



## Pay developments – 2008

Average collectively agreed pay increases  
Collectively agreed pay increases by sector  
Minimum wages  
Gender pay differentials  
Average earnings  
Annexes

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*EIRO's annual analysis of pay trends finds that the average collectively agreed nominal wage increase across the EU fell from 7% in 2007 to 6.6% in 2008. Taking into account inflation, which rose strongly in 2008, the rate of real pay increase across the EU fell sharply, from 3.6% in 2007 to 1.3% in 2008. During the period under review, differences in terms of both pay trends and the level of pay increases persisted between the EU Member States that constituted the EU before the enlargement of 1 May 2004 and those that joined the EU in 2004 and 2007. The report also examines collectively agreed pay increases in three selected sectors (metalworking, banking and local government), current wage rates and minimum wage increases, increases in average earnings, as well as the extent of the gender pay gap across all countries.*

This annual report from the [European Industrial Relations Observatory \(EIRO\)](#), based mainly on contributions from its correspondents, provides a broad indication of trends in pay increases over 2007 and 2008 across the current 27 EU Member States (EU27) and Norway (country groups are included in Annex 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 figures provided in this review should be read with caution, and the various notes and explanations borne in mind, since pay is an area where meaningful international comparisons are particularly difficult to make. Differing national systems of wage 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. The review therefore provides general indications of recent developments – not a fully scientific and comparable set of data.

## **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 entire economy, albeit with some exceptions (see the notes below Figure 1). Data are not yet available for the whole of 2009 in a number of cases. Variations in the 2007 figures from those appearing in the EIRO pay update for 2007 ([TN0804019S](#)) are explained mainly by the replacement of provisional or partial figures with more reliable ones, in addition to changes in the data used in some cases changes, where more appropriate sources have been identified. In Figure 1 and subsequent charts, the data are sorted in order of pay increase from highest to lowest for 2008. If there is no 2008 figure, the country is ranked by its 2007 figure in comparison with the 2008 figures for the other countries.

Collective bargaining plays a relatively significant role in pay setting in almost all of the 28 countries under examination in this review, although the rates of direct bargaining coverage vary considerably. This coverage is generally higher in the 15 Member States that constituted the EU before the enlargement of 1 May 2004 (EU15) than in the 12 new Member States that joined the EU in 2004 and 2007 (NMS12), albeit with exceptions in both country groups. However, the role of collective bargaining in pay determination differs widely: the various bargaining levels – such as 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.

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Collective bargaining – primarily (although not entirely in all cases) at sectoral level – plays the main role in Austria, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain and Sweden. National intersectoral agreements are responsible for setting the relevant pay increases, or laying down guidelines or recommendations for lower-level bargaining, in Belgium, Bulgaria, Greece, Hungary, Ireland, Romania and Spain (until 2009). In the UK and most of the new Member States (NMS), company-level bargaining or bargaining at lower levels within the company is predominant. In several central and eastern European countries – such as Estonia, Latvia, Lithuania and Poland – low levels of bargaining coverage make it impossible to produce figures for average collectively agreed pay increases (other indicators are thus used in Figure 1, as they are for countries such as France and Luxembourg, where the reason is an absence of data collection on collectively agreed pay increases). 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 on which the figures are based are for sectoral minima, subject to subsequent lower-level bargaining (or in the case of Austria, the application of actual pay increases agreed at sectoral level); while in decentralised-bargaining countries such as the UK, the figures are more likely to represent actual pay increases.

### **Nominal pay increases**

As shown in Figure 1, the average collectively agreed nominal pay increase in the EU as a whole fell from 7.0% in 2007 to 6.6% in 2008 (including Norway in the calculation reduces the 2007 average to 6.9% and leaves the 2008 average unchanged). In 2007, nominal pay increases ranged between 31.5% in Latvia (although the figure used here is not strictly for agreed increases) and 1.9% in Belgium. However, in 2008, the range of nominal pay increases was considerably narrower, between 23.8% in Latvia and 1.8% in Malta.

Within the overall EU27 figures, major differences persist between the EU15 and the NMS12 in terms of the level of pay increases. Increases in the EU15 are at much lower levels than in the EU as a whole, with the average rise standing at 3.2% in 2007 and 3.8% in 2008 (the addition of Norway raises the figure by 0.2 percentage points in 2007 and 0.1 points in 2008). In the NMS12, the average rate of increase is considerably higher, at 11.6% in 2007 and 10.1% in 2008. The figure for the eurozone (including Slovenia from 2007, and Cyprus and Malta from 2008) was slightly below the EU15 average in both years.

However, the differential in pay increases between the EU15 and the NMS12 narrowed from 2007 to 2008, average pay rises in the NMS12 being 3.6 times higher than in the EU15 in 2007 and 2.7 times higher in 2008. This situation reflects the fact that there was a clear upward trend in the EU15 and a downward trend in the NMS12, in contrast to previous years (see below under the subheading ‘Trends in nominal increases 2000–2008’).

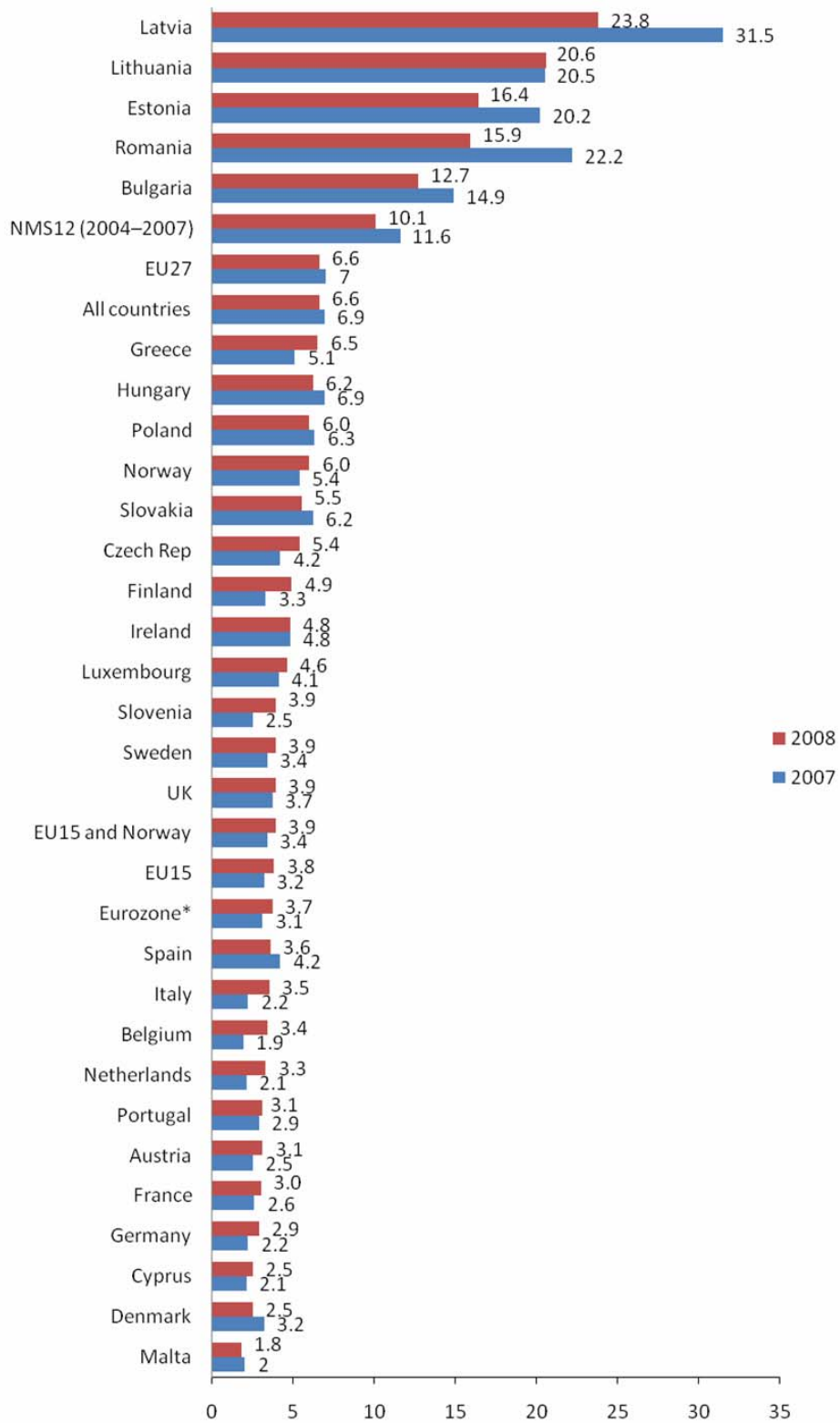
The overall picture of low but rising agreed pay increases in the EU15 and high but falling increases in the NMS12 conceals considerable national differences within each group. Pay rises in Greece and Ireland, for example, ran far ahead of the EU15 averages in both 2007 and 2008 (as was the case in Norway). Among the NMS12, countries such as Cyprus and Malta recorded low pay increases (below the EU15 average levels in 2007 and 2008), and the overall average for this group of countries was pushed up significantly by the double-digit increases in the Baltic states (Estonia, Latvia and Lithuania) and in Bulgaria and Romania in both years.

In terms of trends, the rate of increase rose between 2007 and 2008 in 17 of the 28 countries reviewed, remained unchanged in one country and fell in 10. The rate increased in all of the EU15 countries (most sharply in Belgium, Finland and Greece), except Denmark and Spain,

where it fell, and Ireland, where it was static. The rate fell in all of the NMS12 (most sharply in Latvia and Romania), except Cyprus, Lithuania, Slovakia and Slovenia.

The contrasting national trends in pay increases from 2007 to 2008 appear to reflect the fact that the global financial crisis and the ensuing economic downturn – which might be expected to push wage increases downwards – affected countries to differing extents and at different times. Furthermore, the collectively agreed pay increases for 2008 were in many countries (and especially in the EU15) negotiated early in the year, or in 2007, when inflation was rising sharply (see below under the subheading ‘Real pay increases’) and before the economy slowed dramatically.

Figure 1: Average collectively agreed pay increases, 2007 and 2008 (%)



### Average collectively-agreed pay increases, 2007 and 2008 (%)

Note: \* Eurozone consisted of 13 countries (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia and Spain) in 2007 and 15 countries (the 13 countries plus Cyprus and Malta) in 2008.

The data in Figure 1 should be read in conjunction with the notes in Annex 1.

See Annex 8 for a breakdown of country groupings.

Source: EIRO.

### Trends in nominal increases 2000–2008

Providing a longer-term perspective, Table 1 below outlines the average collectively agreed pay rises in the various groups of European 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 2005–2006 and has risen quite sharply since then, reaching its highest level of the decade in 2008. Over this period, the trend in the eurozone was similar, with annual average pay increases varying little from the EU15. In the 10 Member States that joined the EU in 2004 (NMS10), a downward trend was evident from 2002 until 2004 (the year when the differential with the EU15 was narrowest) but has then risen at an accelerating rate until 2007 before falling back in 2008 (although still higher than pre-2007 levels). The inclusion of Bulgaria and Romania in the figures from 2004 has increased the annual average pay rise for the NMS12 by an average of about one percentage point a year. The figure for the 25 EU Member States following enlargement in 2004 (EU25) fell slightly from 2002 to 2004 and then rose at a mounting rate before levelling off in 2008. The EU27 figure rose from 2004 to 2007 and then declined in 2008.

In 2002, the average pay increase in the 10 new Member States that joined the EU in 2004 (NMS10) was almost 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 3.2 in 2007, and then dropping back to 2.4 in 2008. Including Bulgaria and Romania among the NMS, 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 3.6 in 2007, before declining to 2.7 in 2008. After enlargement, pay trends clearly diverged in the EU15 and NMS12, and the gap between them widened; however, 2008 saw this trend turn and it remains to be seen if this is a ‘blip’ or a longer-term tendency.

**Table 1: Average collectively agreed pay increases, 2000–2008 (%)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>All countries</b>	-	-	5.2	5.6	4.6	4.8	5.6	6.9	6.6
<b>EU27</b>	-	-	-	-	4.6	4.9	5.6	7.0	6.6
<b>EU25 (pre-2007)</b>	-	-	4.4	4.2	4.1	4.4	5.1	6.0	6.0
<b>EU15 (pre-2004)</b>	-	-	3.3	3.0	3.0	2.8	2.9	3.2	3.8

<b>EU15 and Norway</b>	3.2	3.8	3.5	3.1	3.1	2.9	3.0	3.4	3.9
<b>NMS10 (2004)</b>	-	-	6.5	5.9	5.6	6.8	8.5	10.2	9.2
<b>NMS12 (2004–2007)</b>	-	-	-	-	6.6	7.5	9.0	11.6	10.1
<b>Eurozone</b>	3.1	3.9	3.4	3.1	3.1	2.9	3.0	3.1	3.7

Source: EIRO

### *Average nominal increases 2004–2008*

Averaging the annual nominal increases over the five-year period 2004–2008, the 28 countries under examination in this study (EU27 and Norway) can be divided into the following groups:

- ‘very high’ nominal pay-increase countries – those where agreed pay rises averaged 10% or over; this group 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%; this group comprises three NMS – Hungary, Poland and Slovakia – and Greece;
- ‘medium’ nominal pay-increase countries – those where agreed rises averaged 3%–5%; this group comprises mainly countries from the EU15 – Ireland, Luxembourg, Spain, Sweden and the UK – as well as Norway and two NMS, the Czech Republic and Slovenia;
- ‘low’ nominal pay-increase countries – those where agreed rises averaged 3% or below; with the exception of the two ‘Mediterranean’ NMS, Malta and Cyprus, this group includes most 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 Lithuania and upward trends since 2006 in the Netherlands, Norway and Sweden, and until 2008 in Estonia and Latvia. A downward trend was recorded in France until 2008.

