Wirtschafts- und
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Current Trends in Collectively Agreed Wages and Wage Drift in Europe 2001-2010

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Content

Introduction

In response to the problems posed by the financial and economic crisis, since 2010 the European Union has seen the emergence of a "new European economic governance" as a set of new policy rules and procedures aiming a more closer European coordination of economic policy (Degryse 2012). As part of this, wage policy has become an important issue on the European policy agenda (Schulten and Müller 2013). The Euro Plus Pact from 2011, for example, explicitly defines wages as a major economic adjustment variable to overcome economic imbalances and to foster competitiveness. Consequently, the Euro Plus Pact calls for a close monitoring of wages and collective bargaining institutions at European level. Moreover, the new scoreboard of economic indicators, which has to be considered by the EU Member States, explicitly includes unit labour costs and defines a certain margin for 'permitted' wage and labour costs developments.

As a result of the new European economic governance, the EU's influence on national wage policies has grown substantially, especially since EU policy recommendations become more binding because Member States which ignore them risk financial sanctions. The possible scope of the new European influence in the area of wage policies becomes most obvious in those crisis-ridden countries which rely on financial assistance from the EU and/or the International Monetary Fund (IMF). In exchange for new credits, these countries had to introduce far-reaching policy reforms, which were laid down either in so-called 'Memorandums of Understanding' with the Troika of EU, ECB and IMF. Among others, these countries had to agree on far-reaching labour market reforms including changes in wage developments and the systems of collective bargaining (Busch et. al. 2013; Clauwaert and Schömann 2012, Schulten and Müller 2013).

Considering the new importance of wage policy at European level, there are also a couple of new studies carried out by EU institutions which analyses recent wage developments in Europe (see, for example, ECB 2012, European Commission, 2011b, 2012a, 2012b). While all these studies also discuss the role of wages setting institutions and collective bargaining, their analysis on wage developments rely almost exclusively on *actual* wages. Actual wage developments, however, are not only the result of collective bargaining, but can be influenced by various factors such as compositional factors (i.e. changes in the skills of the workforce or composition of sectors), cyclical factors (i.e. company bonus payments, employee concessions or changes in working time) as well as industrial relations factors (coverage of collective bargaining and the role of multi-employer agreements).

Against that background, the central aim of the present paper is to understand to what extent overall wage developments in Europe are the result of negotiations and directly influenced by social partners' organizations. Therefore, it provides an empirical analysis of the development of *collectively agreed* wages in Europe and compares them with actual wage developments in order to identify possible wage drifts as an indicator for the influence of other factors despite collective bargaining. The paper basically relies on finding of the CAWIE ("Collectively Agreed Wages in Europe") project which was funded by the European Commission and carried out by research institutes from ten European countries which are all part of the European network of Trade Union related Research Institutes (TURI). [1] It summaries the empirical findings of ten national reports on collectively agreed wages including Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain and the United Kingdom.[2]

Considering the high importance of collective bargaining for the wage-setting in Europe, it is all the more astonishing that there are almost no studies or even regular evaluations on the development of collectively agreed wages in Europe.[3] Moreover, until today there exists no official European-wide database or statistics on collectively agreed wages. Therefore, it was also one of the aims of the CAWIE project to set up the so-called "TURI Database on Collectively Agreed Wages in Europe."[4] The database compromises non-harmonized national data provided by national statistical offices, Ministries of Labour and other national institutes.[5] With the exception of France, for all other countries it contains at least data for the period 2001 to 2010. Thus, the present paper will focus on this period.

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[1] For information on the TURI-Network see: http://www.turi-network.eu/

[2] All reports can be downloaded from: http://hiva.kuleuven.be/nl/extra/CAWIE2_20121207.php

[3] There are two main exceptions: The first are the annual "pay developments reports" of the European Industrial Relations Observatory (EIRO) (for the latest issue see Cabrita and Fric 2012). The second are the annual "collective bargaining in Europe reports" of the Wirtschafts- und Sozialwissenschaftliches Institut (WSI) in Germany (Schulten, 2011, 2012).

