



## Pay developments – 2007

Average collectively-agreed pay increases  
Collectively-agreed pay increases by sector  
Retail  
Minimum wages  
Gender pay differentials  
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Appendices

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*The review of pay trends in Europe in 2006 and 2007 finds that average collectively-agreed nominal wage increases across the EU rose from 5.6% in 2006 to 7% in 2007. However, taking into account rising inflation, the rate of real increase fell from 2.7% in 2006 to 2.3% in 2007. During the period under review, differences between the 'old' and 'new' EU Member States, in terms of both pay trends and the level of pay increases, persisted and indeed widened. The report also looks at collectively-agreed pay increases in three selected sectors (chemicals, retail and the civil service), current wage rates and minimum wage increases, increases in average earnings, and the extent of the gender pay gap across all countries.*

This annual report from the [European Industrial Relations Observatory](#) (EIRO), based on contributions from its national centres, provides a broad indication of trends in pay increases over 2006 and 2007 across the current 27 EU Member States (EU27) and Norway (country groups are included in Appendix 8). It looks at the following areas: collectively-agreed pay rises across the economy as a whole and in three selected sectors; national minimum wage increases and current rates; gender pay differentials; and average increases in earnings.

The report does not seek to provide a fully scientific and comparable set of pay data, given that EIRO is not a statistical service and that pay is an area where meaningful international comparisons are particularly difficult to make. Differing national systems of pay formation, industrial relations, taxation and social security, and the divergent ways in which pay-related statistics are collected and presented, mean that it is hard to compare countries. Nevertheless, given the vital importance of pay in industrial relations, EIRO provides these general indications of recent developments while pointing out the problems, caveats and qualifications. The figures provided in this review should be treated with caution, and the various notes and explanations read with care.

## **Average collectively-agreed pay increases**

Figure 1 below provides data on average nominal collectively-agreed basic pay increases in each country (or a broadly equivalent indicator, where these are not available). Where possible, the figures cover the whole economy, although there are exceptions (see the notes below Figure 1). Data are not yet available for the whole of 2007 in a number of cases. Variations in the 2006 figures from those appearing in the EIRO pay update for 2006 ([TN0704029S](#)) are explained mainly by the replacement of provisional or partial figures with more reliable ones, plus in some cases changes in the data used, where more appropriate sources have been identified. (In Figure 1 and subsequent figures, the data are sorted in order of pay increase from highest to lowest for 2007. If there is no 2007 figure, the country is ranked by its 2006 figure in comparison with the 2007 figures for the other countries.)

Collective bargaining plays a relatively significant role in pay setting in all 28 countries considered in this review, although the rates of direct bargaining coverage vary considerably (generally being higher in the 'old' Member States (EU15) and lower in new Member States (NMS) that have joined the EU in 2004 and 2007 (NMS12), even though there are exceptions in both groups). The role of collective bargaining in pay determination differs widely. Notably, the various bargaining levels (for example, intersectoral, sectoral or company level) play different parts, while the importance of collective agreements in wage setting differs considerably between economic sectors and groups of workers.

These differences in national pay formation and industrial relations systems are illustrated by the varying ways in which the increases referred to in Figure 1 are arrived at.

Collective bargaining, primarily (although not entirely in all cases) at sectoral level, plays the main role in Austria, Denmark, Finland (in 2007), France, Germany, Italy, the Netherlands,

Norway, Portugal, Slovakia, Slovenia, Spain and Sweden. National intersectoral agreements are responsible for setting the relevant increases, or laying down guidelines for lower-level bargaining, in Belgium, Finland (in 2006), Greece, Hungary, Ireland, Romania and Spain. In the UK and most NMS, company-level bargaining (or bargaining at lower levels within the company) predominates. In several central and eastern European countries, such as Bulgaria, Estonia, Latvia, Lithuania and Poland, low levels of bargaining coverage and/or a lack of systematic data collection make it impossible to produce figures for average collectively-agreed pay increases (other indicators are thus used in Figure 1). Automatic pay indexation represents a significant proportion of the increases in Belgium and Luxembourg. The role of the increases referred to in Figure 1 differs: in cases such as Austria, Denmark and Italy, the increases referred to are for sectoral minima, subject to subsequent lower-level bargaining (or in the case of Austria, the application of actual pay increases agreed at sector level); while in decentralised-bargaining countries such as the UK, the figures are more likely to represent actual increases.

### **Nominal pay increases**

Bearing in mind the above considerations, Figure 1 indicates that in the EU overall (including Bulgaria and Romania, which joined the EU on 1 January 2007), the average collectively-agreed nominal pay increase rose from 5.6% in 2006 to 7% in 2007 (including Norway in the calculation leaves the 2006 average unchanged and reduces the 2007 average to 6.9%). In the pre-2007 25 EU Member States (EU25), the average agreed increase rose from 5.1% in 2006 to 6.1% in 2007: the addition of Bulgaria and Romania in 2007 has pushed the average annual increase in the EU up by 0.5–0.9 percentage points. In 2006, increases in the EU ranged between 23% in Latvia (although the figure used here is not strictly for agreed increases) and 1.5% in Germany. However, in 2007, the range of increases was wider, between 32.3% in Latvia and 1.7% in France.

Within the overall EU27 figures, major differences can be identified in terms of both pay trends and the level of pay increases, with a large and widening gap emerging between the 15 pre-2004 Member States (EU15) and the NMS.

In the former EU15, the average increase in 2006 stood at only 2.9%, rising to 3.1% in 2007 (the addition of Norway increased the figure by 0.1 percentage points in 2006 and 0.2 points in 2007). Pay increases in the EU15 are thus running at much lower levels than in the EU as a whole, and the upward trend from 2006 to 2007 was only slight. The figure for the eurozone (including Slovenia from 2007) was slightly above the EU15 rate in 2006 and slightly below that rate in 2007, falling marginally from 2006 to 2007 – the eurozone represents the subset of Member States that have adopted the euro.

The average rate of increase is considerably higher in the NMS and the upward trend much more pronounced. In the NMS10 that joined the EU on 1 May 2004, the average increase was 8.5% in 2006, rising to 10.5% in 2007, while in all the NMS12, the respective figures are 9% and 11.9%.

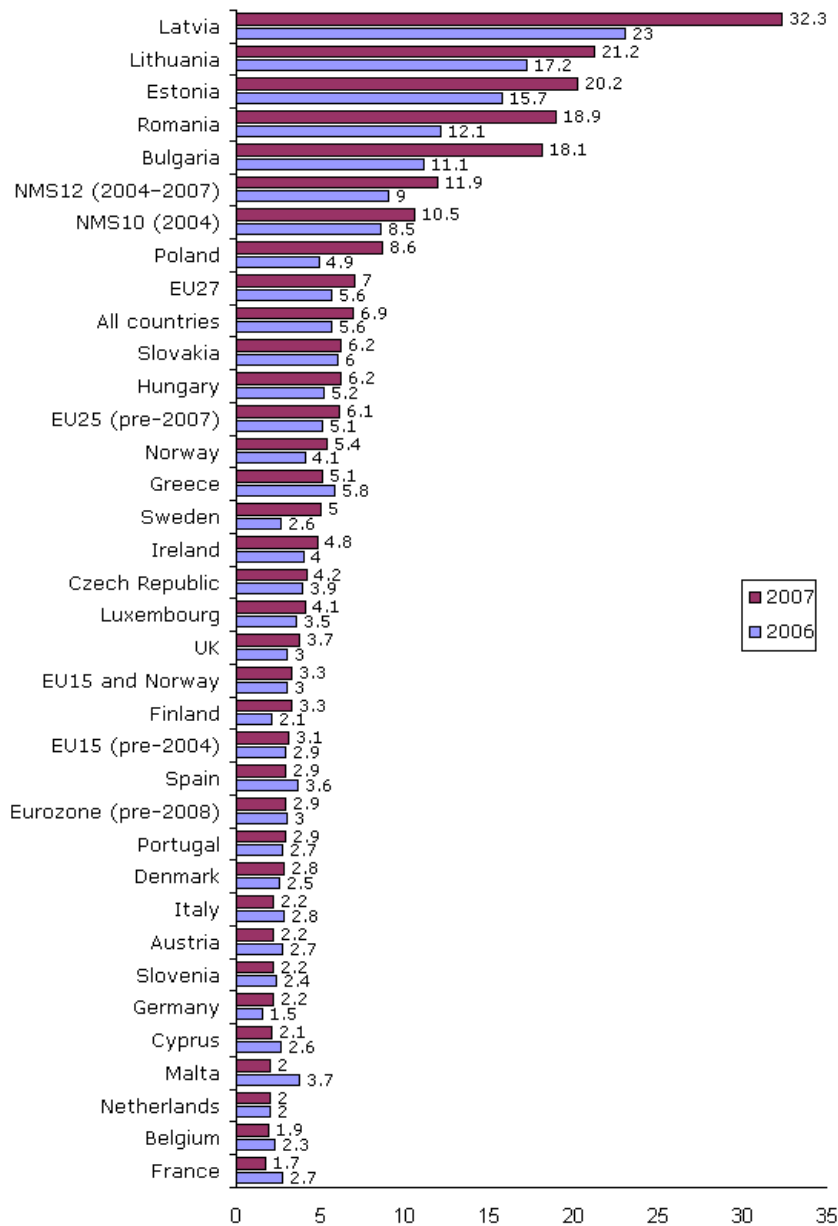
Comparing the former EU15 and the NMS, the overall picture is, as in the past few years, one of continuing moderation in wage bargaining in the EU15 (although with a slight upward tendency) and an upward trend from a comparatively high base in the NMS. The differential between the two groups is growing – average rises in the ‘new’ EU were 3.1 times higher than in the ‘old’ EU in 2006 and 3.8 times higher in 2007.

However, this overall picture of low and almost static agreed pay increases in the EU15 and high and rising increases in the NMS conceals considerable national differences within each group. Pay rises in Greece and Ireland, for example, ran far ahead of the EU15 averages in both 2006 and 2007. Among the NMS, countries such as Cyprus, Malta and Slovenia had low pay increases (at EU15 average levels or lower), and the overall average for this group of countries was pushed

up significantly by the double-digit increases in the Baltic states, Bulgaria and Romania in both years.

In terms of trends, the rate of increase rose between 2006 and 2007 in 18 of the countries reviewed, remained unchanged in one country and fell in nine. The rate increased in all of the NMS (most sharply in Latvia, Bulgaria and Romania) except Cyprus, Malta and Slovenia, where it fell. In the EU15, while the overall tendency was for a slight rise (with the highest increases in Sweden and Finland), the rate of increase was unchanged in the Netherlands and fell in Austria, Belgium, France, Greece, Italy and Spain.

*Average collectively-agreed pay increases, 2006 and 2007 (%)*



**Average collectively-agreed pay increases, 2006 and 2007 (%)**

Note: The data in Figure 1 should be read in conjunction with the notes in Appendix I.

Source: EIRO

*Trends in nominal increases 2000-2007*

From a somewhat longer perspective, Table 1 below presents the average agreed pay rises in the various groups of countries in recent years (the length of each time series varies with the date of

the inclusion of countries in EIRO). In the EU15 and Norway, following a peak in 2001, the average rate of pay increases fell relatively steadily until 2005 and has risen slightly since then. Over this period, the trend in the eurozone was similar, with annual average increases varying little from the EU15. In the NMS10, a downward trend was evident from 2002 until 2004 (the year when the differential with the EU15 was narrowest) but has risen at an accelerating rate since EU accession. The inclusion of Bulgaria and Romania in the figures from 2004 has increased the annual average pay rise for the NMS by an average of about one percentage point a year. The EU25 figure fell slightly from 2002 to 2004 and has since risen at a mounting rate, as has the EU27 figure since the latter year.

In 2002, the average pay increase in the NMS10 was nearly twice as high as in the EU15. This ratio remained unchanged in 2003 and fell slightly in 2004, to 1.9 times higher in the NMS10 than the pay increase in the EU15, before rising to 2.4 times higher in 2005, 2.9 in 2006 and 3.4 in 2007. Including Bulgaria and Romania among the NMS12, average pay rises were 2.2 times higher than in the EU15 in 2004, rising to 2.7 in 2005, 3.1 in 2006 and 3.8 in 2007. Since EU enlargement, pay trends have clearly diverged in the EU15 and NMS, and the pay gap continues to widen.

**Table 1: Average collectively-agreed pay increases, 2000–2007 (%)**

	2000	2001	2002	2003	2004	2005	2006	2007
All countries	-	-	5.2	5.6	4.6	4.8	5.6	6.9
EU27	-	-	-	-	4.6	4.9	5.6	7.0
EU25 (pre-2007)	-	-	4.4	4.2	4.1	4.4	5.1	6.1
EU15 (pre-2004)	-	-	3.3	3.0	3.0	2.8	2.9	3.1
EU15 and Norway	3.2	3.8	3.5	3.1	3.1	2.9	3.0	3.3
NMS10 (2004)	-	-	6.5	5.9	5.6	6.8	8.5	10.5
NMS12 (from 2007)	-	-	-	-	6.6	7.5	9.0	11.9
Eurozone (pre-2008)	3.1	3.9	3.4	3.1	3.1	2.9	3.0	2.9

Source: EIRO

### *Average nominal increases 2003–2007*

Averaging the annual nominal pay increases over the five-year period 2003–2007, the 28 countries (EU27 and Norway) can be divided into the following groups:

- ‘very high’ nominal pay-increase countries – those where agreed rises averaged 10% or over. This groups includes the two newest Member States, Bulgaria and Romania, and the three Baltic countries, Estonia, Latvia and Lithuania;
- ‘high’ nominal pay-increase countries – those where agreed rises averaged 5%–10%. These are three NMS –Hungary, Poland and Slovakia – plus Greece;

- ‘medium’ nominal pay-increase countries – those where agreed rises averaged 3%–5%. This group includes a mixture of NMS – the Czech Republic and Slovenia – and EU15 countries – Ireland, Luxembourg, Spain, Sweden and the UK – and Norway);
- ‘low’ nominal pay-increase countries – those where agreed rises averaged 3% or below. With the exception of the two ‘Mediterranean’ NMS, Cyprus and Malta, this group includes many of the EU15 countries – Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands and Portugal.