In terms of the size of the variations in annual pay increases from 2004 to 2008, the countries with the greatest stability were Austria, Cyprus, Denmark, France, Ireland, Portugal, Spain and the UK (in all of these cases, the variation between the highest and lowest annual increases being one percentage point or less), while the least stable countries were Estonia, Latvia, Lithuania and Romania (recording variations of over 10 percentage points).

### **Real pay increases**

To provide an indication of real pay increases, Figure 2 below adjusts the increases for inflation, subtracting the annual percentage national increase in the Harmonised Index of Consumer Prices (HICP) for 2007 and 2008, as calculated by [Eurostat](#) and reported in the [European Central Bank \(ECB\) Statistics Pocket Book](#); for Norway, the figures used are the average annual increases in the national Consumer Prices Index. Using the annual increase in the HICP probably provides a more accurate measure of inflation than the December–December rises in the HICP previously referred to in the EIRO annual pay review.

For the EU27 as a whole, the inflation rate rose from 2.3% in 2007 to 3.7% in 2008. The eurozone saw a smaller rise, from 2.1% to 3.3%. The effect of this sharp increase in consumer

prices was to reduce the average collectively agreed real pay increase across the EU from 3.6% in 2007 to 1.3% in 2008. (The 2008 average remains the same if Norway is included, while the 2007 average increases by 0.1 percentage point.) This decline in real pay increase of 2.3 percentage points compares with a decrease of only 0.4 percentage points in nominal pay increases.

In 2007, real pay increases ranged between 21.4% in Latvia (although the figure used here is not strictly for collectively agreed pay increases) and -1.3% in Slovenia. In 2008, however, the range in real pay increases was considerably narrower – between 9.5% in Lithuania (again, the figure used is not for agreed increases) and -2.9% in Malta. While the workers concerned received real pay increases in 2007 in all countries except Cyprus, Germany, Hungary and Slovenia, in 2008 inflation equalled or outstripped the nominal pay rise in 10 EU Member States – Austria, Belgium, Cyprus, the Czech Republic, Denmark, France, Italy, Malta, Slovenia and Spain.

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

In the EU15, the average real pay increase stood at 1.0% in 2007 and fell to 0.3% in 2008 (1.3% and 0.5% respectively, if Norway is included). This 0.7-percentage point decline contrasted with a 0.6-percentage point rise in nominal pay increases in the EU15 from 2007 to 2008. Real wage increases in the EU15 were about a quarter of the level in the whole EU27 in both years, although the gap widened slightly in 2008.

In the NMS12, the average real pay increase was considerably higher than in the EU15, at 6.9% in 2007 and 2.4% in 2008, although the year-to-year decline in the average real pay increase was steeper, at 4.5 percentage points. This compares with a fall of only 1.5 percentage points in the NMS12 nominal average pay increase.

The figure for the eurozone (including Slovenia from 2007, and Cyprus and Malta from 2008) was slightly lower than for the EU15 in both years. In 2008, the workers concerned saw an average real pay cut of 0.1%.

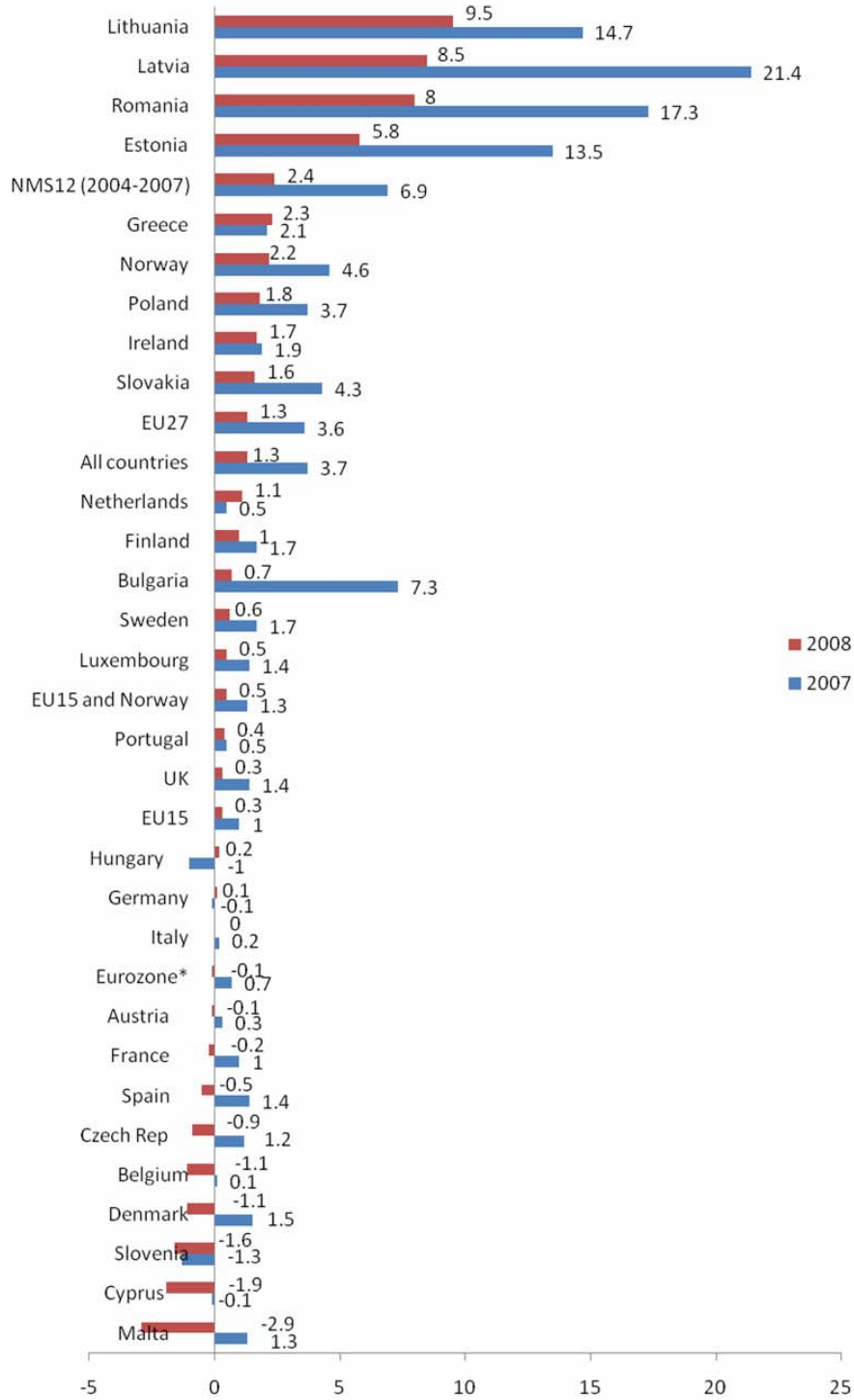
The overall picture of real pay rises in 2007 and 2008 differs somewhat from that for nominal pay increases. In the EU as a whole, the rate of real increase fell sharply, while the nominal rate dropped only slightly. The average real pay increase dropped notably in both the NMS12 (where the average nominal pay increase fell only slightly) and the EU15 (where the average nominal pay increase rose slightly), although it declined to and from higher levels in the NMS12. The average real wage increase in the NMS12 was 6.9 times higher than that in the EU15 in 2007 and 8 times higher in 2008. These differentials remain much higher than those for nominal wage increases, indicating that real pay trends are more divergent than nominal trends between the two groups of countries.

However, within the two groups of countries the situation is by no means uniform. Among the NMS12, real pay increases were below the EU15 average level in Cyprus, Hungary and Slovenia in 2007 and in Cyprus, the Czech Republic, Malta and Slovenia in 2008. The overall NMS12 average is pushed up significantly by the high levels of pay increase in the Baltic States, Bulgaria and Romania. In the EU15, Greece, Finland and Ireland had well above-average real pay rises in both 2007 and 2008 (Norway also falls into this category), as did Sweden in 2007 and the Netherlands in 2008.

In terms of trends in real pay rises, the rate of increase, following the average trend, fell between 2007 and 2008 in all but four countries. The rate of increase declined most sharply in Estonia, Latvia and Romania. The exceptions were Germany, Greece, Hungary and the Netherlands, where the rate of increase rose, but by no more than 0.6 percentage points.



Figure 2: Average collectively agreed pay increases, adjusted for inflation, 2007 and 2008 (%)



## Average collectively agreed pay increases, adjusted for inflation, 2007 and 2008 (%)

Note: \* Eurozone consisted of 13 countries in 2007 and 15 countries in 2008.

Source: EIRO, Eurostat and Statistics Norway ([Statistisk centralbyrå](#))

### Collectively agreed pay increases by sector

Having looked at developments across the entire economy, this review provides figures below for collectively agreed pay increases in three sectors selected to represent the manufacturing industry (metalworking), services (banking) and the public sector (local government). 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 pay 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, or the Czech metalworking and local government sectors);
- the definitions of sectors, and the structure of sectoral bargaining, vary considerably across countries, so it is not always clear that like is being compared with like;
- the extent to which actual pay reflects the collectively agreed increases referred to varies across the countries under examination, with bonuses and additional payments of various types featuring more strongly in some countries than others;
- pay rises are not always fully consolidated, with the use of one-off payments featuring in some cases (for example, in the Austrian, Dutch and German metalworking sector, the Belgian banking and German local government sectors). Where possible, these payments are given a crude percentage value in Figures 3 to 5 below. Furthermore, increases may be awarded as a fixed cash amount (for instance, per month or per hour), which will result in a differing percentage increase in the pay of workers on differing wage rates (as in the Belgian metalworking and banking sectors). Again, these payments are given a crude percentage value in Figures 3 to 5, where possible;
- 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 such as Denmark 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 across the countries examined 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, and in some economic sectors in Bulgaria and Cyprus) 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 (such as in all sectors of the economy in

Luxembourg, in the Belgian, Norwegian and Swedish metalworking sector, and in the Swedish local government sector);

- in some NMS (notably the Baltic countries, and also Hungary and Poland to some extent), collective bargaining plays only a limited role in pay setting in many sectors and no data are available on the contents of which type of pay bargaining does occur (the information provided below is therefore generally based on wage surveys, as is the case for France);
- in local government, the pay increases referred to in the tables are in some cases not bargaining outcomes but imposed by law, as is the case in Austria, Poland, Portugal and Romania.

## **Sectoral overview**

Comparing the three sectors examined, in 2007 the average agreed wage increase across the EU27 stood at 4.9% in metalworking (2.1 percentage points below the EU-wide average for the entire economy), 4.0% in banking (3.0 percentage points below the EU average) and 3.6% in local government (3.4 percentage points below the EU average). In 2008, local government recorded the highest agreed wage increase, at 6.9% (0.3 percentage points above the EU-wide average for the entire economy), followed by metalworking at 5.7% (0.9 percentage points below the EU average) and banking at 4.4% (2.2 percentage points below the EU average). Thus, only in local government in 2008 did any of the three sectors exceed the whole-economy average, with banking lagging furthest behind.

Over the six-year period 2003–2008, the average annual increases in the EU27 countries (although the number of countries included varied from year to year) stood at 4.7% in metalworking (0.8 percentage points below the whole-economy average), 4.6% in local government (0.9 percentage points below the EU average) and 4.4% in banking (1.1 percentage points below the EU average). Over the whole period, pay rates in all three sectors thus fell slightly behind those recorded in the wider economy, with banking faring worst.

### *EU15 and Norway*

Looking only at the EU15 and Norway, the average nominal pay increase in 2007 stood at 3.6% in metalworking (0.2 percentage points above the whole-economy average for these countries), 3.1% in banking (0.3 percentage points below the overall average) and 2.6% in local government (0.8 percentage points below the overall average). In 2008, banking and local government overtook metalworking, both recording an average increase of 4.2% (0.3 percentage points above the overall average). Metalworking was close behind, at 4.1% (0.2 percentage points above the overall average).

Over the 10-year period 1999–2008, the average annual pay increases in the EU15 and Norway stood at 3.4% in metalworking (0.1 percentage point above the whole-economy average for these countries), 3.2% in banking (0.1 percentage point below the overall average) and 3.1% in local government (0.2 percentage points below the overall average). Over the decade, pay rates in metalworking thus rose by a little more than those recorded in the entire economy for the EU15 and Norway, while banking and local government lagged slightly behind.

