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# ICTU Briefing

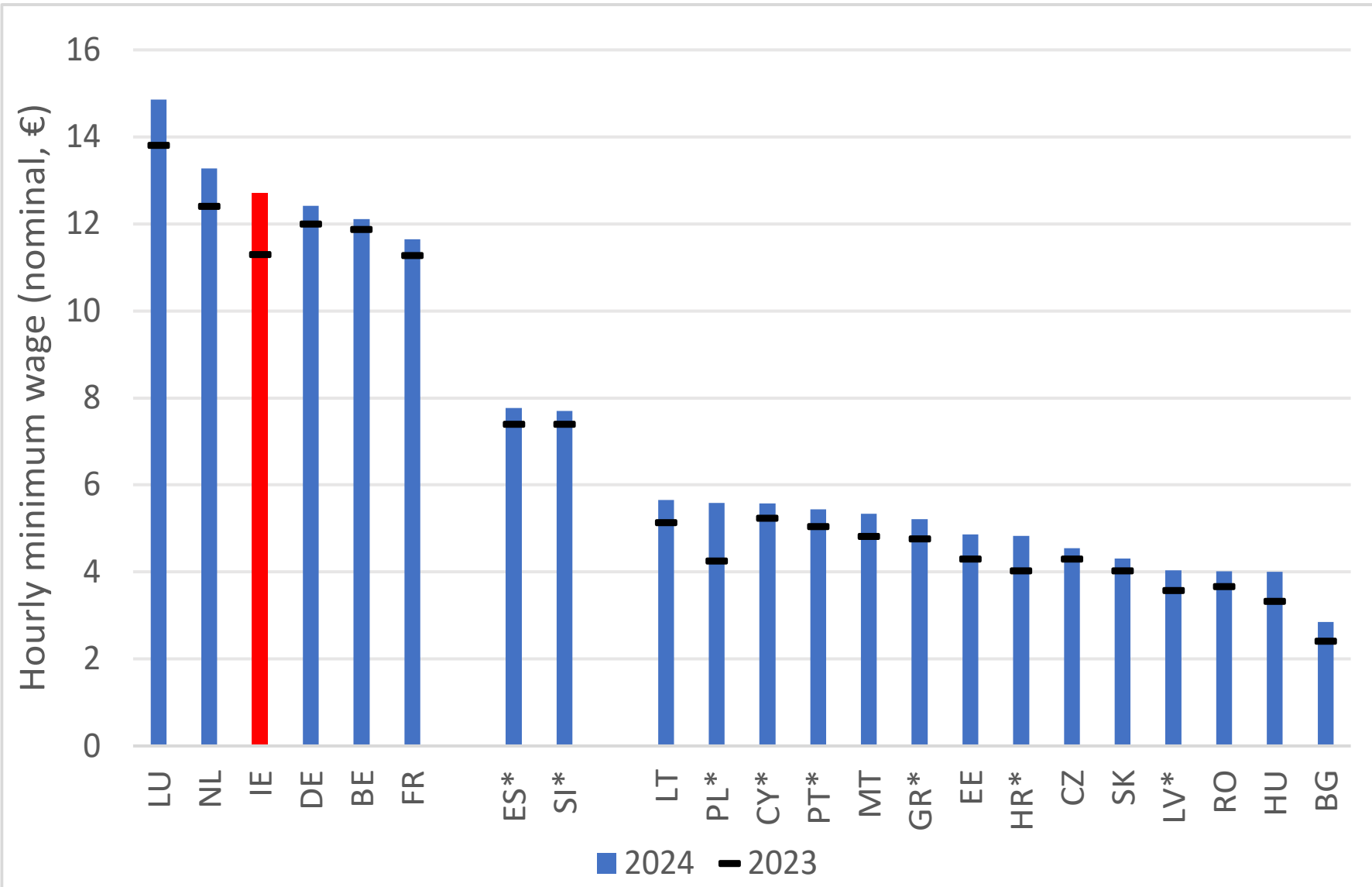
## Minimum Pay Rates in Collective Agreements in Europe

Dublin, 23 February 2024

**Eurofound**

# Panoramic of national minimum wages

# Notable cross-national disparities in nominal rates

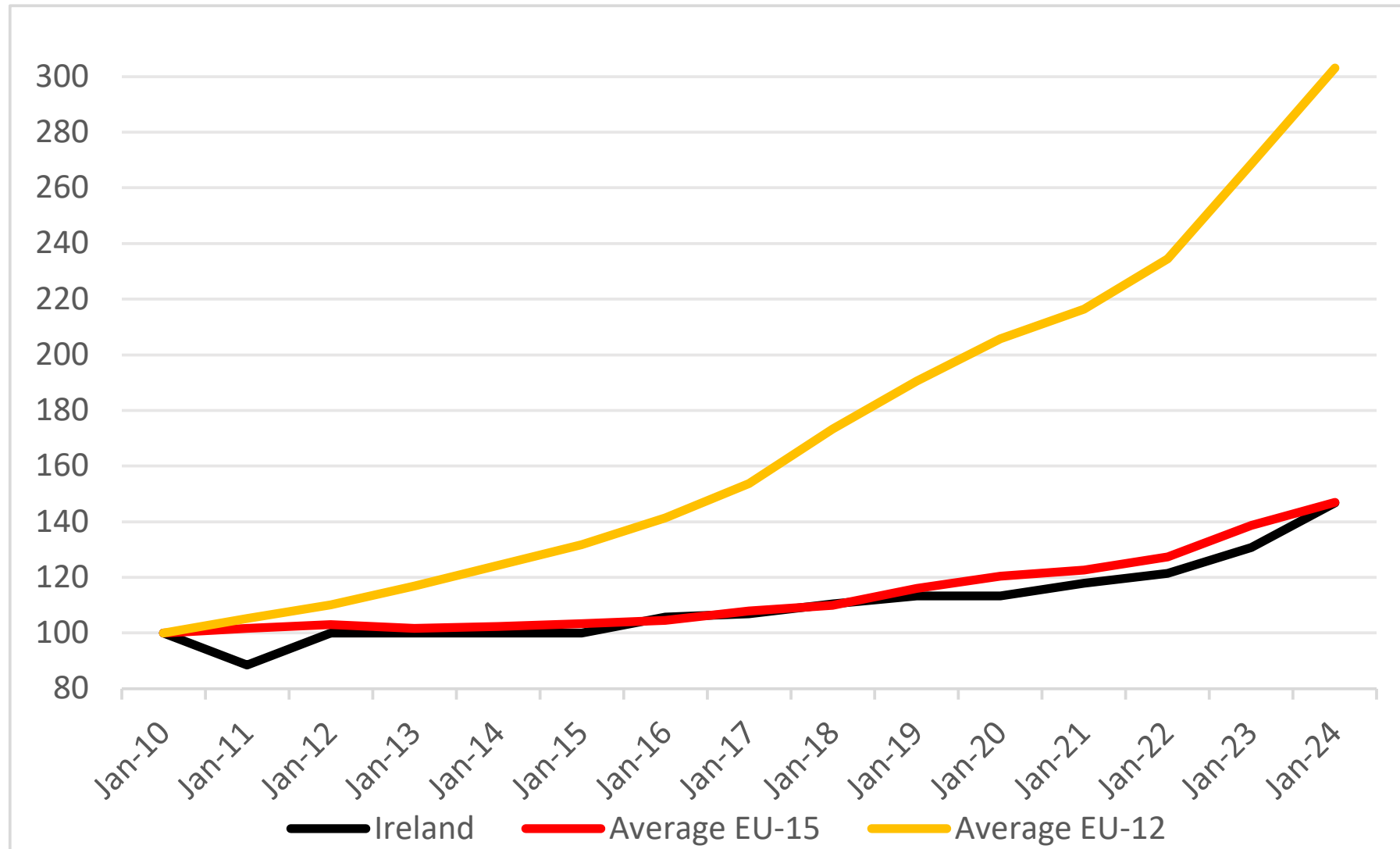


**EU Member States have increased their nominal statutory rates significantly again in 2024:**

- Ireland (+12%) the only EU-15 country among a group of nine EU-12 countries where hikes are above +10%
- Above LU (+8%), NL (7%), DE/FR (3%), BE (2%).

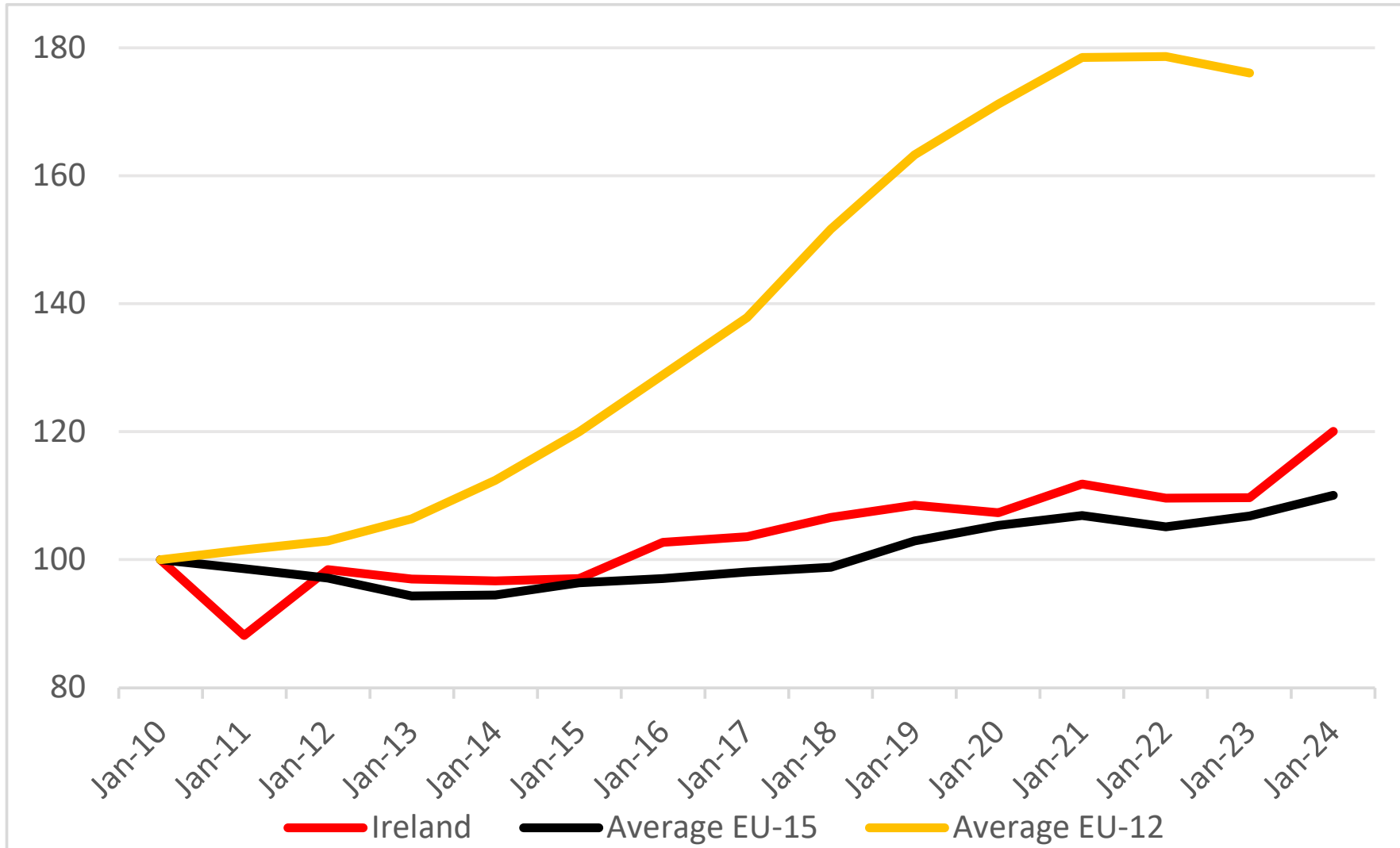
**Median increase for 2024: 9.7% [11.4% 2023]**

# Evolution of nominal rates since 2010



- Much higher growth in EU12 than EU-15 (convergence)
- More generous upgrades in recent years (from 2016-2017)

# Evolution of real rates since 2010



- Halt to purchasing power gains after 2021
- Trend reverted in 2024

# Pilot project on minimum wages

# A 'pilot project' on minimum wages

## Module 1: Minimum wages: Non-compliance and enforcement across the EU

- March 2021 to October 2023
- EF Research manager: Carlos Vacas-Soriano
- Università Cattolica del Sacro Cuore, Milan, Principal researcher: Claudio Lucifora

## Module 2: Database of collective agreements for low-paid workers

- January 2021 to December 2023
- EF Research manager: Christine Aumayr-Pintar
- Conceptual work supported by Wageindicator Foundation/Celsi, Principal researcher: Janna Besamusca

## Module 3: Minimum tariffs for self-employed worker

- January 2021 to November 2021
- EF Research Manager: Christian Welz



Research has been carried out in the context of the pilot project 'Role of the minimum wage in establishing the Universal Labour Guarantee'. This project was proposed by the European Parliament and delegated to Eurofound by the European Commission's Directorate-General for Employment, Social Affairs and Inclusion.



