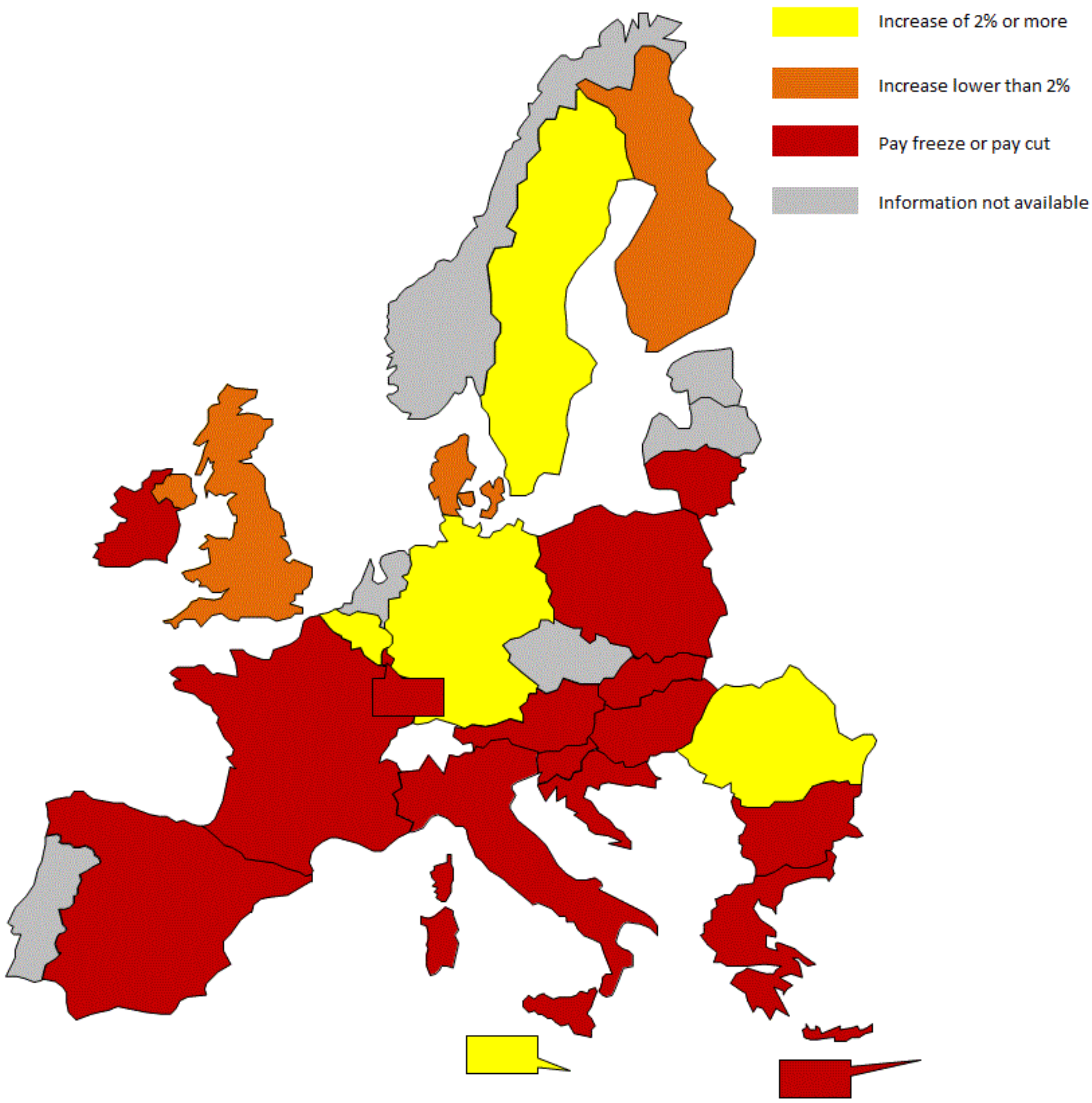
Figure 9: Level of collective bargaining in the civil service sector, by country, 2013



Source: EIRO national correspondents

Both Figure 10 and Table 8 show information on pay developments in the civil service sector. Collectively agreed wage development in the civil service has been far more negative than in the chemical and retail sectors. In 2013, the civil service sector was subject to pay freezes and/or pay cuts in 15 out of 23 countries for which information is available. This is one country more than in the preceding year. The civil service in Greece experienced the highest reported nominal wage cuts in 2013 (-4.8%), while Romania reported the highest wage increase (10%). However, it should be noted that the Romanian wage increases in the civil service are meant to compensate for salary cuts during the economic crisis.

Figure 10: Outcomes of collective wage bargaining in the civil service sector and type of data source (nominal wage increases in 2012–2013)



Note: From 1 October 2013, the salaries in the civil service in Lithuania were restored to their pre-crisis level. See Table 8 for more details.