Over the five-year period, few countries displayed a clear trend in nominal pay increases, with most varying up and down from year to year. Exceptions include a consistent upward trend in pay increases in Bulgaria and Lithuania and, to a lesser extent, Estonia and Latvia, and consistent downward trends in Slovenia and, to a lesser extent, Hungary. In the EU15, a relatively steady downward trend was recorded in France and Germany.

In terms of the size of the variations in annual pay increases from 2003 to 2007, the countries with the greatest stability were Austria, Belgium, the Czech Republic, Denmark, Germany, Ireland, Italy, Luxembourg, Spain and the UK (in all cases, the variation between the highest and lowest annual increases was lower than one percentage point), while the least stable were Latvia, Lithuania and Romania (variations of over 15%).

## Real pay increases

To provide an indication of real pay increases, Figure 2 below adjusts the increases for inflation, subtracting the annual rates of inflation for December 2005–December 2006 and December 2006–December 2007 respectively, as calculated by [Eurostat](#), using the Harmonised Index of Consumer Prices (HICP). For the EU27 as a whole, the inflation rate rose from 2.2% over December 2005–December 2006 to 3.2% over December 2006–December 2007. The eurozone saw a sharper rise in inflation, from 1.9% to 3.1%.

This mounting inflation rate meant that in the EU27 the average collectively-agreed real pay increase fell from 2.7% in 2006 to 2.3% in 2007 (the averages remain the same if Norway is included), compared with a rise of 1.4 percentage points in nominal pay increases. In 2006, real increases ranged between 16.2% in Latvia (although the figure used here is not strictly for agreed increases) and –1.4% in Hungary, while in 2007 the range of the increase was wider, between 18.3% in Latvia and –3.5% in Slovenia. While the workers concerned received real pay increases in 2006 in all countries except Hungary, Slovenia and the UK, in 2007 inflation outstripped the nominal pay rise in 12 countries – Austria, Belgium, Slovenia, Cyprus, the Czech Republic, France, Germany, Hungary, Italy, Luxembourg, Malta and Spain (though here ‘wage revision’ clauses should make up the loss in purchasing power retrospectively for most workers covered by collective bargaining).

As with nominal pay increases, sharp differences emerge between the various groups of countries within the EU, in terms of both pay trends and the level of real wage increases, with a broad east–west split.

In the EU15, the average real pay increase in 2006 stood at only 0.8%, and in 2007 fell to 0.2% (compared with a 0.2-point rise in nominal increases from 2006 to 2007) – these averages increase by 0.1 percentage points in 2006 and 0.2 points in 2007 if Norway is included. Real wage increases in the EU15 were about a third of those in the EU27 in 2006 and under a tenth of this level in 2007, while the decline from 2006 to 2007 was steeper in the EU15 than in the EU27. The figure for the eurozone (including Slovenia from 2007) was slightly higher than for the EU15 in 2006 but 0.6 points below it in 2007, when the workers concerned saw an average real pay cut of 0.4%.

In the NMS12, the average real pay increase also fell from 2006 to 2007, but only from 5.2% to 5% (in the NMS10 pre-2007, the fall in the average real pay increase was from 5% to 4.1%). This 0.2-point fall from 2006 to 2007 (0.9 points, excluding Bulgaria and Romania) compares with a 2.9-point rise in the nominal average increase (this falls to 2 points if Bulgaria and Romania are excluded).

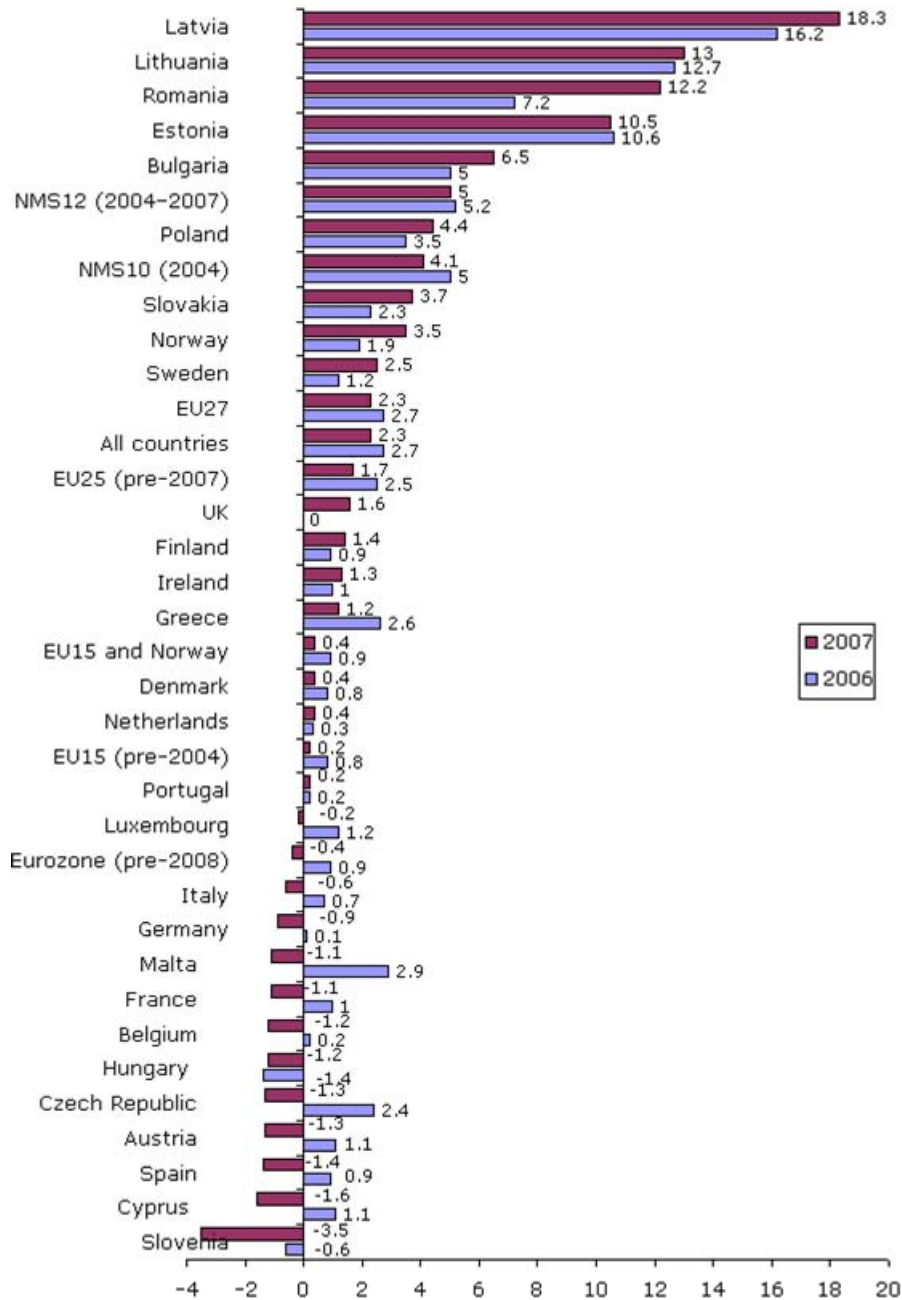
The overall picture of real pay rises in the EU15 and the NMS is similar to that for nominal increases – moderation in the former group of countries (with real rises at low and falling levels) and much higher rises at an almost static rate in the latter country group. The average real wage increase in the NMS12 was 6.5 times higher than in the EU15 in 2006 and 25 times higher in 2007. These differentials are much higher than those for nominal wage increases, indicating that real pay trends are even more divergent between the two groups.

However, within the two groups of countries, the situation is by no means uniform. Among the NMS, real pay increases were below the EU15 average level in Hungary and Slovenia in 2006 and in these two countries, plus the Czech Republic, Cyprus and Malta in 2007, and the overall average for this group is pushed up significantly by the high levels of pay increases in the Baltic states, Romania and Bulgaria. In the EU15, Greece and Sweden had above-average real pay rises in both 2006 and 2007 (Norway also falls into this category), as did the Finland, Ireland and the UK in 2007.

In terms of trends in real pay rises, the rate of increase, following the average trend, fell between 2006 and 2007 in 14 of the countries examined, but rose in 13 and remained static in one country. Among, the NMS, while there were pay rises in seven countries (most notably in Latvia and Romania), reductions in pay were found in five Member States (by the largest margin in the Czech Republic, Malta and Slovenia). In the EU15, the rate of increase fell in nine countries (most notably in Austria, France and Spain), rose in five countries (most steeply in Sweden and the UK) and was unchanged in one country (Portugal).



*Average collectively-agreed pay increases, adjusted for inflation, 2006 and 2007 (%)*



**Average collectively-agreed pay increases, adjusted for inflation, 2006 and 2007 (%)**

Source: EIRO

*Trends in real pay increases 2000-2007*

Looking at real pay rises from 2000 to 2007 (see Table 2 below), in the EU15 and Norway, the average rate of increase rose steadily until 2003 and then declined up to 2005, before showing a

slight upturn in 2006 which was reversed in 2007 (when the increase was at its lowest level of the whole period). In the eurozone, the average real increase was around 0.2 percentage points lower on average than for the EU15 in each year until 2006, when the pay rises were identical, and then in 2007 it fell behind, recording the first real decrease during the entire eight-year period. In the NMS10, the rate of increase fell from 2003 to 2004, and then rose until 2006 before declining slightly in 2007 (the same is true when Bulgaria and Romania are included). The EU25 figure rose slightly from 2002 to 2003, declined in 2004 and rose until 2006, before dropping back – the EU27 trend has been similar since 2004.

In 2002, the average real pay increase in the NMS10 was 4.7 times higher than in the EU15. This ratio fell to 2.9 in 2003 and 1.4 in 2004, which might have been seen as indicating a degree of convergence around the EU enlargement of that year, but it then rose steeply to 5.8 in 2005, 6.3 in 2006 and 20.5 in 2007 (including Bulgaria and Romania among the NMS has relatively little effect on the figures). In 2006, the pay-rise differential between the old and new EU was more than twice as large in real terms as it was in nominal terms, and in 2007 it was more than five times as large, reaffirming that there is increasingly a ‘two-speed’ Europe in terms of wage trends.

**Table 2: Average collectively-agreed pay increases, adjusted for inflation, 2000–2007 (%)**

	2000	2001	2002	2003	2004	2005	2006	2007
All countries	-	-	1.6	2.6	1.4	1.9	2.7	2.3
EU27	-	-	-	-	1.4	1.9	2.7	2.3
EU25 (pre-2007)	-	-	1.6	1.8	1.1	1.7	2.5	1.7
EU15 (pre-May 2004)	-	-	0.7	1.0	1.0	0.6	0.8	0.2
EU15 and Norway	0.5	0.8	0.9	1.3	1.1	0.6	0.9	0.4
NMS10 (2004)	-	-	3.3	2.9	1.4	3.5	5.0	4.1
NMS12 (2004–2007)	-	-	-	-	1.9	3.5	5.2	5.0
Eurozone (pre-2008)	0.2	0.7	0.7	1.0	0.8	0.5	0.9	-0.4

Source: EIRO

### *Average real increases 2003–2007*

Averaging the annual real wage rises over the five-year period 2003–2007, the 28 countries considered can be divided into the following groups:

- ‘very high’ real pay-increase countries – those where annual rises averaged 4% or over. This groups includes the three Baltic states (Estonia, Latvia and Lithuania) and the two newest EU Member States, Bulgaria and Romania;

- ‘high’ real pay-increase countries – those where rises averaged 2%–4%. This group includes Poland and Norway;
- ‘medium’ real pay-increase countries – those where rises averaged 1%–2%. This groups includes mainly former EU15 Member States – Finland, Greece, Ireland, Sweden and the UK – and two NMS – the Czech Republic and Slovakia;
- ‘low’ real pay-increase countries (the largest group) – those where rises averaged below 1%. With the exception of Hungary and Malta, this groups includes mostly EU15 countries – Austria, Denmark, France, Italy, Luxembourg, Portugal and Spain;
- ‘zero or negative’ real pay-increase countries. This group includes Cyprus, Germany and Slovenia.

Over the five-year period, few countries displayed a clear trend in real pay increases, with most countries fluctuating from year to year. However, since 2005, there have been continuous rises in Estonia, Latvia, Lithuania, Romania and Slovakia. A constant downward trend in real pay increases was recorded over the five years in Slovenia, and a fairly continuous fall was evident in France and Hungary.

Analysing the size of the variations in annual real pay increases from 2003 to 2007, the countries showing the greatest stability included Denmark, Finland, Ireland, Portugal and Sweden where the variation between the highest and lowest annual increases was lower than 1.5 percentage points, while the least stable were Latvia and Romania with variations of over 15 points. In general, real pay increases tend to be more volatile than nominal increases.

## **Collectively-agreed pay increases by sector**

### **Introduction**

Having looked at developments across the whole economy, this report provides figures below for collectively-agreed pay increases in three sectors selected to represent the manufacturing industry (chemicals), services (retail) and the public sector (the central civil service). While these more specific figures are probably more accurate than the overall average increases given in the previous section, caution is again advised in their use, and attention should be paid to the information in the notes to each figure.

