

Eurofound's database of collective agreements for low-paid workers

Session: Low Pay in Europe

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Objectives

- To build a database on minimum wages in collective agreements for low-paid workers
- For countries without statutory minimum wages: This could be used to calculate minimum wage floors
- The methodology could be potentially used by Member States without statutory minimum wages to report according to Article 10 c) i) of the Minimum Wage Directive (2022/2041)

“...the lowest pay rates provided for in collective agreements covering low-wage earners or an estimate thereof, if accurate data is not available to the responsible national authorities...”

What does the database include?

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

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

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

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

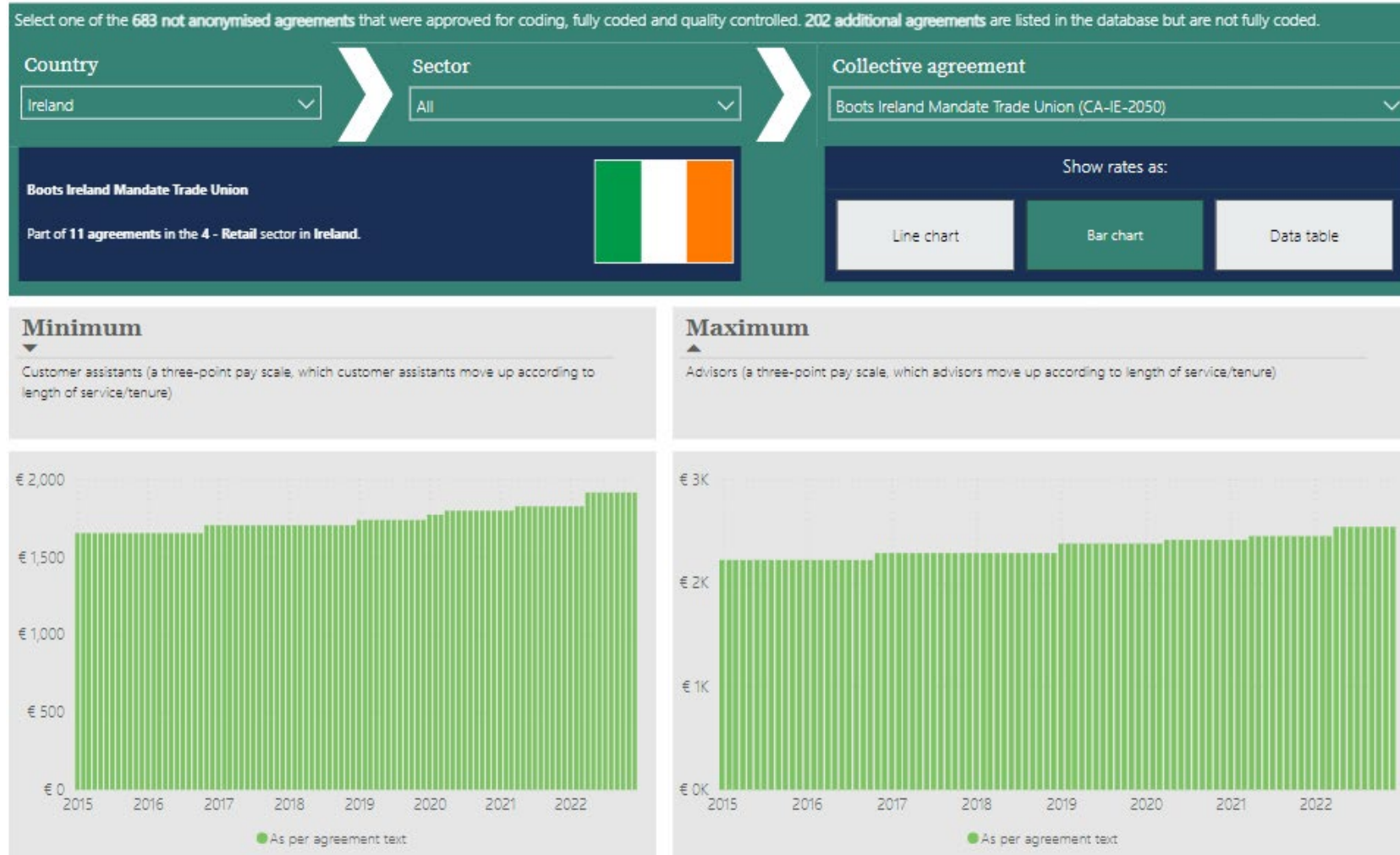
More outputs:

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

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

* No data available for Germany, Luxembourg and Malta.