Source: EIRO national correspondents

Table 7: Changes in the collectively agreed or legally determined nominal pay in the civil service sector and the sources of the data

Country	2011–2012 change	2012–2013 change
	Data source description and other details	
AT	2011–2012: 2.56%	2012–2013: 0%
	Service regulation Employment conditions of 279,000 public employees (the numbers of employees at federal or lower levels are unknown) are fixed by law and service regulations are laid down by statute. Wage increases in the public sector are informally negotiated each year and set in a	

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	service regulation. The 2013 agreement was applied from 1 January 2013.	
BE	2011–2012: 2%	2012–2013: 2%
	Since 2009, there have been no collectively agreed pay increases for the public sector. The reported figures refer to automatic indexation, which is based on the pivot price-index (this functions as a threshold for the adjustment to price increases). The last wage indexation of 2% was effective from January 2013.	
BG	2011–2012: 0%	2012–2013: 0%
	Ordinance on the salaries of civil servants, Decree No. 129 of 26 June 2012 Collective agreements in the public sector do not include provisions for wage increases. Regulations on wages for civil servants, adopted by a Council of Ministers Decree, have been in force since 1 July 2012.	
CY	2011–2012: 0%	2012–2013: 0%
	Law 185(I)/2012 that amends Law 185(I)/2011 Under the law, wages and salaries are frozen for a period of four years from 1 January 2013 to 31 December 2016. In December 2012, gross monthly earnings were reduced depending on the level of income. This decrease was initially for a period of two years.	
DE	2011–2012: 2.2%	2012–2013: 2.6%
	WSI Collective Bargaining Archive (in German) of the Institute for Economic and Social Research within the Hans Böckler Foundation The data are based on all collective agreements concluded by affiliates of the DGB, covering more than 1,000 employees (western Germany) or 500 employees (eastern Germany) and including provisions for the given year. The duration of the agreement and one-off payments are taken into account. The figures are weighted by the number of employees (liable to social security contributions) covered by the agreement.	
DK	2011–2012: 1.67%	2012–2013: 1.48%
	State Agreement (CFU agreement) between the Danish Central Federation of State Employees' Organisations (CFU) and the Ministry of Finance The agreement is valid from 1 April 2013 for a period of 24 months and covers all employee groups in civil service (about 150,000 employees).	
EL	2011–2012: -3.8%	2012–2013: -4.8%
	Intermediate Monetary Policy Report (7.4 MB PDF) of the Bank of Greece Law 4024/2011 introduced a new remuneration regulation leading to a general pay reduction. The estimated reduction of nominal salaries ranged from 7% to 55%. Under Law 4093/2012, the 13th and 14th monthly salaries were abolished and special remuneration was reduced.	
ES	2011–2012: 0%	2012–2013: 0%
	General Law 2/2012 **(pay increase 2012) and Law** 17/2012 **(pay increase 2013) of Public Budget** The laws were enacted by the parliament. Royal-decree 20/2012 (in Spanish) eliminated extra payment before the end of December 2012. In 2012, 13 rather than the customary 14 salaries were paid over the year in the civil service.	
FI	2011–2012: 1.9%	2012–2013: 1.9%
	Collective agreement for state civil servants and employees under contract	

	This is an agreement between the Ministry of Finance/Office for the Government representing the employer and JUKO, Pardia and JHL representing the employees. It covers about 80,000 employees.	
FR	2011–2012: 0%	2012–2013: 0%
	Government decree Figures provided correspond to annual increases in the coefficient used to determine actual wage levels. Decrees apply only to civil servants at all levels of the public sector (central, local, public hospitals), who accounted for around 3.8 million employees in 2010.	
HR	2011–2012: 0%	2012–2013: 0%
	Collective agreement for employees in bodies of state and local self-government The agreement was signed between the government and the Trade Union of Employees in Bodies of State and Local Self-Government, the Trade Union of Croatian Police and the Independent Trade Union of Employees in the Ministry of Interior. The agreement is valid from 10 December 2013 for 47 months and covers 63,000 employees in 16 ministries and other governmental bodies.	
HU	2011–2012: 0%	2012–2013: 0%
	Law XXXIII. of 1992 (in Hungarian) on the status of public employees The central government decides on a wage matrix. The matrix has not been changed since 2008, so there has been no significant wage increase since then.	
IE	2011–2012: 0%	2012–2013: 0% and pay cuts of salaries higher than €65,000
	Public Service Stability Agreement 2013–2016 An agreement between public sector management and trade unions AHCPS, PSEU, CPSU and IMPACT covering the entire public sector (290,000 employees of which 35,000 are in the civil service). The agreement is valid for 36 months between 1 July 2013 and 30 June 2016.	
IT	2011–2012: 0%	2012–2013: 0%
	National Institute of Statistics data on collective agreements and contractual wages (in Italian) The figure is based on a panel of national sectoral agreements. The whole sample covers 12.9 million out of 17.2 million employees in the whole economy. A total of 2.74 million employees in the public administration sector are covered. The reported figure is weighted by the employment structure. Lump-sum payments are taken into account when calculating the wage increases.	
LT	2011–2012: 0%	2012–2013: 0%
	Law on Civil Service of the Republic of Lithuania, No VIII-1316 (8 July 1999) According to information provided by the Civil Service Department, about 23,000 civil servants (or 75% of them) were covered by the amendments of the Law, implemented since 1 October 2013. Following the ruling of the Constitutional Court, the crisis-related reduced salary coefficients and qualification-class bonuses to civil servants ceased to be valid as of 1 October 2013. The salaries of civil servants and judges had to be restored to their pre-crisis levels.	
LU	2011–2012: 0%	2012–2013: 0%
	STATEC's data (in French) on salaries of the state officials	