[4] The data is provided in the annex of this paper

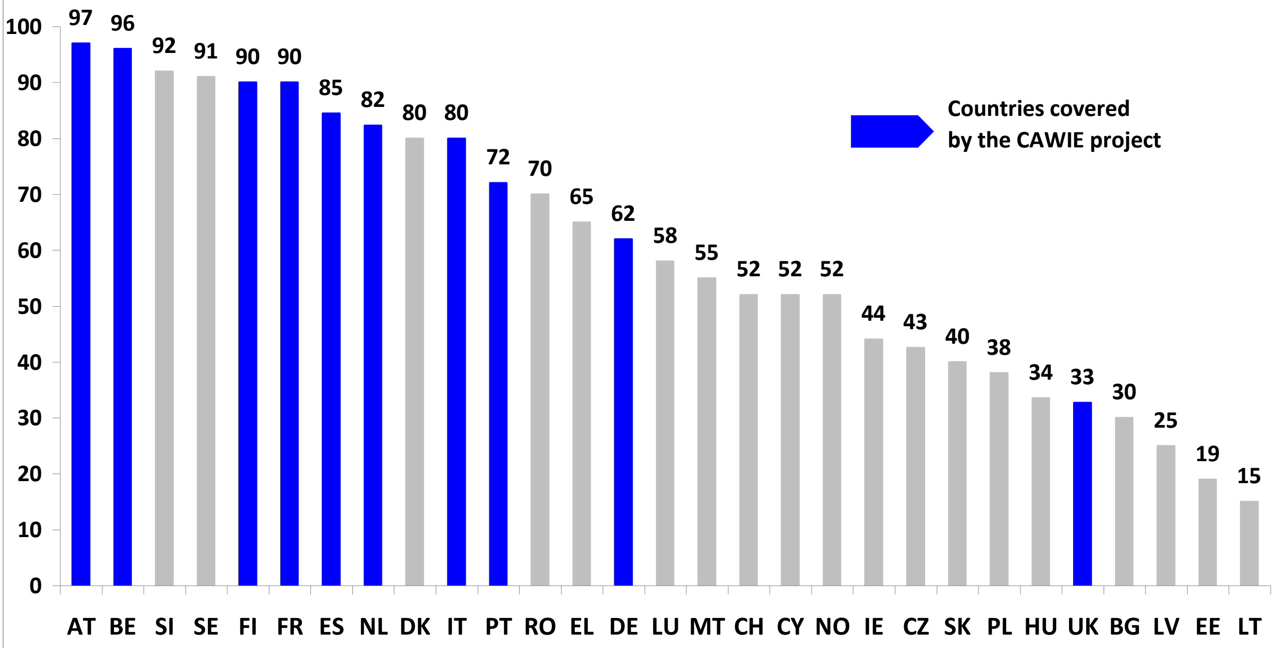
[5] For a methodological assessment of the different national data sources on collectively agreed wages see van Gyes (2012).

1. The Importance of collective bargaining in Europe

The importance of collectively agreed wages for the overall wage developments depends on the scope and effectiveness of the national collective bargaining systems. One major indicator to measure the importance of collective agreements is the collective bargaining coverage, which is defined as the percentage of employees covered by collective agreements. Within Europe the bargaining coverage shows huge differences ranging from about 97 per cent in Austria towards 15 per cent in Lithuania (*Figure 1*). On average about two third of all employees in the European Union are directly covered by a collective agreement (European Commission, 2011: 36). Considering the ten countries covered by the CAWIE project the average bargaining coverage is even nearly 80 per cent, which indicates a strong influence of collective bargaining on the overall wage developments.

Figure 1: Collective bargaining coverage in Europe 2007-2010*

in % of all employees covered by a collective agreement



* latest available value

Quelle: ICTWSS Database (Version 3.0), for Austria: Bönisch (2008); for Portugal: Fulton (2011); for Switzerland: Oesch (2012).

The reach of collective agreements can even go beyond the scope of the bargaining coverage as they might influence also wages in companies not covered by collective agreements. In Germany, for example, many companies have declared that although they are not formally covered by collective agreements, they take them as an 'orientation' for their own wage setting (Ellgut and Kohaut 2012). On the other hand, under certain conditions companies might be allowed to deviate from collectively agreed standards which de facto undermine the scope of collective agreements (Keune 2011). Moreover, companies might provide some extra payments 'above the collectively agreed rate' which depending on economic framework conditions such as company performance, situation on local labour markets etc.. Therefore, the bargaining coverage is only one indicator for the importance of collective bargaining for the overall wage developments. Another might be the development of the wage drift, i.e. the differences in development of collectively agreed and actual wages. Before considering the wage drift, however, one has to analyse the developments of collectively agreed wages in Europe more in detail.

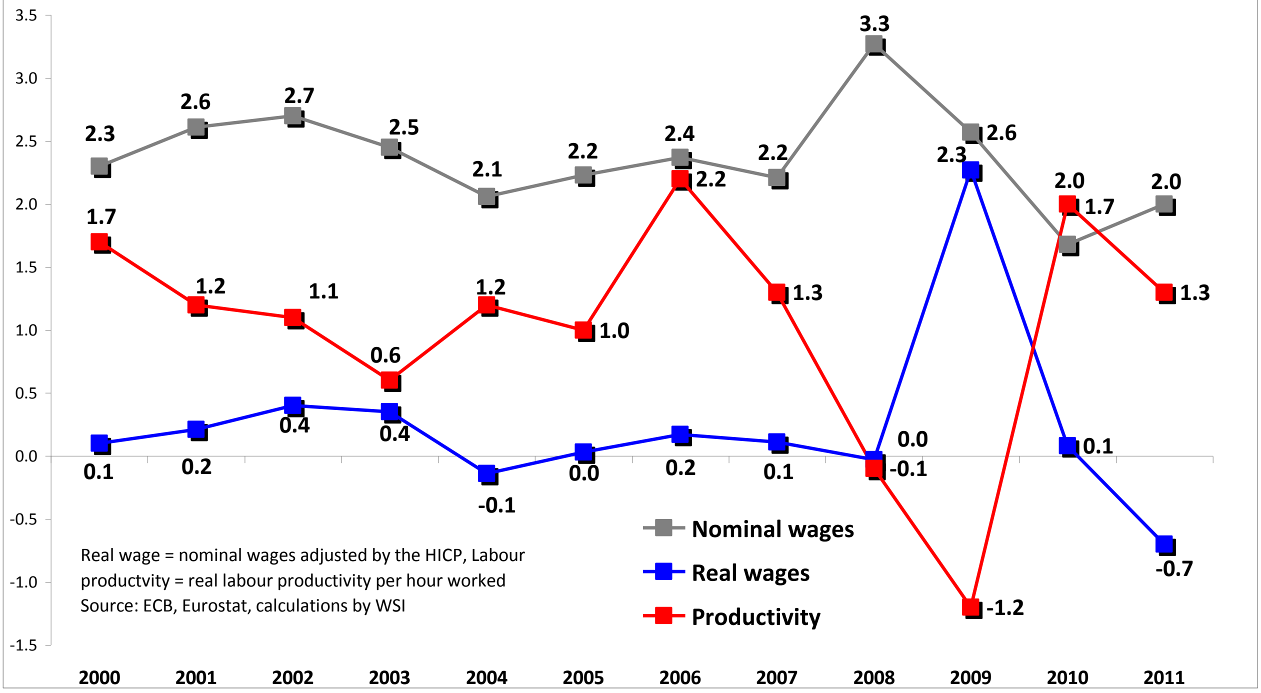
2. Developments of collectively agreed wages in Europe