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# Database of collective agreements for low-paid workers Eurofound's pilot project on minimum wages - Results

23 February 2024, ICTU Dublin

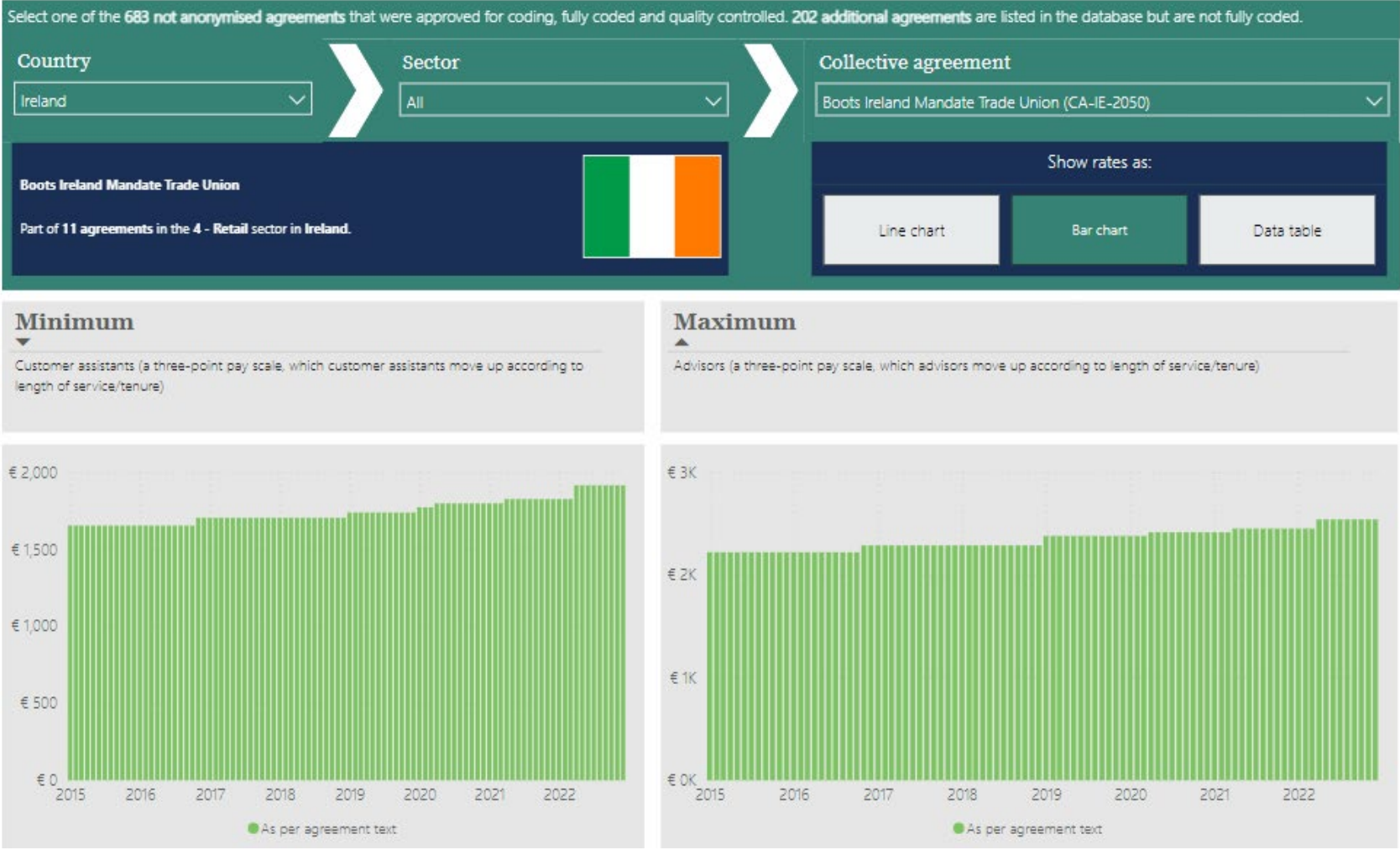
Team: Maria Cantero, Jakub Kostolny, Matthias Rasche, Marco Seghesio  
Research manager: Christine Aumayr-Pintar



# Objectives

- To build a database on minimum wages in collective agreements for low-paid workers
- For countries without statutory minimum wages: This could be used to calculate minimum wage floors.

# A visual presentation of the (not anonymised) individual agreements in the database



Link:  
[Minimum Wage Pilot Project Database | Eurofound \(europa.eu\)](https://europa.eu/eurofound/databases/minimum-wage-pilot-project-database)

Research has been carried out in the context of the pilot project 'Role

# What does the database include?

A sample of collective agreements related to 12 broader 'low-paid sectors of interest'.

- 1 - Agriculture
- 2 - Manufacture of food, leather, textiles, and clothes
- 3 - Construction excl. civil engineering
- 4 - Retail
- 5 - Postal, courier, land transport and warehouses
- 6 - Hospitality
- 7 - Business support services
- 8 - Residential and social care
- 9 - Arts, gambling and sports
- 10 - Personal services
- 11 - Domestic personnel
- 12- Multi-sectoral agreements

- 24 NACE 2-digit sectors sampled, grouped into 12 sectors.
- Representing 36.5 mio. low-paid employees (as per LFS) or around half of all low-paid workers between 15-65 years of age in EU-27

- 885 'listed' collective agreements valid or ultra-active in 2020
- 692 'fully coded' agreement series (if available from 2015 to 2022);
- 3,202 renewal texts
- 118,303 (monthly) pay rate observations

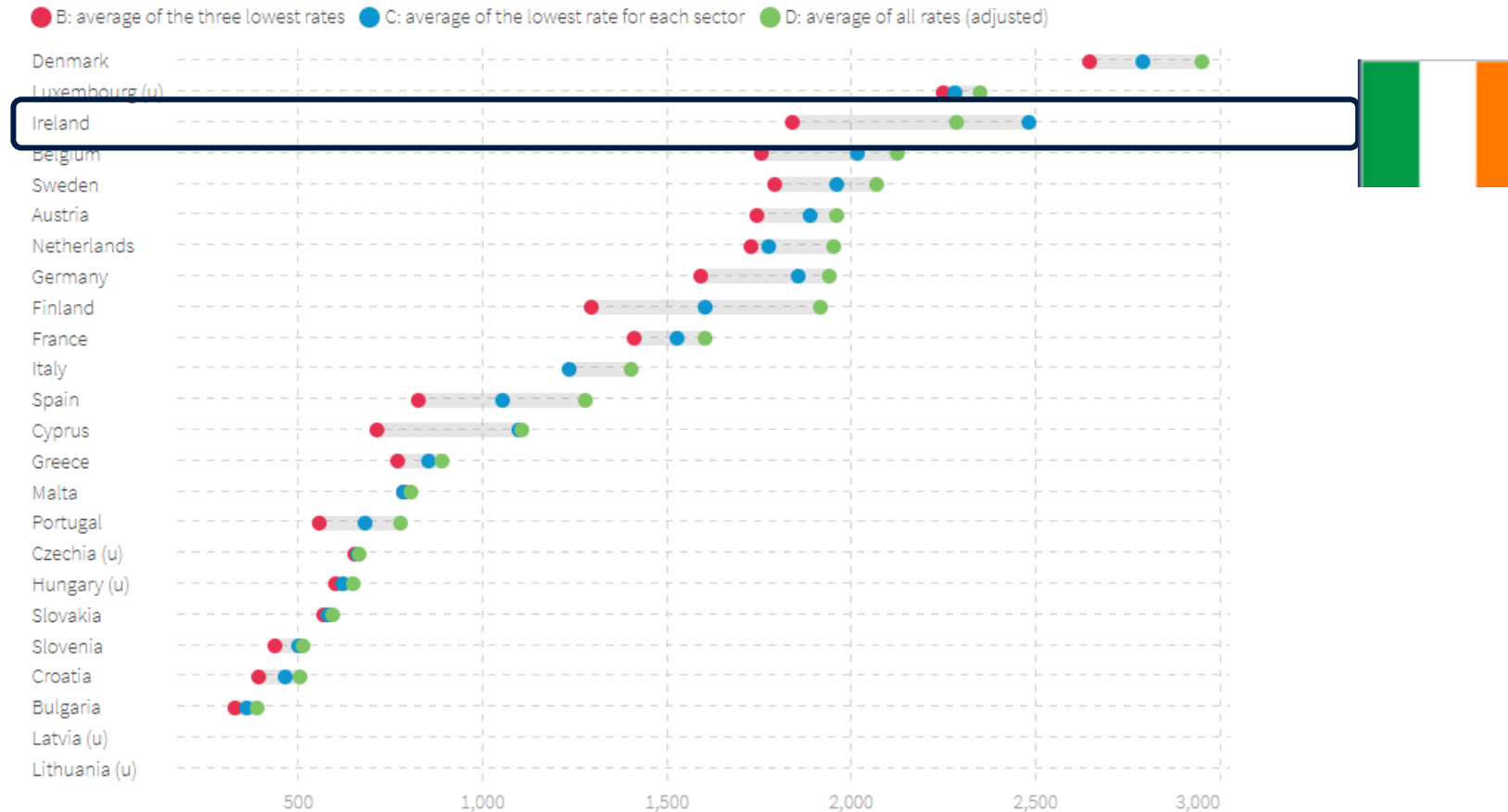
- Agreements cover at least\* 42 mio. workers in total in the EU 27

\* excl. Germany, Luxembourg and Malta.