	Since 2011 wages in the civil service have been frozen. However, all civil servants are covered by the wage indexation of 1 October 2012 and 1 October 2013.	
MT	2011–2012: 2.5%	2012–2013: 2.5%
	Collective agreement for employees in the public service 2011–2016 This agreement covers roughly 30,000 employees in the public service. It is valid between 1 January 2011 and 31 December 2016.	
NL	2011–2012: 0.9%	2012–2013: data not available yet
	Statline (in Dutch) of Statistics Netherlands Statline includes a complete register of agreements in the civil service sector which is updated every year. The reported figure is weighted according to the number of employees. Lump sums are taken into account.	
PL	2011–2012: 0%	2012–2013: 0%
	Budget Act and Act dated 23 December 1999 on setting the wages in the state budget sector (in Polish) The Budget Act is adopted every year. The wages in public administration and defence and compulsory social security are regulated by this law, covering 622,300 employees.	
RO	2011–2012: 10.1%	2012–2013: 10%
	Act 285/2010 regarding the wages for employees paid from public funds in 2011 The act covers about 1.2 million employees in public institutions and authorities and about 210,000 employees in the core civil service sector. Government Emergency Ordinance 19/2012 approved measures to compensate for salary cuts.	
SE	2011–2012: 1.3%	2012–2013: 2%
	National Mediation Office data The wage growth figures are based on all 130 collective agreements concluded by the Swedish Agency for Government Employers (in Swedish) (out of about 650 collective wage agreements in Sweden). Lump-sum payments are not taken into account when calculating the wage growth.	
SI	2011–2012: -8%	2012–2013: 0%
	Collective agreement for the state administration, administrations of jurisdictional bodies and administrations of self-governing local communities Based on the provisions of the Law on the Pay System in the Public Sector, the agreement was concluded in June 2008 and has unlimited validity. It covers around 50,000 employees in the civil service.	
SK	2011–2012: 0%	2012–2013: 0%
	Multi-employer collective agreement for the civil service for 2013 This agreement was signed by the Confederation of Trade Unions for public sector trade unions and representatives of the government (ministers of finance, interior and labour, social affairs and family) for 12 months. It covers all civil servants (except police officers, firefighters, judges, prosecutors and customs officers), accounting for about 40,000 employees.	
UK	2011–2012: 0%	2012–2013: 1%
	Payline database maintained by the Labour Research Department (LRD) These figures represent the median collectively agreed increase in the lowest basic pay	

	rate, weighted for the number of workers covered by each agreement. The survey of the 2012–2013 bargaining round included 56 agreements in the sector covering 2,284,000 workers. With regard to public administration, the agreements covered are both single-employer and multi-employer. There are no extension provisions.

Source: EIRO national correspondents

No (comparable) information for 2013 could be found in the **Czech Republic**, **Estonia**, **Latvia**, **Lithuania**, **Malta**, the **Netherlands**, **Norway** and **Portugal**.