### *New Member States*

With regard to the NMS, in 2007 the average nominal pay increase was highest in metalworking, at 7.7% (3.9 percentage points below the whole-economy average for the NMS), followed by banking, at 6.2% (5.4 percentage points below the overall average), and local government, at

5.5% (6.1 percentage points below the average). By contrast, local government was in the leading position in 2008, at 11.9% (1.8 percentage points above the whole-economy average) – although this was largely due to particularly high increases in Poland and Romania – with metalworking in second place, at 9.2% (0.9 percentage points below the overall average) and banking lagging behind on 5.5% (4.6 percentage points below the overall average).

Over the five-year period 2004–2008, the average annual pay increases in the NMS (although the number of countries included varied from year to year) stood at 7.6% in local government (1.4 percentage points below the whole-economy average), 7.3% in metalworking (1.7 percentage points below the overall average) and 6.7% in banking (2.3 percentage points below the overall average). Throughout the whole period, pay rates in the three sectors thus lagged behind those recorded in the entire economy for the NMS, most notably in banking.

In 2007, the average pay increases in the NMS exceeded those in the EU15 and Norway by 4.1 percentage points in metalworking, 3.1 percentage points in banking and 2.9 percentage points in local government. In 2008, the gap widened in local government, to 7.7 points, and metalworking, to 5.1 points, but narrowed in banking, to 1.3 points.

## **Metalworking**

Data on agreed pay increases (or some similar indicator) in the metalworking sector are available for 25 countries – the exceptions being Estonia, Latvia and Lithuania. In these countries, collective bargaining plays little role in pay setting in the sector (except for a minimum rate in Estonia – see note to Figure 3).

Nominal pay rises ranged in 2007 between 22.2% in Romania and 0.5% in Luxembourg – see Figure 3. In 2008, Poland occupied top position, at 20.3%, with Malta in bottom position, at 1.8%. The average pay increase in metalworking across the EU27 rose from 4.9% in 2007 to 5.7% in 2008 – 2.1 percentage points below the whole-economy average (see Figure 1 above) in 2007 and 0.9 points below in 2008. The rate of increase rose between 2007 and 2008 in 13 countries (most sharply in Bulgaria and Poland), remained unchanged in two countries, and fell in 10 (most notably in Hungary and Romania). The average overall increase for the EU in metalworking (based on a varying number of countries in each year) had previously stood at 4.6% in 2003, 3.6% in 2004, 4.8% in 2005 and 4.6% in 2006, indicating a rising trend since 2004, which was interrupted only in 2006.

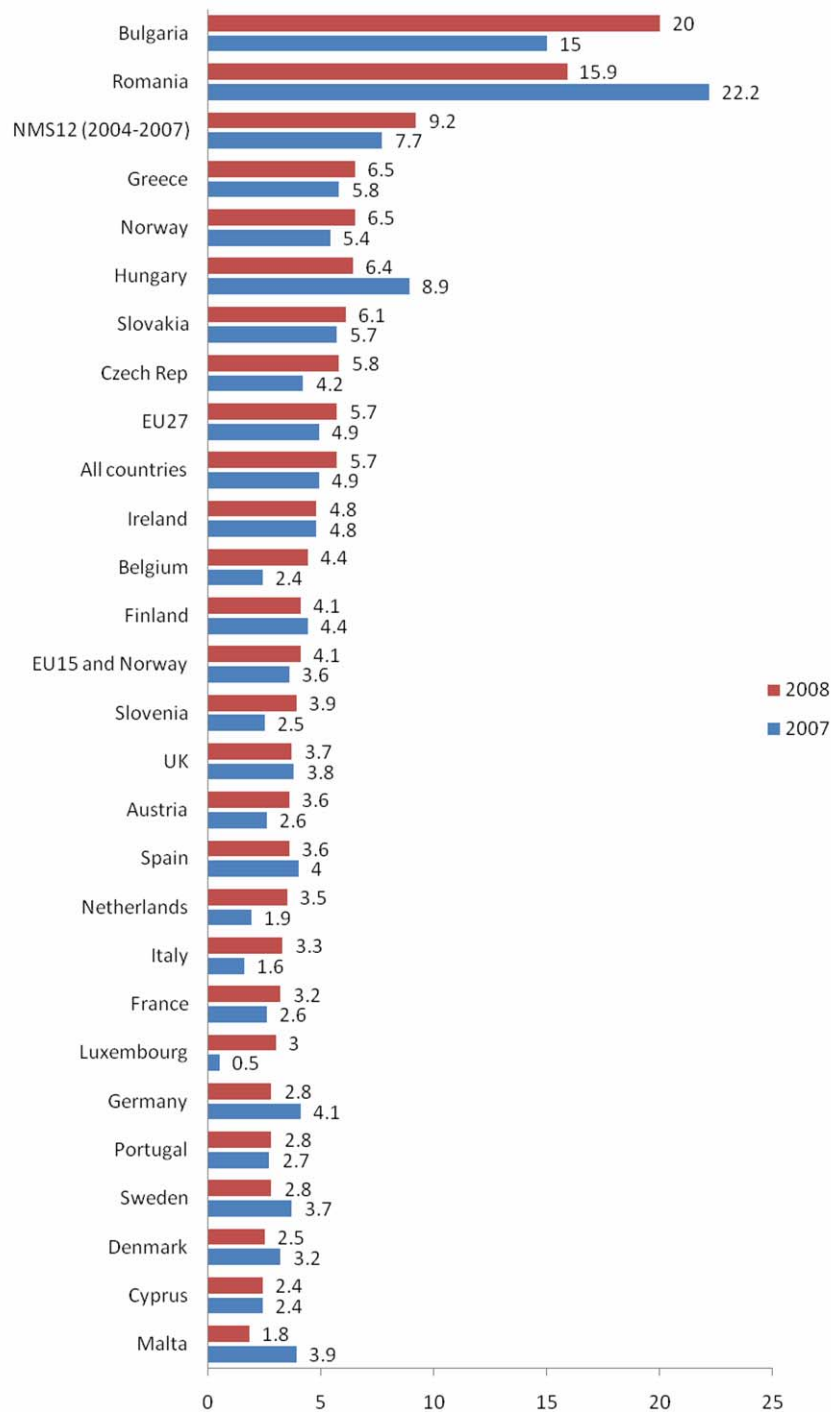
In 2007, the pay increase in metalworking was lower than the national average pay increase for all sectors of the economy in seven countries (most notably in Luxembourg and Poland), equal to the average pay increase in seven countries and higher than the average increase in 11 countries (most notably in Hungary, Germany and Malta). In 2008, the increase in metalworking was lower than the national average pay increase for all economic sectors in eight countries (most notably in Luxembourg and Sweden), equal to the average pay increase in seven countries and higher in 10 countries (most notably in Bulgaria and Poland).

Looking only at the EU15 and Norway, average increases in metalworking stood at 3.6% in 2007 and 4.1% in 2008 – 0.2 percentage points above the whole-economy average for these countries for both years. The pay increases in the EU15 and Norway for 2007 and 2008 compare with rises of 3.3% in 2006, 3.1% in 2005, 3.2% in 2004, 2.9% in 2003, 3.5% in 2002, 3.6% in 2001, 3.4% in 2000 and 2.9% in 1999. Thus, a broadly downward trend from 2001 onwards was reversed in 2006, and the rate of increase has continued to rise since then.

Turning to the NMS, the average nominal pay increase in the metalworking sector stood at 7.7% in 2007 and 9.2% in 2008 – 2.1 times higher than the EU15 and Norway average in 2007, rising slightly to 2.2 times higher than the average in 2008. The average pay increase in metalworking

in the NMS was 3.9 percentage points below the whole-economy average for these countries in 2007 but only 0.9 points below the average in 2008. The NMS average pay increase in metalworking (based on a varying number of countries in each year) had previously stood at 4.7% in 2004, 8.0% in 2005 and 7.0% in 2006, suggesting a broad upward tendency over the period 2004–2008.

Figure 3: Average collectively agreed pay increases in metalworking, 2007 and 2008 (%)



## Average collectively agreed pay increases in metalworking, 2007 and 2008 (%)

Note: Due to limited data availability, averages given for ‘all countries’ include only 25 countries, for ‘EU27’ only 24 countries and for ‘NMS12’ only nine countries.

The data in Figure 3 should be read in conjunction with the notes in Annex 2.

Source: EIRO

## Banking

Data on agreed pay increases (or some similar indicator) in the banking sector are available for 23 countries – the exceptions being Bulgaria, Estonia, Latvia, Lithuania and Poland. In most of these countries, collective bargaining plays little role in pay setting in the sector.

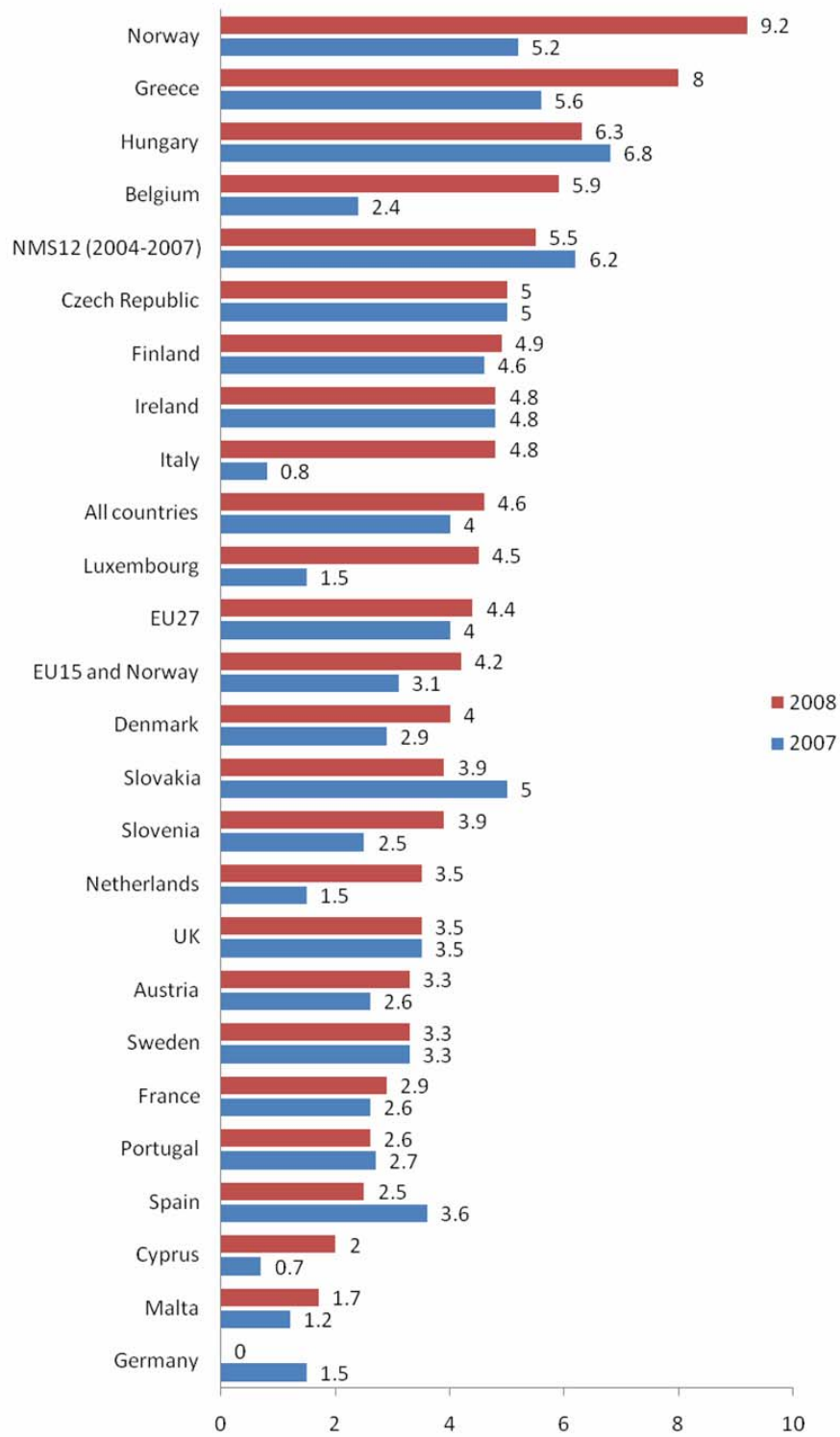
The range of nominal pay rises in 2007 was between 22.2% in Romania and 0.7% in Cyprus – see Figure 4. In 2008, Romania again recorded the highest pay increase, at 15.9%, with Germany in bottom position, at zero (no new sectoral agreement was concluded for the year). The average pay increase in banking across the EU27 rose from 4.0% in 2007 to 4.4% in 2008 – three percentage points below the whole-economy average (see Figure 1 above) in 2007 and 2.2 percentage points below in 2008. The rate of increase rose between 2007 and 2008 in 13 countries (most sharply in Italy and Norway), remained unchanged in four countries and fell in six (by the highest margin in Romania). The average overall increase for the EU in banking (based on a varying number of countries in each year) had previously stood at 5.5% in 2003, 3.2% in 2004, 6.1% in 2005 and 3.4% in 2006, suggesting little in the way of a clear trend.