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



Link to dashboard:
[Minimum Wage Pilot Project Database | Eurofound \(europa.eu\)](#)

Link to individual data and codebook:
[Database of collective agreements for low-paid workers \(data file\) | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

In general, the selected sample of agreements represents bargaining in the low paid segment well

Degree of representativeness of the (listed) sample	Countries
Very high	Austria, Belgium, France, Italy, Netherlands, Slovenia
High	Bulgaria, Finland, Lithuania, Portugal, Spain
Good	Cyprus, Denmark, Germany, Sweden
Acceptable	Croatia, Greece, Ireland, Slovakia,
Low	Czechia, Hungary, Latvia, Luxembourg
Not representative	Estonia, Poland, Romania

- Company level bargaining agreements are difficult to capture

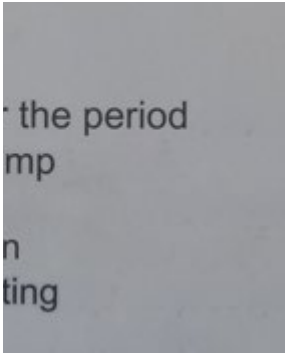
Why it took us three years to build the database

D) Kollektivvertragliche Stundenlöhne ab 1.1.2022

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

soloist-orchestrator - minimum wage for the country by a factor of 1.4;
• for an orchestra player, minimum wage for the country by a factor of 1.4;
2. For positions for which secondary education is required according to the NKPD
or internal acts of the employer:
• for a musician, chorister, ballerina/balletist, accompanist, assistant director,
- minimum wage for the country by a factor of 1.3;
• for technical services wardrobe, hairdresser, make-up artist, props, lighting,
sound engineer, art studio employee, stage worker salary - minimum working
for the country by coefficient 1.2.
(2) These coefficients are applied by each cultural institute within the budget
for the respective year.

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



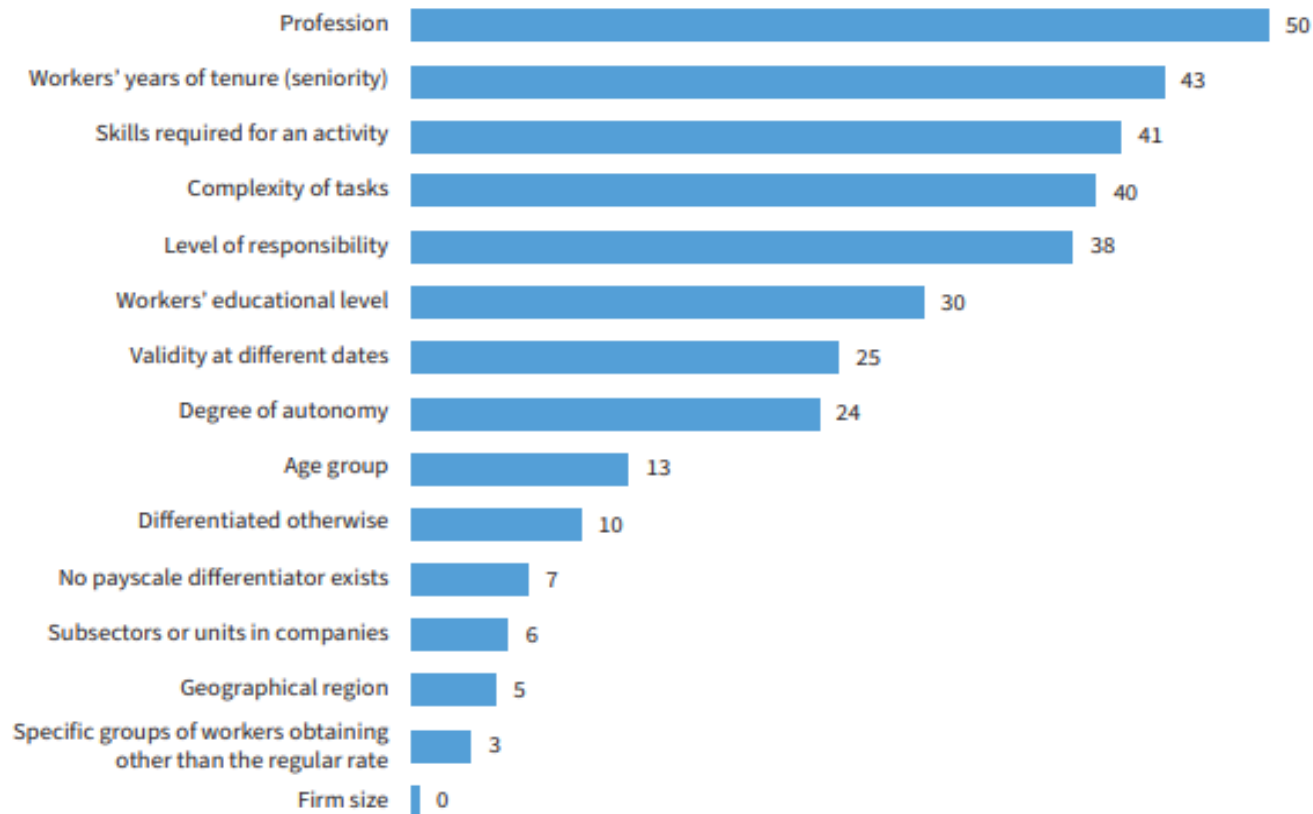
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and has obtained a qualification
roved by the Minister of Social
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5 percent;
orker - 20 percent;
xpert - 30 percent;
nding amount, without exceeding
remuneration of employees