Statutory minimum wages

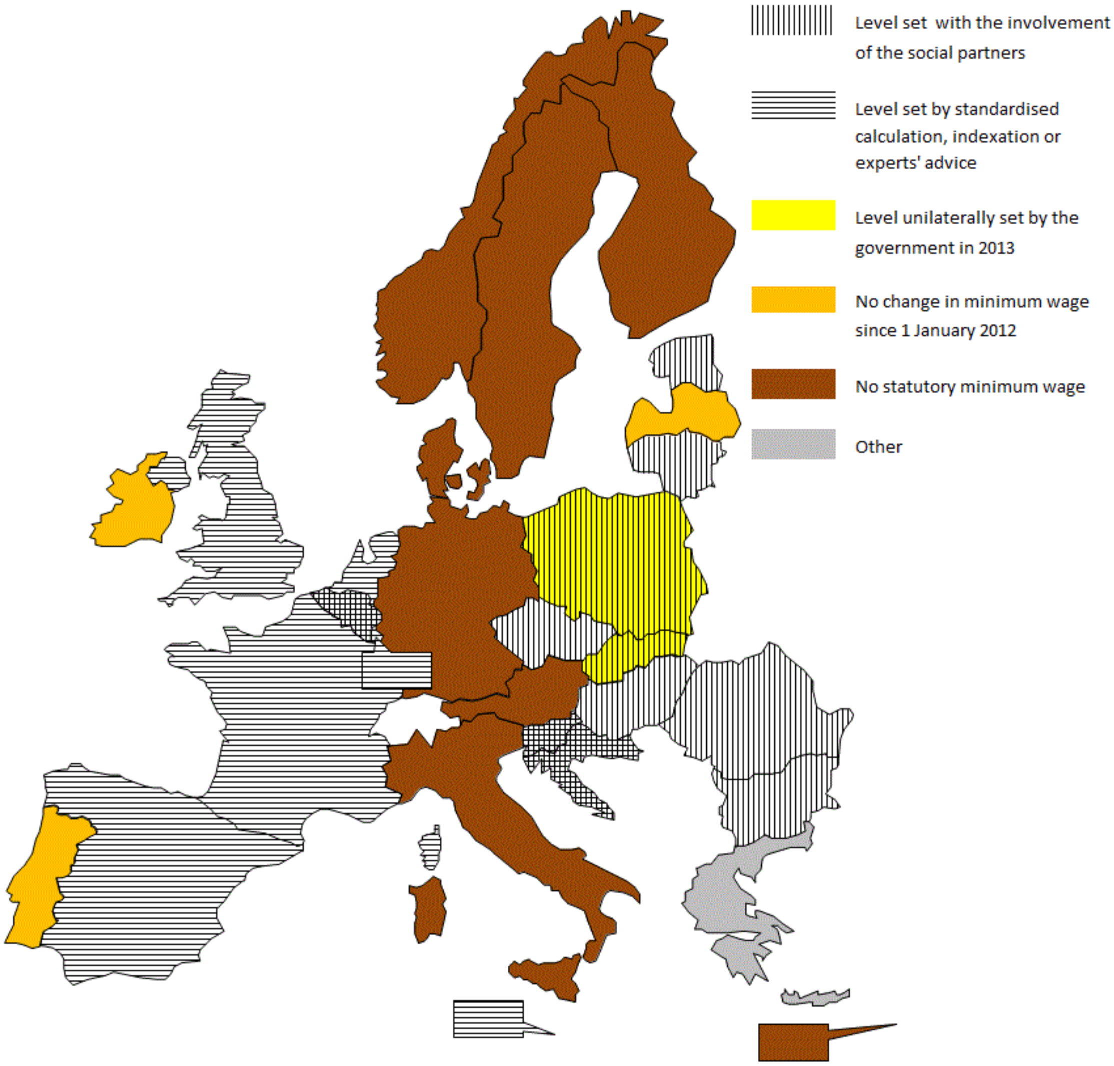
Setting the minimum wage level

More than two-thirds of EU Member States have a statutory minimum wage in place. Minimum wages in some countries are closely related to centrally agreed collective wage increases. Hence this chapter should be read in conjunction with the chapter on collectively agreed pay in the total economy. A Eurofound report from 2013, Wages: A working conditions and industrial relations perspective, provides an overview of the way minimum wages are set in the Member States. This chapter therefore focuses only on the development of minimum wages and on the debates and actual changes that took place during the reporting period.

Table 9 gives an overview of how minimum wages for 2013 were determined in the EU countries. To capture this information it was necessary to consider the process of setting of the minimum wage since January 2012 because the minimum wages for 2013 had often been set in 2012. Eleven countries, predominantly new Member States, reported that the final level of the minimum wage was influenced to a large extent by the social partners (Figure 11). Nine countries reported that standardised calculation, indexation or expert advice was used in setting the minimum wage. Three of the nine countries (Belgium, Croatia and Slovenia) reported both of these influences. In **Poland** and **Slovakia**, the minimum wage was set unilaterally by the government in 2013 because the social partners could not come to an agreement. However, this was reported to be a unique situation. In **Ireland**, **Latvia** and **Portugal**, the minimum wage did not change during the examined period.

No statutory minimum wage at national level existed in seven EU Member States and in **Norway**. For example, **Cyprus** does not stipulate a minimum wage at national level but national minimum wages and salaries apply to nine specific occupations (see Table 11). Although there is no national minimum wage in **Finland**, since the 1970s the collective agreements have defined the minimum wage at the sectoral level. Similarly, in **Italy** the minimum sectoral pay is negotiated by the social partners in the sectoral national collective agreement as set out in the interconfederal agreement of 1993 (**IT9709212F**, **IT9803223F**, **IT9702102N**).

Figure 11: Determination of minimum wage in 2013



Source: EIRO national correspondents

Table 9: Determination of minimum wages in 2013, by country

Country	Minimum wage determination
BE	Apart from being subject to pay indexation, the minimum wage can be changed by collective bargaining between the social partners at the National Labour Council (CNT-NAR). At sectoral level, social partners can set a sectoral minimum wage, provided they respect the national minimum wage.
BG	The minimum wage is determined after coordination and consultation with the social partners in the National Council for Tripartite Cooperation.
CZ	The latest minimum wage level was determined by government regulation No. 210/2013 Coll. after negotiations between the social partners and government representatives in the Council of Economic and Social Agreement.
EE	The national minimum wage is usually determined annually in negotiations between the Estonian Employers' Confederation and the Estonian Trade Union Confederation and then

	brought into effect by government decree. A distinctive minimum wage agreement exists for specific categories of cultural employees.
EL	Until 14 February 2012, the minimum wage was stipulated by the National General Collective Employment Agreement (EGSSE) (bilateral bargaining between the social partners). After 14 February 2012, the minimum wage was determined pursuant to the Memorandum of Understanding with the IMF/EU/ECB. The deregulation of the collective bargaining and SSE system resulting from provisions set out in the memorandum meant that the social partners lost their ability to influence the determination of minimum wages. Under Law 4093/2012, a new system for determining the statutory minimum wage entered into force on 1 April 2013, which practically abolishes the EGSSE.
ES	According to the Statute of Workers' Rights, the minimum wage is determined taking into consideration the consumer price index, the national productivity average, the contribution of labour to the gross national income and the general economic context. The social partners were not involved in the determination of the minimum wage in 2013.
FR	The minimum wage is adjusted on 1 January each year. It is indexed to inflation for households that fall into the lowest disposable income quintile. Half of the growth in purchasing power of the average hourly wage for employees is added to the result. If inflation exceeds 2% during the year, the minimum wage is automatically adjusted. In addition, the government may decide, at any time, to increase the minimum wage above the calculated rate.
HR	When calculating the amount of the minimum wage, the Croatian Bureau of Statistics takes into account the average and the real GDP growth rate from the previous year. This amount is intended as guidance for the government, which determines the minimum wage every year after consulting the social partners. The social partners can agree in collective agreements at company or sectoral level that the minimum wage can be lower (by up to 5%) than the figure decided on by the government.
HU	The National Economic and Social Council consulted at the end of 2012 about the minimum wages for 2013. The Government Regulation 390/2012 (XII. 20) was accepted at the end of 2012.
LT	The minimum hourly pay and the minimum monthly wage in Lithuania are determined by the Government of the Republic of Lithuania upon the recommendation of the Tripartite Council of the Republic of Lithuania (the main national-level tripartite social dialogue institution in the country).
LU	The national minimum wage is determined by a statutory formula and there is no social partner involvement.
LV	The Ministry of Welfare, based on financial calculations and discussions with the Ministry of Finance and Ministry of Economy, proposes the minimum wage level to the social partners. The minimum wage is then discussed before elaboration of the state budget in the National Tripartite Cooperation Council between the government, the Free Trade Union Confederation of Latvia (LBAS) and the Latvian Employers' Confederation (LDDK).
MT	The minimum wage in Malta is set by law and is determined according to the cost of living and inflation rates of the preceding 12 months. Minimum wage levels are adjusted annually and are based on an eight-hour working day.
NL	There is a mechanism in the act by which the development of wages in the private and public sectors is used to calculate the biannual increase in the minimum wage.
PL	The national minimum wage in Poland is set annually by the Tripartite Commission for Social and Economic Affairs in accordance with the Minimum Wage Act of 2002. The