In 2007, the pay increase in banking was lower than the national average pay increase for all sectors in 13 countries (most notably in Cyprus, Luxembourg and Italy), equal to the average increase in four countries and higher than the average increase in six countries (most notably in the Czech Republic and Finland). In 2008, the pay increase in the banking sector was lower than the national average increase for all sectors of the economy in only 10 countries (most notably in Germany and Slovakia), equal to the national average increase in four countries and higher in nine countries (most markedly in Belgium and Norway).

With regard to the EU15 and Norway, average pay increases in banking stood at 3.1% in 2007 and 4.2% in 2008 – 0.3 percentage points below the whole-economy average for these countries in 2007 but 0.3 percentage points above the average in 2008. The EU15 and Norway pay increases in banking for 2007 and 2008 compare with rises of 3.2% in 2006, 3.2% in 2005, 2.9% in 2004, 2.9% in 2003, 3.4% in 2002, 3.6% in 2001, 3.3% in 2000 and 2.6% in 1999. The banking sector thus recorded in 2008 the highest pay increases for a decade.

Looking at the NMS, the average nominal pay increase in banking stood at 6.2% in 2007 and 5.5% in 2008 – double the EU15 and Norway average in 2007, but only 1.3 times higher than the average in 2008. The average pay increase in banking in the NMS was 5.4 percentage points below the whole-economy average for these countries in 2007 and 4.6 points below the average in 2008. The NMS average pay increase in banking (based on a varying number of countries in each year) had previously stood at 4.1% in 2004, 13.6% in 2005 and 4.0% in 2006.

Figure 4: Average collectively agreed pay increases in banking, 2007 and 2008 (%)



## Average collectively agreed pay increases in banking, 2007 and 2008 (%)

Note: Due to limited data availability, averages given for ‘all countries’ include only 23 countries, for ‘EU 27’ only 22 countries and for ‘NMS12’ only seven countries.

The data in Figure 4 should be read in conjunction with the notes in Annex 3.

Source: EIRO

## Local government

Data on agreed pay increases (or some similar indicator) in the local government sector are available for 23 countries – the exceptions being Estonia, France, Latvia, Lithuania and Malta.

The range of nominal pay rises in 2007 was between 18.2% in Romania and zero in Belgium, Cyprus, Italy and Poland– see Figure 5. In 2008, by contrast, Poland recorded the highest increase (set by government decree rather than collective agreement), at 37.0%, while Slovenia recorded the lowest increase, at 2.0%. The average pay increase in local government across the EU27 rose sharply from 3.6% in 2007 to 6.9% in 2008 (largely due to the high rises in 2008 in Poland and Romania) – 3.4 percentage points below the whole-economy average (see Figure 1 above) in 2007 but 0.3 percentage points above the average in 2008.

The rate of increase rose between 2007 and 2008 in 16 countries (most markedly in Poland and Romania), fell in only four countries (most notably in Denmark and Slovakia) and remained unchanged in three countries. The average overall increase for the EU in local government (based on a varying number of countries in each year) had previously stood at 3.9% in 2003, 3.8% in 2004, 4.1% in 2005 and 5.4% in 2006. There was thus a decline in 2007 following a period of steady increase, but then an upsurge to a new high in 2008. However, it should be noted that the very high increases in Poland and Romania are responsible for much of the rise in the local government average pay increase in 2008: removing these two countries from the calculations results in an EU average pay increase of only 4.2% in 2008.

In 2007, the pay increase in local government was lower than the national average increase for all sectors of the economy in 18 countries (most notably in Bulgaria, Hungary and Poland) and higher in only five countries (most notably in the Czech Republic and Finland). In 2008, the pay increase in local government was lower than the national average increase for all sectors in only 12 countries (most notably in Bulgaria, Latvia and Poland), equal to the average in one country, and higher than the average in 10 countries (most markedly in Poland and Romania).

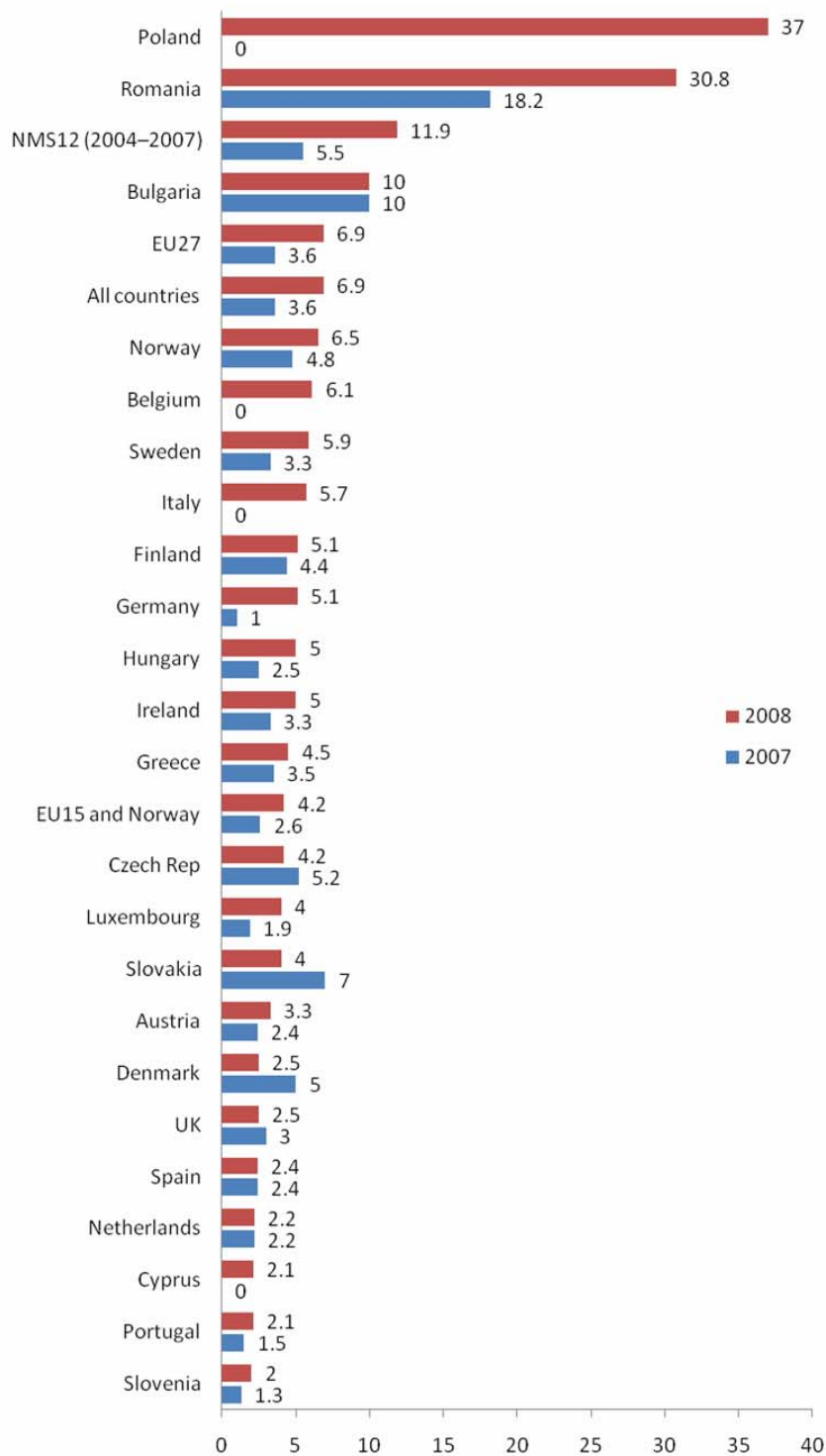
Looking only at the EU15 and Norway, average pay increases in local government stood at 2.6% in 2007 and 4.2% in 2008 – 0.8 percentage points below the whole-economy average for these countries in 2007 but 0.3 percentage points above the average in 2008. The EU15 and Norway pay increases in local government for 2007 and 2008 compare with rises of 3.1% in 2006, 2.6% in 2005, 3.2% in 2004, 2.8% in 2003, 3.2% in both 2002 and 2001, 3.0% in 2000 and 2.7% in 1999. Thus, the pay increase in 2007 was around normal levels, while the 2008 rise was the highest increase in the decade that EIRO has been recording data.

With regard to the NMS, the average nominal pay increase in local government stood at 5.5% in 2007 and 11.9% in 2008 (although, as noted above, the 2008 average is pushed up by the very high increases in Poland and Romania) – 2.1 times higher than the EU15 and Norway average in 2007, rising to 2.8 times higher than the average in 2008. The average pay increase in local government in the NMS was 6.1 percentage points below the whole-economy average for these countries in 2007, but 1.8 points above the average in 2008. The NMS average pay increase in local government (based on a varying number of countries in each year) had previously stood at



3.8% in 2004, 6.9% in 2005 and 9.8% in 2006, suggesting an upward trend over the period 2004–2008 which was interrupted only in 2007.

*Figure 5: Average collectively agreed pay increases in local government, 2007 and 2008 (%)*



## Average collectively agreed pay increases in local government, 2007 and 2008 (%)

Note: Due to limited data availability, averages given for 'all countries' include only 23 countries, for 'EU27' only 22 countries, for 'EU15 and Norway' only 15 countries and for 'NMS12' only eight countries.

The data in Figure 5 should be read in conjunction with the notes in Annex 4.

Source: EIRO

## Minimum wages

Of the 28 countries covered in this review, 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 only to 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 increases in the national minimum wage in 2007 and 2008 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.

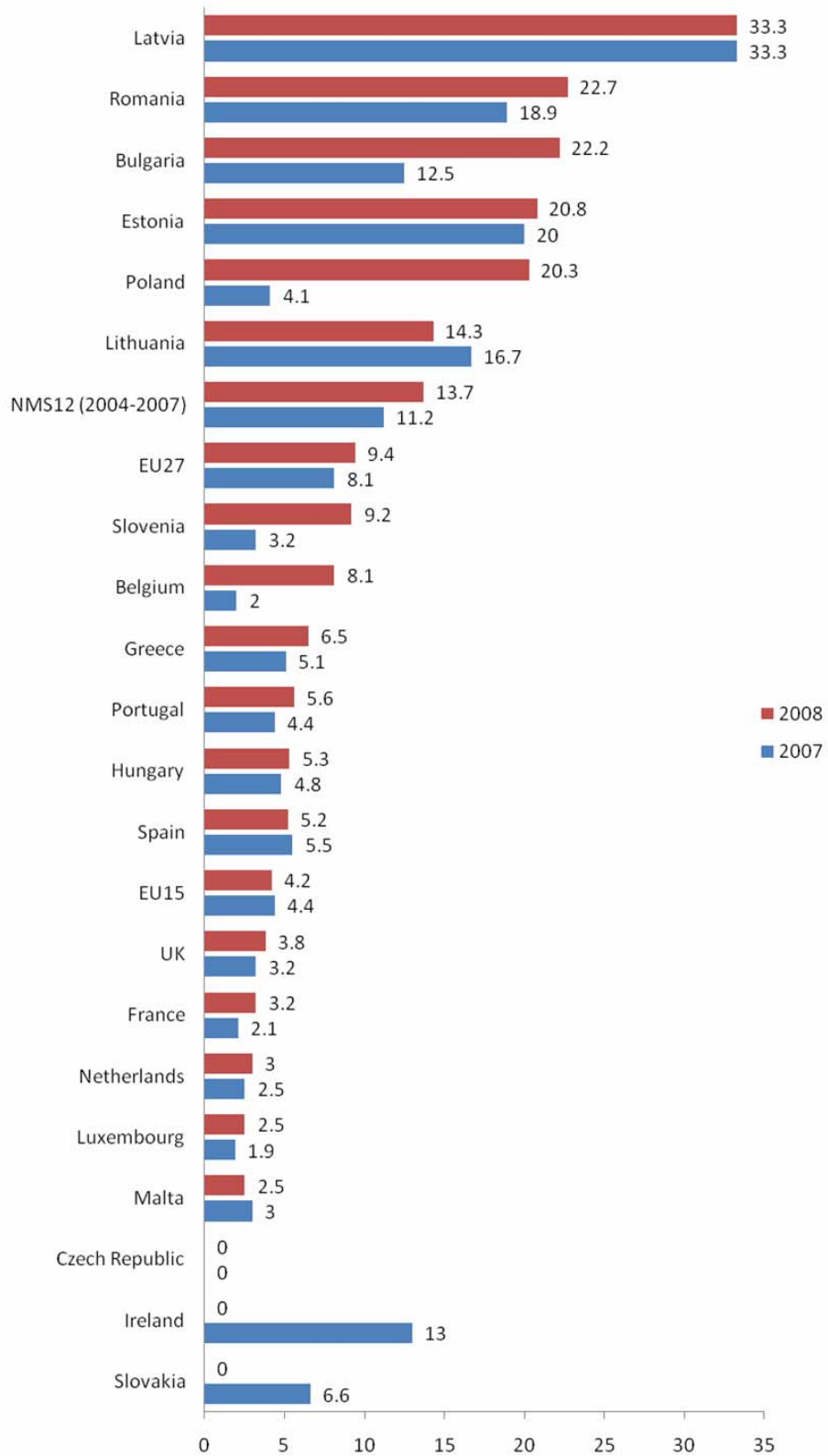
In 2007, the highest minimum wage increase in the countries concerned was in Latvia, at 33.3%, and the lowest in the Czech Republic, at zero. In 2008, Latvia once more recorded the highest rise, at 33.3%, with the Czech Republic again seeing no increase at all, along with Ireland and Slovakia. The overall average rate of increase in minimum wages in the EU rose from 8.1% in 2007 to 9.4% in 2008, having previously fallen slightly from 6.8% in 2004 to 6.4% in 2005 and 6.2% in 2006. Following the overall upward trend, the rate of increase rose from 2007 to 2008 in 13 of the 20 countries under consideration (most markedly in Poland and Bulgaria). The increase rate remained unchanged in two countries and fell in five countries (most steeply in Ireland and Slovakia).