An EU-wide in-depth look into pay setting within collective agreements for low paid workers

- 13% of the listed collective agreements do not contain any pay rates.
- Out of the sampled agreements 12% contain only one minimum pay rate (most frequently in Central and Eastern European Member States), while 77% regulate pay also for higher paid workers.
- Agreements in the newer Member States more frequently refer to statutory minimum wages explicitly, rather than including higher collectively agreed rates
- In countries without statutory minimum wages the appearance of 'no wage floors' due to collective agreements not being renewed (and past any ultra-activity phase) was a very seldomly detected and a temporary phenomenon.

Professions and seniority are the most frequently used pay differentiators

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



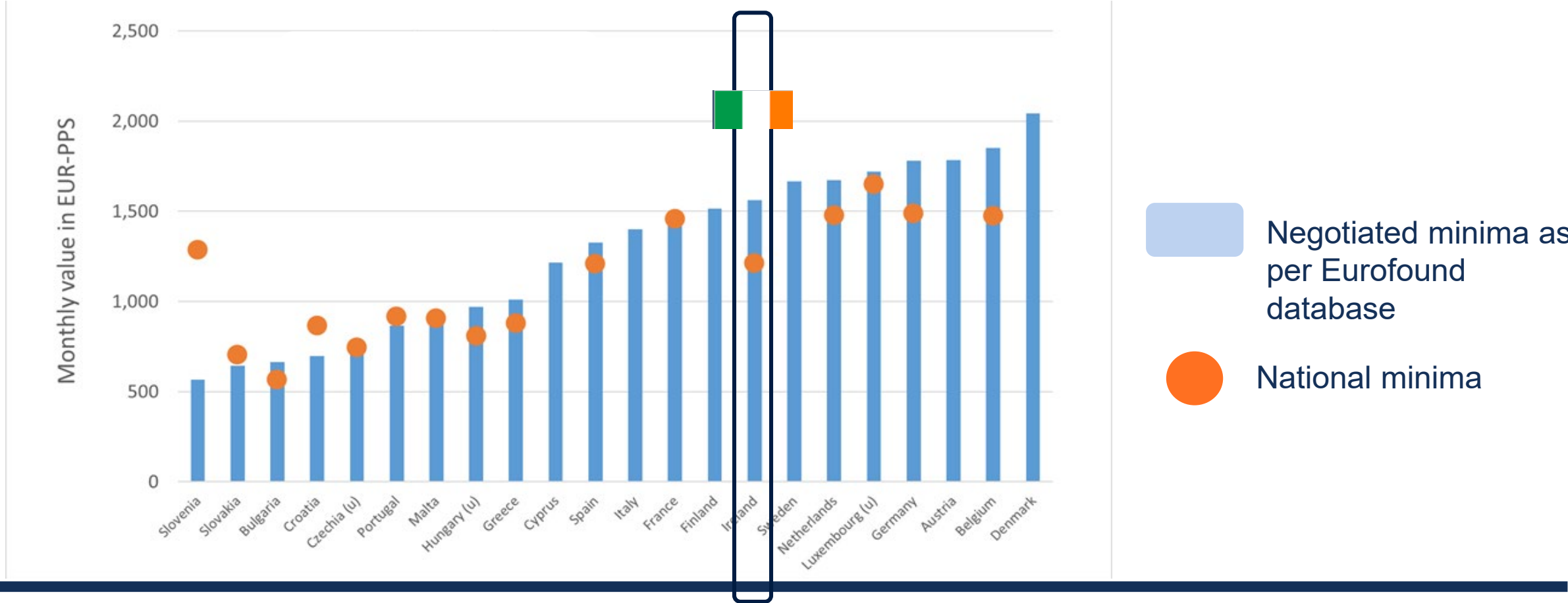
Large country specific differences

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

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

In most countries the collective agreements top up national minimum wages

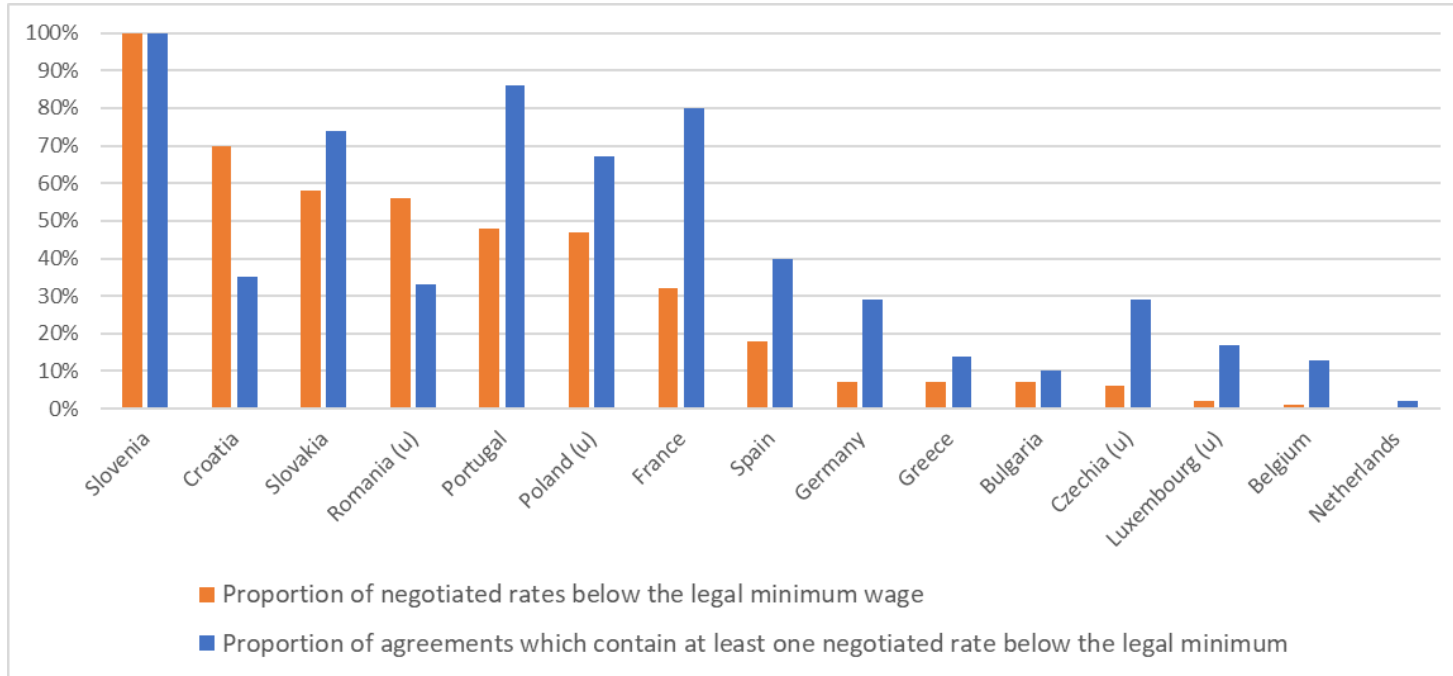
Average difference between the negotiated rate and the statutory minimum wage, in PPS by country, 1 January 2022 (%)



Source: Eurofound's database of collective agreements for low-paid workers

But in some agreements the lowest rates are below the national minimum wages

Negotiated minimum rates below the statutory rate among the sampled agreements



- In some countries
- In some or more agreements
- For some time

Note: No (representative) data available for Estonia, Latvia, Lithuania, Poland, Romania. [u]: Sample is unreliable.