2.1 Developments in the Euro area

There is only one 'official' European database on collectively agreed wages which is the 'indicator of negotiated wage rates' of the European Central Bank which is calculated as an aggregate figure for the whole Euro area (ECB, 2002). Since the ECB does not publish the underlying national data, the ECB indicator of negotiated wage rates contains only a rough calculation at a highly aggregated level with no information for a European comparative analysis. The indicator is considered by the ECB itself as 'experimental data', i.e. statistics that are not yet fully developed in terms of coverage, rely on somewhat different source data, are not based on Euro area-wide harmonised definitions or rely heavily on estimation techniques using substantial assumptions (Schubert, 2012). The ECB indicator of negotiated wage rates is based on non-harmonised data of 10 countries which includes all larger countries and covers more than 95 per cent of the Euro area (Schulten, 2011). However, the figures for France are based on national indicators which describe *actual* rather than *collectively agreed* wage increases (ECB, 2002).

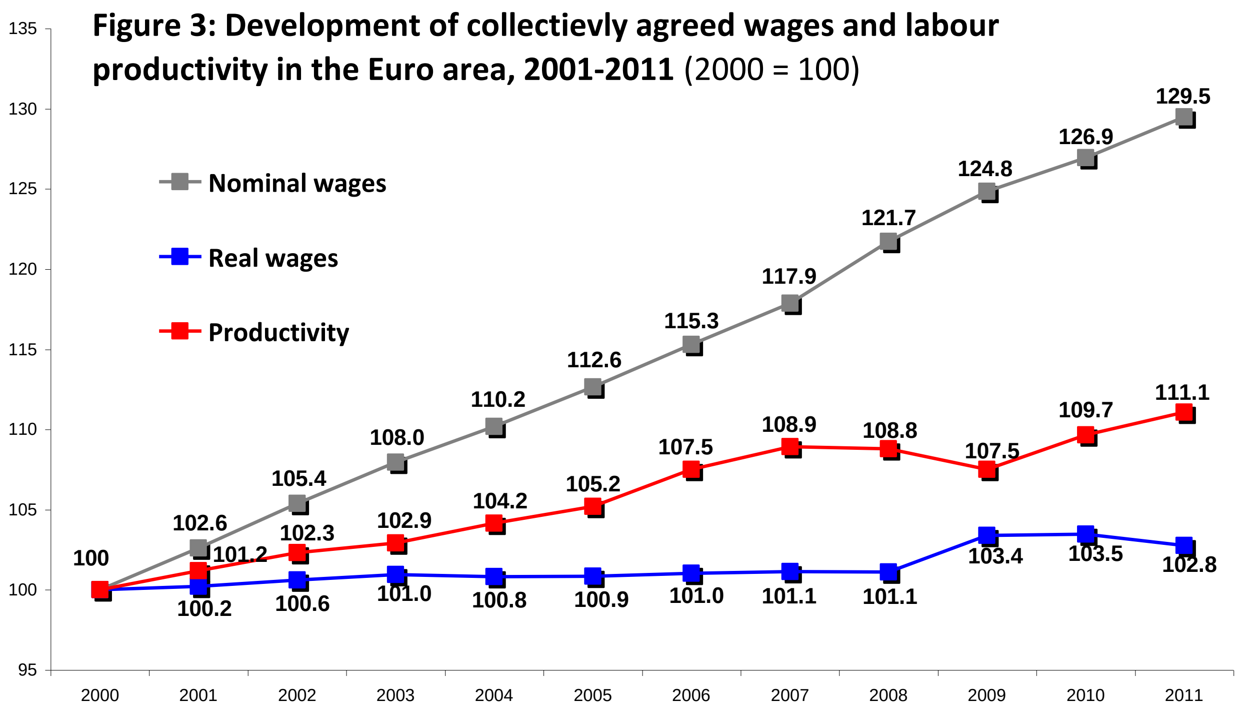
Although there are some serious methodological data restrictions, the ECB indicator of negotiated wage rates provides at least a rough overview on the development of collectively agreed wages in the Euro area (see: *Figure 2*). Assessing the period between 2000 and 2011, the collectively agreed wage increases have shown a rather stable pattern. In most years the nominal wage growth varies between 2.2 and 2.7 per cent. On major exception has been the year 2008 with a wage growth of 3.3 per cent reflecting a stronger growth of inflation in this year. Following the economic crisis in 2009, collectively agreed wage developments have react with a certain time lag leading to somewhat lower growth rates of 1.7 per cent in 2010 and 2.0 per cent in 2011.