	agreed minimum wage cannot be lower than the existing one and must be adjusted to the following year's consumer price index forecast. Since 2010, the minimum wage has been set unilaterally by the government because the social dialogue parties have repeatedly failed to reach an agreement within the Tripartite Commission.
RO	According to Law no. 62/2011, the national gross minimum wage is established by government decision, after consultations between the government and national trade union confederations and employer organisations' representative at national level in the National Tripartite Council for Social Dialogue. The tripartite agreement on the evolution of the minimum wage during the period 2008–2014 was suspended in 2011 as a result of the economic and financial crisis (**RO1204019Q**).
SI	The government and the social partners decided the minimum wage for 2013 at a sitting of the Economic and Social Council of Slovenia on 18 January 2013 (**SI1301031I**). The minimum wage is adjusted annually in line with the rise in consumer prices, as stipulated by the Minimum Wage Act.
SK	Because the social partners could not come to an agreement, the government had to make a unilateral decision on wage increases, announced by decree.
UK	The Low Pay Commission (whose members include employers' and trade union members and academics) made recommendations on minimum wage increases to the government in its annual report. The government accepted most of the recommendations (**UK1304019I**) and implemented the new minimum wage rates by means of statutory regulations.

Source: EIRO national correspondents

Introduction of a statutory minimum wage was a topic of discussion in Germany and Denmark. The new coalition (CDU/CSU and SPD) in **Germany** (**DE1312019I**) decided to introduce a national statutory minimum wage of €8.50 per hour by 1 January 2015. The discussions about the introduction of a minimum wage in **Denmark** arose mainly because workers from the new Member States are said to work for wages below the sectoral minimum wage. Due to the character of the Danish model of regulating the labour market, the social partners are the major opponents of a national minimum wage. In contrast, in the **Netherlands** some economists have called for the minimum wage to be abolished. However, this was not an important issue for the government or among the social partners.

Setting the level of a statutory minimum is a complex process and in 2013 there were discussions in several European countries about the way the minimum wage is calculated or determined. In **Bulgaria**, the trade unions insisted on creating a mechanism for annual negotiation of the minimum level based on social and economic indicators and clearly written procedures. The employers argue for the introduction of a minimum wage differentiated by region. They further claim that the minimum wage should be defined by the state only for those institutions and structures in which the state is the employer. The **Croatian** government proposed that the minimum wage be determined in relation to more socially sensitive indicators such as the poverty risk threshold, the consumer price index or the coefficient of the total number of active population. For several years, trade unions in **Poland** have been insisting that the minimum wage should amount to 50% of the average national wage.

Employer organisations often claim that a relatively high minimum wage leads to a loss of competitiveness and a drop in employment. The expert committee on the national minimum wage in **France** also came to this conclusion. The unions contested such statements, claiming that the problem of the French economy is not its competitiveness but the weak bargaining power of the trade unions. An in-depth review by the European Commission said that minimum wage setting in **Slovenia** may need to be adjusted in order to restore competitiveness. The government aimed to prepare changes to the system in 2013 in dialogue with the social partners but no changes were made. Employers' organisations in **Luxembourg** noted in a report (in French, 1.45 MB PDF) that the minimum wage is too high and suggested that changes are needed to improve the competitiveness of the economy. The trade unions insist that having a minimum wage does not reduce competitiveness.

The fears of negative consequences of a high minimum wage level were reported to have explicitly influenced the setting of the minimum wage in several countries. In **Greece**, the employees' organisation proposed to follow the conclusions of an agreement from February 2012 which specified a higher minimum wage than that set out in the Memorandum of Understanding with the IMF/EU/ECB. The employers rejected this proposal, stressing the importance of competitiveness. The Green Party in **Malta**, which has no seats in parliament, has been campaigning for a rise in the minimum wage. The government is hesitant to comply with such a request fearing that it may generate a wage spiral that could jeopardise the economy. Employers' associations have warned the government that raising the minimum wage would result in redundancies. Trade unions in **Slovakia** demanded a rise in the minimum wage level but employers have refused any increases for fear that it will reduce the country's competitiveness in the global market. Trade unions argue that despite continuously increasing labour productivity, wages are still low in Slovakia. The social partners have not been able to reach an agreement. The minimum wage level proposed for 2014 by the trade unions in **Romania** was too high, according to the employer organisations. They argued that it could negatively impact the number of jobs in microenterprises. The level eventually agreed was below that suggested by the trade unions. Discussion took place in **Hungary** on the need to compensate sectors that have difficulty in obtaining the minimum wage. The government agreed that there will be a compensation for 11 sectors hit by the economic downturn. In **Spain**, the Royal Decree (in Spanish, 149 KB PDF) that regulated the minimum wage in 2013 points out that the increases were made in a difficult economic context and aim to promote economic recovery and employment creation.