Source: Eurofound's database on minimum wages in collective agreements for low-paid workers

Policy pointers

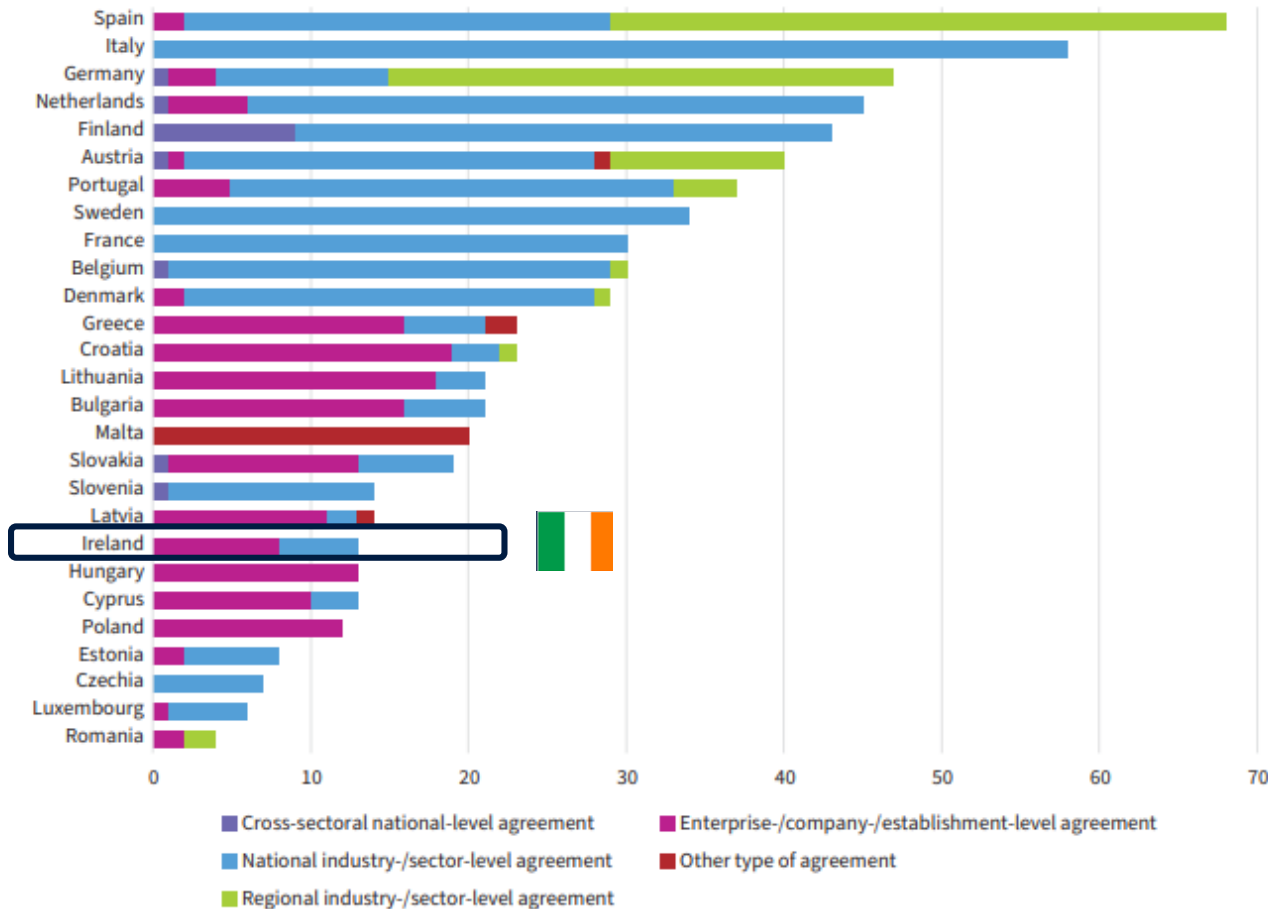
- **Accessibility of collective agreements** remains an issue in a considerable number of countries.
 - **Collective bargaining coverage** on its own is **necessary but not always sufficient**.
 - Do agreements indeed contain any rates at all?
 - And if so: are they above the statutory minimum wage, or already outdated?
 - The potential to regulate minimum pay for a much larger number of workers than those captured by statutory minimum pay rates – up to higher earnings segments and differentiated by job classifications. But this **potential is not always used**.
 - The **statutory minimum wage remains a key wage setting tool** in those countries where agreements are often outdated or contain no rates. BUT: This **should not prevent** the bargaining actors to exploit their potential for setting pay and regulating other topics. Collective bargaining should be particularly improved in these countries.
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References

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

Annex

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



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

Note: The number of collective agreements includes all 692 agreements approved for coding from all countries.