Figure 2: Development of the ECB indicator of negotiated wage rates and labour productivity for the Euro area 2000-2011 – in % to the previous year –



Adjusted by the development of the harmonized index of consumer prices for the Euro area, the *real* development of collectively agreed wages has been extremely moderate with only minor increases during the 2000s. The only exception was the crisis year 2009 when a sharp drop of inflation provided a relatively high real wage growth, which, however, was followed by a decrease of real wages in the following years.

In most years of the 2000s increases of real wages clearly lack behind productivity growth. The exception was again the crisis year 2009 with its sharp decrease of labour productivity. In the following years, however, the relation between real wage and productivity growth turned again, whereby the former significantly lacked behind the latter. All in all, between 2001 and 2011 the development of real collectively agreed wages lacked more than 8 percentage points behind the growth of real labour productivity (*Figure 3*) leading to a significant redistribution from labour to capital income.



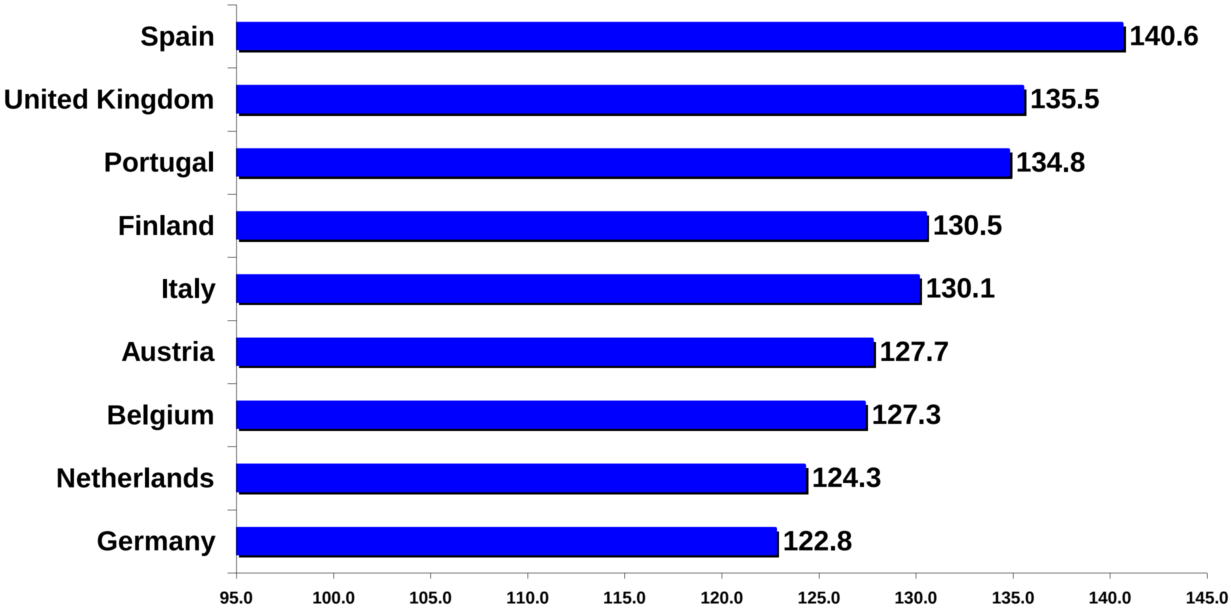
Real wage = nominal wages adjusted by the HICP, Labour productvity = real labour productivity per hour worked
Source: ECB, Eurostat, calculations by the WSI

2.2 National developments

While there was a rather stable development of collectively agreed wages at the aggregate level of the Euro area, the picture gets more diverse when analysing national wage developments.[6] Between 2001 and 2010 the nominal increases of collectively agreed wages showed substantial differences (*Figure 4*). At the lower end there was Germany with an increase of about 23 per cent followed by its neighbouring countries Austria, Belgium and the Netherlands which achieved increases between 24 and 28 per cent. At the upper end there was Spain, where nominal collectively agreed wages grew more that 40 per cent and, therewith, nearly twice as fast as in Germany. Relatively high increases with around 35 per cent could also be found in Portugal and the United Kingdom, while the growth rates in Finland and Italy were somewhere in the middle with around 30 per cent.

[6] The following analysis covers all countries involved in the CAWIE project with the exception of France, which is only partly considered as the French national database on collectively agreed wages covers so far only the period from 2003 to 2010 (Delahaie et.al. 2012).