Various factors should be borne in mind when comparing the sectoral wage increase figures, often reflecting differences in national industrial relations systems. These include the following:

- the figures have been arrived at in a number of ways – usually the basic increase provided for in the most recent relevant sectoral agreement, but also in some cases through producing an average or mid-range of a number of settlements at company or local level (for example, all sectors in the UK, Czech and Dutch chemicals sectors, and Czech retail sector in 2006);
- the definitions of sectors, and the structure of sectoral bargaining, vary considerably across countries, so it is not always sure that like is being compared with exact like;
- the extent to which actual pay reflects the collectively-agreed increases referred to varies, with bonuses and additional payments of various types featuring more strongly in some countries than in others;
- pay rises are not always fully consolidated, with the use of one-off payments featuring in some cases (for example, Finnish and German chemicals sectors, Belgian and German retail sectors, and the Luxembourg civil service). Furthermore, increases may be awarded as a fixed

cash amount, which will result in a differing percentage increase in the pay of workers on differing wage rates (as in the Cyprus civil service);

- automatic pay indexation may account for a considerable part of the pay increases recorded (as in Belgium and Luxembourg);
- the relative roles of sectoral and company bargaining are an important factor, with the sectoral agreements referred to in countries like Denmark, France and Italy generally providing only for minima, with subsequent lower-level bargaining;
- the dates when the various collective agreements, and the relevant pay increases, come into force vary considerably and often do not run from the beginning of the calendar year;
- in some countries, multi-year agreements apply (as in Belgium, Denmark, Finland, Ireland, Italy or Sweden) with the pay increases not always being paid in equal fractions, distorting the annual figures;
- only one category of workers may be referred to in the tables where bargaining occurs separately for blue-collar and white-collar workers (for example, in Swedish retail);
- in some NMS (such as Estonia, Latvia and Poland), collective bargaining plays only a limited role in pay setting in many sectors and no data are available on the contents of what pay bargaining does occur (the information provided below is therefore generally based on wage surveys);
- in the civil service, the increases referred to in the tables are in some cases not the result of bargaining but are imposed by law, as is the case in Austria, Bulgaria, Greece, Poland, Portugal and Romania.

## **Sectoral overview**

Comparing the three sectors examined, in 2006, the average agreed wage increase across the EU27 stood at 5.4% in retail (0.2 percentage points below the EU-wide average for the whole economy), 4.8% in chemicals (0.8 percentage points below the EU average) and 4.1% in the civil service (1.5 points below the EU average). In 2007, the average pay increase in retail rose to 6.8% (again 0.2 points below the overall average) and that in chemicals to 6.2% (again 0.8 points below the average), while the civil service increase climbed more sharply to 6.2% (0.8 points below the average). All three sectors thus lagged behind the whole-economy average in both years, with retail having the smallest gap, although the civil service caught up to some extent in 2007.

### *EU15 and Norway*

Looking only at the EU15 and Norway, the average nominal increase in 2006 stood at 2.9% in retail (0.1 percentage points below the whole-economy average for these countries), and 2.8% in both chemicals and the civil service (0.2 points below the overall average). In 2007, chemicals took over top position with 3.4% (0.1 points above the overall average), with retail at 3.1% (0.2 points below the average) and the civil service falling back to 2.4% (0.9 points below the average). Over the nine-year period 1999–2007, the average annual increases in the EU15 and Norway stood at 3.1% in chemicals and retail (0.1 points below the whole-economy average) and 2.8% in the civil service. Throughout the whole period, pay rates in the three sectors thus fell slightly behind those recorded in the wider economy, with the civil service faring worst.

## *New Member States*

With regard to the NMS, in 2006, the average nominal increase was highest in retail, at 9.1% (0.1 percentage points above the whole-economy average), followed by chemicals, at 7.5% (1.5 points below the average), and the civil service, at 6.4% (2.6 points below the average). Retail was again in the leading position in 2007, at 12.3% (0.4 points above the whole-economy average), with the civil service close behind, at 12.2% (0.3 points above the average) – although this is largely due to particularly high increases in Estonia and Latvia – and chemicals lagging behind on 9.9 points (2 points below the average). Over the five-year period 2003–2007, the average annual increases in the NMS (although the number of countries included varied from year to year) stood at 7.1% in retail (1.1 points below the whole-economy average), 6.6% in chemicals and 6.3% in the civil service. Throughout the whole period, pay rates in the three sectors thus lagged behind those recorded in the overall economy, most notably in the civil service.

In 2006, the average increases in the NMS exceeded those in the EU15 and Norway by 6.2 percentage points in retail, 4.7 points in chemicals and 3.6 points in the civil service. In 2007, the gaps were much wider, ranging from 9.8 points in the civil service and 9.2 points in retail to 6.5 points in chemicals.

## **Chemicals**

Data on agreed pay increases (or some similar indicator) in the chemicals sector are available for 26 countries – the exceptions being Lithuania and Luxembourg.

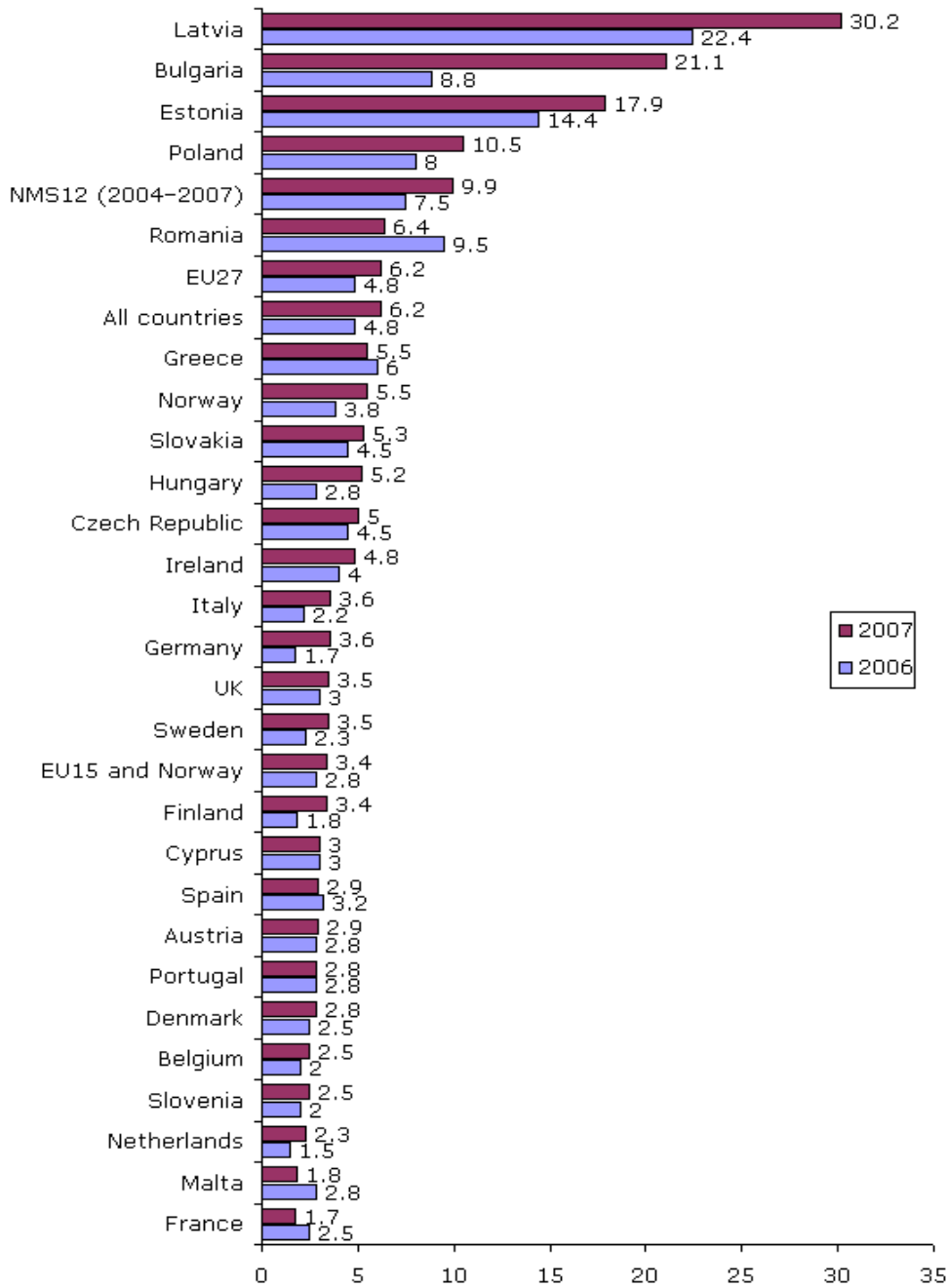
In 2006, nominal pay rises ranged between 22.4% in Latvia (although the figure used here is not strictly for agreed increases) and 1.5% in the Netherlands – see Figure 3. In 2007, Latvia again occupied top position, at 30.2%, with France in bottom position, at 1.7%. The average pay increase in chemicals across the EU27 rose from 4.8% in 2006 to 6.2% in 2007 – 0.8 percentage points below the whole-economy average (see Figure 1 above) in both years. The rate of increase rose between 2006 and 2007 in 19 countries (most sharply in Bulgaria), remained unchanged in two countries, and fell in five (most notably in Romania). The average overall increase for the EU in chemicals (based on a smaller number of countries) had previously stood at 3.8% in 2003, 3.5% in 2004 and 3.8% in 2005, indicating a rising trend since 2004.

In 2006, the pay increase in chemicals was lower than the national average increase for all sectors in 16 countries (most notably in Romania, Hungary and Bulgaria), equal to the average in three countries and higher in seven countries (most notably in Poland and the Czech Republic). In 2007, the increase in chemicals was lower than the national average increase for all sectors in only nine countries (most notably in Estonia, Latvia and Romania), equal to the average in four countries and higher in 13 countries (most notably in Bulgaria and Poland).

Looking only at the EU15 and Norway, the chemicals sector recorded average pay increases of 2.8% in 2006 and 3.4% in 2007 – 0.2 percentage points below the whole-economy average in 2006 and 0.1 points above the average in 2007. The EU15 and Norway increases for 2006 and 2007 compare with rises of 3% in 2005, 2.9% in 2004, 3.2% in 2003, 3.4% in 2002, 3.6% in 2001, 3% in 2000 and 3% in 1999. Thus, it appears that a general fall-off in increases has occurred since a peak in 2001, before rising again in 2007.

With regard to the NMS, the average nominal pay increase in the chemicals sector stood at 7.5% in 2006 and 9.9% in 2007 – 2.7 times higher than the EU15 and Norway average in 2005, rising to 2.9 times higher than the average in 2006. The average increase in chemicals in the NMS was 1.5 percentage points below the whole-economy average for these countries in 2006 and 2 points below the average in 2007. The NMS average increase in chemicals (although based on a smaller number of countries) had previously stood at 5.3% in 2003, 4.7% in 2004 and 5.7% in 2005.

*Average collectively-agreed pay increases in chemicals, 2006 and 2007 (%)*



**Average collectively-agreed pay increases in chemicals, 2006 and 2007 (%)**

Notes on averages: ‘all countries’ is for 26 countries; ‘EU27’ is for 25 countries; ‘EU15 and Norway’ is for 15 countries; ‘NMS12’ is for 11 countries.

The date in Figure 3 should be read in conjunction with the notes in [Appendix 2](#).

Source: EIRO

## Retail

Data on agreed pay increases (or some similar indicator) in the retail sector are available for 25 countries – the exceptions being Cyprus, Lithuania and Luxembourg.

