

Eurofound publishes a new report on pay developments in Europe 2013:

Purchasing power of EU workers rising, despite limited collectively agreed pay increases

(Dublin, Ireland): Nominal collectively agreed pay increases remained limited in the majority of EU Member States in 2013. However, because of lower inflation rates, employees in a number of European countries saw the purchasing power of their wages increase, reflecting a change from the post-crisis trend that had been observed since 2011. Looking specifically at the civil service, retail and chemicals sectors, pay freezes or pay cuts were found in a majority of countries. Eurofound's annual update on pay reports on average increases of collectively agreed pay, outcomes of pay indexation mechanisms, pace-setting agreements and national or cross-sectoral agreements in all EU Member States, as well as minimum wage.

Collective bargaining remains a major determinant of wage developments in Europe. There are, however, considerable variations between the EU countries and Norway in the coverage of employees by collective wage bargaining. Generally, the thirteen Member States that joined the EU 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.

The report found that the change in real collectively agreed pay in 2013 was more positive than in 2012, for the majority of countries. 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%).

The report also looks at the developments of statutory minimum wages in Europe. It found that minimum wage levels increased by 10% or more in Lithuania, Estonia, Romania and Bulgaria, while it decreased in Greece. In real terms, the minimum wage decreased in six countries.

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 developments in the area of statutory minimum wages.

Download the report at <http://bit.ly/1kOUMCK>

Collective wage bargaining web portal <http://bit.ly/1bdf2FQ>

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NOTES TO THE EDITOR

The European Foundation for the Improvement of Living and Working conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75.

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