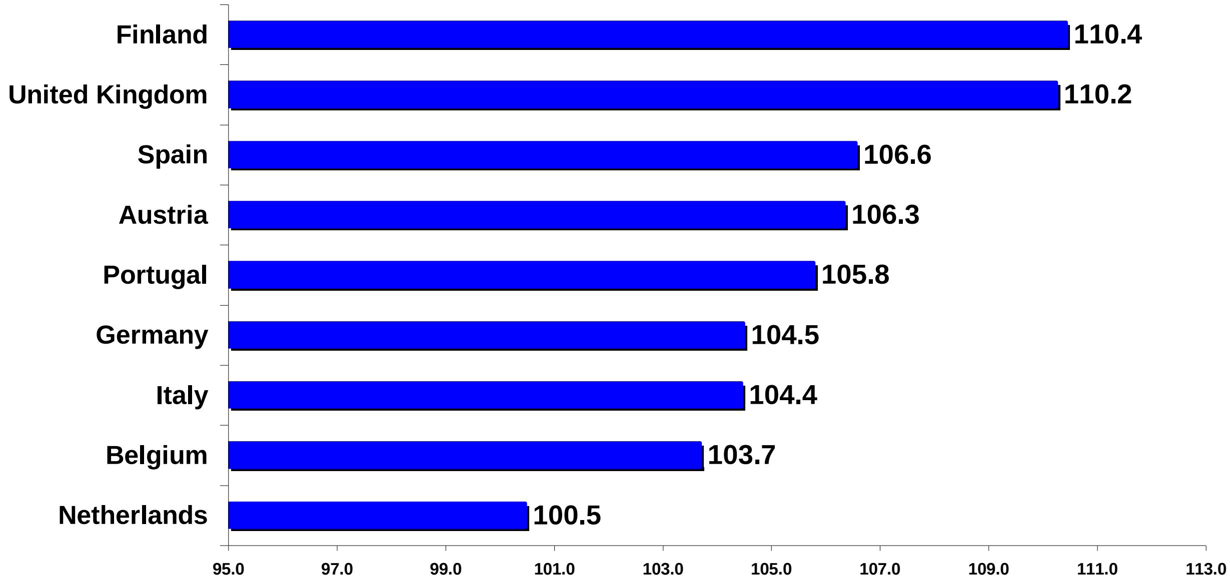
Figure 4: Development of *nominal* collectively agreed wages, 2001-2010 (2000 = 100)



Source: TURI Database on Collectively Agreed Wages in Europe

To a certain extent the differences in nominal wage increases reflect the differences in national price developments. However, even if nominal wages increases are adjusted by the development of the national HICP indices, there remain some significant differences in the growth rates of *real* collectively agreed wages (*Figure 5*). The highest increases in real terms took place in Finland and the UK with growth rate of more than 10 per cent. Austria, Portugal and Spain were in the middle with growth rates between 5.8 and 6.6 per cent, followed at the lower end by Belgium, Germany and Italy with growth rates between 3.7 and 4.5 per cent. An almost stagnating development could be observed in the Netherlands where real collectively agreed wages grew only about 0.5 per cent. Over the last decade the Netherlands as well as Germany, Italy and Portugal saw in some years even a decrease of collectively agreed wages in real terms (*Figure 7*).

Figure 5: Development of *real* collectievly agreed wages, 2001-2010 (2000 = 100)

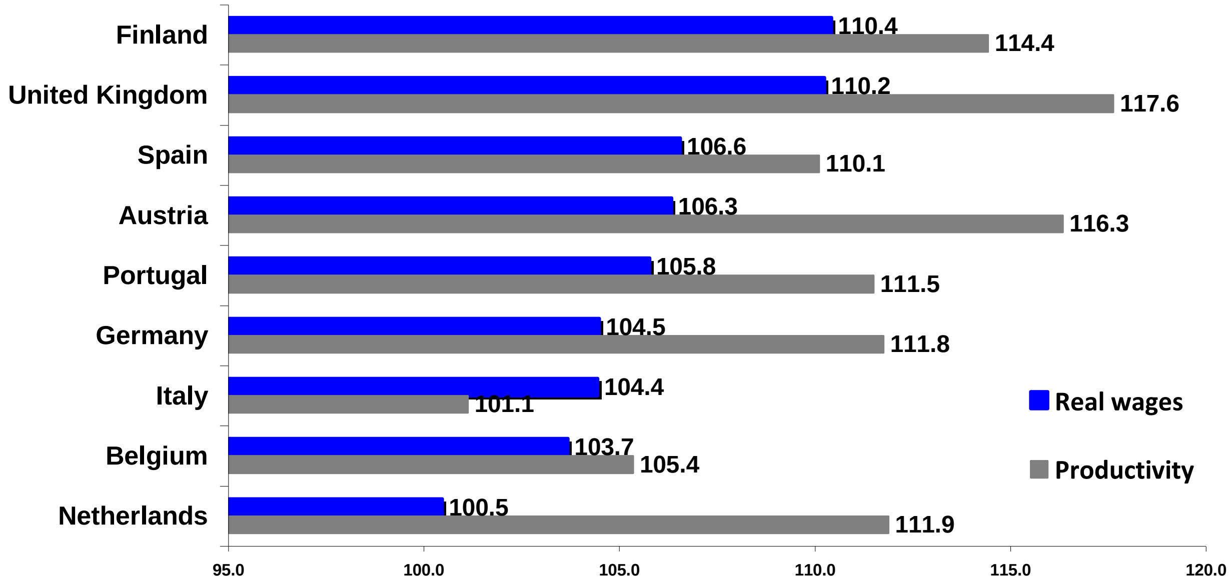


Real wages = nominal wages adjusted by the HICP
Source: TURI Database on Collectively Agreed Wages in Europe

With the exception of Italy, in all countries involved in the CAWIE project real collectively agreed wage increases strongly lacked behind the growth of real labour productivity during the 2000s (*Figure 6 and 7*). This phenomenon was most pronounced in Austria and the Netherlands where the differences between real wages and productivity growth were more than 10 percentage points, followed by the UK and Germany with differences of 7 percentage points. In some countries (e.g. Finland, Germany, the Netherlands and the UK) the lag of real wage growth would have been even larger, if the crisis year of 2009 would not have led to a relatively sharp decrease of productivity (*Figure 7*).