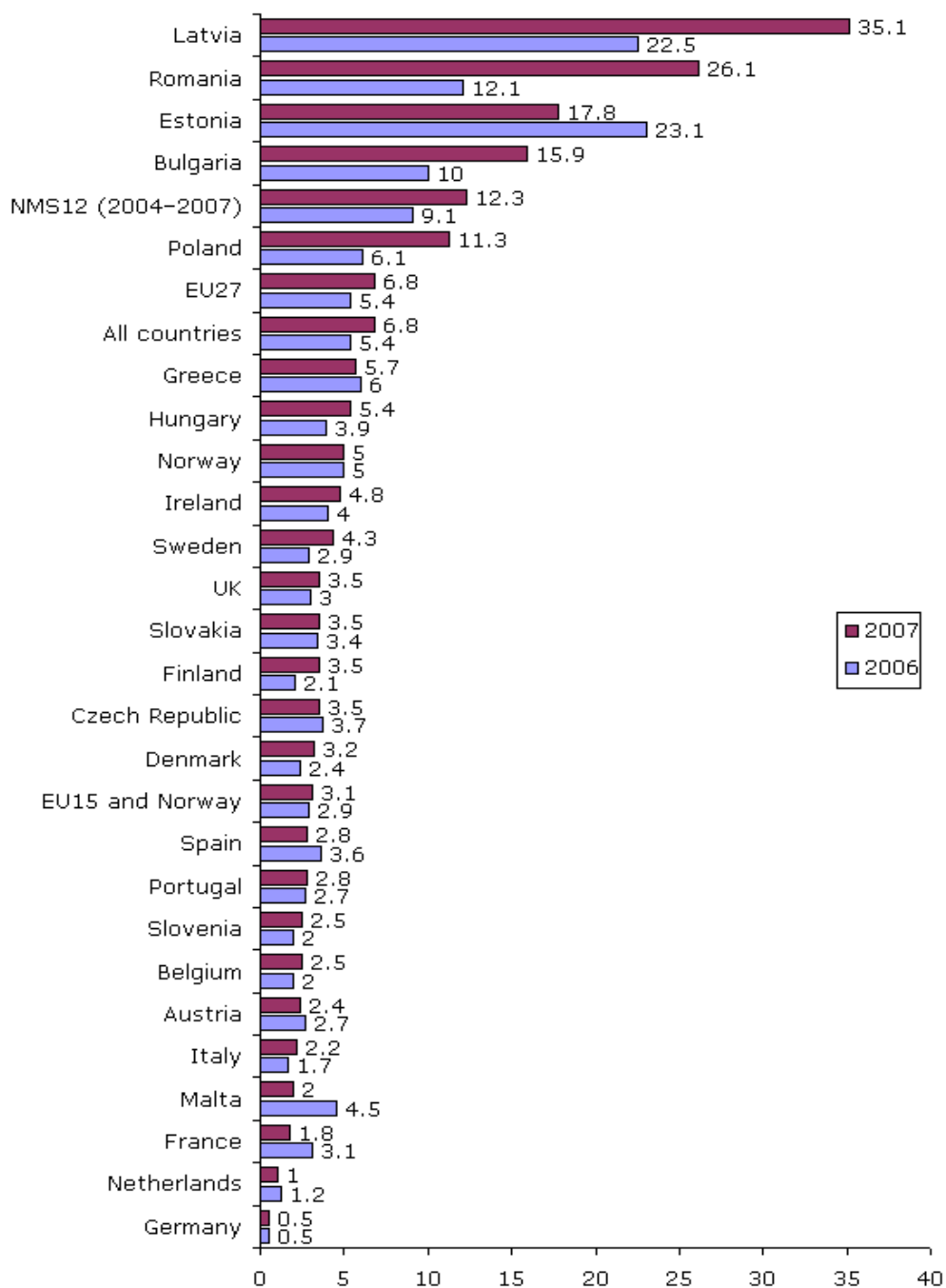
The range of nominal pay rises in 2006 was between 23.1% in Estonia (although the figure used here is not strictly for agreed increases) and 0.5% in Germany – see Figure 4 below. In 2007, Latvia (another country for which the figure used here is not strictly for agreed increases) had the highest increase, at 35.1%, with Germany again in bottom position, at 0.5%. The average pay increase in retail across the EU27 rose from 5.4% in 2006 to 6.8% in 2007 – 0.2 percentage points below the whole-economy average (see Figure 1) in both years. The rate of increase rose between 2006 and 2007 in 15 countries (most notably in Romania), remained unchanged in two countries and fell in eight (by the highest margin in Estonia). The average whole-EU increase in retail (based on a smaller number of countries) had previously stood at 6.5% in 2003, 4% in 2004 and 3.8% in 2005, indicating a rising trend since the low point of 2005.

In 2006, the increase in retail was lower than the national average increase for all sectors in 11 countries (most notably in Bulgaria, Italy, Slovakia and Hungary), equal to the average in seven countries and higher in seven countries (most notably in Estonia and Poland). In 2007, the retail increase was lower than the national whole-economy average increase in 12 countries (most notably in Bulgaria, Estonia and Slovakia), equal to the average in three countries and higher in 10 (most notably in Latvia and Poland).

With regard to the EU15 and Norway, average increases in retail stood at 2.9% in 2006 and 3.1% in 2007 – 0.1 percentage points below the whole-economy average in 2006 and 0.2 points below the average in 2007. The EU15 and Norway increases for 2006 and 2007 compare with rises of 3% in 2005, 3% in 2004, 2.8% in 2003, 3.6% in 2002, 3.6% in 2001, 3% in 2000 and 2.8% in 1999. Thus, it appears that there has been considerable stability since 2003, following a peak over the period 2001–2002.

In the NMS, the average nominal pay increase in retail stood at 9.1% in 2006 and 12.3% in 2007 – 3.1 times higher than the EU15 and Norway average in 2006, rising to 4.0 times higher in 2007. The average increase in retail in the NMS was 0.1 percentage points above the whole-economy average for these countries in 2006 and 0.4 points above the average in 2007. The NMS average increase in retail (although based on a smaller number of countries) had previously stood at 6.5% in 2003, 4% in 2004 and 3.8% in 2005: 2006–2007 thus saw a major upswing after a period of decline.

*Average collectively-agreed pay increases in retail, 2006 and 2007 (%)*



**Average collectively-agreed pay increases in retail, 2006 and 2007 (%)**

Notes on averages: ‘all countries’ is for 25 countries; ‘EU27’ is for 24 countries; ‘EU15 and Norway’ is for 15 countries; ‘NMS12’ is for 10 countries.

The data in Figure 4 should be read in conjunction with the notes in [Appendix 3](#).

Source: EIRO



## Civil service

Data on agreed pay increases (or some similar indicator) in the central civil service sector are available for 26 countries – the exceptions being Lithuania and Malta.

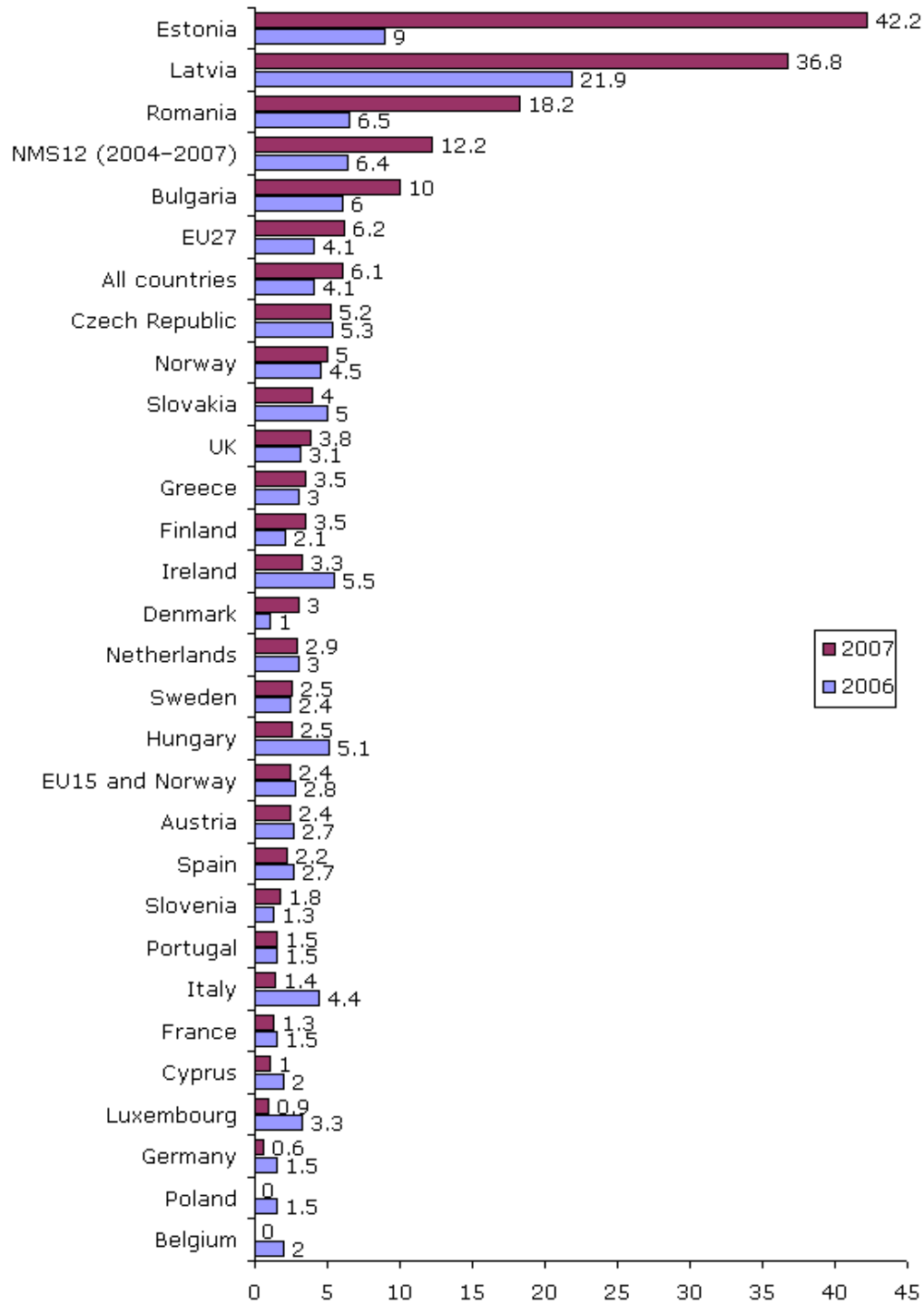
In 2006, the range of nominal rises was between 21.9% in Latvia (although the figure used here is not strictly for agreed increases) and 1% in Denmark – see Figure 5 below. In 2007, Estonia had the highest increase (set by government regulation rather than collective agreement), at 42.2%, while no increases were awarded in Belgium and Poland. The average pay increase in the civil service across the EU27 rose from 4.1% in 2006 to 6.2% in 2007 – 1.5 percentage points below the whole-economy average (see Figure 1) in 2006 and 0.8 points below the average in 2007. The rate of increase fell between 2006 and 2007 in 14 countries (most sharply in Italy), rose in 11 (most notably in Estonia) and remained unchanged in one country (Portugal). The average pay increase in the civil service for the whole EU (based on a smaller number of countries) had previously stood at 3.3% in 2003, 3.6% in 2004 and 2.5% in 2005, indicating a rapid rise over 2006–2007 and levels of increase considerably higher than in previous years. However, it should be noted that the very high increases in Estonia and Latvia, especially in 2007, are responsible for much of the rise in the civil service average pay increases: removing these two countries from the calculations results in EU average pay increases of only 3.1% in 2006 and 3.3% in 2007.

In 2006, the pay increase in the civil service was below the national average increase for all sectors in 18 countries (most notably in Bulgaria, Estonia and Romania), equal to the average increase in three countries and higher than the average in only five countries (most remarkably in Ireland and Italy). In 2007, the pay increase in the civil service was lower than the national average increase for all sectors in 19 countries (most markedly in Bulgaria, Latvia and Poland) and higher in seven countries (most notably in Estonia).

Looking only at the EU15 and Norway, average pay increases in the civil service stood at 2.8% in 2006 and 2.4% in 2007 – 0.2 percentage points below the whole-economy average in 2006 and 0.9 points below the average in 2007. The EU15 and Norway pay increases for 2006 and 2007 compare with rises of 2.3% in 2005, 3% in 2004, 2.8% in 2003, 3.2% in 2002, 3.2% in 2001, 3% in 2000 and 2.7% in 1999. Thus, no very clear trend has emerged, other than a general relative stability at around the 3% mark.

In the NMS, the average nominal pay increase in the civil service stood at 6.4% in 2006 and 12.2% in 2007 (although as noted above, the averages are pushed up by the very high increases in Estonia and Latvia) – 2.3 times higher than the EU15 and Norway average in 2006, rising to 5.1 times higher than the average in 2007. The average increase in the civil service in the NMS was 2.6 percentage points below the whole-economy average for these countries in 2005, but 0.3 points above the average in 2007. The NMS average increase in the civil service (although based on a smaller number of countries) had previously stood at 4.8% in 2003, 4.8% in 2004 and 3.6% in 2005, indicating a sharp upward trend over the period 2006–2007.

*Average collectively-agreed pay increases in the civil service, 2006 and 2007 (%)*



## Average collectively-agreed pay increases in the civil service, 2006 and 2007 (%)

Notes on averages: 'all countries' is for 26 countries; 'EU27' is for 25 countries; 'EU15 and Norway' is for 16 countries; 'NMS12' is for 10 countries.

The data in Figure 5 should be read in conjunction with the notes in [Appendix 4](#).

Source: EIRO

## Minimum wages

Of the 28 countries covered in this research, 20 have a national minimum wage, set either by law or by a national intersectoral agreement (Cyprus has a system of statutory minimum wages that applies to only six specific occupations – sales staff, clerical workers, auxiliary healthcare staff and auxiliary staff in nursery schools, crèches and schools – and is not included in this group). Figure 6 below provides data on the minimum wage increases in 2006 and 2007 for these countries. These minimum wages are generally increased through political and/or social partner decisions, as well as through some kind of indexation mechanism in a number of countries.