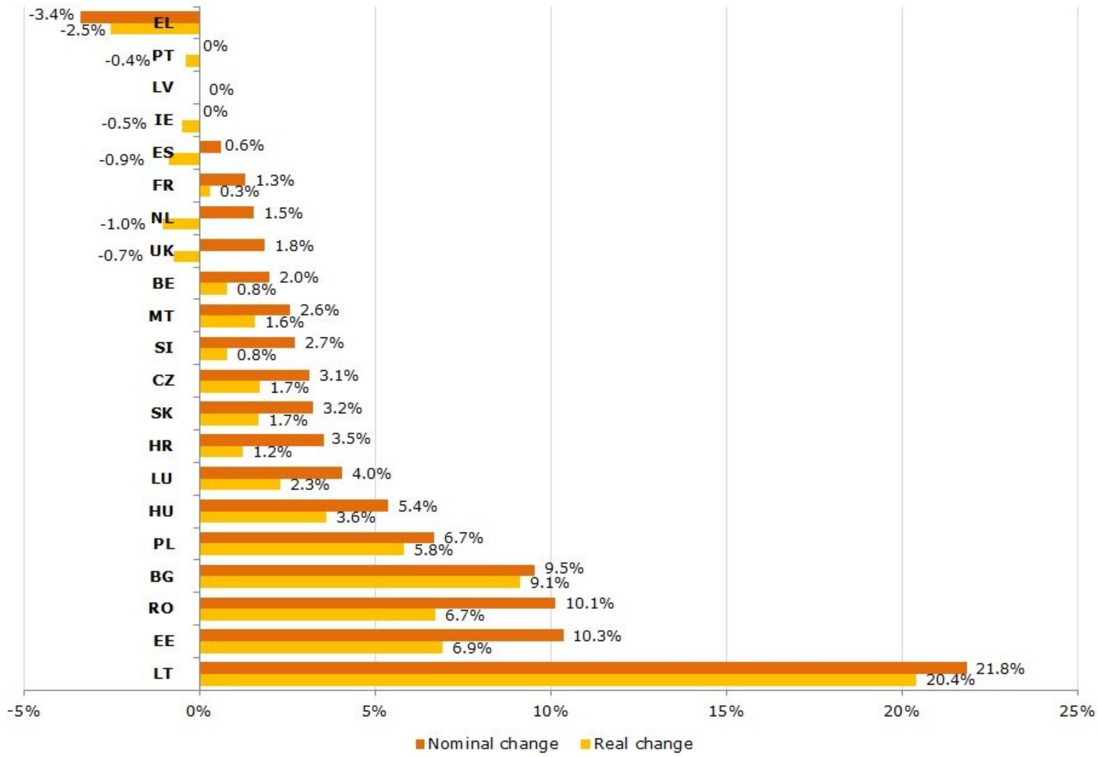
Concerns appeared in the **United Kingdom** that economic recovery was not raising the living standards of large sections of the workforce, which had deteriorated during the recession. There was increasing cross-party political support for more substantial future increases in the minimum wage to raise living standards and share economic growth more fairly (**UK1310039I**). In the **Czech Republic**, the minimum wage was increased after prolonged negotiations between the social partners for the first time since 2007. The new level was a compromise between the employers' and trade unions' proposals. In contrast, the social partners in **Poland** failed to reach an agreement on increasing the minimum wage as trade unions decided to suspend their participation in the Tripartite Commission for Socio-Economic Affairs.

Discourse about the minimum wage level also took place in countries where the minimum wage did not change during 2013. In **Ireland**, the Social Protection Minister called for an increase in the minimum wage on the grounds that the state is effectively subsidising low-paying employers by making welfare payments to low-paid households. Moreover, the trade unions called for an increase in the minimum wage to address the growing problem of in-work poverty. The social partners in **Latvia** agreed that the minimum wage should not be increased in 2013 because of difficult budget conditions. The Free Trade Union Confederation of Latvia (LBAS) agreed to a minimum wage freeze if the non-taxable minimum of the personal income tax was increased. The government ignored this demand, causing protests from the trade unions. Finally, the trade unions in **Portugal** criticised the minimum wage freeze.

Level of statutory minimum wages

Figure 12 gives an overview of the increases (and decreases) of the minimum wage in nominal and real terms. In Greece, the minimum wage decreased in nominal terms. At the opposite end of the scale are Lithuania, Estonia, Romania and Bulgaria where the minimum wage increased by about 10% or more (by 22% in the case of Lithuania). In real terms, the minimum wage decreased between 2012 and 2013 in six countries. Also in real terms, Lithuania, Bulgaria, Estonia and Romania showed the highest rises in the minimum wage. Table 10 shows the minimum wage levels between 1 January 2012 and 31 December 2013. The annualised relative changes are displayed in Figure 12.

Figure 12: Percentage change in the annualised minimum wage (in nominal and real terms) between 2012 and 2013



Source: Own calculation based on the figures reported by the EIRO correspondents (see Table 10) and on Eurostat's HICP index.