Across the EU, the average increase in minimum wages was higher than the average increase in collectively agreed wages in both 2007 and 2008, with the gap widening in 2008. The increase in the minimum wage lagged behind the average collectively agreed pay increase in 2007 in 10 countries (most notably in the Czech Republic and Lithuania), while it exceeded the agreed increase in nine countries (by the largest margin in Ireland) and was equal to the average in one Member State. In 2008, the increase in the minimum wages was below the average agreed pay increase in eight countries (most notably in the Czech Republic, Ireland, Lithuania and Slovakia), exceeded the average in 11 countries (by most in Poland, Bulgaria and Latvia) and was equal to the average in one Member State.

In the nine EU15 countries with a national minimum wage, the average rate of increase declined from 4.4% in 2007 to 4.2% in 2008 – in contrast to the rise from 8.1% to 9.4% in the entire EU. The EU15 average increase had previously been 3.3% in 2006, 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 1.2 percentage points higher than the average EU15 increase in collectively agreed wages in 2007 and 0.4 percentage points higher in 2008.

The average increase in the 11 NMS concerned increased from 11.2% in 2007 to 13.7% in 2008, continuing the consistent rising trend since 2005 (the average stood at 8.5% in 2006, 8.4% in 2005 and 6.8% in 2004). The average minimum wage increase figure for these countries was 0.4 percentage points lower than the average increase in collectively agreed wages for all NMS in 2007, but 3.6 percentage points higher in 2008.

Figure 6: Increase in national minimum wage for adults, 2007 and 2008 (%)



### Increase in national minimum wage for adults, 2007 and 2008 (%)

Note: Due to limited data availability, averages given for 'EU 27' include only 20 countries, for 'EU15' only nine countries and for 'NMS12' only 11 countries.

The data in Figure 6 should be read in conjunction with the notes in Annex 5.

Source: EIRO

### Minimum wage rates

Table 2 provides the actual rate – hourly, daily, weekly or monthly, as relevant – of national minimum wages in the various national currencies in 2007 and 2008 (see the notes to Figure 6 in Annex 5 for the dates from which rates applied). Where more than one rate increase was introduced in the year, the rate given in Table 3 relates to the final increase.

**Table 2: National gross minimum wage for adults, 2007 and 2008, by national currency and euro equivalent**

Country	Frequency	2007	2008
<b>Belgium</b>	Monthly	€1,283.91	€1,387.49
<b>Bulgaria</b>	Monthly	BGN 180 (€92.03)	BGN 220 (€112.49)
<b>Czech Republic</b>	Hourly	CZK 48.10 (€1.73)	CZK 48.10 (€1.93)
	Monthly	CZK 8,000 (€288.12)	CZK 8,000 (€320.69)
<b>Estonia</b>	Hourly	EEK 21.50 (€1.37)	EEK 27.00 (€1.73)
	Monthly	EEK 3,600 (€230.08)	EEK 4,350 (€278.02)
<b>France</b>	Hourly	€8.44	€8.71
	Monthly	€1,279.00	€1,321.02
<b>Greece</b>	Daily	€29.39	€31.32
	Monthly	€657.89	€701.00
<b>Hungary</b>	Hourly	HUF 377.00 (€1.50)	HUF 397.00 (€1.58)
	Daily	HUF 3,020 (€12.02)	HUF 3,180 (€12.64)
	Weekly	HUF 15,080 (€60.00)	HUF 15,880 (€63.14)
	Monthly	HUF 65,500 (€260.59)	HUF 69,000 (€274.34)
<b>Ireland</b>	Hourly	€8.65	€8.65
<b>Latvia</b>	Hourly	LVL 0.815 (€1.16)	LVL 1.10 (€1.57)
	Monthly	LVL 120 (€171.40)	LVL 160 (€227.69)
<b>Lithuania</b>	Hourly	LTL 4.19 (€1.21)	LTL 4.85 (€1.40)
	Monthly	LTL 700 (€202.73)	LTL 800 (€231.34)
<b>Luxembourg</b>	Hourly	€9.08	€9.30
	Monthly	€1,570.28	€1,609.53

<b>Malta</b>	Weekly	MTL 59.63 (€138.90)	€142.39
<b>Netherlands</b>	Daily	€60.78	€62.61
	Monthly	€1,317.00	€1,356.60
<b>Poland</b>	Monthly	PLN 936.00 (€247.38)	PLN 1,126.00 (€320.61)
<b>Portugal</b>	Monthly	€403.00	€426.00
<b>Romania</b>	Monthly	RON 440 (€131.92)	RON 540 (€146.64)
<b>Slovakia</b>	Hourly	SKK 46.60 (€1.38)	SKK 46.60 (€1.49)
	Monthly	SKK 8,100 (€239.82)	SKK 8,100 (€259.10)
<b>Slovenia</b>	Monthly	€538.53	€589.19
<b>Spain</b>	Daily	€19.02	€20.00
	Monthly	€570.60	€600.00
	Annual (14 monthly payments)	€7,988.40	€8,400.00
<b>UK</b>	Hourly	GBP 5.52 (€8.07)	GBP 5.73 (€7.20)

Note: \* Euro conversions, where necessary, used the average exchange rates for 2007 and 2008 from the European Central Bank ([ECB](#)).

Source: EIRO

The rates in Table 2 should be read in conjunction with the notes to Figure 6 in Annex 5, as well as the following.

- **Belgium:** rates given apply to workers aged 21 years and over; workers aged 21.5 years and over with six to 12 months' service and over 12 months' service receive higher wages (premia of 2.7%–3.8%).
- **France:** the monthly rate is based on a 35-hour working week.
- **Luxembourg:** rates given are for unqualified workers; qualified workers receive a wage that is 20% greater.
- **Romania:** figures refer to minimum wage rate set by the single national collective agreement; the minimum wage for the public sector, set by the government, stood at RON 390 a month in 2007, RON 500 from January 2008 and RON 540 from October 2008.

### Youth wage rates

The minimum wage increases and rates examined above are the full adult rates. However, nine countries apply lower rates to younger or less experienced workers (Slovakia also did so until February 2008). Table 3 outlines the details of these rates.

**Table 3: National minimum wages of younger and less experienced workers, 2008**

Country	% of full rate	Applicable to
<b>Belgium</b> (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
<b>Czech Republic</b>	90%	Workers aged 18–21 years in the first six months of employment
	80%	Workers aged 17 years and younger
<b>Ireland</b>	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
<b>Latvia</b>	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
<b>Luxembourg (% of qualified or unqualified workers receiving adult wage rate, as appropriate)</b>	80%	Workers aged 17 years
	75%	Workers aged 15 and 16 years
<b>Malta*</b>	95.2%	Workers aged 17 years
	93.2%	Workers aged under 17 years
<b>Netherlands</b>	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
<b>Poland</b>	80%	Workers in their first year of employment
<b>UK**</b>	83.25%	'Development rate' for workers aged 18–21 years inclusive
	61.61%	Workers aged 16 and 17 years, other than apprentices

*Note: \* In 2007, the percentages were 95.1% for workers aged 17 years and 93.1% for workers aged under 17 years – the relative value increased due to higher increases in 2008 in the wage rates for younger workers than for the full adult rate.*

*\*\* In 2007, the percentage was 83.33% for the development rate – the differential with the full adult rate increased in 2008 due to a lower increase in the development rate than in the adult rate. In 2007, the percentage was 61.59% for the rate for those aged 16–17 years – the differential with the full adult rate reduced in 2008 due to a higher 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 for men (to do so would, of course, breach EU and national legislation on equal pay).

However, it remains the case that women in all of the countries examined in this review earn, on average, less than men. Figure 7 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. Where appropriate national sources are not available, Eurostat data are used.

Among the 28 countries under review in this study, the gender pay gap (on the basis of the data used) is widest in Estonia (at 30.3%) and narrowest in Italy (at 4.4%). Other countries with a notably narrow gender pay differential of less than 10 percentage points include Portugal and Slovenia, while those with a comparatively wide gender pay gap of more than 20 percentage points include Cyprus, the Czech Republic, Germany, Greece, the Netherlands and Slovakia.

The gender pay gap averages 16.6% across the EU27 (the figure remains unchanged if Norway is included), up slightly from the 15.9% recorded as part of the 2007 pay review ([TN0804019S](#)). Year-on-year upward and downward variations seem to be a feature of gender pay statistics, and the widening of the pay 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 (for example, the values for Belgium, Greece, Ireland and Portugal are very different than the rates of previous years). However, the gender pay gap recorded as part of this annual review has decreased since 2005, when it stood at 17.5% (the 2006 figure was 17.3%).

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, Denmark, Latvia, Lithuania, Luxembourg and Malta. However, some movement in the opposite direction is apparent in countries such as Bulgaria, the Czech Republic and the UK.

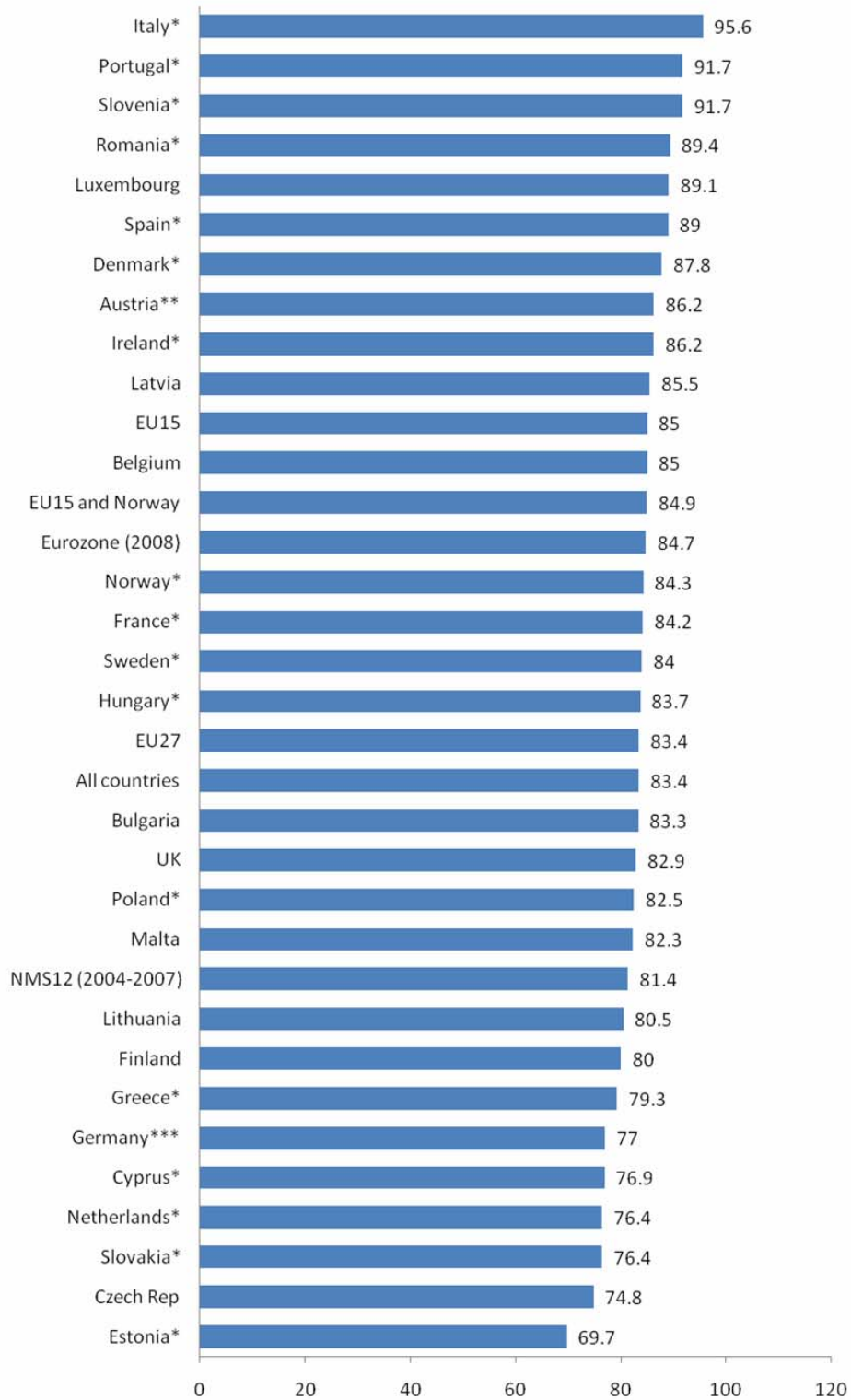
In the EU15, the average gender pay gap is narrower than for the whole EU27, at 15.0%, compared with 16.6%. This is higher than the 14.4% recorded for the EU15 in the 2007 review of the data. However, as noted above, short-term variations are unlikely to be significant and much of the movement may be due to changes in the source or nature of the data used. The average gender pay gap in the EU15 recorded as part of these annual pay reviews has fallen considerably from 20.4% in 2001. It stood at 19.2% in 2002, 18.6% in 2003, 17.4% in 2004, 18.1% in 2005 and 15.3% in 2006.