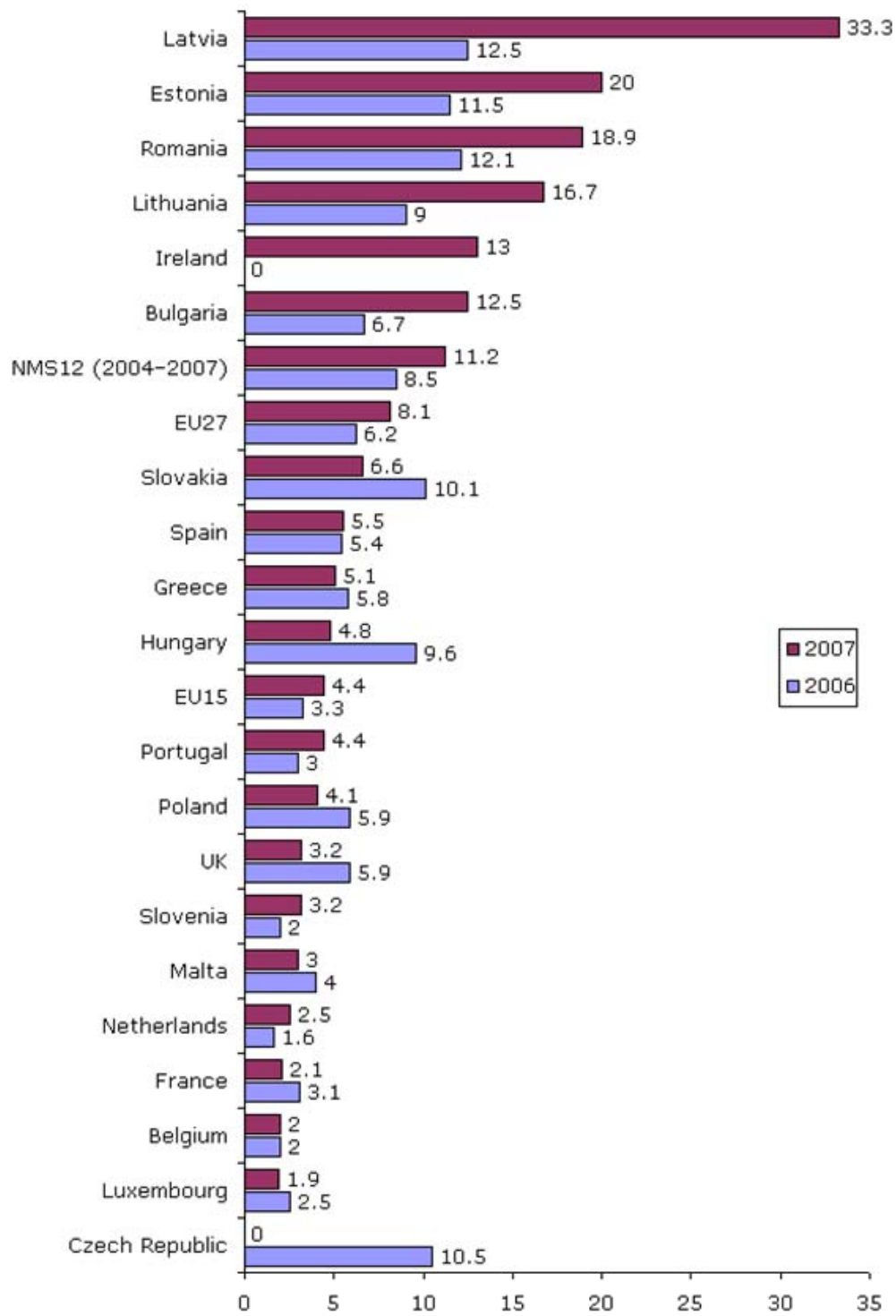
In 2006, the highest minimum wage increase in the countries concerned was in Latvia, at 12.5%, while no increase was recorded in Ireland. In 2007, Latvia again recorded the highest rise, at 33.3%, with the Czech Republic seeing no increase. The overall average rate of increase rose to 8.1% in 2007, having previously fallen slightly from 6.8% in 2004 to 6.4% in 2005 and 6.2% in 2006. The average increase in minimum wages was higher than the average increase in collectively-agreed wages in both 2006 and 2007, with the gap widening in 2007. Despite the overall average rise, the rate of increase rose from 2006 to 2007 in only half of the countries under consideration (most notably in Estonia, Ireland and Latvia), while remaining unchanged in one country and falling in nine Member States (most steeply in the Czech Republic, Hungary and Slovakia).

The increase in the minimum wage lagged behind the average collectively-agreed pay increase in 2006 in nine countries (most notably in Bulgaria, Latvia and Lithuania), while it exceeded the agreed increase in nine countries (by the largest margin in the Czech Republic, Hungary and Slovakia) and was equal to the average in two countries. In 2007, the minimum wage increase was below the average pay increase in eight countries (most notably in Bulgaria, Lithuania and Poland), exceeded the average in 10 countries (by the highest margin in Ireland, Portugal and Spain) and was equal to the average in two Member States.

In the nine EU15 countries with a national minimum wage, the average rate of increase rose from 3.3% in 2006 to 4.4% in 2007 – a considerably smaller rise than that for the whole EU. The EU15 average had previously been 3.9% in 2005, 4.9% in 2004, 3.5% in both 2003 and 2002, 4.9% in 2001, 2.8% in 2000, 2.9% in 1999 and 2.6% in 1998. The average increase in the minimum wage in these countries was 0.4 percentage points higher than the average EU15 increase in collectively-agreed wages in 2006 and 1.3 points higher in 2007.

The average increase in the 11 NMS concerned increased more sharply, from 8.5% in 2006 to 11.2% in 2007 (having stood at 8.4% in 2005 and 6.8% in 2004). The average minimum wage increase for these countries was 0.5 percentage points lower than the average increase in collectively-agreed wages for all NMS in 2006 and 0.7 points lower in 2007. This contrasts with the situation in the EU15, where, on average, minimum wage increases exceeded agreed increases.

*Increase in national minimum wage for adults, 2006 and 2007 (%)*



### Increase in national minimum wage for adults, 2006 and 2007 (%)

Notes on averages: 'EU27' is for 20 countries; 'EU15' is for nine countries; 'NMS' is for 11 countries.

The data in Figure 6 should be read in conjunction with the notes in [Appendix 5](#).

Source: EIRO

### Minimum wage rates

Table 3 below provides the actual rate – hourly, daily, weekly or monthly, as relevant – of national minimum wages in the various national currencies in 2006 and 2007 (see the notes to Figure 6 for the dates from which rates applied. If more than one increase was introduced in the year, the rate given in Table 3 relates to the final one.

**Table 3: National gross minimum wage for adults, 2006 and 2007, by national currency and euro equivalent**

Country	Frequency	2006	2007
Belgium	Monthly	€1,258.90	€1,283.91
Bulgaria	Monthly	BGN 160 (€81.81)	BGN 180 (€92.03)
Czech Republic	Hourly	CZK 48.10 (€1.70)	CZK 48.10 (€1.73)
	Monthly	CZK 7,955 (€280.68)	CZK 8,000 (€288.12)
Estonia	Hourly	EEK 17.80 (€1.14)	EEK 21.50 (€1.37)
	Monthly	EEK 3,000 (€191.73)	EEK 3,600 (€230.08)
France	Hourly	€8.27	€8.44
	Monthly	€1,254.28	€1,279.00
Greece	Daily	€27.96	€29.39
	Monthly	€625.97	€657.89
Hungary	Hourly	HUF 360.00 (€1.36)	HUF 377.00 (€1.50)
	Daily	HUF 2,880 (€10.90)	HUF 3,020 (€12.02)
	Weekly	HUF 14,400 (€54.49)	HUF 15,080 (€60.00)
	Monthly	HUF 62,500 (€236.51)	HUF 65,500 (€260.59)
Ireland	Hourly	€7.65	€8.65
Latvia	Hourly	LVL 0.611 (€0.88)	LVL 0.815 (€1.15)
	Monthly	LVL 90 (€129.27)	LVL 120 (€171.40)
Lithuania	Hourly	LTL 3.65 (€1.06)	LTL 4.19 (€1.21)
	Monthly	LTL 600 (€173.77)	LTL 700 (€202.73)
Luxembourg	Hourly	€8.91	€9.08
	Monthly	€1,541.00	€1,570.28

Malta	Weekly	MTL 57.88 (€134.82)	MTL 59.63 (€138.90)
Netherlands	Daily	€59.29	€60.78
	Monthly	€1,284.60	€1,317.00
Poland	Monthly	PLN 899.10 (€230.78)	PLN 936.00 (€247.38)
Portugal	Monthly	€385.90	€403.00
Romania	Hourly	RON 2.18 (€0.62)	RON 2.59 (€0.77)
	Monthly	RON 370 (€104.94)	RON 440 (€131.92)
Slovakia	Hourly	SKK 43.70 (€1.17)	SKK 46.60 (€1.38)
	Monthly	SKK 7,600 (€204.11)	SKK 8,100 (€239.82)
Slovenia	Monthly	SIT 125,052 (€521.99)	€538.53
Spain	Daily	€18.03	€19.02
	Monthly	€540.90	€570.60
	Annual (14 monthly payments)	€7,572.60	€7,988.40
UK	Hourly	GBP 5.35 (€7.85)	GBP 5.52 (€8.07)

*Note: Euro conversions, where necessary, used the average exchange rates for 2006 and 2007 from the [European Central Bank \(ECB\)](#).*

*Source: EIRO*

The rates in Table 3 should be read in conjunction with the notes to Figure 6 above, as well as the following.

- **Belgium:** rates given apply to workers aged 21 years and above; workers aged 21.5 years and above with six to 12 months' service and over 12 months' service receive higher wages (premia of 2.7%–4%).
- **France:** the monthly rate is based on a 35-hour working week.
- **Luxembourg:** rates given are for unqualified workers; qualified workers receive a 20% higher wage.
- **Romania:** figures refer to the minimum wage rate set by the single national collective agreement; the minimum wage for the public sector, set by the government, stood at RON 1.95 an hour and RON 330 a month in 2006, and RON 2.29 an hour and RON 390 a month in 2007.

### Youth wage rates

The minimum wage increases and rates examined above are the full adult rates. However, 10 countries apply lower rates to younger or less experienced workers. Table 4 presents a summary of these rates.

**Table 4: National minimum wages of younger and less experienced workers, 2007**

Country	% of full rate	Applicable to
Belgium (see note to Table 3 above for details of additional rates based on age and level of experience)	94%	Workers aged 20 years
	88%	Workers aged 19 years
	82%	Workers aged 18 years
	76%	Workers aged 17 years
	70%	Workers aged 16 years and younger
Czech Republic	90%	Workers aged 19–21 years in the first six months of employment
	80%	Workers aged 18 years and younger
Ireland	90%	Workers aged 18 years and over in the second year of employment, as well as workers aged over 18 years and undergoing the final third (lasting one month to a year) of a course of authorised training or study
	80%	Workers aged 18 years and over in the first year of employment, as well as workers aged over 18 years and undergoing the second third (lasting one month to a year) of a course of authorised training or study
	75%	Workers aged over 18 years and undergoing the first third (lasting one month to a year) of a course of authorised training or study
	70%	Workers aged under 18 years
Latvia	114%	Workers aged 15–18 years, who may only work up to 35 hours a week rather than the 40 hours on which the minimum wage is normally based
Luxembourg (% of qualified or unqualified workers receiving adult wage rate, as appropriate)	80%	Workers aged 17 years
	75%	Workers aged 15 and 16 years
Malta*	95.1%	Workers aged 17 years
	93.1%	Workers aged under 17 years
Netherlands	85%	Workers aged 22 years
	72.5%	Workers aged 21 years
	61.5%	Workers aged 20 years
	52.5%	Workers aged 19 years
	45.5%	Workers aged 18 years

	39.5%	Workers aged 17 years
	34.5%	Workers aged 16 years
	30%	Workers aged 15 years
Poland	80%	Workers in their first year of employment
Slovakia	75%	Workers aged 16–18 years
	50%	Workers aged under 16 years (and workers aged 16–18 years who have a disability)
UK**	83.33%	‘Development rate’ for workers aged 18–21 years inclusive, as well as workers aged 22 years and above during the first six months in a new job with a new employer and who are receiving accredited training
	61.59%	Workers aged 16 and 17 years, other than apprentices

*Notes: \* In 2006, the percentages were 94.97% for workers aged 17 years and 92.86% for workers aged under 17 years – the relative value increased due to higher increases in 2007 in the wage rates for younger workers than for the full adult rate.*

*\*\* In 2006, the percentage was 83.18% for the development rate – the differential with the full adult rate narrowed in 2007 due to a higher increase in the development rate than in the adult rate. In 2006, the percentage was 61.68% for the rate for those aged 16–17 years – the differential with the full adult rate increased in 2007 due to a lower increase in the development rate for those aged 16–17 years than in the adult rate.*

Source: EIRO

## Gender pay differentials

The explicit pay terms of the collective agreements and minimum wage laws dealt with above are presumably gender neutral – they do not provide for differing pay rates or increases for women and men (to do so would, of course, breach EU and national legislation on equal pay). However, it remains the case that women in all the countries examined in this research earn, on average, lower wages than men. Figure 7 below indicates this gender pay gap by showing women’s average earnings – on an hourly basis, unless otherwise specified – as a percentage of men’s pay.

On the basis of national data, among the 28 countries examined, the gender wage gap is widest in Slovakia (at 26.9%) and narrowest in Slovenia (at 6.9%). Other countries with a notably narrow gender wage differential of 10 percentage points or less include Belgium, Greece, Ireland and Italy, while those with a comparatively wide gap of 20 points or more include Cyprus, the Czech Republic, Estonia, Finland, Germany, the Netherlands and Portugal.

The gender wage gap averages 15.9% across the EU27 (the figure is unchanged if Norway is included), down from the 16.2% recorded as part of the 2006 pay update ([TN0704029S](#)). Year-on-year upward and downward variations seem to be a feature of gender pay statistics, and the narrowing of the wage gap is unlikely to be significant over such a short period of time, while some variations in the figures are explained by changes in the source or nature of the data used (the values for Belgium and Malta, for example, are very different than the rates of previous years). However, the gap recorded as part of this review has been on a downward trend since



2005, when it stood at 17.5% (the 2006 figure was 17.3%), which may be firmer evidence of a narrowing of the average wage gap.