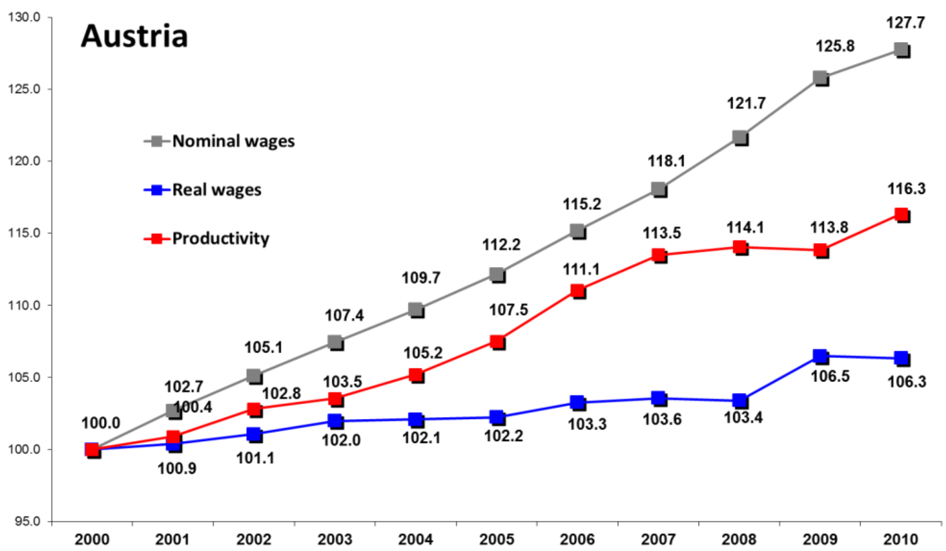
The most close relation between real wage growth and productivity could be found in Belgium where over the decade the differences was only 1.5 percentage points. In Italy real wage growth also followed closely the increase of productivity with the exception of the years 2009 and 2010 when the gap between both widened somewhat as the result of a decrease in productivity and some stronger real wage growth.

Figure 6: Development of *real* collectievly agreed wages and labour productivity, 2001-2010 (2000 = 100)



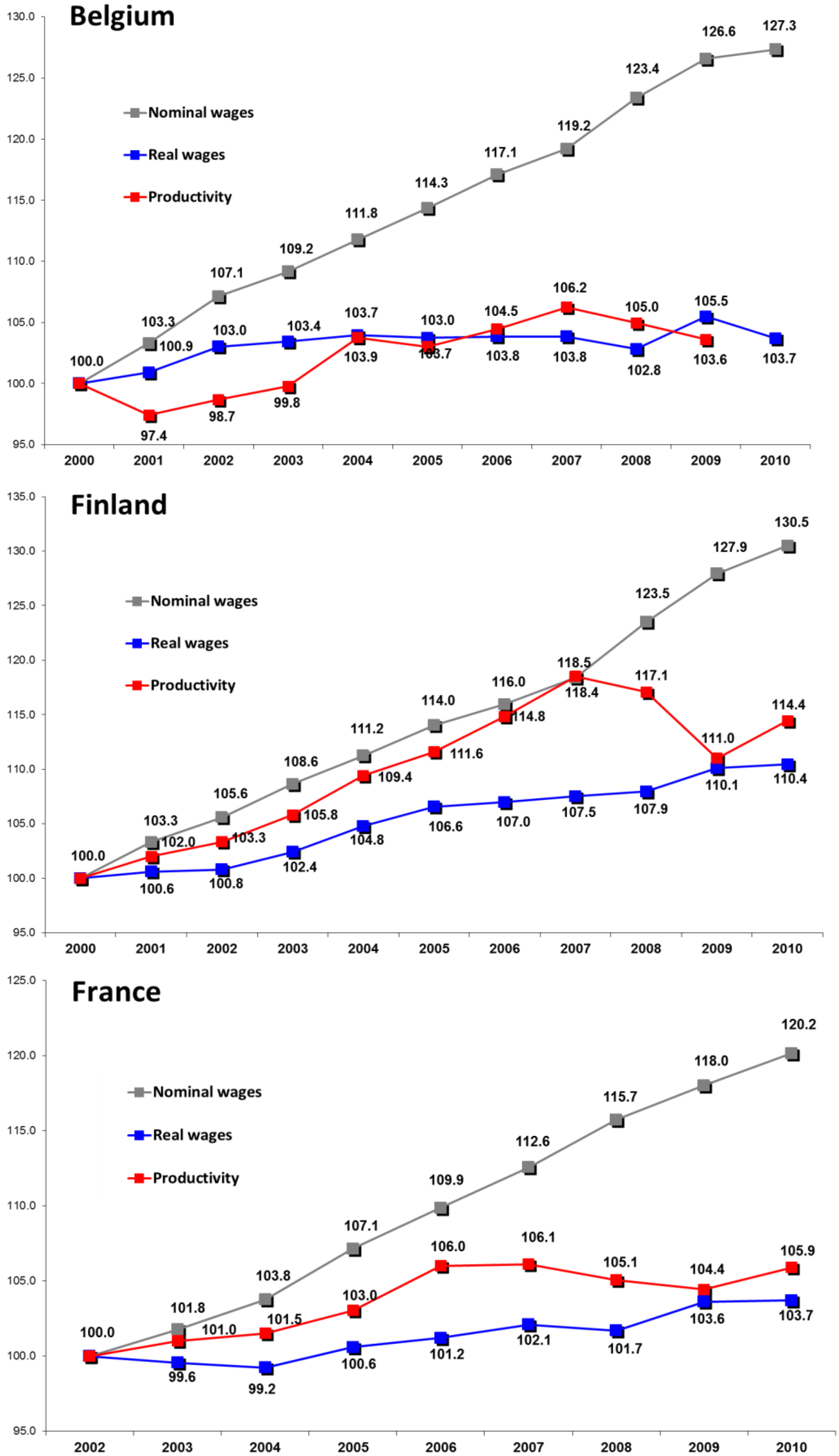
Real wages = nominal wages adjusted by the HICP, Labour productvity = real labour productivity per hour worked
Source: TURI Database on Collectively Agreed Wages in Europe, Eurostat, National accounts