In the NMS12, the gender pay gap averages 18.6%, 3.6 percentage points higher than the average in the EU15. The pay gap for these countries was found to be 17.8% in the 2007 pay review, 3.4 percentage points higher than in the EU15, and 17.5% in the 2006 pay review, 2.2 percentage points higher than 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.



Figure 7: Women's average earnings as a percentage of men's, latest figures (%)



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

Note: Figures are for 2008 except where \* = 2007, \*\* = 2005, and \*\*\* = 2006; figures refer to average hourly earnings unless indicated otherwise in the notes in Annex 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 provides data from national sources on increases in average earnings in 2007 and 2008 (figures are not available for the Netherlands in either year, or for Austria in 2008, while some 2008 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 from country to country.

Throughout the entire EU27, the range of average earnings increases in 2007 was between 31.5% in Latvia and 1.0% in Malta. Latvia was again in the leading position in 2008, at 23.8%, with Germany in last place with 2.3%. The average rate of pay increases across the EU rose from 7.8% in 2007 to 8.3% in 2008 (although the 2008 average relates to fewer countries). Taking Norway into account reduces the average pay rise by 0.1 percentage point in 2007 and leaves the average unchanged in 2008.

The upward trend in increases in average earnings was not universal. The rate of increase in average earnings fell from 2007 to 2008 in seven countries (most notably in Estonia and Latvia), remained unchanged in one country, and rose in 18 countries (most sharply in Bulgaria, Italy and Slovenia).

The EU27 average in earnings had stood at 5.2% in 2004, 5.9% in 2005 and 6.6% in 2006, indicating a sustained upward tendency over the period 2004–2008. This largely reflects the trend already noted for average collectively agreed pay, although, unlike average earnings, collectively agreed pay increases fell back slightly in 2008.

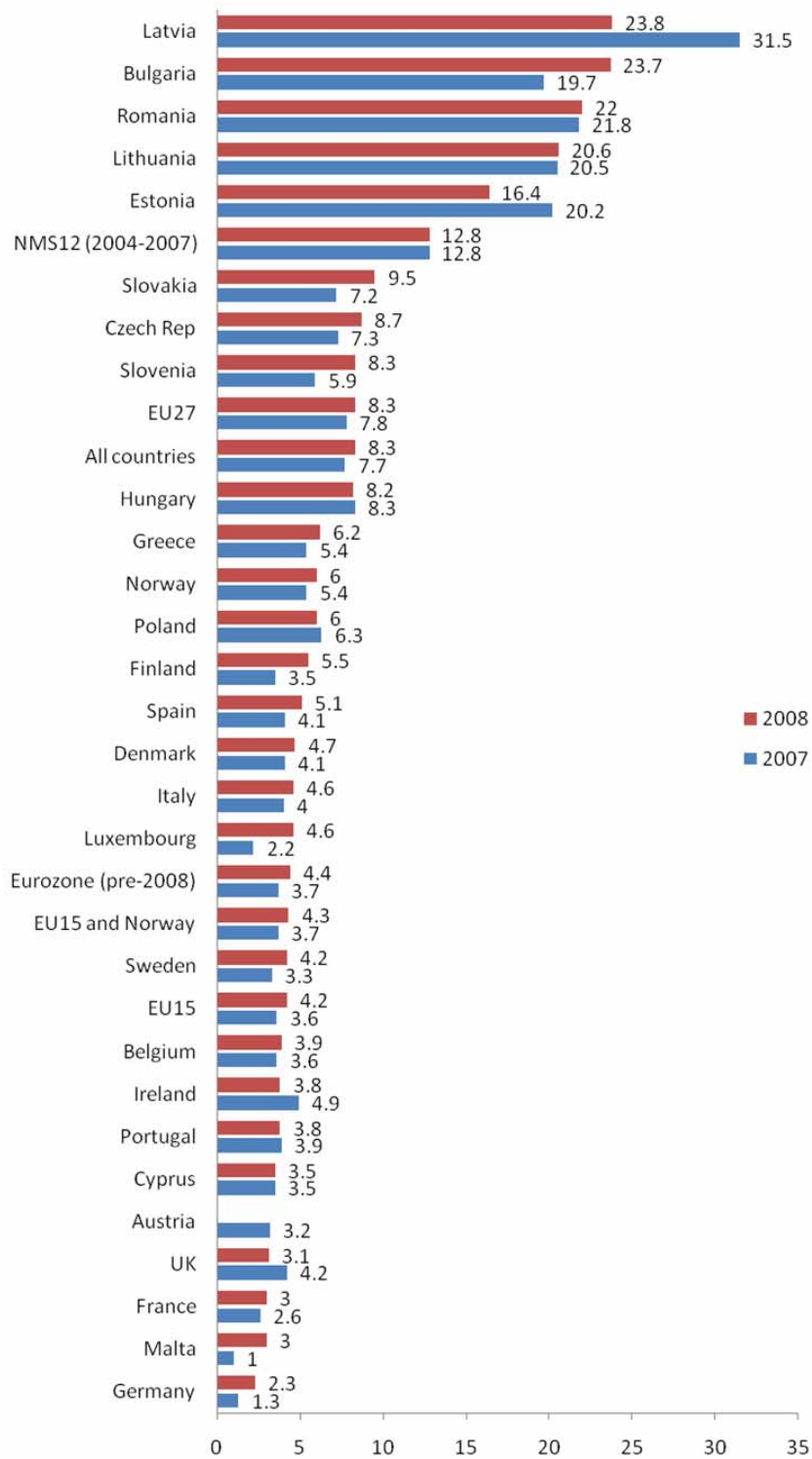
Looking at the EU15 only, the level of increase in average earnings was much lower than in the entire EU in 2007 and 2008, but with a similar upward trend. The average increase in earnings rose from 3.6% in 2007 to 4.2% in 2008 (although the 2008 average relates to fewer countries). Following an increase of 3.4% in 2006, this continued a sustained rise since 2005, when the figure stood at 2.8%. Prior to 2005, the average annual increase in earnings had fallen for four years – it was 2.9% in 2004, 3.4% in 2003, 3.9% in 2002 and 4.3% in 2001 (having previously risen since 1998). In the NMS12, the average rate of increase was much higher but remained static from 2007 to 2008, at 12.8% – 3.6 times the EU15 increase in 2007 and three times this figure in 2008. The NMS average increase had been 10.2% in 2006 and 9.5% in 2005.

In the countries of the eurozone (including Slovenia from 2007, and Cyprus and Malta from 2008), the average increase in earnings was slightly higher than that in the EU15 in both 2007 and 2008.

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, Bulgaria, Cyprus, the Czech Republic, Denmark, Finland, Hungary, Portugal, Slovakia and Slovenia. Collectively agreed pay increases are rather closer to earnings increases; in some

cases, however, agreed pay increases are below the level of earnings increases in 2007 and/or 2008, as was the case in Germany, Greece, Ireland, Malta, Sweden and the UK. Across all of the countries covered in this review, the average increase in earnings was 0.8 percentage points higher than the average agreed pay increase in 2007 and 1.7 percentage points higher in 2009. The gap between the two average figures was lower in the EU15, at 0.4 percentage points in both 2007 and 2008, than in the NMS, where it was 1.2 percentage points in 2007 and 2.7 percentage points in 2008.

Figure 8: Increases in average earnings, 2007 and 2008 (%)



### **Increases in average earnings, 2007 and 2008 (%)**

Note: Due to limited data availability, averages given for ‘all countries’ include only 27 countries in 2007 and 26 countries in 2008, for ‘EU27’ only 26 countries in 2007 and 25 countries in 2008, for ‘EU25’ only 24 countries in 2007 and 23 countries in 2008, for ‘EU15’ only 14 countries in 2007 and 13 countries in 2008 and for ‘EU15 and Norway’ only 15 countries in 2007 and 14 countries in 2008. The ‘eurozone’ average is for 12 countries in 2007 and 13 countries in 2008.

The data in Figure 8 should be read in conjunction with the notes in Annex 7.

Source: EIRO

## Annexes

### Annex 1

Back to Figure 1

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

- **Austria:** the 2007 figure is from Statistics Austria ([Statistik Austria](#)); the figure for 2008 is an estimate based on the most important national collective agreements.
- **Belgium:** data are from the Federal Public Service for Employment, Labour and Social Dialogue ([SPF Emploi, Travail et Concertation sociale/FOD Werkgelegenheid, Arbeid en Sociaal Overleg](#)); data refer to collectively agreed pay increases at sectoral level in the private sector (not including semi-privatised state enterprises) and do not take fully into account increases in some additional payments; the 2008 figure includes an estimate for the last quarter.
- **Bulgaria:** no data available for average collectively agreed pay increases; the figures provided are the national wage increase recommendations agreed by the social partners in the private sector in mid 2007 and mid 2008.
- **Cyprus:** the 2007 figure (mid-point of a range of 2%–2.2%) is an estimate from the [Cyprus Labour Institute](#) ([Ινστιτούτο Εργασίας Κύπρου, INEK-PEO](#)); the figure for 2008 is an estimate from the Pancyprian Federation of Labour ([Παγκύπρια Εργατική Ομοσπονδία, PEO](#)).
- **Czech Republic:** data are from the Information System on Working Conditions ([ISWC](#)) and refer to nominal increases in company-level collective agreements, which represent the more prevalent bargaining level in the business sector.
- **Denmark:** no general figures available and data used relate to the trend-setting industry sector agreement (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 in pay from March each year.
- **Estonia:** no data available for average collectively agreed pay increases (bargaining coverage is low); the statistics provided relate to the increases in the average monthly gross wage, as recorded in a Statistics Estonia ([Eesti Statistika](#)) wages survey; data refer the pay 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 20% in 2007 and 20.8% in 2008.
- **Finland:** data are from Statistics Finland ([Tilastokeskus](#)).
- **France:** no data available for average collectively agreed pay increases; figures provided, from the Ministry of Labour's Directorate for Research, Studies, and Statistics ([Direction de l'animation de la recherche, des études et des statistiques, DARES](#)), are for increases in average basic monthly pay in enterprises with 10 or more employees in the year to the fourth quarter.
- **Germany:** data are from the collective agreement archive of the Institute for Economic and Social Research ([Wirtschafts- und Sozialwissenschaftliches Institut, WSI](#)) within the Hans-Böckler Foundation ([Hans-Böckler Stiftung](#)) and represent the average collectively agreed increase in wages and salaries.