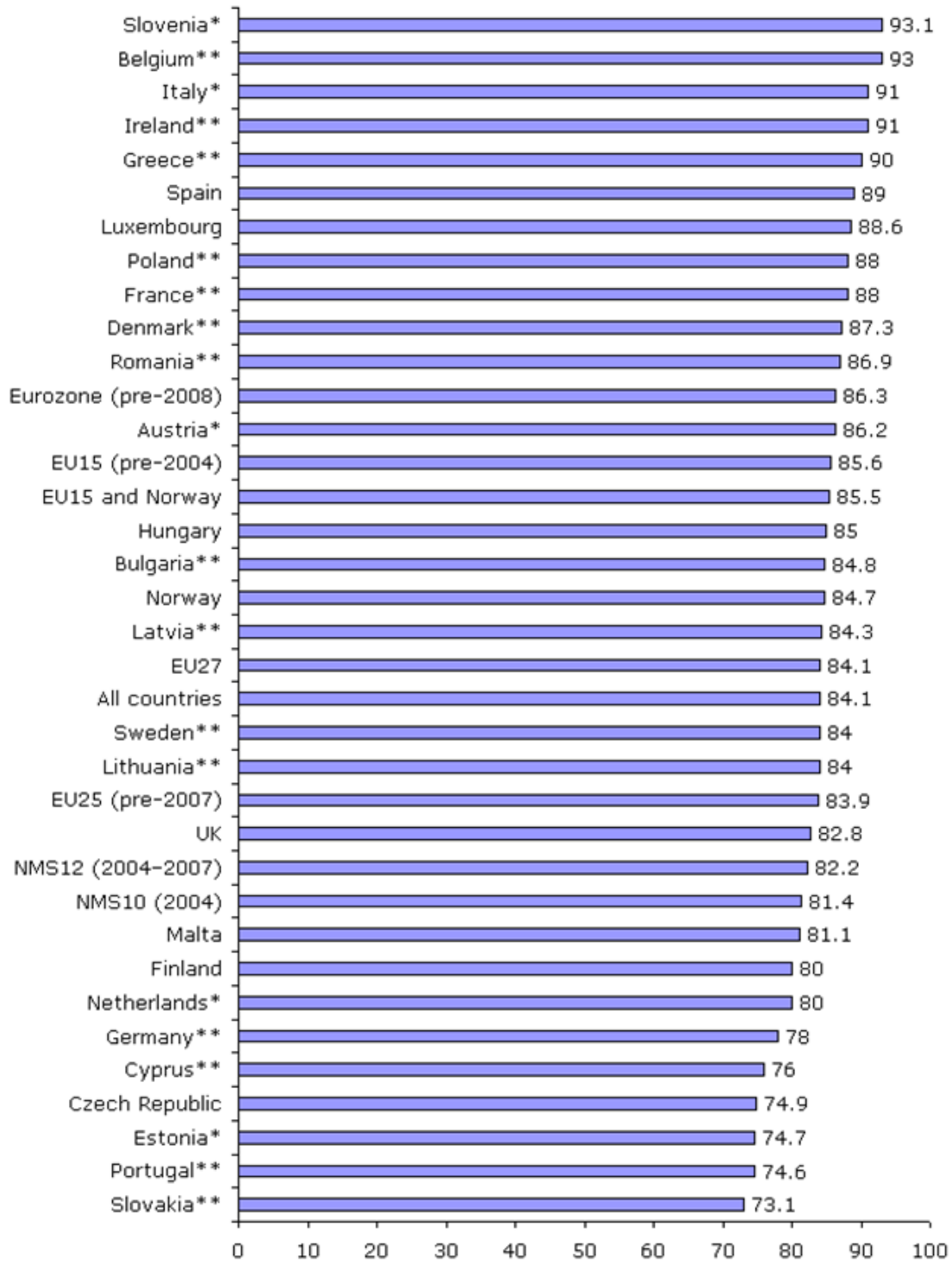
Where individual country data are available for several years, these often suggest small decreases in the gender pay gap – as is the case in Austria, Latvia, Luxembourg, Romania, Slovakia, Slovenia and Spain. However, some movement in the opposite direction is apparent in the Czech Republic, Germany, Malta and Portugal.

In the EU15, the average gender wage gap is narrower than for the whole EU27, at 14.4%, compared with 15.9%. This is lower than the 15.3% recorded in the 2006 review of the data. While, as noted above, short-term variations are unlikely to be significant and much of the movement may be due to changes in the source or nature of the data used, the average wage gap in the EU15 recorded as part of these annual pay reviews has been falling overall since 2001. It stood at 20.4% in 2001, 19.2% in 2002, 18.6% in 2003, 17.4% in 2004 and 18.1% in 2005.

In the NMS12, the gender wage gap averages 17.8%, 3.4 points higher than the average in the EU15. In the 2006 pay review, the gap for these NMS was found to be 17.5%, 2.2 points higher than the average in the EU15.

While the above figures provide a broad picture of the situation in the different countries, differences in calculation methods between countries highlighted in the notes to Figure 7 should be taken into account.

*Women's average earnings as a percentage of men's, latest figures (%)*



## **Women's average earnings as a percentage of men's, latest figures (%)**

Notes: Figures are for 2007 except where \* = 2005 and \*\* = 2006; figures refer to average hourly pay unless indicated otherwise in the notes in Appendix 6.

The data in Figure 7 should be read in conjunction with the notes in Appendix 6.

Source: EIRO

## **Average earnings**

The main focus of this review is on collectively-agreed pay increases and minimum wage rises, based largely on the contents of agreements and laws. A clearer indication of the actual development of workers' incomes is revealed by earnings data, which are usually based on a survey of individuals' earnings and include elements such as bonuses and overtime pay. Figure 8 below provides data from national sources on increases in average earnings in 2006 and 2007 (figures are not available for the Netherlands in either year, or for Austria and Portugal in 2007, while some 2007 figures are only partial). The notes below Figure 8 should be taken into consideration as the nature of the statistics and the definitions of earnings vary considerably across countries.

Throughout the entire EU27, the range of average earnings increases in 2006 was between 23% in Latvia and 0.7% in Germany. Latvia was again in the leading position in 2007, at 32.3%, with Malta in last place with 0.7%. The average rate of pay increases across the EU rose from 6.6% in 2006 to 8.4% in 2007 (although the 2007 average relates to fewer countries). Taking Norway into account reduces the average pay rise by 0.1 percentage points in each year.

The EU27 average stood at 5.2% in 2004 and 5.9% in 2005, indicating a sustained upward tendency over 2004–2007. This largely reflects the trend already noted for average collectively-agreed pay. However, the upward trend was not universal. The average earnings increase fell from 2006 to 2007 in seven countries (most notably in Malta and Slovakia), remained unchanged in one country (namely Sweden), and rose in 17 countries (most significantly in Bulgaria, Latvia and Romania).

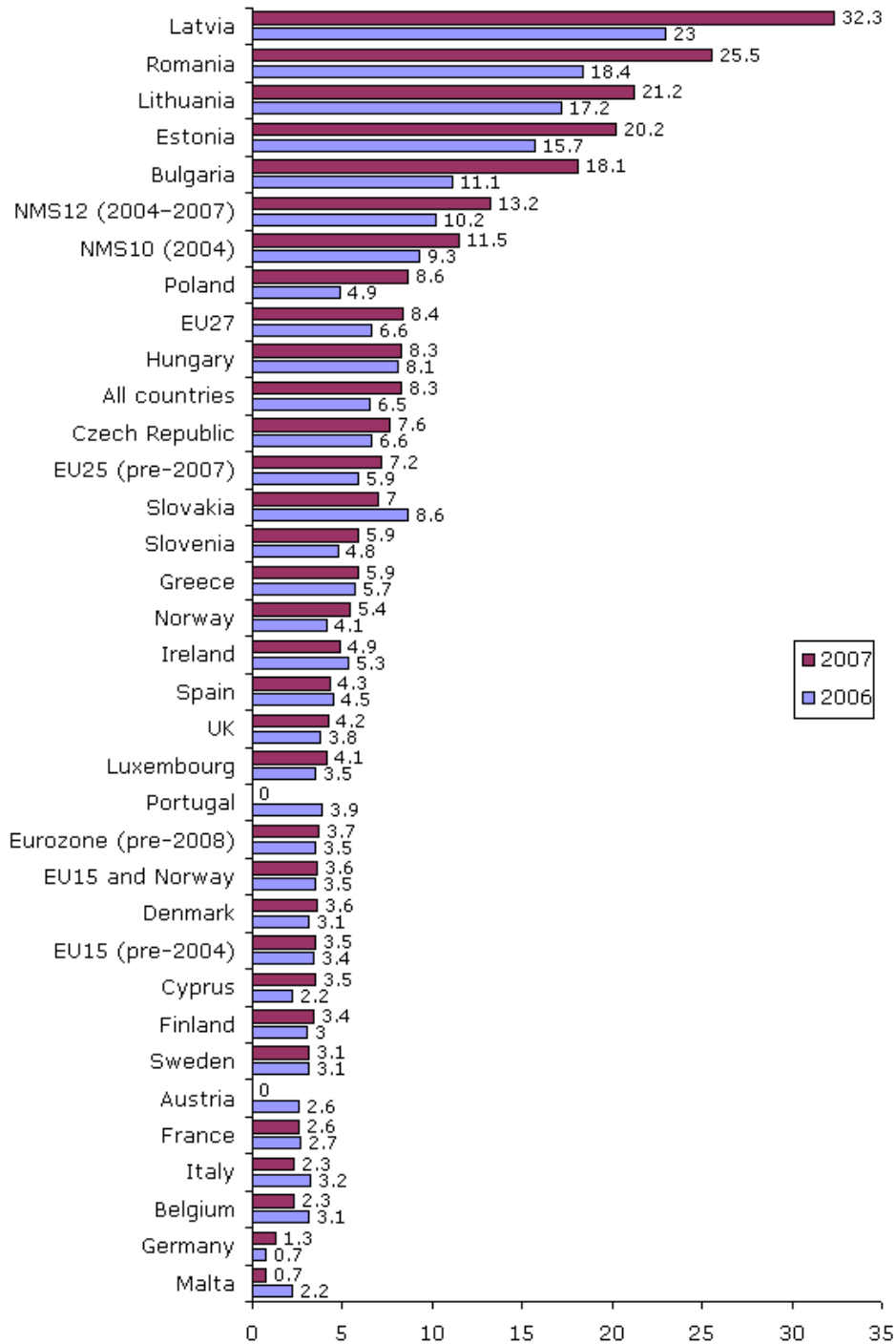
Looking at the EU15 only, the level of increase is much lower and the upward trend much less marked. The average increase in earnings remained almost stable at 3.4% in 2006 and 3.5% in 2007 (although the 2007 average relates to fewer countries). These figures are slightly higher than the 2.8% recorded in 2005, which followed a four-year fall – the figure stood at 2.9% in 2004, 3.4% in 2003, 3.9% in 2002 and 4.3% in 2001 (having previously risen since 1998). By contrast, in the NMS12, the average rate of increase was much higher, and rising faster in 2006–2007, climbing from 10.2% to 13.2% – three times the EU15 increase in 2006 and 3.8 times this figure in 2007. The NMS average increase in 2005 had been 9.5%.

In the countries of the pre-2008 eurozone, the average increase in earnings was slightly higher than that in the EU15 in both 2006 and 2007.

When compared with the data for collectively-agreed pay increases, the earnings figures help to clarify to some extent the distortions caused by factors such as the fact that the relevant collective agreements in some countries provide only for minima, or varying levels of bargaining coverage. Increases in earnings are thus higher than agreed pay increases in many countries, such as Belgium, the Czech Republic, Denmark, Finland, Hungary, Italy, Portugal, Romania, Slovakia, Slovenia, Spain and the UK. However, earnings increases tend to be lower than agreed pay rises

in countries such as Germany and Malta. Across all of the countries covered, the average increase in earnings was 0.9 points higher than the average agreed pay increase in 2006 and 1.4 points higher in 2007. However, the gap between the two average figures was lower in the EU15, at 0.5 points in 2006 and 0.4 points in 2007.

*Increase in average earnings, 2006 and 2007 (%)*



## Increase in average earnings, 2006 and 2007 (%)

Notes on averages: ‘all countries’ is for 27 countries in 2006 and 25 countries in 2007; ‘EU27’ is for 26 countries in 2006 and 24 countries in 2007; ‘EU25’ is for 24 countries in 2006 and 22 countries in 2007; ‘EU15’ is for 14 countries in 2006 and 12 countries in 2007; ‘EU15 and Norway’ is for 15 countries in 2006 and 13 countries in 2007; ‘eurozone’ is for 11 countries in 2006 and 10 countries in 2007.

The data in Figure 8 should be read in conjunction with the notes in [Appendix 7](#).

Source: EIRO

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## Appendices

### Appendix 1

#### [Back to Figure 1](#)

The data in Figure 1 should be read in conjunction with the following notes:

- **Austria:** figures, from Statistics Austria ([Statistik Austria](#)), refer to most collective agreements concluded in the autumn of the previous year; in 2007, [Statistics Austria](#) introduced a slightly different method of calculation, which resulted in the 2.2% figure given here – using the old calculation method gave a figure of 2.4%.
- **Belgium:** figures, from the Federal Public Service for Employment, Labour and Social Dialogue ([SPF Emploi, Travail et Concertation sociale/FOD Werkgelegenheid, Arbeid en Sociaal Overleg](#)), are for collectively-agreed pay increases at sector level in the private sector (not including semi-privatised state enterprises); the 2007 figure includes an estimate for the last quarter.
- **Bulgaria:** no figures available for average collectively-agreed pay increases (bargaining coverage is patchy); the statistics provided from the National Statistics Institute ([Националният статистически институт, NSI](#)) are for the average increase in monthly pay (in 2007, the social partners in industry negotiated a recommended national wage increase of 14.9%).
- **Cyprus:** figures are estimates from the Cyprus Labour Institute ([Инστιτούτο Εργασίας Κύπρου, INEK/PEO](#)).
- **Czech Republic:** figures, from Information System on Working Conditions ([ISWC](#)), refer to nominal increases in enterprise-level collective agreements (the more prevalent bargaining level) in the private sector; the equivalent figures for the non-private sector were 5.3% in 2006 and 5.2% in 2007.
- **Denmark:** no general figures are available and the data used relate to the trend-setting industry sector agreement (2004–2007 and 2007–2010), which operates the minimum wage system, whereby sectoral agreements set only minimum rates, with subsequent local

bargaining producing further increases; the figures represent the minimum hourly increases from March each year.