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

Workers covered by bargaining level



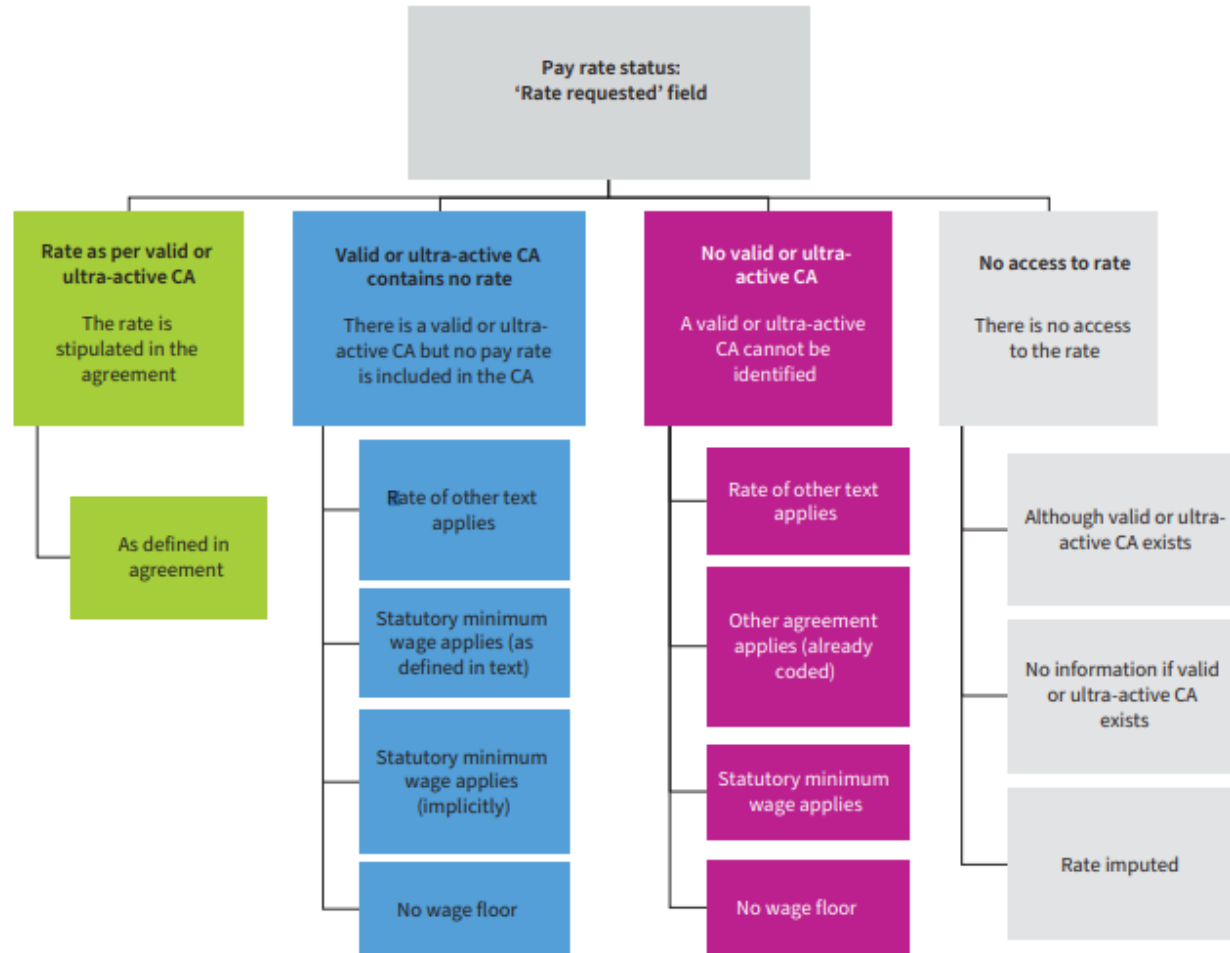
Notes: The number of workers covered is a lower bound, as it excludes cases in which data were unavailable. Some countries, in particular Germany, provided almost no figures on worker coverage. The figures for collective agreements include all 692 coded agreements from all countries, while the figures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