More outputs:

- Consolidated report (forthcoming)
- 27 national reports documenting meta-data and background info on collective bargaining in the low-paid sectors.
- Preliminary concept paper
- Note on registers of collective agreements in the EU-27

# Negotiated basic monthly minimum rates, EUR, different averages, 1 January 2022



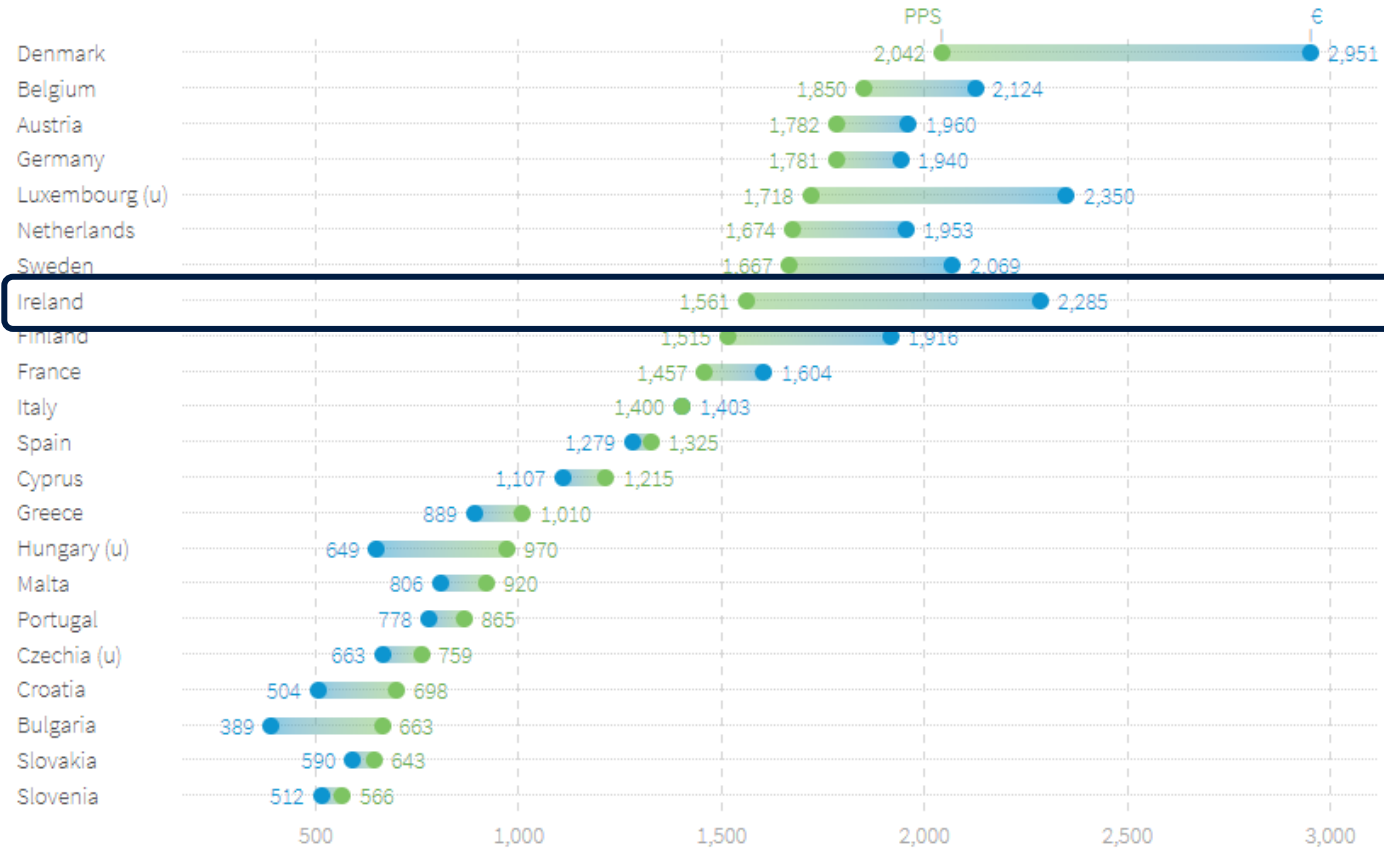
Source: Eurofound database of collective agreements for low-paid workers, 2023 • [Get the data](#)



Research has been carried out in the context of the pilot project 'Role

# Negotiated basic monthly minimum rates, EUR and PPS, 1 January 2022

Indicators: Average of all rates in € and PPS. All rates are adjusted to 12 monthly payments.



Ireland: third highest average figures in nominal terms, but substantially lower in purchasing power standards (8-highest).

Rates expressed in PPS are converted using PPP (EU27\_2020 = 1) [Eurostat, PRC\_PPP\_IND]

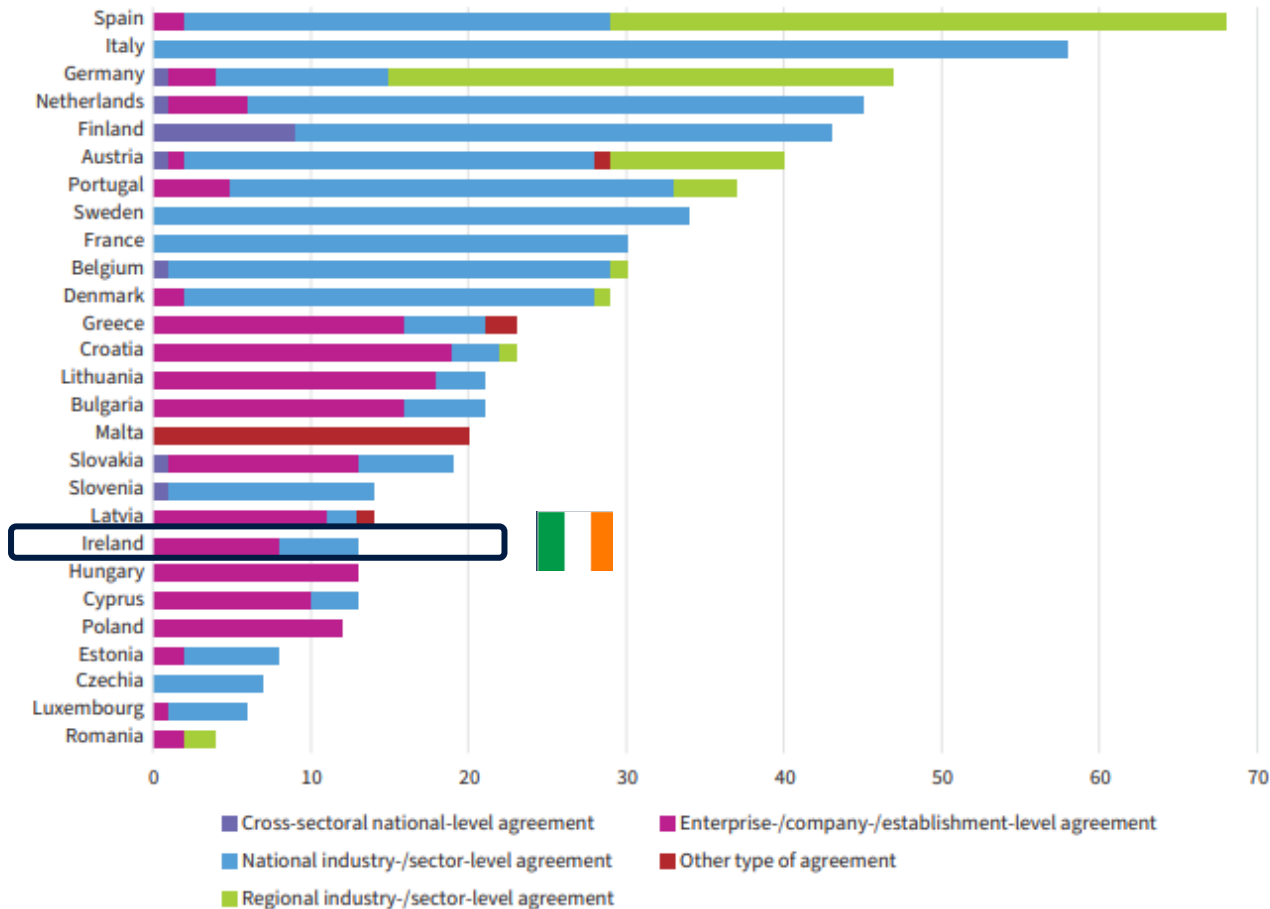
Source: Eurofound database of collective agreements for low-paid workers, 2023



Research has been carried out in the context of the pilot project 'Role



# The sample: Number of coded collective agreements (CA), by bargaining level and country



- 40 or more CAs from Austria, Finland, Netherlands, Germany, Italy and Spain.
- Below 10 from Romania, Luxembourg, Czechia and Estonia
- 3.6 signatory parties on average

Note: The number of collective agreements includes all 692 agreements approved for coding from all countries.  
Source: Eurofound database of collective agreements for low-paid workers, 2023

Degree of representativeness of the (listed) sample	Countries	General description (individual countries may deviate in some respects)
<b>Very high</b>	Austria, Belgium, France, Italy, Netherlands, Slovenia	Typically, the listed agreements in this group could be identified based on comprehensive official registers, which included at least agreements of the predominant bargaining levels, all sectors with existing agreements are captured and the proportion of covered workers represented by the listed agreements is very high.
<b>High</b>	Bulgaria, Finland, Lithuania, Portugal, Spain	Typically, the listed agreements in this group could be identified based on relatively complete registers and represent the predominant bargaining levels in the country, and all sectors with existing agreements are captured. The proportion of the covered workers is mostly somewhat lower than in the first group.
<b>Good</b>	Cyprus, Denmark, Germany, Sweden	In this group there is no official and comprehensive register, but the main source typically relates to one (major) social partner confederation. All sectors with existing agreements are included. The proportion of covered workers is lower in Denmark and Germany, but the included agreements are considered to be representative and often of a pace-setting nature for pay.
<b>Acceptable</b>	Croatia, Greece, <b>Ireland</b> , Slovakia,	The agreements in this group tend to be based on less comprehensive registers (if any), and may not fully reflect the predominant bargaining levels, particularly as company level agreements may have not been very accessible. Often not for all sectors of interest agreements could be identified, and the proportion of covered workers is typically lower.
<b>Low</b>	Czechia, Hungary, Latvia, Luxembourg	The listed sample of agreements in this group of countries could not be based on official (updated) registers, and the included available agreements may not always reflect the predominant bargaining level. Given the predominance or importance of company level bargaining the listed sample is very small and so is the proportion of covered workers in this group, sectors with agreements tend to be missing.
<b>Not representative</b>	Estonia, Poland, Romania	In the absence of accessible registers only a small number of agreements was identified, only few sectors could be included and due to the predominance of fragmented company level bargaining the sample is not sufficient and representative.

Research has been carried out in the context of the pilot project 'Role

# Workers covered by bargaining level



**Notes:** The number of workers covered is a lower bound, as it excludes cases in which data were unavailable. Some countries, in particular Germany, provided almost no figures on worker coverage. The figures for collective agreements include all 692 fully coded agreements from all countries, while the figures for the workers covered are based on 592 agreements for which such estimates are available.