Table 10: Changes in levels of monthly statutory gross minimum wage (unless stated otherwise) in national currency, 1 January 2012 to 31 December 2013

Country	Jan–June 2012	July–Dec 2012	Jan–June 2013	July–Dec 2013
BE	- From 1 January 2012 €1,443.54 - From 1 February 2012 €1,472.40	From 1 December 2012 €1,501.82		
BG	From 1 January 2012 BGN 283 (€145)		From 1 January 2013 BGN 310 (€159)	
CZ	From 1 January 2012 CZK 8,000 (€292)			From 1 August 2013 CZK 8,500 (€310)
EE	From 1 January 2012 €290		From 1 January 2013 €320	
EL	- From 1 January			

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	2012 €751.39 - From 14 February 2012 €586.08			
ES	From 1 January 2012 €641.40		From 1 January 2013 €645.30	
FR	From 1 January 2012 €9.22 per hour	From 1 July 2012 €9.40 per hour	From 1 January 2013 €9.43 per hour	
HR	From 1 January 2012 HRK 2,814 (€368)		From 1 June 2013 HRK 2,984.78 (€390)	
HU	From 1 January 2012 HUF 93,000 (€303)		From 1 January 2013 HUF 98,000 (€319)	
IE	From 1 January 2012 €8.65 per hour			
LT	From 1 January 2012: LTL 800 (€232)	From 1 August 2012: LTL 850 (€246)	From 1 January 2013: LTL 1,000 (€290)	
LU	From 1 January 2012 €1,801.49	From 1 October 2012 €1,846.51	From 1 January 2013 €1,874.19	From 1 October 2013 €,1921.03
LV	From 1 January 2012 LVL 200 (€285)			
MT	From 1 January 2012 €158.11 per week		From 1 January 2013 €162.19 per week	
NL	From 1 January 2012 €1,446.60	From 1 July 2012 €1,456.20	From 1 January 2013 €1,469.40	From 1 July 2013 €1,477.80
PL	From 1 January 2012 PLN 1,500 (€360)		From 1 January 2013 PLN 1,600 (€384)	
PT	From 1 January 2012 €485			
RO	From 1 January 2012 RON 700 (€157)		From 1 February 2013 RON 750 (€168)	From 1 July 2013 RON 800 (€179)

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SI	From 1 January 2012 €763.06		From 1 January 2013 €783.66	
SK	From 1 January 2012 €327.2		From 1 January 2013 €337.7	
UK	From 1 January 2012 GBP 6.08 per hour (€7.34)	From 1 October 2012 GBP 6.19 per hour (€7.47)		From 1 October 2013 GBP 6.31 per hour (€7.62)

Note: Approximate euro conversion rates are given as at 9 April 2014

Source: EIRO national correspondents

Minimum wages for specific groups

Thirteen countries have different minimum wage levels for specific groups, mostly young workers. In some countries, special minimum wage tariffs apply for employees with a certain educational level (Hungary and Luxembourg), for apprentices (France and the United Kingdom), specific occupations (Cyprus), employees with certain seniority (Belgium, France and Ireland) or a combination hereof (for example, Cyprus). Table 11 provides a full overview of reported minimum wages for specific groups.

Although there is a statutory minimum wage in **Bulgaria**, **Croatia**, **Latvia**, **Lithuania**, **Portugal**, **Romania**, **Slovenia**, **Slovakia** and **Spain**, these countries do not apply a different minimum wage for specific groups. In the **Czech Republic**, special rates for specific groups of employees were cancelled as of 1 January 2013. The special rates applied only for employees who received a disability pension after the increase of the minimum wage in August 2013. In the **United Kingdom**, the Agricultural Wages Board for England and Wales, which set separate statutory minimum wage rates for some 140,000 agricultural workers, was abolished from 1 October 2013. In January 2013, the social partners in Belgium agreed to gradually upgrade the lower minimum wages for young workers, in order to eliminate the age-based difference in 2015 (see article on minimum wages (in French)).

Although the monthly minimum wage in **Latvia** is equal for all employees, the hourly minimum wage rate for youth is 14.3% higher than that for other workers. This is because people under 18 are only allowed to work a maximum of 35 hours per week.

In **Cyprus**, to prevent a possible adverse effect on competitiveness, the Memorandum of Understanding on Specific Economic Policy Conditionality foresees that any change in the minimum wage of the specific occupations (over the programme period) should be in line with economic and labour market developments. It also stipulates that change will take place only after consultation with the programme partners.

Table 11: Group-specific minimum wage by country, 2013

Country	Group	Minimum wage level
BE	Workers aged 16 or less	70% of the minimum wage
	Workers aged 17	76% of the minimum wage
	Workers aged 18	82% of the minimum wage
	Workers aged 19	88% of the minimum wage
	Workers aged 20	94% of the minimum wage

	Workers aged 21	100% of the minimum wage
	Workers aged 21.5 and with 6 months of seniority	103% of the minimum wage
	Workers aged 22 or more with at least 12 months of seniority	104% of the minimum wage
CY	Sales staff, clerical workers, auxiliary healthcare staff, auxiliary staff in nursery schools, auxiliary staff in crèches, auxiliary staff in schools and caretakers	For new job entrants, the minimum monthly wage was €870 with effect from 1 April 2012, when it was increased by 1.8% from €855 For employees working at least 6 consecutive months for the same employer, the minimum monthly wage was €924 with effect from 1 April 2012, when it was increased by 1.7% from €909
	Cleaners	For new job entrants, the minimum hourly wage is €4.55. For employees working at least 6 consecutive months for the same employer, the minimum hourly wage is €4.84
	Security guards	For new job entrants, the minimum hourly wage is €4.90 For employees, working at least 6 consecutive months for the same employer, the minimum hourly wage is €5.20
CZ	Employees receiving disability pension	The minimum wage increase introduced on 1 August 2013 did not apply to this group, keeping their minimum wage at CZK 8,000 (€292) per month.
EE	Specific categories of cultural workers	The minimum wage specified in the national minimum wage agreement for cultural workers was €543 in 2013.
EL	Workers under 25 years	Before 14 February 2012, the minimum wage was €751.39. From 14 February 2012, the minimum wage was €510.95.
FR	Young workers with <6 months of experience in the sector	Workers aged 15 and 16: 80% of adult minimum wage Workers aged 17: 90% of adult minimum wage
	Young people on professionalisation contracts	55%–100% of adult minimum wage depending on age and previous qualification. In 2011, 173,000 young people were hired on professionalisation contracts.
	Apprentices	25%–78% of adult minimum wage depending on age and seniority
HU	Employees working with a professional education in their profession	The level of the guaranteed minimum wage* increased by 5.55% from HUF 108,000 (€353) monthly in 2012 to HUF 114,000 (€372) in 2013.