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

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

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

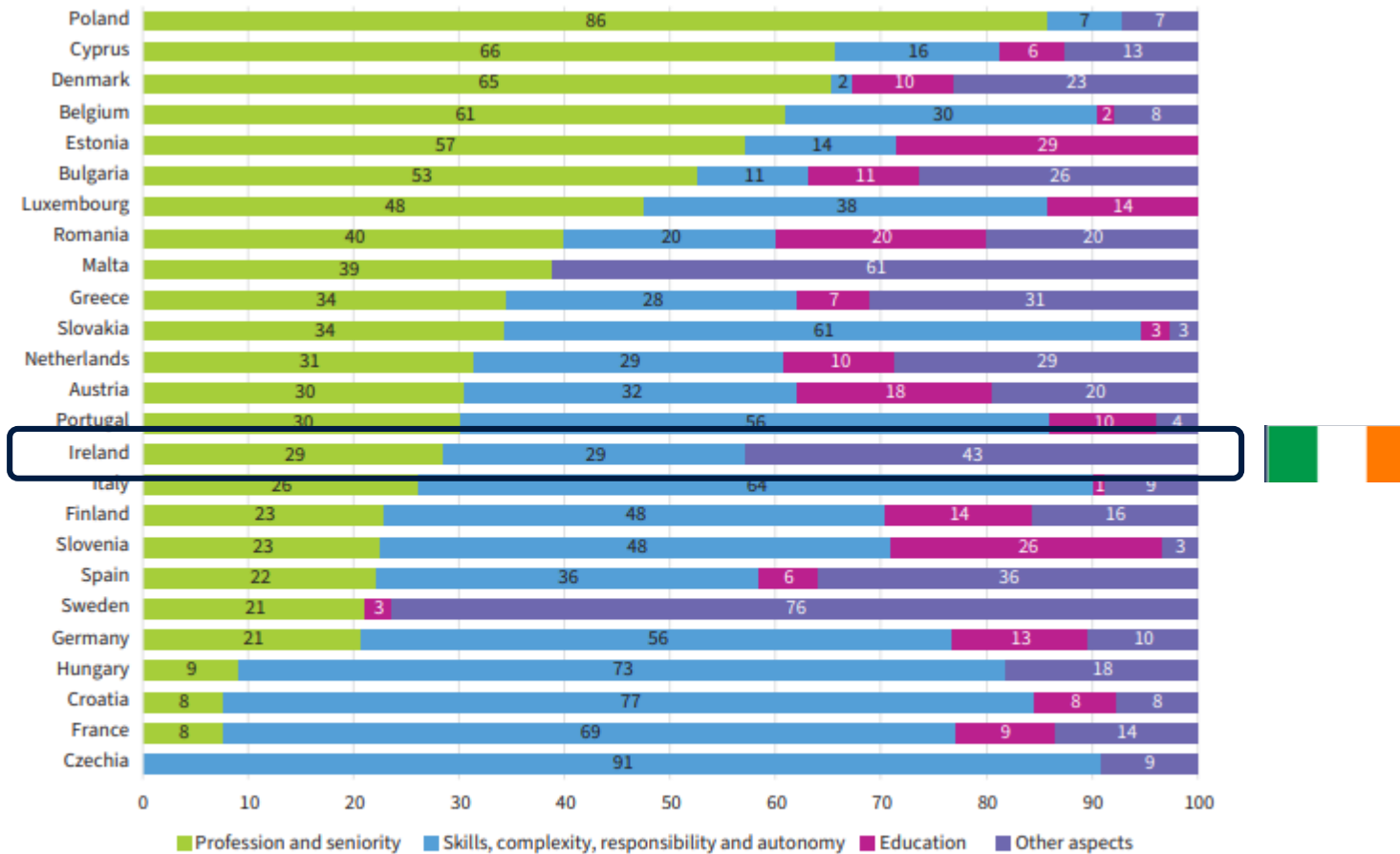
Pay rate status: A central conceptual classification



Source: Authors

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

Proportion of various pay differentiators by country (%)