**Source:** Eurofound database of collective agreements for low-paid workers, 2023

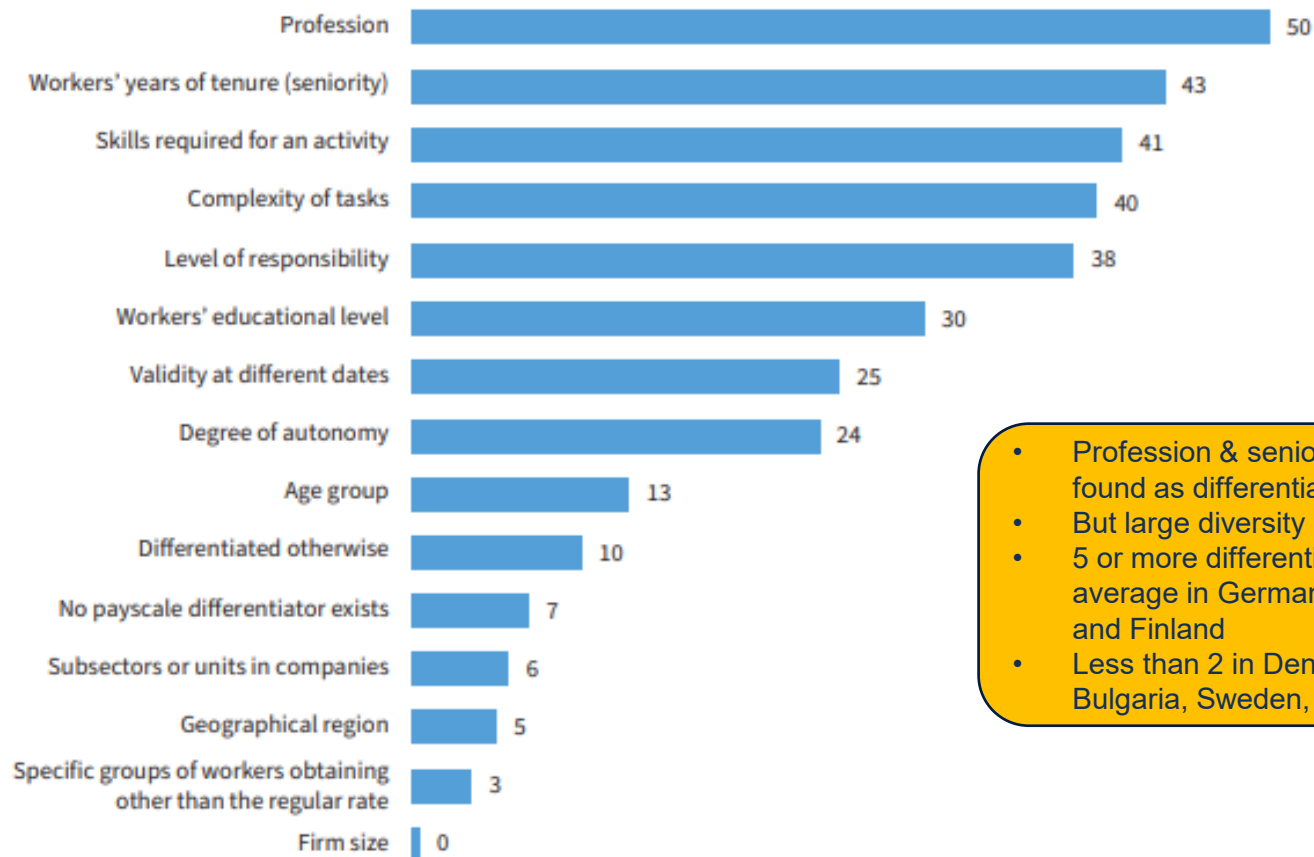
The 23% company level agreements only cover 2% of the workers covered by agreements in the database.

- 405 national/sector-level
- 158 company level
- 90 regional/sector-level
- 24 'other' (including few statutory regulations)
- 15 cross-sectoral



# Pay differentiators

Figure 13: Prevalence of pay scale differentiators in the coded agreements (%)

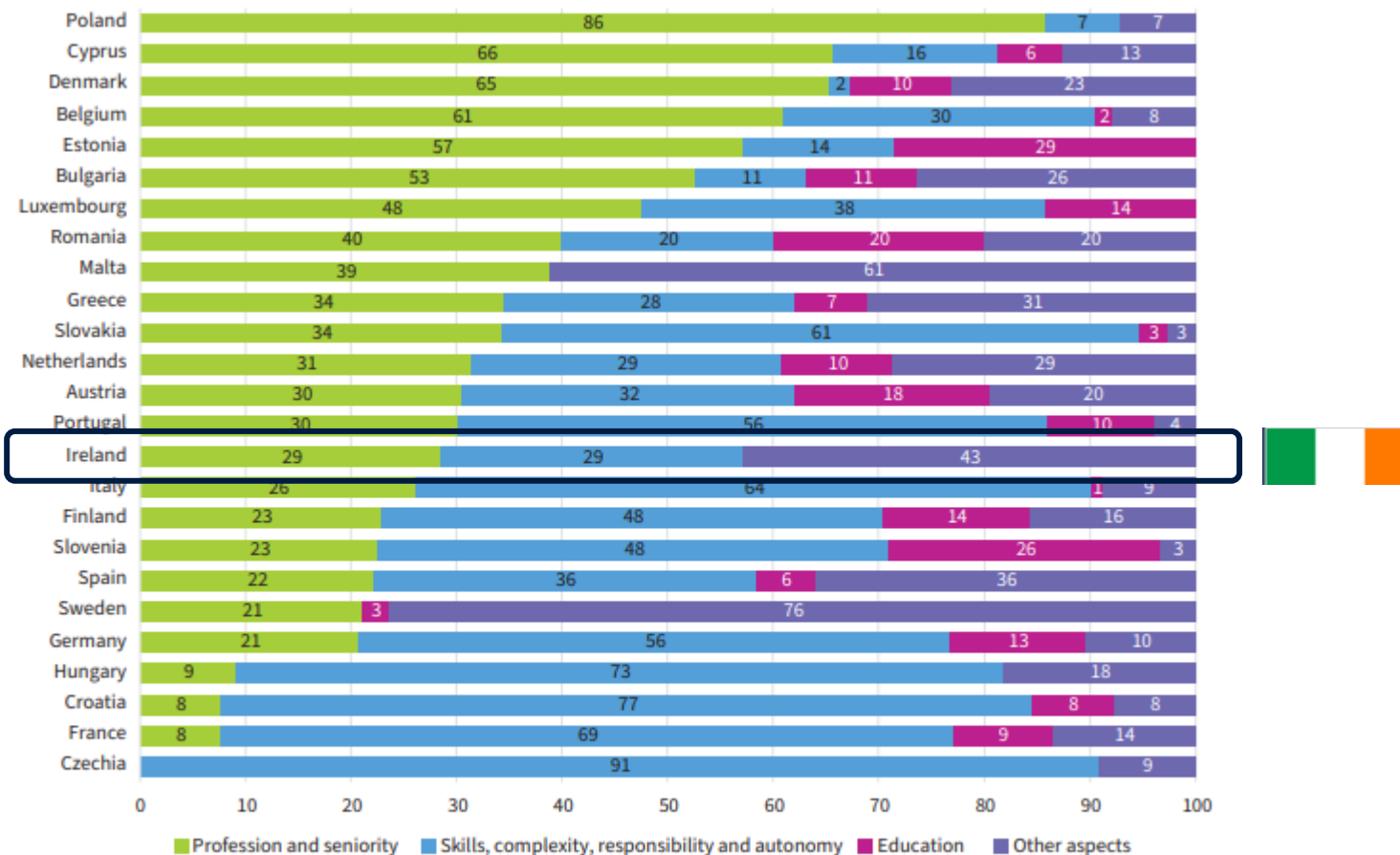


- Profession & seniority most frequently found as differentiator
- But large diversity in country approaches
- 5 or more differentiator per CA on average in Germany, Italy, Netherlands and Finland
- Less than 2 in Denmark, Croatia, **Ireland**, Bulgaria, Sweden, Poland and Latvia

Note: Based on 692 fully coded agreements from all countries.

Source: Eurofound database of collective agreements for low-paid workers, 2023

# Proportion of various pay differentiators by country (%)

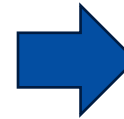


**Notes:** No differentiators of pay rates were found in the Latvian and Lithuanian collective agreements included in the sample. A collective agreement can include multiple pay differentiators.

**Source:** Eurofound database of collective agreements for low-paid workers, 2023

# How are pay rates included in the agreements?

	Proportion of agreements
<b>Agreements WITH pay rates</b>	
Pay scales or pay tables	70%
A single minimum pay rate	12%
Pay ranges	3%
<b>Agreements WITHOUT wage rates</b>	
No rates, but percentage increases are mentioned	2%
No wage rates or clauses in the agreement	6%
No rates, just information on where wages are determined	2%
No rates, but agreement refers to other agreements or laws	2%
No access to the rate	3%
<b>Total</b>	692 (100%)



- 85% of the sampled agreement series include pay rates, of which at least some were accessible

*Note: Based on 692 fully coded agreements from all countries.*

V. FUNDS FOR WORKING SALARY,  
ADDITIONAL EMPLOYMENT REMUNERATION AND BENEFITS

Art. 25. The individual remunerations of the employees in the institutes during the calendar year, without the additional remuneration for achieved results, cannot be smaller in size than those reached in the previous calendar year while

**D) Kollektivvertragliche Stundenlöhne ab 1.1.2022**

Lohngruppe 1	€ 11,74
Lohngruppe 2	€ 10,66
Lohngruppe 3	€ 10,40
Lohngruppe 4	€ 10,10
Lohngruppe 5	€ 9,84
Lohngruppe 6	€ 9,71

\* for technical services workers, minimum working sound engineer, art studio employee, stage worker salary for the country by coefficient 1.2.

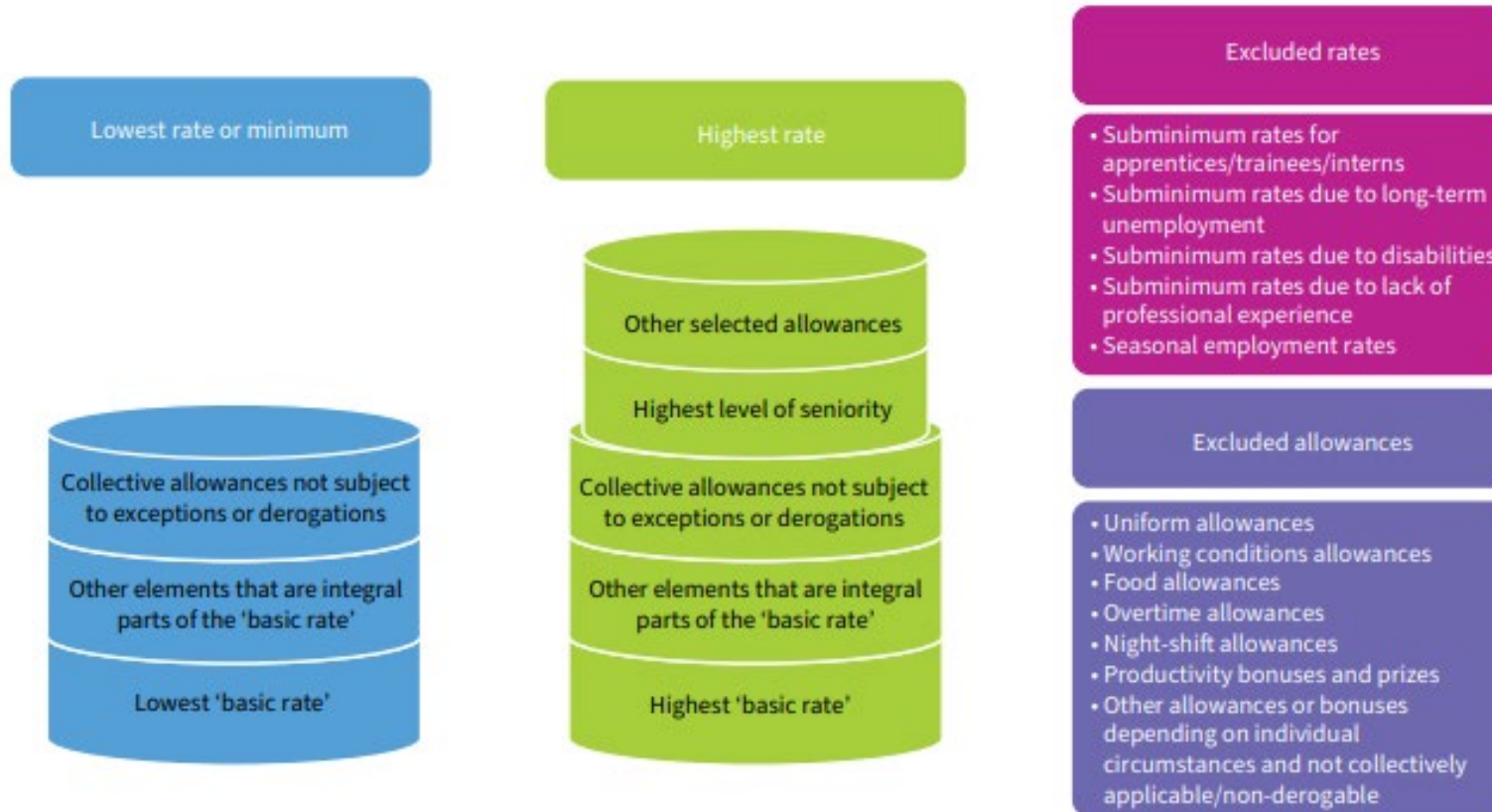
(2) These coefficients are applied by each cultural institute within the budget for the respective year.