- **Estonia:** no figures are available for average collectively-agreed pay increases (data collection is still being developed and bargaining coverage is low); the statistics provided relate to the increases in the average monthly gross wage, as recorded in the survey on wages by Statistics Estonia ([Statistikaamet](#)); figures are for the increase in the first three quarters of each year, compared with the same period in the previous year; national collective agreements increased the minimum wage by 11.5% in 2006 and 20% in 2007.
- **Finland:** the figure for 2006 refers to the provisions of a central incomes policy agreement, which provided for a general rise of 1.4% from June, plus an additional 0.4% for sectoral distribution and a 0.3% 'equality increment' targeted at low-paid and female-dominated sectors; the figure for 2007 refers to the average increase in sectoral collective agreements (no central agreement was negotiated).
- **France:** no figures are available for average collectively-agreed pay increases; figures given, from National Institute of Statistics and Economic Studies ([Institut national de la statistique et des études économiques, INSEE](#)), are for increases in average wages; the 2007 figure is provisional.
- **Germany:** figures, from the collective agreement archive of the Institute for Economics and Social Research ([Wirtschafts- und Sozialwissenschaftliches Institut, WSI](#)), represent the annual average increase in collectively-agreed pay per employee.
- **Greece:** figures refer to increases in minimum rates as set out in the National General Collective Agreement 2006–2007; the 2006 figure includes a 2.9% rise from 1 January and a 2.9% rise from 1 September; the 2007 figure represents a 5.1% rise from 1 May.
- **Hungary:** figures from the Ministry of Social Affairs and Labour ([Szociális és Munkaügyi Minisztérium, SZMM](#)).
- **Ireland:** the 2006 figure refers to a 4% increase due to private sector workers over the 12 months of 2006 under the new national agreement [Towards 2016 \(2.9Mb PDF\)](#) (which also awarded low-paid workers an additional 0.5% pay rise); the 2007 figure refers to a 4.75% increase due to private sector workers over the year under *Towards 2016*; different pay arrangements apply under the national agreements in the public sector, with average increases totalling 5.5% in 2006 and 3.25% in 2007.
- **Italy:** figures, from National Institute of Statistics ([Istituto Nazionale di Statistica, Istat](#)), are based on the contents of national sectoral collective agreements.
- **Latvia:** no figures are available for average collectively-agreed pay increases; the statistics provided, from the Central Statistical Bureau ([Centrālā statistikas pārvalde, CSP](#)), are for increases in average gross monthly wages and salaries; the 2007 figure is for the first nine months of the year compared with the first nine months of 2006.
- **Lithuania:** no figures are available for average collectively-agreed pay increases; the statistics provided, from Lithuanian Statistics ([Lietuvos statistikos departamentas, LS](#)), are for increases in average gross monthly earnings; the 2007 figure is provisional.
- **Luxembourg:** no figures are available for average collectively-agreed pay increases; figures, from the General Social Security Inspectorate ([Inspection générale de la sécurité sociale, IGSS](#)), are for increases in average hourly earnings.

- **Malta:** figures, from the Economic Survey by the government's [Economic Policy Division](#), refer to the year running from September to September.
- **Netherlands:** figures are from the Labour Inspectorate ([Arbeidsinspectie](#)).
- **Norway:** no reliable figures are available on collectively-agreed basic pay increases for all employees; the figures given, from the Technical Calculation Committee for Income Settlements ([Teknisk Beregningsutvalg](#), TBU), represent the total annual pay increase (including wage drift and carryover effects from previous years); the 2007 figure is provisional.
- **Poland:** no figures are available for average collectively-agreed pay increases; the figures provided, from the Central Statistical Office of Poland ([Główny Urząd Statystyczny](#), [GUS](#)), refer to increases in average monthly gross wages and salaries; the 2007 figure is for the first three quarters of the year compared with same period in 2006.
- **Portugal:** figures are from the Ministry of Finance's Directorate General for Administration and Public Employment ([Direcção Geral da Administração e do Emprego Público](#), [DGAEP](#)).
- **Romania:** figures refer to the increases set out in the single national collective agreements for 2005–2006 and 2007–2010, which provide a minimum basic framework for employment conditions; the 2006 increase applied from April and the 2007 increase applied from January.
- **Slovakia:** figures are from the Information System on Working Conditions, Trexima Bratislava.
- **Slovenia:** figures, based on the content of collective agreements, refer to private sector only; equivalent figures for public sector were 1.6% in 2006 and 2% in 2007.
- **Spain:** figures are from the labour statistics publications of the Ministry of Labour and Social Affairs ([Ministerio de Trabajo y Asuntos Sociales](#), [MTAS](#)).
- **Sweden:** figures (including the estimated effect of working time reductions where relevant) are from the National Mediation Office ([Medlingsinstitutet](#)); the 2006 figure is based on the three-year agreements concluded in the 2004 bargaining round, which covered much of the labour market (agreements concluded in 2005 provided for average increases of 2.5% in 2006, and agreements concluded in 2006 provided for average increases of 2.8% in 2006); the 2007 figure includes a 2.4% increase for the first half of the year based on the 2004 agreements, plus 2.6% for the second half of the year based on the agreements concluded in the 2007 bargaining round, which again covered much of the labour market (agreements concluded in 2005 provided for average increases of 2.3% in 2007, and agreements concluded in 2006 provided for average increases of 2.6% in 2007).
- **UK:** figures, from [Labour Research Department \(LRD\) Workplace Report](#), refer to the increase in the lowest basic rates; the 2006 figure is for the 12 months up to and including December 2006; the 2007 figure is for the 12 months up to and including October 2007; averages calculated on the basis of the number of agreements not workers covered.

## Appendix 2

### Back to Figure 3

The data in Figure 3 should be read in conjunction with the following notes:

- **Austria:** figures, from Union of Salaried Employees, Graphical Workers and Journalists ([Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier](#), [GPA-DJP](#)), relate to sectoral collective agreements; increases applied from May each year.

- **Belgium:** the 2006 increase represents the indexation payment only, paid from June; the 2007 figure represents half of the 5% ‘wage norm’ (including indexation) for 2007–2008 laid down in the sectoral agreement that provided a framework for company-level bargaining in chemicals.
- **Bulgaria:** figures are an average of the (widely varying) pay increases, applicable from July each year, laid down in subsectoral agreements for oil products, chemical products, rubber, plastics and glass; agreed increases at four major companies ([Agropolichim](#), [Solvay](#), [Calcite-Asenovgrad](#) and [Balkanfarma](#)), as reported by the sectoral trade union, averaged 10.1% in 2006 and in 2007.
- **Cyprus:** figures are estimates from INEK-PEO, based on two collective agreements in pharmaceuticals and one in chemicals, valid from January each year.
- **Czech Republic:** figures, from ISWC, represent the average nominal pay increase in enterprise-level collective agreements (the more prevalent bargaining level) in the chemicals and electricity industry.
- **Denmark:** figures relate to the industry sector agreements for 2004–2007 and 2007–2010, which operate the minimum wage system, whereby sectoral agreements set only minimum rates, with subsequent local bargaining producing further increases; the figures represent the minimum hourly increases from March each year.
- **Estonia:** figures, from Statistics Estonia, are for increases in average monthly gross wages in chemicals; the 2007 figure is for the year up to the third quarter, compared with the same period in the previous year; no sectoral agreement exists and no data are available on increases in company-level agreements.
- **Finland:** the 2006 increase is payable from June; the 2007 increase is payable from October – workers also received a lump-sum payment of €240–€305 (depending on the subsector) in June 2007.
- **France:** figures are from INSEE; the 2007 data are provisional.
- **Germany:** data are from the WSI collective agreement archive; the 2006 figure is an estimate for western Germany only, based on the June 2005 agreement that provided for a 2.7% pay increase over 19 months (beginning from June, July or August 2005, depending on the region of the country), and also for a one-off payment worth 19 times 1.2% of monthly pay; the 2007 figure is for the whole of Germany – workers also received a lump-sum payment of €70 and a one-off payment worth 13 times 0.7% of monthly pay.
- **Greece:** the 2006 increase includes pay rises of 3% from January and 3% from July; the 2007 increase is payable from May.
- **Ireland:** figures represent pay increases under national agreements – see note to Figure 1.
- **Italy:** figures refer to the sectoral agreement for chemicals, pharmaceuticals and allied industries.
- **Latvia:** figures, from CSP, are for the annual increase in average monthly wages and salaries in overall manufacturing; no data are available for collectively-agreed increases or for chemicals specifically.
- **Malta:** figures, from the government’s Economic Policy Division, represent increases between September 2005 and September 2006 and between September 2006 and September 2007 respectively.



- **Netherlands:** figures are based on a sample of company agreements (providing for increases of 1%–3% each year).
- **Norway:** figures, from TBU, include more than collectively-agreed pay increases (for example, wage drift and carryover effects); the 2006 figure is for blue-collar workers in chemicals and the 2007 figure (calculated by TBU as 5.5%) is an estimate for all blue-collar workers in private sector manufacturing (the figure for white-collar manufacturing workers was 5.75%).
- **Poland:** figures, from GUS, are for increases in average monthly gross wages and salaries in overall manufacturing; the 2007 figure is for the year up to the third quarter; no data are available for collectively-agreed increases or for the chemicals sector only.
- **Portugal:** the figures for 2006 and 2007 are an annualised average of the pay increases awarded under the 2003–2007 sectoral collective agreement for the chemicals sector.
- **Romania:** figures relate to annual average increases under sectoral agreements for chemicals and petrochemicals for 2005–2006 and 2007–2010.
- **Slovakia:** figures, from the Information System on Working Conditions, Trexima Bratislava, relate to sectoral collective agreements signed for each year by the Chemical Workers' Union ([Odborový zväz chémia, OZCH](#)).
- **Slovenia:** figures are for increases in basic wages, as laid down in sectoral collective agreements; increases applied from August each year.
- **Spain:** figures are from MTAS.
- **Sweden:** data, from the Swedish Industrial and Chemical Employers' Association ([Industri- och Kemigruppen](#)), refer to both blue-collar and white-collar workers.
- **UK:** figures, from LRD *Workplace Report*, November 2006 and October 2007, represent an average of agreements (calculated on the basis of the number of agreements not workers covered) and refer to median increases in the lowest basic rates in 'manufacturing (chemical, minerals and metals)'.

### Appendix 3

#### Back to Figure 4

The data in Figure 4 should be read in conjunction with the following notes:

- **Austria:** figures, from the Austrian Federal Economic Chamber ([Wirtschaftskammer Österreichs, WKO](#)), relate to the sectoral collective agreement; increases applied from January each year.
- **Belgium:** the 2006 increase represents the indexation payment only, paid from June; the 2007 figure represents half of the 5% 'wage norm' (including indexation) for 2007–2008 laid down in sectoral agreements; precise percentage increases for retail in 2007 cannot be given as relevant agreements provide for a mixture of percentage and cash increases.
- **Bulgaria:** figures relate to increases in basic monthly pay set by collective agreements; the 2007 figure includes a 12.9% increase from January to September, plus the first three months of an increase of 14.9% over a 15-month period from October.

- **Czech Republic:** figures, from ISWC, relate to enterprise-level collective agreements (the main bargaining level) in 2006 and higher-level agreements in 2007 (no data are available on enterprise-level agreements in 2007).
- **Denmark:** increases, set by sectoral collective agreement, apply from March each year;
- **Estonia:** figures, from Statistics Estonia, are for increases in average monthly gross wages in the wholesale and retail trade; the 2007 figure is for the year up to the third quarter, compared with the same period in the previous year; no sectoral agreement exists and no data are available on increases in company-level agreements.
- **Finland:** the 2006 increase is payable from June; the 2007 increase is payable from October.
- **France:** figures are from INSEE; the 2007 figure is provisional.
- **Germany:** figures, from the WSI collective agreement archive, refer to a ‘pilot’ agreement for the Berlin region, covering the period 2005–2007; the figures for 2006 and 2007 represent half of a 1% increase awarded from December 2006 (the agreement included 17 ‘zero-months’ with no increases); workers also received lump-sum payments of €200 for 2006 and €75 for 2007.
- **Greece:** the 2006 increase includes rises of 3% from January and 3% from September; the 2007 increase includes rises of 2.7% from January and 3% from May.
- **Ireland:** figures represent pay increases under national agreement – see note to Figure 1.
- **Italy:** figures refer to the sectoral agreement for distribution and services, signed by [Confcommercio](#) employer organisation, which covers most retail employees.
- **Latvia:** figures, from CSP, are for the annual increase in average monthly wages and salaries in wholesale and retail trade and repairs; no data are available for collectively-agreed increases or for retail specifically.
- **Malta:** figures, from the government’s Economic Policy Division, refer to increases in wholesale and retail between September 2005 and September 2006 and between September 2006 and September 2007 respectively.
- **Netherlands:** figures are based on sectoral agreements; the 2006 increase is payable from July; the 2007 increase is payable from April.
- **Norway:** figures, from TBU, include more than collectively-agreed pay increases (for example, wage drift and carryover effects); the 2006 figure is for retail and the 2007 figure is an estimate for the whole commerce and services area.
- **Poland:** figures, from GUS, are for increase in average monthly gross wages and salaries in overall trade and repair; the 2007 figure is for the year up to third quarter; no data are available for collectively-agreed increases or for the retail sector only.
- **Portugal:** figures are from DGAP.
- **Romania:** figures relate to annual average increases under sectoral agreements.
- **Slovakia:** figures, from Information System on Working Conditions, Trexima Bratislava, relate to sectoral collective agreements signed for each year by the [OZ pracovníkov obchodu a cestovného ruchu](#) trade union.
- **Slovenia:** figures are for increases in basic wages, as laid down in sectoral collective agreements; increases applied from August each year.