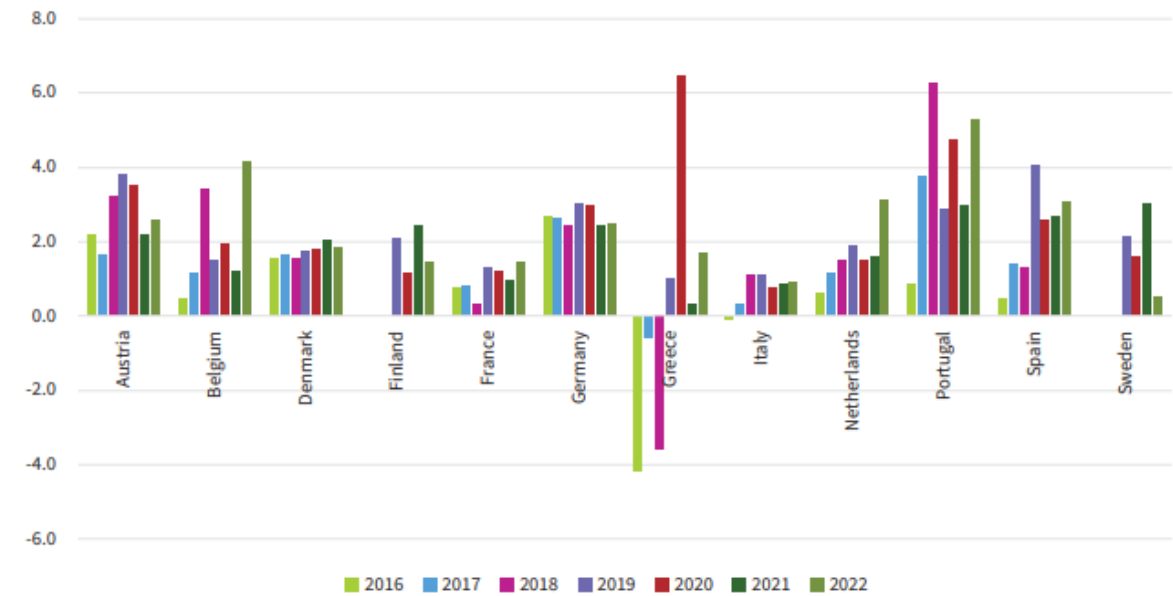
Notes: No differentiators of pay rates were found in the Latvian and Lithuanian collective agreements included in the sample. A collective agreement can include multiple pay differentiators.

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

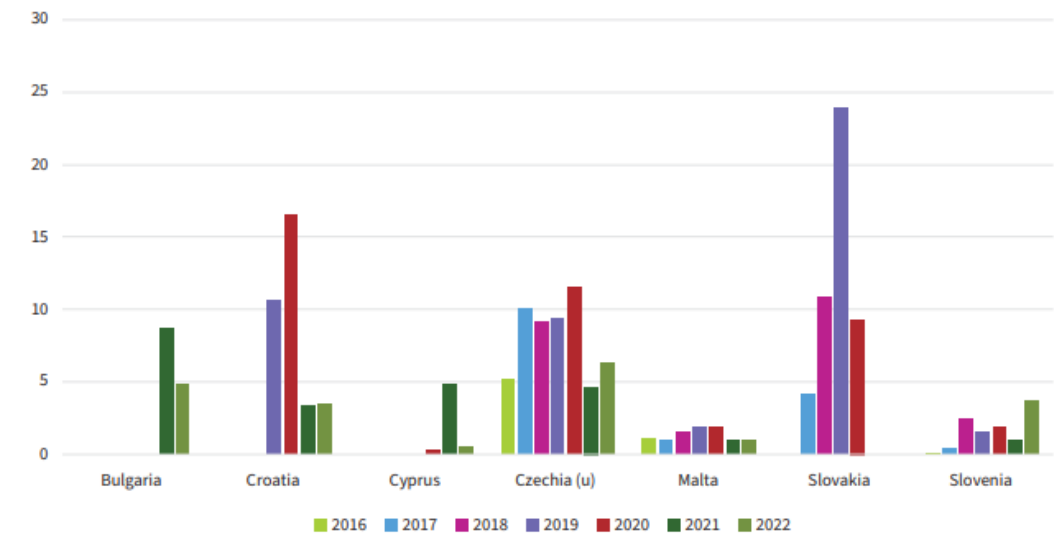
Results: time series of collectively agreed pay for low-paid workers (based on selected panels of agreements)

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

(A) EU15 countries



(B) Countries that joined the EU from 2005 onwards



Notes: No data are displayed for Estonia, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Poland or Romania, as no time series could be created for these countries. u, low reliability, applicable to Czechia, as the figures are based on samples with a low degree of representativeness.
Source: Eurofound database of collective agreements for low-paid workers, 2023

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