(i)

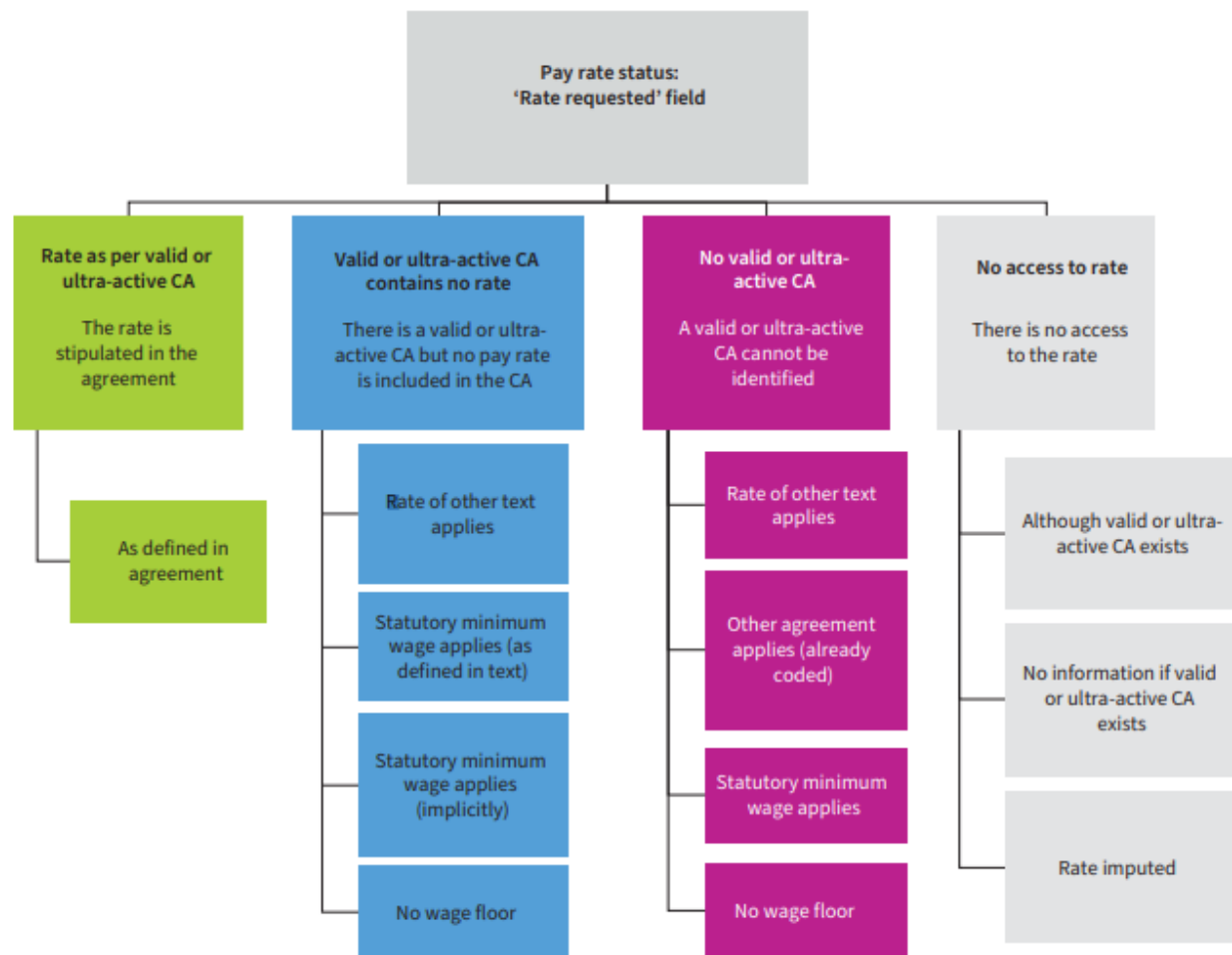
(ii)

LOONSCHALEN PER MAAND									
PER 1 november 2017 of week 45 2017 (6 november 2017) (+1%)									
Groep	A	B	C	D	E	F	G	H	I
Leeftijd/ functie.									
15	605,72								
16	698,60	852,23							
17	798,82	957,72							
18/0	876,65	1036,17	1230,82	1425,47					
1	886,73	1050,68	1251,25	1451,85					
19/0	1024,62	1149,54	1361,43	1573,33					
1		1165,63	1384,03	1602,44					
2		1181,72	1406,54	1631,54					
20/0	1192,21	1338,26	1529,72	1721,18	2166,65				
1		1356,99	1555,01	1753,03	2212,15				
2		1375,73	1580,30	1784,87	2257,64				
21/0	1387,60	1546,74	1732,06	1917,38	2235,71				
1		1568,39	1760,62	1952,85	2282,66				
2		1590,05	1789,18	1988,32	2329,61				
3		1611,70	1817,75	2023,79	2376,56				
22/0	1878,82	2011,85	2106,25	2200,66	2325,89				
1		2040,45	2141,76	2243,07	2377,16				
2		2069,31	2177,69	2286,07	2427,59				
3		2097,41	2213,08	2328,74	2478,86				
23/0	1878,82	2011,85	2106,25	2200,66	2325,89	2584,07	2963,93	3399,62	3899,37
1		2040,45	2141,76	2243,07	2377,16				
2		2069,31	2177,69	2286,07	2427,59				
3		2097,41	2213,08	2328,74	2478,86				
4		2126,25	2248,27	2370,30	2529,28				
5		2154,15	2283,44	2412,72	2580,82	2867,29	3288,79	3772,24	4326,76

# How to define basic pay: General rules



# Pay rate status: A central conceptual classification



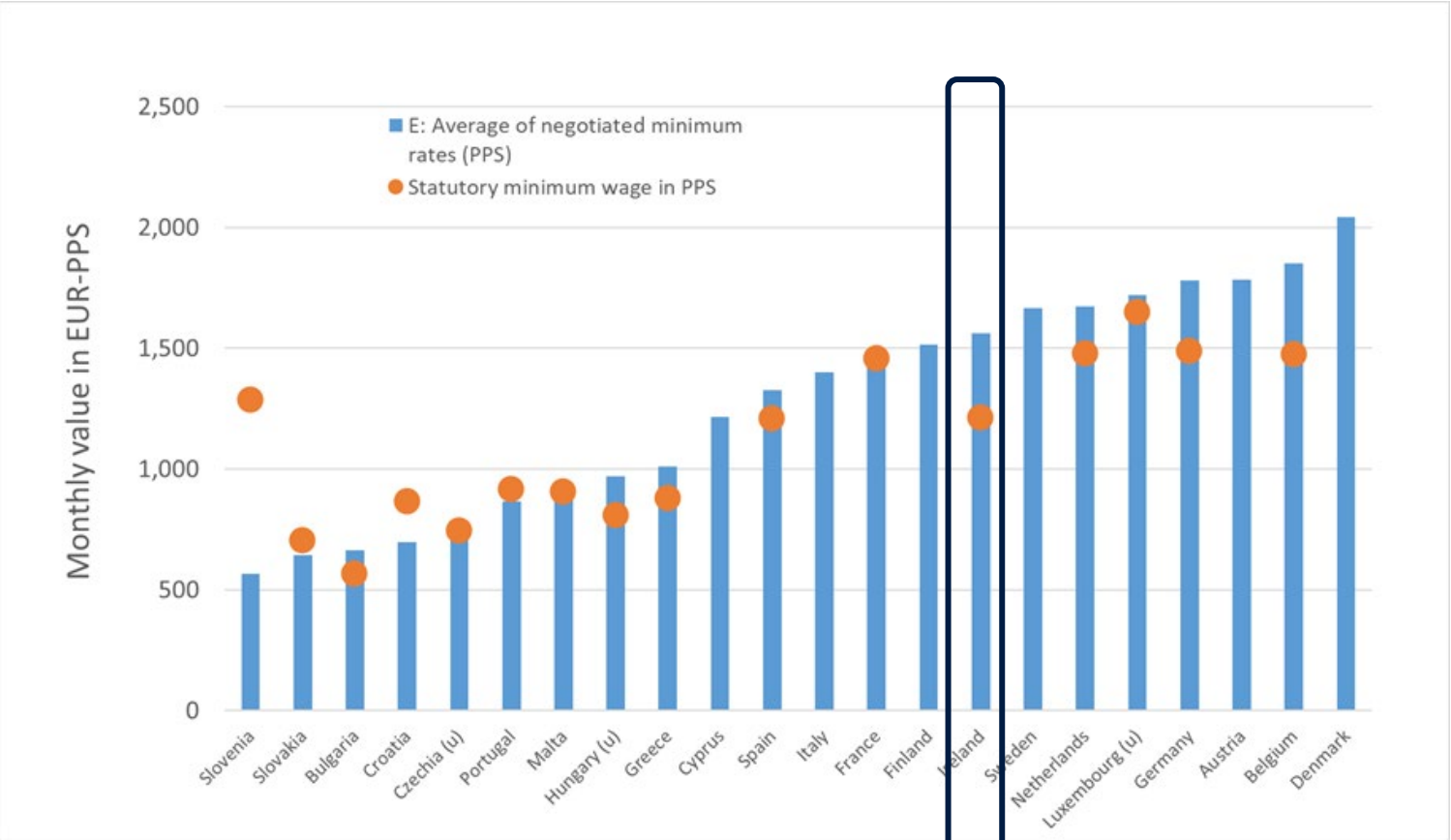
Source: Authors

- **Every** monthly observation of a pay rate field is given a status.
- This allows to understand if and WHY gaps in the time series occur.
- Implications for the creation of a panel of observations