Figure 7: Development of collectively agreed wages and labour productivity



Real wages = nominal wages adjusted by the HICP, Labour productivity = real labour productivity per hour worked
Source: TURI Database on Collectively Agreed Wages in Europe, Eurostat, National accounts, calculations by the WSI

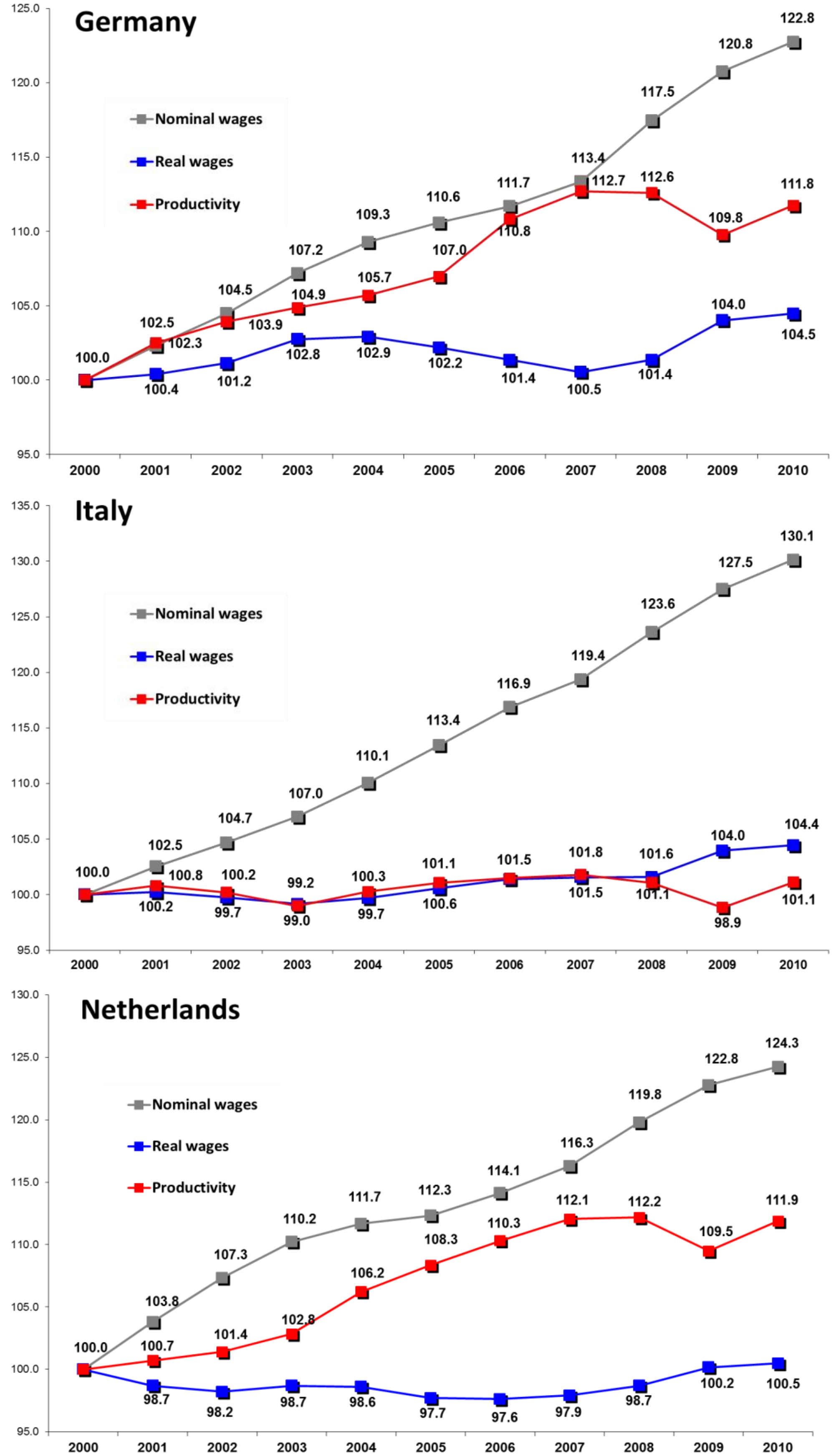
Figure 7: Development of collectively agreed wages and labour productivity