- **Greece:** figures refer to increases in minimum pay rates as set out in the National General Collective Agreements 2006–2007 and 2008–2009; the 2007 figure represents a 5.1% rise from 1 May; the 2008 figure includes a 3.45% rise from 1 January and 3% from 1 September.
- **Hungary:** figures are from the register of collective agreements of the Ministry of Social Affairs and Labour ([Szociális és Munkaügyi Minisztérium, SZMM](#)); the national social partners recommended pay increases in lower-level bargaining of 5.5%–8% in 2007 and 5%–7.5% in 2008.
- **Ireland:** the 2007 figure refers to a 4.75% increase due to private sector workers over the year under the first pay ‘module’ of the current national social partnership agreement [Towards 2016 \(2.9Mb PDF\)](#); the 2008 figure refers to the remaining three months of the last award under the first module (representing 1.25%), plus the first award of 3.5% due (after a three-month pay pause) under the second module of the agreement (the phasing of national pay awards may differ somewhat across companies); different pay arrangements under the national agreements apply in the public sector, with average increases totalling 3.25% in 2007 and 5% in 2008.
- **Italy:** figures are from the National Institute of Statistics ([Istituto Nazionale di Statistica, Istat](#)) and based on the contents of national sectoral collective agreements; the 2008 figure is for the first 11 months of the year, compared with the same period of 2007.
- **Latvia:** no data available for average collectively agreed pay increases; the figures provided, from the Central Statistical Bureau ([Centrālā statistikas pārvalde, CSP](#)), are for increases in average gross monthly wages and salaries; the 2008 figure is for the first nine months of the year compared with the first nine months of 2007.
- **Lithuania:** no data available for average collectively agreed pay increases; the figures provided are from Lithuanian Statistics ([Lietuvos statistikos departamentas, LS](#)) and represent increases in average gross monthly earnings; the figure for 2008 is provisional.
- **Luxembourg:** no data available for average collectively agreed pay increases; the figures provided are from the General Social Security Inspectorate ([Inspection générale de la sécurité sociale, IGSS](#)) and show increases in average hourly earnings.
- **Malta:** data are from the Economic Survey by the government’s [Economic Policy Division](#) and refer to the 12 months to September in each year.
- **Netherlands:** data are from the Central Statistical Office ([Centraal Bureau voor de Statistiek, CBS](#)) and refer to collectively negotiated hourly wages including special allowances.
- **Norway:** there are no reliable figures on collectively agreed basic pay increases for all employees; the figures provided are widely-accepted estimates from the tripartite Technical Calculation Committee for Income Settlements ([Teknisk Beregningsutvalg, TBU](#)) and represent the total annual pay increase; the figures include general pay increases (set by sector-level bargaining), carry-over effects (arising from general increases awarded in the previous year) and wage drift (which includes the effect of company-level bargaining).
- **Poland:** no data available for average collectively agreed pay increases; figures provided are from the Central Statistical Office ([Główny Urząd Statystyczny, GUS](#)) and refer to increases in average monthly gross wages and salaries.
- **Portugal:** data are from the Ministry of Labour and Social Solidarity’s Directorate General for Employment and Labour Relations ([Direcção-Geral do Emprego e das Relações de Trabalho, DGERT](#)) and refer to average collectively agreed nominal pay increases in the private sector; according to the Ministry of Finance’s Directorate General for Public Administration

(Direcção Geral da Administração Pública, [DGAEP](#)), average nominal increases in basic pay rates in the public administration stood at 1.5% in 2007 and 2.1% in 2008.

- **Romania:** data refer to the increases in minimum wage rates set out in the single national collective agreement for 2007–2010 and the tripartite agreement on minimum wage increases for the period 2008–2014.
- **Slovakia:** figures are from the Information System on Working Conditions ([Informačný systém o pracovných podmienkach](#)) by [Trexima Bratislava](#).
- **Slovenia:** figures refer to average increases in the lowest basic pay rates determined by sectoral collective agreements in the private sector, as at August each year; equivalent figures for the public sector were 1.3% in July 2007 and 2.0% in July 2008.
- **Spain:** figures are from the labour statistics publications of the Ministry of Labour and Immigration ([Ministerio de Trabajo e Inmigración](#), [MTAS](#)).
- **Sweden:** figures (including estimated effect of working time reductions where relevant) are from the [National Mediation Office](#) ([Medlingsinstitutet](#)); figures are based on the three-year collective agreements concluded in the 2007 bargaining round, which covered some 75% of the labour market – agreements concluded in 2006 provided for average increases of 2.6% in 2007, and private sector agreements concluded in 2008 provided for average increases of 4.6% in 2008.
- **UK:** figures are from the *Workplace Report* by the [Labour Research Department](#) ([LRD](#)) and refer to increases in lowest basic pay rates; figures are for the 12 months up to and including December each year; averages are calculated on the basis of the number of agreements signed and not the workers covered.

## Annex 2

Back to Figure 3

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

- **Austria:** data are from the Union of Salaried Employees, Graphical Workers and Journalists ([Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier](#), [GPA-DJP](#)) and relate to sectoral collective agreements and exclude one-off payments of €100 for each employee in 2007 and €200 in 2008; pay increases applied for 12 months from November 2006 and November 2007, respectively.
- **Belgium:** data are from the Federal Public Service for Employment, Labour and Social Dialogue and the human resources services group [Acerta](#), and refer to subsectoral and province-level collective agreements for blue-collar workers in metalworking (within joint committee 111); the 2007 pay increase represents an automatic indexation of 1.6% from July, plus 0.7% of the paybill allocated for company-level wage bargaining, plus a €0.08 increase in minimum hourly rates from June (represented crudely as an increase of 0.1%); the 2008 pay increase represents an automatic indexation of 4.32% from July, plus a €0.08 increase in minimum hourly pay rates from October (represented as an increase of about 0.1%).
- **Bulgaria:** figures are from the Metalworkers' Trade Union Federation [Metalitsi](#) and relate to the 2006–2008 sectoral collective agreement.
- **Cyprus:** figures are referring to the 2007–2009 sectoral framework collective agreement and are estimates from INEK-PEO.



- **Czech Republic:** data are from ISWC and refer to nominal pay increases in company-level collective agreements (the more prevalent bargaining level); the Czech-Moravian Confederation of Trade Unions ([Českomoravská konfederace odborových svazů, ČMKOS](#)) reports average nominal pay increases in higher-level collective agreements signed by its sectoral affiliates of 0%–3% in 2007 and 0%–6% in 2008.
- **Denmark:** figures relate to the industry sector agreement for 2007–2010, which operates the ‘minimum-wage’ system, whereby sectoral agreements set only minimum pay rates, with subsequent local bargaining producing further pay increases; the figures represent the minimum increases from March each year.
- **Estonia:** a sectoral agreement in metalworking provided for a minimum wage of EEK 5,000 (€319.55 as at 26 August 2009) a month and EEK 29.70 (€1.90) an hour from May 2007, which had not changed by the end of 2008.
- **Finland:** data relate to the sectoral collective agreement.
- **France:** no data available for average collectively agreed pay increases or for the metalworking sector only; figures provided are from DARES and represent increases in average basic monthly pay in enterprises with 10 or more employees in the manufacturing industry in the year to the fourth quarter.
- **Germany:** data are from the WSI collective agreement archive and refer to the Baden-Württemberg pilot agreement; the 2007 pay increase applied from June; the 2008 increase represents 1.7% rise from June, plus a one-off payment of €510 in December (expressed as an increase of about 1.1%).
- **Greece:** figures relate to the collective agreement for the metalworking industry; the 2007 pay increase includes rises of 2.9% from January and 2.9% from September; the 2008 pay increase includes rises of 3.0% from January and 3.5% from July; the collective agreement for metalworking manufacture provided for pay increases of 6% in 2007 and 6.5% in 2008.
- **Hungary:** no data available for collective agreed pay increases or for the metalworking sector only; figures are from the Central Statistical Office ([Központi Statisztikai Hivatal, KSH](#)) and relate to average gross monthly earnings of employees in manufacturing as a whole.
- **Ireland:** figures represent pay increases under national agreements – see note to Figure 1 in Annex 1.
- **Italy:** figures refer to the main collective agreement for the private sector metalworking industry.
- **Luxembourg:** figures are from the Independent Trade Union Confederation of Luxembourg ([Onafhängege Gewerkschafts-Bond Lëtzebuerg, OGB-L](#)) and are for blue-collar workers; the 2008 figure includes an automatic indexation-related pay increase of 2.5%; pay increases for white-collar workers were 0.5% for 2007 and 4.0% for 2008.
- **Malta:** data are from the government Economic Policy Division and represent pay increases between September 2006 and September 2007, and between September 2007 and September 2008, respectively.
- **Netherlands:** figures refer to the collective agreement for the metalworking and electrical industry; the 2007 figure represents a 1.25% pay increase from January 2007 and a one-off payment of €225 from December (represented as an increase of about 0.6%); the 2008 figure represents pay increases of 3% from January and 0.5% from July.

- **Norway:** data are from TBU and include wage drift and carryover effects (see note to Figure 1 in Annex 1), and cover blue-collar workers only; TBU gave 6.5% as the figure for 2008.
- **Poland:** figures relate to the sectoral collective agreement that sets basic pay in the sector as 120% of the national minimum wage, calculated on 1 January each year; the collective agreement expired in September 2008.
- **Portugal:** data are from DGERT.
- **Romania:** figures refer to nationally agreed increases in minimum wage rates (applicable in metalworking) – see note to Figure 1 in Annex 1.
- **Slovakia:** figures are from the Information System on Working Conditions by Trexima Bratislava.
- **Slovenia:** figures refer to the basic pay rate increases set by sectoral agreement, as at August each year.
- **Spain:** figures are from the MTIN labour statistics publications.
- **Sweden:** figures are from the National Mediation Office and refer to the agreed pay increases for blue-collar workers – the equivalent figures for white-collar workers were 2.8% in 2007 and 2.5% in 2008; the average actual pay increase for blue-collar workers in the industry sector was 3.7% in 2007 and 4.0% in 2008.
- **UK:** figures are from the LRD *Workplace Report* and represent an average (calculated on the basis of the number of agreements and not the number of workers covered) of collective agreements signed in the annual pay round (from August of the preceding year); figures refer to median increases in lowest basic pay rates in ‘manufacturing – engineering and metal products’.

### Annex 3

Back to Figure 4

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

- **Austria:** figures are from GPA-DJP and relate to the sectoral collective agreement; pay increases applied from February each year.
- **Belgium:** figures are from the Federal Public Service for Employment, Labour and Social Dialogue and Acerta, and refer to the 2007–2008 sectoral agreement in joint committee 310 (the most important committee for the banking sector, which excludes smaller saving banks and public financial institutes); in major banks, the company is the main bargaining level, but the figures given can be regarded as indicative; the 2007 figure represents automatic indexation payments totalling 1.41%, plus a one-off payment of €200 or a monthly pay increase of €20 (depending on wage level) applied from October (if not otherwise bargained at company level) and a one-off payment of €149 applied from December (jointly represented as an increase of about 1%); the 2008 figure represents automatic indexation payments totalling 4.93%, plus a one-off payment of €200 or a monthly pay increase of €20 (depending on wage level) applied from August (if not otherwise bargained at company level) and a one-off payment of €149 applied from December (jointly represented as an increase of about 1%).
- **Cyprus:** figures are from the Cyprus Union of Bank Employees ([Ενωση Τραπεζοϋπαλλήλων Κύπρου](#), [ETYK](#)) and refer to relevant sectoral agreement; pay increases applied from January each year.

- **Czech Republic:** figures refer to nominal pay increases in higher-level collective agreements signed by sectoral affiliates of ČMKOS.
- **Denmark:** figures relate to sectoral collective agreement for financial intermediation; pay increases applied from July each year.
- **Finland:** figures relate to the sectoral collective agreement.
- **France:** no data available for average collectively agreed pay increases or for banking only; figures provided are from DARES and are for increases in average basic monthly pay in enterprises with 10 or more employees in the services sector in the year to the fourth quarter.
- **Germany:** data are from the WSI collective agreement archive; the 2007 increase applied from December; no collective agreement was concluded in 2008.
- **Greece:** figures refer to the sectoral collective agreement; the 2008 figure represents increases of 3.5% in June, 2.5% in September and 2% in December.
- **Hungary:** no specific data are available; figures given are the mid-range of the national centrally recommended pay increase (see note to Figure 1 in Annex 1).
- **Ireland:** figures represent pay increases under national agreements – see note to Figure 1 in Annex 1.
- **Italy:** figures refer to the main collective agreement for the financial intermediation sector.
- **Luxembourg:** figures relate to the 2007–2009 sectoral agreement for white-collar workers in banking; the figure for 2007 represents a general rise of 0.4%, plus an increase of 1.1% of paybill for distribution, partly on the basis of merit; the figure for 2008 represents a general rise of 0.4%, plus an increase of 1.6% of paybill for distribution, partly on the basis of merit, plus an automatic indexation-related pay increase of 2.5%.
- **Malta:** figures are from the government Economic Policy Division and represent pay increases between September 2006 and September 2007, and September 2007 and September 2008, respectively.
- **Netherlands:** figures refer to sectoral agreement for smaller banks (the largest banks are covered by company-level bargaining); the 2007 increase applied from April; the 2008 increase represents a 3% rise from March, plus a one-off payment worth 0.5% (with a minimum of €250) from September.
- **Norway:** figures are from TBU and include wage drift and carryover effects (see note to Figure 1 in Annex 1), and refer to financial services.
- **Portugal:** figures are from DGERT.
- **Romania:** figures refer to nationally agreed increases in minimum wage rates applicable in banking (see note to Figure 1 in Annex 1).
- **Slovakia:** figures are from the Information System on Working Conditions by Trexima Bratislava.
- **Slovenia:** figures refer to the basic pay rate increases set by sectoral agreement, as at August each year.
- **Spain:** figures are from MTIN labour statistics publications.
- **Sweden:** figures are from the Financial Sector Union ([Finansförbundet](#)) and relate to the October 2005–October 2008 sectoral agreement for banking and financial services; the

figures for 2007 and 2008 represent each a third of the total 9.9% increase (including individual rises) under the sectoral agreement; the National Mediation Office figures for banking, insurance and business services put the average actual pay increase at 2.6% in 2007 and 3.0% in 2008 for white-collar workers and 4.1% in 2007 and 3.7% in 2008 for blue-collar workers.