# Results

## Minimum pay in collective agreements for low-paid workers

# Average difference between the negotiated rate and the statutory minimum wage, by country, 1 January 2022 (%)



In Ireland we see one of the largest top-ups over the statutory minimum



# Agreed rates below the statutory minimum wage

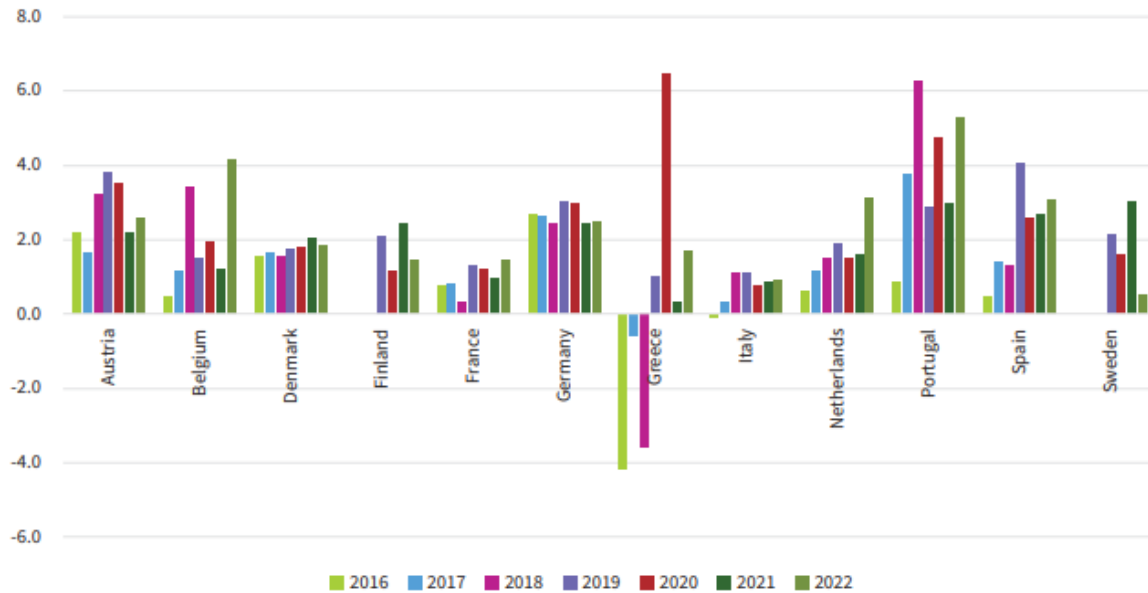
- Negotiated rate (Type I) comparison to SMW, rates below due to:
  - Non-renewal (minimum pay rates not updated)
  - Different wage composition (basic pay and top-up)

	Proportion of agreements which contain at least one negotiated rate below SMW	Proportion of negotiated rates below SMW	Average length of rate being below SMW in years	Number of collective agreements with at least one rate below SMW	Total number of collective agreements with a negotiated rate
<b>Slovenia</b>	100%	100%	7.9	13	13
<b>Portugal</b>	86%	48%	4.3	32	37
<b>France</b>	80%	32%	2.9	24	30
<b>Slovakia</b>	74%	58%	4.9	14	19
<b>Poland</b>	67%	47%	4.1	8	12
<b>Spain</b>	40%	18%	3.3	27	67
<b>Croatia</b>	35%	70%	5.7	7	20
<b>Germany</b>	29%	7%	1.7	15	51

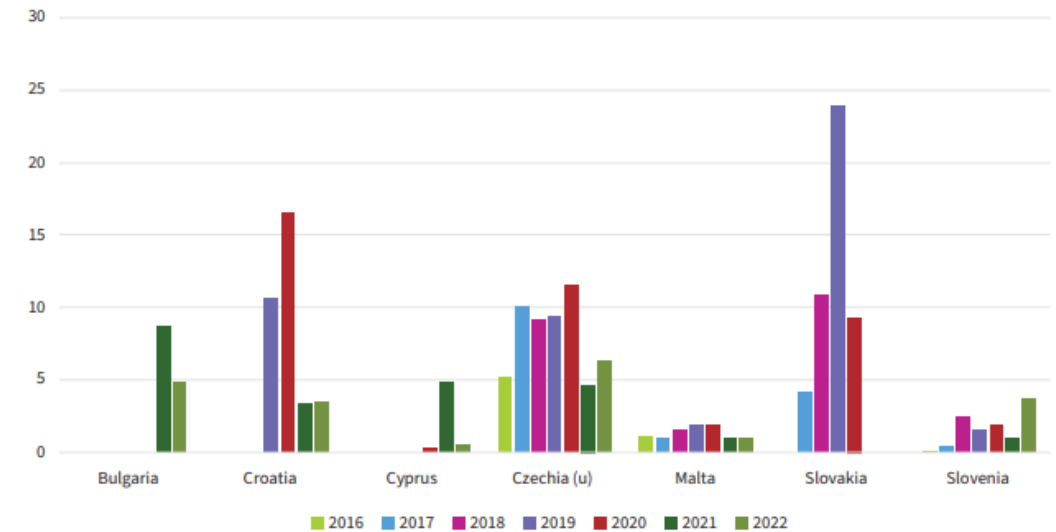
# Results: time series of collectively agreed pay for low-paid workers (based on **selected panels** of agreements)

Figure 27: Changes in negotiated minimum rates, by country, 2016–2022 (% change from previous year)

## (A) EU15 countries



## (B) Countries that joined the EU from 2005 onwards



Notes: No data are displayed for Estonia, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Poland or Romania, as no time series could be created for these countries. u, low reliability, applicable to Czechia, as the figures are based on samples with a low degree of representativeness.

Source: Eurofound database of collective agreements for low-paid workers, 2023

Not possible to create time series for Ireland, because of fragmented data and short periods covered.



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# Key findings

# Main 'technical' findings

- **Feasibility** to establish such a concept for a database and pilot has been established.
- **Representativeness** of the sample is guaranteed in most countries, based on a multi-variate qualitative assessment of several factors (existence of register, predominant bargaining level represented, proportion of covered workers included, agreements from all (grouped) low-paid sectors of interest included when they exist).
- **Snapshot** data on (average) collectively agreed pay could be provided for 22 countries and **time series** for 19 countries.
- Sample selection good, but access to **company level agreement** is a **challenge**. Where they are accessible, inclusion deprioritised due to resource issues.

# Content related main findings

- 13% of collective agreements captured at the stage of listing **do not contain any pay rates**. Out of the sampled agreements 12% contain only one minimum pay rate (most frequently in Central and Eastern European Member States), while 77% regulate pay also for higher paid workers.
- Agreements in the newer Member States more frequently **refer to statutory minimum wages** explicitly, rather than including higher collectively agreed rates.
- In countries **without** statutory minimum wages the appearance of 'no wage floors' due to collective agreements not being renewed (and past any ultra-activity phase) was a **very seldomly detected** and a temporary phenomenon.
- On average the highest negotiated minima are found in Danish agreements (€2,951), followed by Luxembourg (€2,350) and Ireland (€2,285). On average the lowest negotiated minima relate to Bulgaria (€389), Croatia (€504) and Slovenia (€512).
- Negotiated pay rates can be **outdated** and **below the statutory minimum wage**. This was particularly the case in collective agreements from Slovenia, Slovakia, Portugal, Spain, Poland, Croatia and to some extent also in France and Germany.

# EU directive on adequate minimum wages

Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union

# Objectives and background

- Proposed in 2020, adopted in 2022, to be transposed into national law in 2024
- Pay is excluded from the fields of areas where the EU has a mandate (Article 153 of the Treaty of the functioning of the EU)
- Main objective: Protect workers, ensure their minimum wages are adequate
- Setting and updating shall be guided by the aim of
  - achieving a decent standard of living,
  - reducing in-work poverty, as well as
  - promoting social cohesion and upward social convergence, and
  - reducing the gender pay gap.
- Differentiated rules for countries with and without statutory minimum wages

# EU directive on adequate minimum wages

- What it DOES NOT DO

- Set a uniform rate for all countries or a uniform proportion in relation to other wages
- Prescribe how countries shall define the adequacy
- Prescribe the form of minimum wage setting (i.e. statutory or negotiated)
- Interfere with Member States and social partners' autonomy in regulating (minimum) wages
- Abolish youth minima or other sub-minima entirely
- It is not a living wage approach (i.e. in the sense of setting up a basket of required goods and services the wage shall be based on) – but: it also does not rule out such approaches.

- What it DOES: ALL Member states shall:

Article 4

- Promote collective bargaining on wages
- Ensure in public procurement that operators and subcontractors comply with obligations
- Monitor and provide data
- Make information on minimum wage levels accessible

- Member States with statutory minimum wages shall:

- Consider four minimum criteria for the setting
- Refer to 'indicative reference values' to guide the assessment of adequacy (**for example:** 60% of median wages)
- Ensure regular updates
- Establish 'consultative bodies' to advise, with social partner involvement
- Limit variations and deductions
- Involve the social partners
- Strengthen the enforcement

Article 5



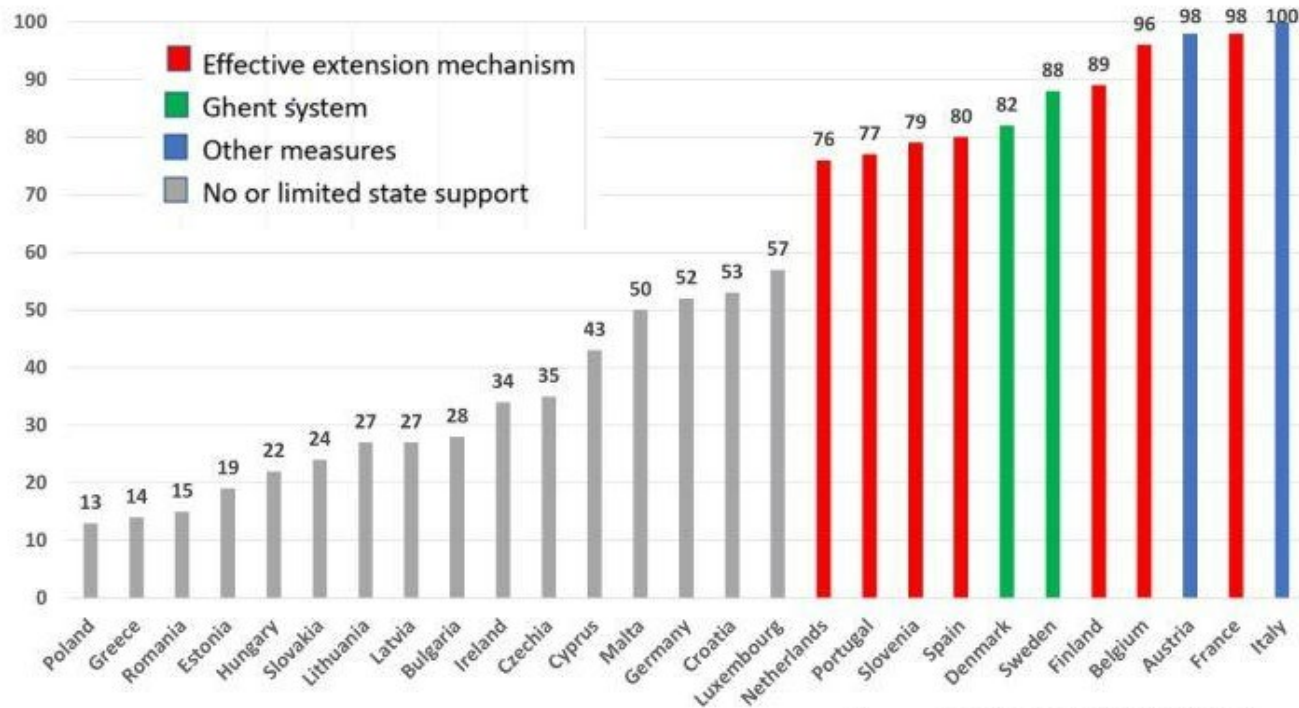
# A closer look into Articles 4: Promotion of collective bargaining on wage-setting