- **Spain:** figures are from MTAS.
- **Sweden:** figures, from the Swedish Trade Federation ([Svensk Handel](#)), refer to average agreed increases for blue-collar workers; average agreed increases for white-collar workers were 2.4% in 2006 and 3.8% in 2007.
- **UK:** figures, from LRD *Workplace Report*, November 2006 and October 2007, represent an average of agreements (calculated on the basis of the number of agreements not workers covered) and refer to median increases in the lowest basic rates in ‘retail, wholesale, hotels and catering’.

## Appendix 4

### Back to Figure 5

The data in Figure 5 should be read in conjunction with the following notes:

- **Austria:** pay increases are fixed by federal law from January each year; figures are from the Union of Public Employees ([Gewerkschaft Öffentlicher Dienst, GÖD](#)).
- **Belgium:** figures for the federal civil service, based on registered collective agreements; the 2006 figure refers to automatic pay indexation only; no increase was awarded in 2007.
- **Bulgaria:** pay increases are imposed by cabinet decree from July each year.
- **Cyprus:** data, from the [Pancyprian Union of Public Employees \(Παγκύπρια Συντεχνία Δημοσίων Υπαλλήλων, PASYDY\)](#), refer to the framework agreement for the public and semi-public sector; the 2006 increase included a minimum cash increase of €7.69 a month and the 2007 increase included a minimum cash increase of €3.84 a month.
- **Czech Republic:** figures are from ISWC.
- **Denmark:** figures are from the Ministry of Finance; increases applied from April each year.
- **Estonia:** pay increases are fixed by government regulation (no collective agreements have been reached for the public sector since 2002); the 2006 increase applied only to the 16 lowest civil service grades; the 2007 figure is an average amount – increases ranged from 20% for lower grades to 100% for the highest grades.
- **Finland:** increases applied from June 2006 and October 2007.
- **France:** figures are from INSEE; the 2007 figure is provisional.
- **Germany:** figures, from the WSI collective agreement archive, refer to the average agreed increases across the civil service.
- **Greece:** increases are fixed by law from January each year.
- **Ireland:** figures represent public sector pay increases under national agreements; the 2006 increase is the sum of a final 2.5% pay rise payable from June under the previous *Sustaining Progress* agreement, plus a first 3% rise under the new *Towards 2016* agreement, payable from December; the 2007 increase (3.25%) was payable over the year under *Towards 2016*.
- **Italy:** figures refer to sectoral agreements covering the largest numbers of civil servants – those for ministerial employees and fiscal agencies.
- **Latvia:** pay increases are set by law; figures, from CSP, are for the annual increase in average monthly wages and salaries in public administration, defence and compulsory social security.

- **Luxembourg:** figures refer to wage agreements between the government and General Confederation of Civil Servants ([Confédération Générale de la Fonction Publique, CGFP](#)); the 2006 increase includes 2.5% automatic wage indexation applicable from December; the 2007 increase represents a one-off, non-consolidated rise, payable in December.
- **Netherlands:** figures, from [CAOP](#) public sector employment research centre, relate to pay increases including ‘extras’; excluding extras, increases stood at 1.6% in 2006 and 2.5% in 2007.
- **Norway:** figures, from TBU, include more than collectively-agreed pay increases (for example, wage drift and carryover effects); the 2007 figure is an estimate.
- **Poland:** figures refer to the overall increase set by state budget law.
- **Portugal:** increases are set, from January each year, by governmental orders, following consultation; figures are from DGAP.
- **Romania:** increases are set by government decisions; data refer to minimum rates.
- **Slovakia:** figures refer to increases set by sectoral collective agreements for the civil service for each year, applicable from July.
- **Slovenia:** figures refer to increases set by agreements for the whole public sector; the 2007 increase includes rises of 0.45% from January and 1.3% from July.
- **Spain:** figures are from MTAS.
- **Sweden:** data refer to collectively-agreed minimum pay rises for blue-collar and white-collar workers in the government sector (the agreements for professional workers in the sector provided for no quantified minimum pay increases); including individual pay increases brings the average pay rises for blue-collar and white-collar workers to 3.7% in 2006 and 3.2% in 2007.
- **UK:** figures, from *LRD Workplace Report*, November 2006 and October 2007, represent an average of agreements (calculated on the basis of the number of agreements not workers covered) and refer to median increases in lowest basic rates in ‘public administration’.

## Appendix 5

### Back to Figure 6

The data in Figure 6 should be read in conjunction with the following notes:

- **Belgium:** increases are based on a social partner agreement given legal force; the 2006 increase represents automatic indexation in October; the 2007 increase represents an agreed increase in the minimum rate.
- **Bulgaria:** increases, agreed in the [National Council for Tripartite Cooperation \(NCTC\)](#) and imposed by cabinet decree, applied from January each year.
- **Czech Republic:** increases are set by government resolution; the 2006 increase is the sum of a 5.4% rise applied from January and a 5.1% rise applied from July; no increase in 2007, apart from ‘rounding up’ to the nearest round figure – for example, the adult monthly wage rate increased from CZK 7,955 to CZK 8,000.
- **Estonia:** increases, set by government decree based on agreement among the social partners, applied from January each year.

- **France:** increases applied by the government from July each year.
- **Greece:** figures refer to increases in minimum rates as set out in National General Collective Agreements; the 2006 increase consisted of rises of 2.9% from January and 2.9% from September; the 2007 rise applied from May.
- **Hungary:** increases, agreed in the tripartite council and imposed by the government, applied from January each year; the minimum wage for skilled workers increased by an additional 5%–10% in July 2006 and 9.6% in January 2007.
- **Ireland:** increases are based on tripartite national pacts; no rise in 2006; the 2007 increase consisted of rises of 9% from January and 4% from July.
- **Latvia:** increases, set by government regulation, applied from January each year.
- **Lithuania:** increases applied by the government upon submission of a proposal by the Tripartite Council of the Republic of Lithuania ([Lietuvos Respublikos Trišalė taryba](#), [LRTT](#)); increases applied from July each year.
- **Luxembourg:** the 2006 figure represents only an automatic indexation increase awarded in December; the 2007 increase applied by the government from January.
- **Malta:** increases applied by government order from January each year.
- **Netherlands:** increases decided by the government; the 2006 increase comprised rises of 0.62% from January and 0.94% from July; the 2007 increase comprised rises of 1.26% from January and 1.2% from July.
- **Poland:** increases are set by a tripartite body (or by government decision if no agreement is reached); increases applied from January each year.
- **Portugal:** increases applied by law in January of each year.
- **Romania:** figures refer to the minimum wage rate set by the single national collective agreement – increases applied from April 2006 and January 2007; the government also sets a minimum wage for the public sector, which was increased by 6.5% from January 2006 and by 18.2% from January 2007.
- **Slovakia:** increases awarded by government regulation (based on a tripartite agreement) in October of each year.
- **Slovenia:** increase set by the government in August each year.
- **Spain:** increases applied by law from January.
- **UK:** figures refer to the adult hourly rate; increases awarded by government decision in October of each year.

## Appendix 6

### Back to Figure 7

The data in Figure 7 should be read in conjunction with the following notes:

- **Austria:** figure is from the Austrian Institute of Economic Research ([Österreichisches Institut für Wirtschaftsforschung](#), [WIFO](#)).
- **Belgium:** provisional figure, from [Eurostat](#), refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.

- **Bulgaria:** figure is from NSI.
- **Cyprus:** figure is from the Statistical Service of Cyprus ([Στατιστική Υπηρεσία της Κυπριακής Δημοκρατίας](#), [CYSTAT](#)).
- **Czech Republic:** figure, based on data from the Czech Statistical Office ([Český statistický úřad](#), [ČSU](#)) information system on average earnings, refers to ‘business branches’ (the equivalent figure for ‘non-business branches’ was 79.1%).
- **Denmark:** figure is the average of figures from Statistics Denmark ([Danmarks Statistik](#)) for local government (85%), the state sector (91.3%) and the private sector (85.5%).
- **Estonia:** figure is from the Statistics Estonia earnings survey.
- **Finland:** figure is forecast from Statistics Finland ([Tilastokeskus](#)) wage and salary statistics.
- **France:** figure, from INSEE, refers to net hourly pay of full-time employees in the private and semi-public sectors only; the figure for those working less than full time was 79.3%.
- **Germany:** figure, from the Federal Statistical Office ([Statistisches Bundesamt](#), [Destatis](#)), refers to the ‘overall pay gap’, rather than hourly wages.
- **Greece:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Hungary:** figure is the average of various estimates.
- **Ireland:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Italy:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Latvia:** figure is from CSP.
- **Lithuania:** figure, from Lithuanian Statistics, refers to gross hourly earnings.
- **Luxembourg:** figure, from IGSS, refers to average hourly earnings.
- **Malta:** figure is an estimate based on [National Statistics Office \(NSO\)](#) labour force survey data, assuming that most men and women work a normal 40-hour week.
- **Netherlands:** figure from Ministry of Social Affairs and Employment ([Ministerie van Sociale Zaken en Werkgelegenheid](#), [SZW](#)).
- **Norway:** figure, from TBU, relates to hourly pay and is an estimate for both full-time and part-time employees; the figure for full-time employees only is 86.8%.
- **Poland:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Portugal:** figure, from the Ministry of Labour and Solidarity ([Ministério do Trabalho e da Solidariedade Social](#), [MTSS](#)), refers to monthly earnings.
- **Romania:** figure, from the Institute of National Statistics ([Institutul National de Statistica](#), [INS](#)), relates to gross monthly earnings.
- **Slovakia:** figure, from the Slovak Statistical Office ([Štatistický úrad Slovenskej republiky](#), [ŠÚSR](#)) wage structure survey, refers to monthly earnings.



- **Slovenia:** figure, from the Statistical Office of the Republic of Slovenia ([Statistični urad Republike Slovenije](#), [SURs](#)), refers to monthly wages.
- **Spain:** figure is based on research by the Applied Economics Department of Salamanca University, the Trade Union Confederation of Workers' Commissions ([Confederación Sindical de Comisiones Obreras](#), [CC.OO](#)), the General Workers' Confederation ([Unión General de Trabajadores](#), [UGT](#)), [tusalario.es](#) and [InfoJobs](#).
- **Sweden:** figure is from Statistics Sweden ([Statistiska Centralbyrån](#), [SCB](#)); if 'standard weighted' for factors such as age and educational level, the SCB figure is 92%.
- **UK:** figure, from the [Office for National Statistics \(ONS\)](#) annual survey of hours and earnings, refers to mean hourly pay and excludes overtime; an alternative measure, based on median hourly pay, excluding overtime, of full-time employees gives a figure of 87.4%.

## Appendix 7

### Back to Figure 8

The data in Figure 8 should be read in conjunction with the following notes:

- **Austria:** figure, from Statistics Austria, refers to net earnings of all employees (excluding apprentices).
- **Belgium:** figures are estimates from the Central Economic Council ([Conseil Central de l'Économie/Centrale raad voor het bedrijfsleven](#), [CCE-CRB](#)).
- **Bulgaria:** see note to Figure 1.
- **Cyprus:** figures are from CYSTAT's [National Accounts](#).
- **Czech Republic:** figures, from ČSÚ, are for the first nine months of the year compared with same period of the previous year.
- **Denmark:** figures are the average of figures from Statistics Denmark for local government (3.7% in 2006, 3.3% in 2007), the state sector (2.3% in 2006, 3.4% in 2007) and the private sector (3.1% in 2006, 4% in 2007).
- **Estonia:** see note to Figure 1.
- **Finland:** figures are from [Statistics Finland](#) wage and salary statistics; the 2007 figure is a preliminary estimate.
- **France:** figures are from INSEE; the 2007 figure is provisional.
- **Germany:** figures are from Destatis.
- **Greece:** figures are from [Bank of Greece](#); the 2007 figure is an estimate.
- **Hungary:** figures from the Central Statistical Office ([Központi Statisztikai Hivatal](#), [KSH](#)).
- **Ireland:** figures, from the [Central Statistics Office \(CSO\)](#), refer to average industrial earnings in the private sector; the 2007 figure is for the period of the year up to June.
- **Italy:** figures, from Istat, refer to earnings in industry and services (excluding public administration); the 2007 figure is a provisional estimate.
- **Latvia:** see note to Figure 1.
- **Lithuania:** see note to Figure 1.

- **Luxembourg:** see note to Figure 1.
- **Malta:** figures, from the government's Economic Policy Division, are for the increase in nominal average weekly earnings; figures for the period of the year up to June.
- **Netherlands:** figure are from the CBS.
- **Norway:** see note to Figure 1.
- **Poland:** see note to Figure 1.
- **Portugal:** figure are from the MTSS earnings survey.
- **Romania:** figures are from the INS; the 2007 figure is for the period of the year up to November.
- **Slovakia:** figures are from ŠÚ SR; the 2007 figure is a forecast.
- **Slovenia:** figures, based on SURS data, refer to the growth rate of the gross wage per employee in nominal terms for all sectors; the 2007 figure is an estimate.
- **Spain:** figures are from the labour costs survey of the National Statistics Institute ([Instituto Nacional de Estadística, INE](#)).
- **Sweden:** figures are from the National Mediation Office; the 2007 figure is for the period of the year up to November.
- **UK:** figures are based on the ONS average earnings index (inclusive of earnings); the 2006 figure represents the average of earnings increases for the three months to September 2006 compared with the same period in 2005; the 2007 figure represents the average of earnings increases for the three months to September 2007 compared with the same period in the previous year; the 2007 figure is provisional.

## Appendix 8

### Country codes

Country grouping	List of countries
EU27	EU15 and NMS12
EU25	EU15 and NMS10
EU15	Former 'old' Member States pre-enlargement 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom
NMS10	10 new Member States that joined the EU on 1 May 2004: Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia
NMS12	NMS10, plus Bulgaria and Romania which joined the EU on 1 January 2007

EF/08/56/EN