- **UK:** figures are from the LRD *Workplace Report* and represent an average (calculated on the basis of the number of agreements and not the workers covered) of collective agreements signed in the annual pay round (from August of the preceding year); figures refer to median increases in lowest basic pay rates in ‘financial and business services’.

## Annex 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 law at regional (*Länder*) level; data are from the Union of Public Employees ([Gewerkschaft Öffentlicher Dienst, GÖD](#)); pay increases applied from January each year.
- **Belgium:** no pay increases awarded in 2007 (largely due to the failure to reach agreements); the 2008 figure represents the total of automatic indexation payments.
- **Bulgaria:** pay increases set by cabinet decree from July each year; data are from the [Federation of Independent Trade Unions of State Administration and Organisations \(FITUSAO\)](#) which is part of the Confederation of Independent Trade Unions in Bulgaria ([Конфедерация на независимите синдикати в България, CITUB](#)).
- **Cyprus:** figures are from the Pancyprian Public Employees Trade Union ([Παγκύπρια Συντεχνία Δημοσίων Υπαλλήλων, PASYDY](#)) and refer to the framework agreement for public and semi-public sectors.
- **Czech Republic:** figures are from ISWC and refer to average nominal pay increases in company-level collective agreements.
- **Denmark:** figures are from the Association of Local Government Employees’ Organisations ([Kommunale Tjenestemænd og Overenskomstansatte, KTO](#)).
- **Finland:** figures are from Statistics Finland.
- **Germany:** data are from the WSI collective agreement archive; no percentage pay increase awarded in 2007, only a lump-sum payment of €300 (represented roughly a 1% pay increase); the 2008 figure represents 3.1% increase from January, plus €50 flat-rate increase in monthly pay (represented roughly a 2% pay increase).
- **Greece:** figures relate to public sector employees whose conditions are set by collective agreement.
- **Hungary:** figures refer to nationally agreed pay increases for public employees.
- **Ireland:** figures refer to public sector pay increases under national agreements (see note to Figure 1 in Annex 1); the figure for 2007 represents an average pay increase of 3.25%; the 2008 figure represents a 2.5% pay increase from March and 2.5% pay increase from September.
- **Italy:** figures refer to the national sectoral agreement for non-managerial staff.

- **Luxembourg:** figures are estimates based on data from OGB-L and refer to blue-collar workers only; the figure for 2008 includes an automatic indexation-related pay increase of 2.5%.
- **Netherlands:** figures refer to the collective agreement for municipalities; pay increases applied from June each year.
- **Norway:** figures are from TBU and include wage drift and carryover effects (see note to Figure 1 in Annex 1) and refer to the municipal sector; the figure for 2008 provided by TBU was 6.5%.
- **Poland:** increases set by government decree; no pay increase in 2007; the 2008 pay increase applied from April.
- **Portugal:** pay increases are set, from January each year, by governmental orders, following consultation.
- **Romania:** pay increases set by law rather than collective bargaining; figures refer to government decisions on minimum wage rates.
- **Slovakia:** figures refer to pay increases set by the sectoral collective agreement for the public service.
- **Slovenia:** figures refer to average increases in the lowest basic pay rates determined by sectoral collective agreement for the whole public sector, as at July each year.
- **Spain:** figures are from the MTIN labour statistics publications and refer to ‘public administration, defence and social security’.
- **Sweden:** figures are from the Municipal Workers’ Union ([Svenska Kommunalarbetareförbundet](#), [Kommunal](#)) and refer to the 2007–2009 agreement for blue-collar workers; the National Mediation Office puts the average actual pay increase for both blue-collar and white-collar workers at 3.0% in 2007 and 4.6% in 2008.
- **UK:** figures are from the LRD *Workplace Report* and represent an average (calculated on the basis of the number of agreements and not the workers covered) of collective agreements signed in the annual pay round (from August of preceding year); figures refer to median increases in lowest basic pay rates in ‘public administration’.

## Annex 5

Back to Figure 6

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

- **Belgium:** minimum wage increases are based on social partner agreement given legal force; the 2007 increase represents an agreed increase in the minimum wage rate; the 2008 increase represents an agreed increase in the minimum wage rate, plus three automatic indexation adjustments.
- **Bulgaria:** increases in the minimum wage rate are agreed in the [National Council for Tripartite Cooperation](#) (NCTC) and imposed by cabinet decree, and applied from January each year.
- **Czech Republic:** minimum wage increases are set by government resolution; no increase in 2007, apart from ‘rounding up’ up to the nearest round figure – for example, the adult

monthly minimum wage rate increased from CZK 7,955 (€313.73 as at 26 August 2009) to CZK 8,000 (€315.50); no increase in 2008.

- **Estonia:** minimum wage increases are set by government decree and based on social partner agreement; increase applied from January each year.
- **France:** the 2007 increase represents the ‘normal’ rise in the minimum wage rate applied by the government from July, in line with annual growth in consumer prices and purchasing power; the increase in 2008 represents a 2.3% automatic rise triggered in May by rising inflation, plus 0.9% added by government in July to make up the year’s normal increase in the minimum wage rate.
- **Greece:** figures refer to increases in minimum rates as set out in National General Collective Agreements for 2006–2007 and 2008–2009; 2007 rise applied from May; 2008 increase made up of rises of 3.45% from January and 3% from September.
- **Hungary:** minimum wage increases are agreed in the national-level tripartite National Interest Reconciliation Council (*Országos Érdekegyeztető Tanács*, OÉT) and imposed by government, applied from January each year; the minimum wage for skilled workers saw an additional increase of 9.6% in January 2007 and 14.5% in January 2008.
- **Ireland:** increases are based on tripartite national pacts; the 2007 minimum wage increase comprised rises of 9.0% from January and 4.0% from July; no increase in 2008.
- **Latvia:** minimum wage increases are set by government regulation, applied from January each year.
- **Lithuania:** minimum wage increases are applied by government resolution on submission of a proposal by the Tripartite Council of the Republic of Lithuania (*Lietuvos Respublikos Trišalė taryba*, [LRTT](#)); increases applied from July 2007 and January 2008.
- **Luxembourg:** the 2007 increase in the minimum wage rate was applied by government from January; 2008 figure represents only an automatic indexation increase awarded in March.
- **Malta:** minimum wage increases are applied by government order from January each year.
- **Netherlands:** minimum wage increases are decided by government; the 2007 increase comprised rises of 1.26% from January and 1.2% from July; the increase for 2008 included rises of 1.4% from January and 1.6% from July
- **Poland:** increases are set by the tripartite council or by government decision if no agreement is reached in the tripartite council; increases applied from January each year.
- **Portugal:** increases applied by law in January of each year, based on a 2006 tripartite agreement.
- **Romania:** figures refer to minimum wage rate set by the single national collective agreement, which increased the minimum wage rate by 18.9% from January 2007, 13.6% from January 2008 and 8% from October 2008; the government also sets a minimum wage for the public sector, which was increased by 18.2% in 2007 and 30.8% in 2008.
- **Slovakia:** minimum wage increases are awarded by government regulation (based on tripartite agreement, where possible); the increase for 2007 was applied from October; no increase in 2008.
- **Slovenia:** minimum wage increases set by government; the 2007 increase was applied from August; the 2008 increase comprised rises of 5.2% from March and 4.0% from July.

- **Spain:** minimum wage increases applied by law from January.
- **UK:** figures refer to the adult hourly minimum wage rate; increases are awarded by government decision in October of each year.

## Annex 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 is from the Institute for the Equality of Women and Men ([Institut pour l'égalité des femmes et des hommes/ Instituut voor de gelijkheid van vrouwen en mannen, IEFH/IGVM](#)) and refers to full-time workers in industry and services.
- **Bulgaria:** figure is from the National Statistics Institute ([Националния статистически институт, NSI](#)).
- **Cyprus:** figure is from the Statistical Service of Cyprus ([Στατιστική Υπηρεσία της Κυπριακής Δημοκρατίας, CYSTAT](#)).
- **Czech Republic:** figure is based on data from the Czech Statistical Office ([Český statistický úřad, ČSU](#)) information system on average earnings and refers to 'business branches' (the equivalent figure for 'non-business branches' was 80.4%).
- **Denmark:** figure represents the average of figures from Statistics Denmark ([Danmarks Statistik](#)) for local government (85.8%), the state sector (91.5%) and the private sector (86.2%).
- **Estonia:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **Finland:** figure is forecast from Statistics Finland wage and salary statistics.
- **France:** figure is provisional from Eurostat and refers to average gross hourly earnings of paid employees.
- **Germany:** figure is from the Federal Statistical Office ([Statistisches Bundesamt, Destatis](#)) and refers to the 'overall pay gap', rather than hourly wages.
- **Greece:** figure is provisional from Eurostat and refers to average gross hourly earnings of paid employees.
- **Hungary:** figure is provisional from Eurostat and refers to average gross hourly earnings of paid employees.
- **Ireland:** figure is from the [Central Statistics Office \(CSO\)](#) national employment survey.
- **Italy:** figure is provisional from Eurostat and refers to average gross hourly earnings of paid employees.
- **Latvia:** figure is from CSP and refers to average monthly earnings.
- **Lithuania:** figure is from Lithuanian Statistics.
- **Luxembourg:** figure is from IGSS and refers to average hourly earnings.

- **Malta:** figure is an estimate based on the [National Statistics Office \(NSO\)](#) Labour Force Survey data, assuming that most men and women work a normal 40-hour week.
- **Netherlands:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **Norway:** figure is from TBU and relates to hourly pay; it is an estimate for both full and part-time employees; figure for full-time employees only is 86.5%.
- **Poland:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **Portugal:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **Romania:** figure is from Institute of National Statistics ([Institutul National de Statistica, INS](#)) and relates to gross monthly earnings.
- **Slovakia:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **Slovenia:** figure is from Eurostat and refers to average gross hourly earnings of paid employees.
- **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](#)) and refers to average monthly earnings; if 'standard weighted' for factors such as age, educational level, working time and sector, the SCB figure is 93.0%.
- **UK:** figure is from the [Office for National Statistics \(ONS\)](#) annual survey of working hours and earnings, and 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 87.3%.

## Annex 7

Back to Figure 8

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

- **Austria:** figure is from Statistics Austria and refers to net earnings of all employees (excluding apprentices).
- **Belgium:** figures are from the Central Economic Council ([Conseil Central de l'Économie/Centrale raad voor het bedrijfsleven, CCE-CRB](#)) and are calculated on the basis of increases in labour costs.
- **Bulgaria:** figures are from NSI; the 2008 figure is for first third quarters compared with the same period in 2007.
- **Cyprus:** figures are from CYPSTAT's [National Accounts](#).
- **Czech Republic:** figures are from ČSÚ; the 2008 figure is for the period of the year up to September.



- **Denmark:** figures are from Statistics Denmark and the [Ministry of Finance](#), and are for the private sector only; the 2007 figures for local government and state sector were 3.3% and 3.4%, respectively; no data available for 2008.
- **Estonia:** see note to Figure 1 in Annex 1.
- **Finland:** figures are from the wage and salary statistics of Statistics Finland.
- **France:** see note to Figure 1 in Annex 1.
- **Germany:** figures are from Destatis.
- **Greece:** figures are from the [Bank of Greece](#).
- **Hungary:** figures from KSH; the 2008 figure is for the first 11 months of the year.
- **Ireland:** figures are from CSO and refer to average hourly earnings in private sector industry; the 2008 figure is for the period of the year up to the end of the second quarter.
- **Italy:** figures are estimates from Istat and refer to earnings in industry and services (excluding public administration); the 2008 figure is for the first three quarters.
- **Latvia:** see note to Figure 1 in Annex 1.
- **Lithuania:** see note to Figure 1 in Annex 1.
- **Luxembourg:** see note to Figure 1 in Annex 1.
- **Malta:** figures are from the government Economic Policy Division and represent the increase in nominal average weekly earnings; figures are for the period of the year up to June.
- **Norway:** see note to Figure 1 in Annex 1.
- **Poland:** see note to Figure 1 in Annex 1.
- **Portugal:** figures are from DGERT.
- **Romania:** figures are from INS and refer to gross average earnings; the 2008 figure is for the period of the year up to October.
- **Slovakia:** figures are from the Statistical Office of the Slovak Republic ([Štatistický úrad Slovenskej republiky](#), [ŠÚ SR](#)); the 2008 figure is a forecast.
- **Slovenia:** figures are from the Statistical Office of the Republic of Slovenia ([Statistični urad Republike Slovenije](#), [SURS](#)) and refer to average monthly gross earnings;
- **Spain:** figures are from the labour costs survey of the National Statistical Institute ([Instituto Nacional de Estadística](#), [INE](#)).
- **Sweden:** figures are from the National Mediation Office; the 2008 figure is for the period of the year up to November.
- **UK:** figures are based on the ONS average earnings index (inclusive of bonuses) and represent average of earnings increases for the three months to September each year, compared with the same period in the previous year.

## Annex 8

Back to text.

### Country groupings

Country grouping	List of countries
EU27	EU15 and NMS12
EU15	Member States before EU enlargement in 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom (UK)
NMS10	10 new Member States that joined the EU on 1 May 2004: the 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

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