- Aim: increase collective bargaining coverage
  - Promote the strengthening of the **capacity of social partners** to engage in collective wage bargaining (particularly at sector/industry level)
  - encourage constructive, meaningful and informed negotiations on wages between the social partners, on an equal footing, where both parties have access to appropriate information in order to carry out their functions in respect of collective bargaining on wage-setting;
  - **Protect the right to collective bargaining** and protect workers and union representatives from discrimination (if they wish to engage in wage negotiations)
  - Protect trade unions and employers' organisations participating or wishing to participate in collective bargaining
- Member States with less than 80% collective bargaining coverage shall:
  - Set up a framework for enabling conditions
  - Establish an action plan to promote collective bargaining

# Eight Member States have currently 80% or more workers covered by collective agreements



## Collective Bargaining and state support



Preconditions for high CB coverage:

- Sectoral CB
- State support through extension or other mechanisms

Dr. Torsten Müller, ETUI, 14 December 2023

Source: OECD-AIAS-ICTWSS Database

# How to increase collective bargaining coverage? What do countries do that have a high CBC already?

- Remove legislative obstacles or simplify the conclusion of CAs
  - too strict representativeness criteria (RO)
  - Requirement for employer to conclude a CA with all unions (CZ)
  - Promotion of 'multi-employer bargaining' when sector bargaining not possible
  - State supported mediation in case of disagreements (e.g. SE, DK...)
- Ensure broad coverage of existing agreements
  - Lower extension criteria (but: legitimacy!)
  - Limit exceptions for some employers (CZ)
  - Limit possibilities for companies to circumvent application of CA (DE)
  - Extend scope to more workers
  - Extend the validity after expiry
- Resources and capacity
  - Improve organisational capacity of employers
  - Anti-union busting measures
  - Sufficient resources/support for employee representatives
  - Training for negotiators, capacity building
  - Contribution of non-union members to unions when benefitting from CAs
- Incentives
  - for workers/companies to join social partner organisations (e.g. tax exemption of fees, preferential state support – PT social partners administering unemployment funds: DK, SE)
  - Tax deductions for companies with a dynamic CB (PT)
  - State support for sector bargaining (CZ proposal)
- Leading by example: Governments
  - State to conclude CAs in their sphere (LT)
  - CA clauses in public procurements (DE discussions)
- 'Mandatory' elements? – Applied in few countries, but...
  - Mandatory requirement for companies to enter into CB (RO)
  - Requirement for social partners to renegotiate pay after rises of the statutory minimum wage (FR)
  - Mandatory membership of all companies to an employers organisation which engages in CB (AT)
  - Mandatory union membership for low-income workers (MT union proposal)

List of some ideas – from the member states - not 'one' recipe for all.  
Traditions of the different member states and autonomy of social partners  
'Liberalisation' of CB versus ensuring legitimacy and representativeness

# Policy pointers

- **Collective bargaining coverage** on its own is **necessary but not always sufficient**.
  - Do agreements indeed contain any rates at all?
  - And if so: are they above the statutory minimum wage, or already outdated?
  - Findings from this project show that this happens frequently in some Member States. This can be ‘by design’ (such as numberless agreements in Sweden), leaving the actual pay setting take place at different levels, but it could also be indicative of a more limited role given to pay regulation in collective agreements.
- Within collective agreements social partners have the potential to regulate minimum pay for a much larger number of workers than those captured by statutory minimum pay rates – up to higher earnings segments and differentiated by job classifications. But this **potential is not always used**.
- Accessibility of collective agreements remains an issue in a considerable number of countries. There is **room for improving** this – as recommended by the Council Recommendation on social dialogue.
- The **statutory minimum wage remains a key wage setting tool** in those countries where agreements are often outdated or contain no rates. BUT: This **should not prevent** the bargaining actors to exploit their potential for setting pay and regulating other topics. Collective bargaining should be particularly improved in these countries.

# References

- Eurofound (2024), Minimum wages for low-paid workers in collective agreements, Minimum wages in the EU series, Publications Office of the European Union, Luxembourg
- Eurofound (2022b), Preliminary framework for a Eurofound Collective Agreements. Database on collectively bargained minimum pay rates, Eurofound Working Paper, WPEF22043.
- Eurofound (2022c), Summary of national databases and archives for the Eurofound Collective Agreements Database, Eurofound Working Paper, WPEF22044.
- Eurofound (2023a), Minimum wages: Non-compliance and enforcement across the EU, Publications Office of the European Union, Luxembourg.



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# Annex

# Low-paid sectors of interest and how they were selected

EU LFS 27  
aggregate,  
Employees  
between  
15 to 64  
years,  
NACE 2  
digit

## Low paid

- Share of low-paid workers
- First three wage income deciles at NACE 2-digit

## Large enough

- Number of employees within each NACE 2

## Ranking of both

- Average of two rankings provides list to select from
- CB coverage no selection criterion any more

## 2 additional sectors

- Added out of political interest

We selected 24 'low paid' NACE 2 digit sectors within 11 NACE 1 digit sectors.

- Decision by EC to go for a broader sector coverage at the expense of a larger number of agreements within each sector.
- In the 24 NACE 2 digit sectors, about 25.2 mio workers are low-paid (LFS, first three earnings deciles)

NA CE 1-code	Grouped low-paid project sector of interest	NACE 2 digit-code	NACE 2-digit	Share of low-paid workers	Size (number of employee in EU27)
A	1 - Agriculture	1	Crop and animal production, hunting and related service activities	0.58	1157.698
C	2 - Manufacture of food, leather, textiles and clothes	10	Manufacture of food products	0.35	1103,486
		15	Manufacture of leather and related products	0.43	163.009
		13	Manufacture of textiles	0.36	165.642
		14	Manufacture of wearing apparel	0.52	388.237
F	3 - Construction excl. civil engineering	43	Specialised construction activities*	0.24	1109.954
		41	Construction of buildings*	0.22	520.452
G	4 - Retail	47	Retail trade, except of motor vehicles and motorcycles	0.52	5984.346
H	5 - Postal services & couriers, land transport and warehouses	53	Postal and courier activities	0.33	374.714
		49	Land transport and transport via pipelines*	0.21	781.510
		52	Warehousing and support activities for transportation*	0.21	456.398
I	6 - Hospitality	55	Accommodation	0.49	733.162
		56	Food and beverage service activities	0.66	2905.363

NA CE 1-code	Grouped low-paid project sector of interest	NACE 2 digit-code	NACE 2-digit	Share of low-paid workers	Size (number of employee in EU27)
N	7 - Business support services	78	Employment activities	0.4	243.823
		82	Office administrative, office support and other business support activities	0.43	401.039
		80	Security and investigation activities	0.35	323.771
		81	Services to buildings and landscape activities	0.65	181.190
Q	8 - Residential and social care	87	Residential care activities	0.41	1447.151
		88	Social work activities without accommodation	0.52	2180.186
R	9 - Arts, gambling and sports	90	Creative, arts and entertainment activities	0.38	138.487
		92	Gambling and betting activities	0.4	95.413
		93	Sports activities and amusement and recreation activities	0.53	466.616
S	10 - Personal services	96	Other personal service activities	0.63	931.603
T	11 - Domestic personnel	97	Activities of households as employers of domestic personnel	0.81	1347.294

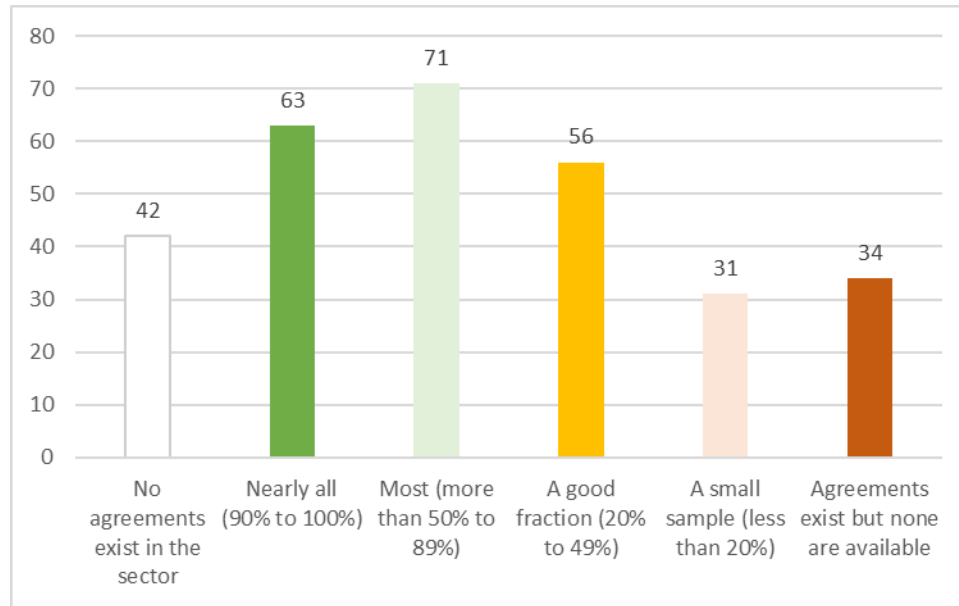
\* Number of employees in 1,000

\*\* Added out of political interest



# How we selected the sample of agreements

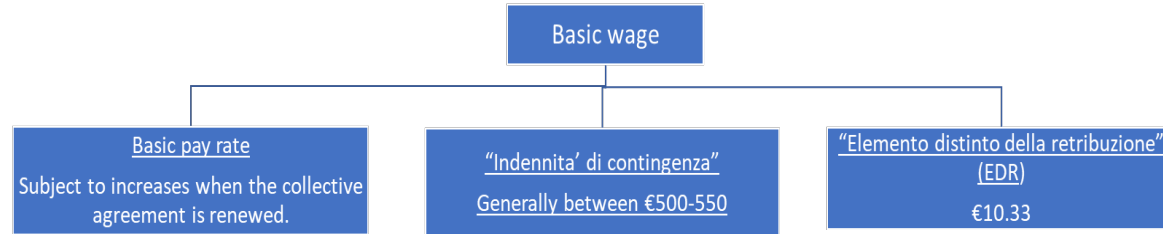
Distributions of sectors across self-assessed proportion of covered workers covered



	1 - Agriculture	2 - Manufacture of food, leather	3 - Construction excl. civil engi	4 - Retail	5 - Postal, courier, land transp	6 - Hospitality	7 - Business support services	8 - Residential and social care	9 - Arts, gambling and sports	10 - Personal services	11 - Domestic personnel
Austria	4	3	3	4	4	4	3	3	2	4	4
Belgium	4	3	4	4	3	4	4	3	3	4	4
Bulgaria	3	3	2	0	2	4	2	3	3	1	0
Croatia	1	2	4	2	3	4	1	4	2	2	0
Cyprus	4	4	4	4	0	4	4	4	2	0	0
Czechia	2	2	4	1	2	2	0 n/a	0	0	0	0
Denmark	4	3	3	4	2	3	4	2	1	3	0
Estonia	0 n/a	0 n/a	0 n/a	2 n/a	2 n/a	n/a	2	2	2 n/a	0	0
Finland	4	3	3	3	3	4	2	3	2	2	0
France	4	3	4	2	3	4	2	3	3	2	4
Germany	1	2	3	2	3	2	3	2	1	3	2
Greece	0	1	2	1	1	4	1 n/a	1	1	1	0
Hungary	1	1	2	3	3 n/a	1	0	1	0	0	0
Ireland	3	2	4	1	1 n/a	4	3	3	3	0	0
Italy	3	4	4	4	3	3	3	3	3	1	4
Latvia	0	2	4	3	2	0	2	2 n/a	n/a	0	0
Lithuania	0	4	4	4	3	0	4	3	4	0	0
Luxembou	0	1	2	3	2	0	2	3	1	0	0
Netherlan	3	3	4	3	3	3	4	4	3	4	0
Poland	n/a	1	1 n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Portugal	3	2	2	3	2	3	2	2	2	2	0
Romania	n/a	n/a	1 n/a	n/a	1 n/a	n/a	n/a	2 n/a	n/a	n/a	0
Slovakia	2	2	1	1	2 n/a	2	2	2	1	0	0
Slovenia	4	4	4	4	4	4	3	4	4	3	0
Spain	3	3	1	2	2	3	2	3	3	1	2
Sweden	3	3	3	4	4	4	3	3	3	3	4