	Workers within the public work programmes	HUF 75,500 (€247) monthly in 2013 for work which does not require professional or middle-level education and HUF 96,800 (€316) for work which requires at least middle-level education.
	Foremen within the public work programme	HUF 83,050 (€271) monthly in 2013 for a foreman without professional or middle-level education and HUF 106,480 (€348) for a foreman with a professional or middle-level education.
IE	Workers under 18 years	€6.06 per hour (70% of national minimum wage)
	Workers aged 18 or more in their first year of employment since the age of 18	€6.92 per hour (80% of national minimum wage)
	Workers aged 18 or more in their second year of employment since the age of 18	€7.79 per hour (90% of national minimum wage)
	Workers aged 18 or more undergoing structured training or directed study that is authorised or approved by their employer	First third of training course – €6.49 per hour; Second third of training course – €6.92 per hour; Final third of training course – €7.79 per hour
LU	Employees aged 18 or more holding a professional certification	120% of the national minimum wage
	Employees aged between 17 and 18	80% of the national minimum wage
	Employees aged between 15 and 16	75% of the national minimum wage
MT	Workers aged 17	The minimum wage was €151.33 per week in 2012 and it was increased by 2.7% to €155.41 per week in 2013.
	Workers under 17 years	The minimum wage was €148.49 per week in 2012 and it was increased by 2.75% to €152.57 per week in 2013.
NL	Workers aged 15	30% of the national minimum wage
	Workers aged 16	34.5% of the national minimum wage
	Workers aged 17	39.5% of the national minimum wage
	Workers aged 18	45.5% of the national minimum wage
	Workers aged 19	52.5% of the national minimum wage
	Workers aged 20	61.5% of the national minimum wage
	Workers aged 21	72.5% of the national minimum wage

	Workers aged 22	85% of the national minimum wage
PL	Employees entering the labour market (first year of employment)	80% of the national minimum wage
UK	Workers aged 18 to 20	GBP 4.98 (€6.03) per hour from October 2011 to October 2013 when it was increased by 1% to GBP 5.03 (€6.09) (80% of adult minimum wage)
	Workers aged 16 to 17	GBP 3.68 (€4.46) per hour from October 2011 to October 2013 when it was increased by 1.1% to GBP 3.72 (€4.51) (59% of adult minimum wage)
	Apprentices <19 years or those >19 years and in the first 12 months of their apprenticeship	GBP 2.65 (€3.21) per hour from October 2012 to October 2013 when it was increased by 1.1% to GBP 2.68 (€3.25) (43% of adult minimum wage)

*Note: * Signifies that a guaranteed minimum wage applies for employees with a professional qualification.*

Source: EIRO national correspondents

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Annex 1: Country codes

Table A1: Country codes

Country	Code
Austria	AT
Belgium	BE
Bulgaria	BG
Croatia	HR
Cyprus	CY
Czech Republic	CZ
Denmark	DK
Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	EL
Hungary	HU
Italy	IT
Ireland	IE
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Netherlands	NL
Norway	NO
Poland	PL
Portugal	PT
Romania	RO
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE
United Kingdom	UK

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Annex 2: ICTWSS data on collective bargaining coverage

Table A2 shows ICTWSS (2013) data on employees covered by collective (wage) bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, expressed as percentages. The numbers are adjusted for the possibility that some sectors or occupations are excluded from the right to bargain.

Table A2: Collective bargaining coverage, by country and year

Country	Year	Coverage (%)	Year	Coverage (%)
AT	2010	99.0	2000	98.5
BE	2010	96.0	2000	96.0
BG	2010	18.0	2003	40.0
CY	2008	52.0*	2002	63.0
CZ	2011	40.9	2000	41.1
DE	2012	58.0**	2002	68.5
DK	2007	85.0	1997	84.0
EE	2009	25.0	2001	29.0
EL	2008	65.0	2002	65.0
ES	2010	73.2	2000	83.4
FI	2009	89.5	2000	86.5
FR	2009	92.0	2001	92.0
HR	2012	30–40***	No data available	
HU	2009	33.5	1999	47.0
IE	2010	42.2	2000	44.4
IT	2010	85.0	2000	85.0
LT	2011	12.0	2002	12.5
LU	2008	58.0	2000	60.0
LV	2011	20.0*	2002	18.0
MT	2008	55.0*	2002	60.0
NL	2010	84.3	2000	84.7
NO	2008	74.0	1999	72.0
PL	2010	28.9	2001	42.0
PT	2011	31.7	1999	87.0
RO	2011	20.0*	2008	70.0
SE	2011	91.0	2000	94.0
SI	2009	92.0	1999	100.0
SK	2011	35.0	2001	48.0
UK	2011	16.9	2001	35.5

*Notes: * Estimate; ** As reported by the national correspondent (DE1404029Q); *** As reported by the national correspondent (HR1404021Q)*

Annex 3: National contributors

Table A3: List of national contributors, by country

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