Note: N = 275 country x sector combinations; 26 June 2023

# Example of a country specific adaptation of the general rule: Italy



Aumenti dal 1/01/2023 €	Nuovi minimi dal 1/01/2023 €
35,03 €	2.477,05 €
30,46 €	2.153,93 €
25,13 €	1.777,03 €
22,08 €	1.561,62 €
19,80 €	1.400,10 €
18,28 €	1.292,37 €
16,75 €	1.184,70 €
15,23 €	1.077,00 €

## Trattamento Economico Minimo

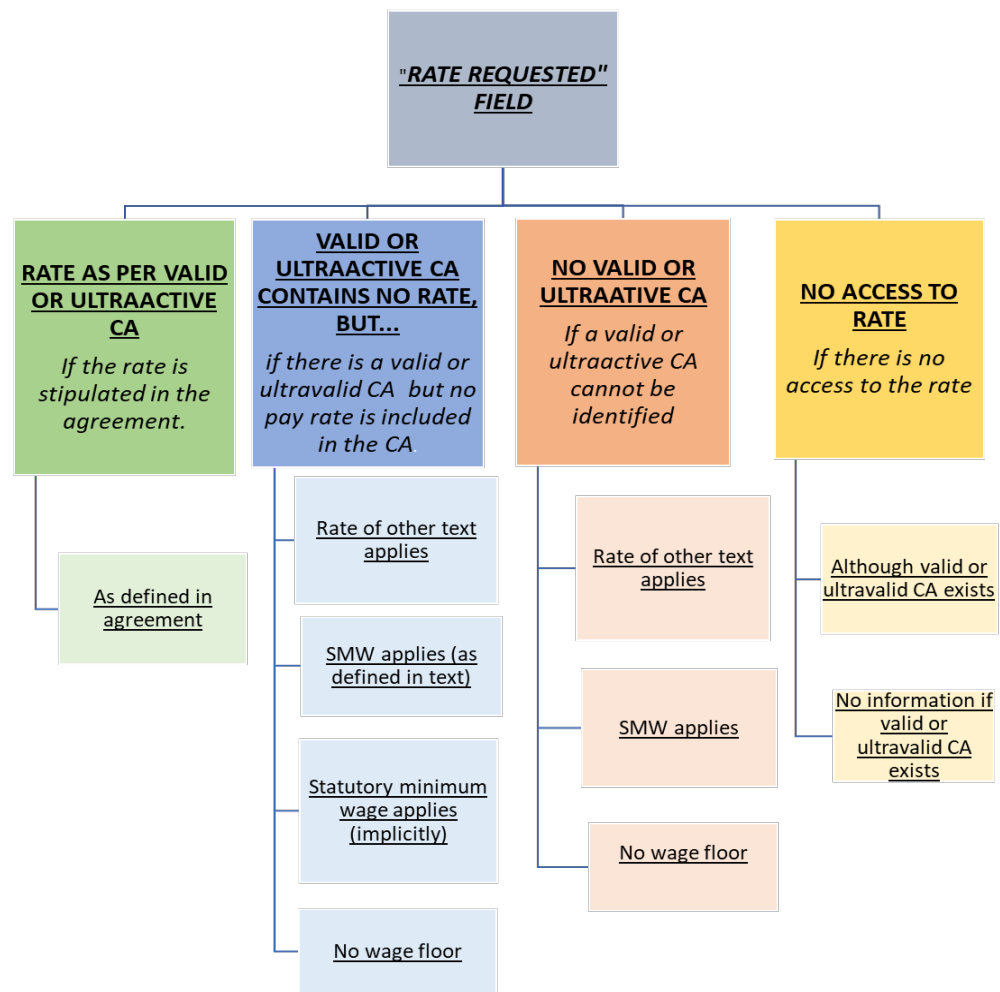
Le Parti stabiliscono che in seguito al Rinnovo del 31/07/2020, il TEM si compone:

- Minimi Tabellari (paga base);
- Ex indennità di contingenza ( art. 52)
- EDR (art.52)

I minimi tabellari (paga base) sono quelli che risultano dalla tabella che segue:

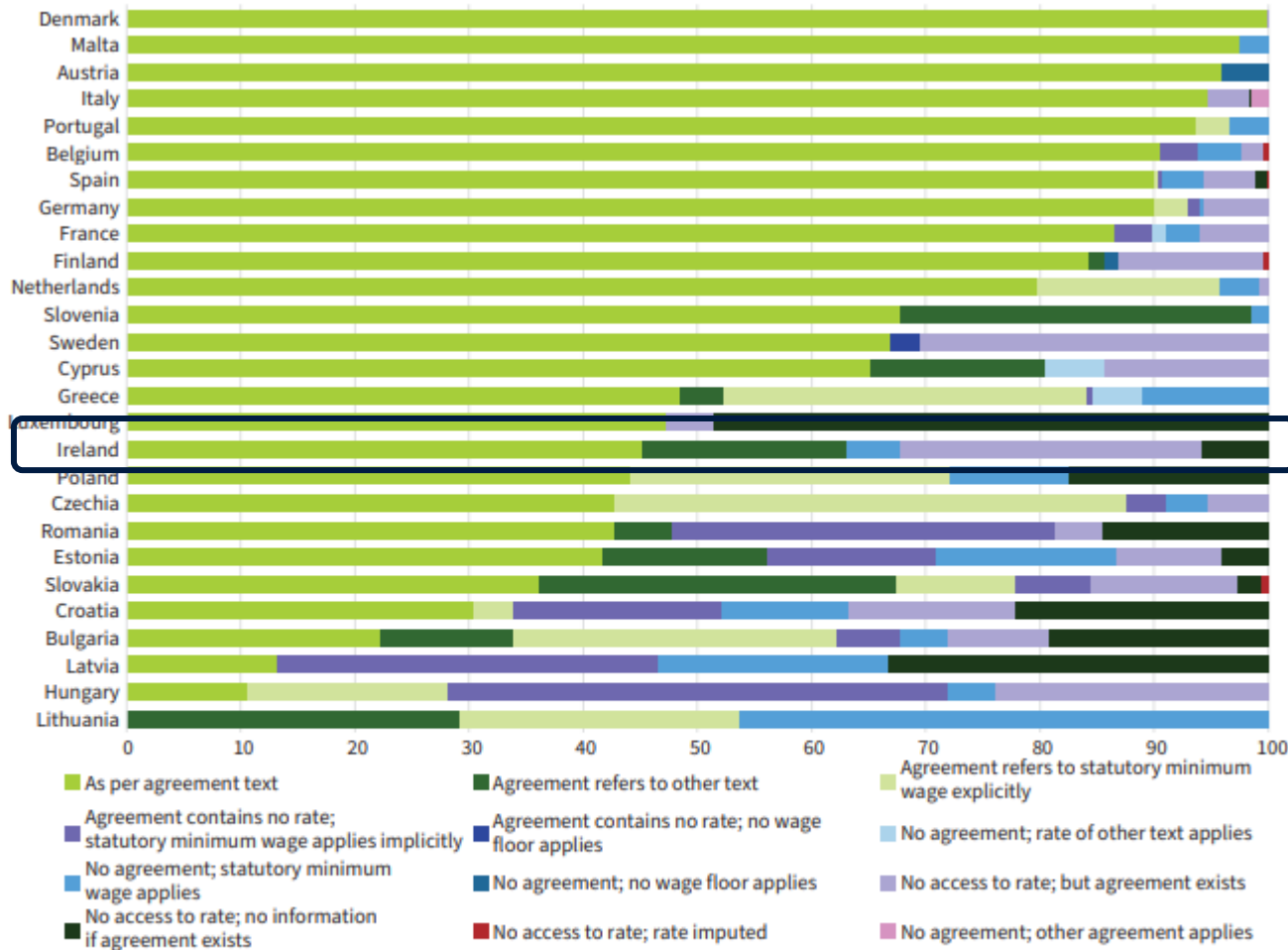
Seniority allowance	✓	As per general rule
“Function allowance” for cadres	✓	Allowance reserved to cadres provided by most CAs. No derogation
<ul style="list-style-type: none"> <li>Food allowance</li> <li>Mountain territory allowance</li> <li>“Inconvenient location allowance”</li> <li>Cash handling allowance</li> <li>Unhealthy working conditions allowance</li> </ul>	X	Not universally applicable. They exclusively depend on the specific circumstances and modalities in which tasks are carried out.
<ul style="list-style-type: none"> <li>Results awards</li> <li>“Elemento perequativo”</li> </ul>	X	<p>Result awards: negotiated at company-level or local-level. Subject to company decision or depending on the negotiating power of trade unions operating within the single company. Not universally applicable.</p> <p>“Elemento perequativo”: allowance provided by national sector-level CAs to compensate the absence of a company-level results award.</p>

# Pay rate status: A central conceptual classification



- **Every** monthly observation of a pay rate field is given a status.
- This allows to understand if and WHY gaps in the time series occur.
- Implications for the creation of a panel of observations

# Pay rate status for the minimum series, breakdown by country (%)



- A considerable variation of the composition of time series by pay rate status by country.
- Largely complete series based on text in agreement from Denmark, Malta\*, Austria, Italy, ...



Agreements referring relatively often to other texts and/or the statutory minimum wages in many of the Newer Member States

Notes: N = 65,119 minimum rates, from 692 fully coded agreements from all countries. For Sweden, there was no access to collective agreement texts published before 2017.

Source: Eurofound database of collective agreements for low-paid workers, 2023

# A closer look into Article 5: Procedure for setting adequate statutory minimum wages

- Member States shall define criteria in a clear way and can attribute weights.
- The following four minimum criteria guide the setting:
  - **(a) the purchasing power of statutory minimum wages, taking into account the cost of living;**
  - **(b) the general level of wages and their distribution;**
  - **(c) the growth rate of wages;**
  - **(d) long-term national productivity levels and developments.**
- Additionally, automatic indexation may be used
- Member States shall use ‘indicative reference values’, e.g. : 60% of gross median wage, 50% of gross average wage and/or other values.
- Regular update at least every second year, or every fourth year in case of automatic indexation.
- Establishment of one or more ‘consultative bodies’

# Article 5 – National minimum wages

In order to ensure the adequacy of statutory minimum wages, it requires **Member States with statutory minimum wages** to provide for the following elements:

- national criteria for statutory minimum wage setting and updating defined in a stable and clear way;
- Regular and timely updates; and
- the establishment of consultative bodies.

The national criteria should include **at least**

- the purchasing power of minimum wages,
- the general level of gross wages and their distribution,
- the growth rate of gross wages, and
- labour productivity developments.

AND the Member States are also requested to use indicative reference values to guide the assessment of the adequacy of statutory minimum wages, such as those **commonly used** at international level.

- 'indicative reference values' are entering the national debates (60% gross median wage in Ireland; 50% of gross average wage in Bulgaria; 60% net average wage in Spain).
- New expert committees (Malta, Spain, Cyprus)