Real wages = nominal wages adjusted by the HICP, Labour productivity = real labour productivity per hour worked

Source: TURI Database on Collectively Agreed Wages in Europe, Eurostat, National accounts, calculations by the WSI

Figure 7: Development of collectively agreed wages and labour productivity



Real wages = nominal wages adjusted by the HICP, Labour productivity = real labour productivity per hour worked

Source: TURI Database on Collectively Agreed Wages in Europe, Eurostat, National accounts, calculations by the WSI

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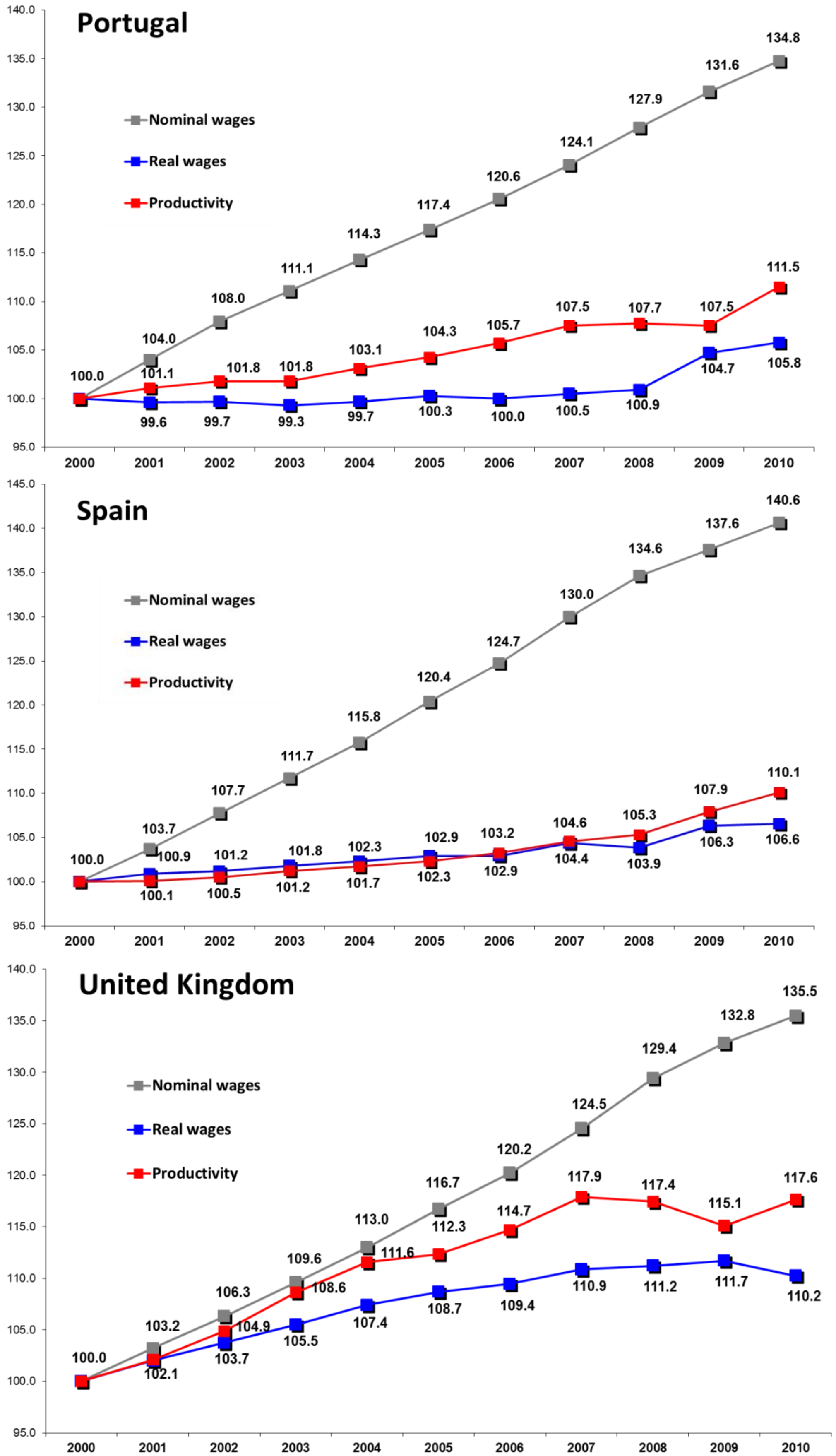


Real wages = nominal wages adjusted by the HICP, Labour productivity = real labour productivity per hour worked

Source: TURI Database on Collectively Agreed Wages in Europe, Eurostat, National accounts, calculations by the WSI

2.2 Sectoral developments

Considering the sectoral differences in the development of collectively agreed wages there is no clear picture. Comparing the developments in manufacturing, construction, finance and retail with the total economy, every country seems to have its own order of sectors and every sector has its own order of countries (*Table 1 and Figure 8-11*). In four countries (Belgium, Germany, the Netherlands and Portugal) the highest increase of collectively agreed wages could be found in manufacturing, while in Austria and Finland it was finance and in Italy, Spain and the UK it was construction (*Table 1*). Three countries (Austria, Germany and Portugal) had the lowest increase of collectively agreed wages in construction, another three countries (Belgium, Italy and Spain) had it in Finance, while in the Netherlands and the UK the lowest increase was in the retail sector and in Finland it was even in manufacturing.

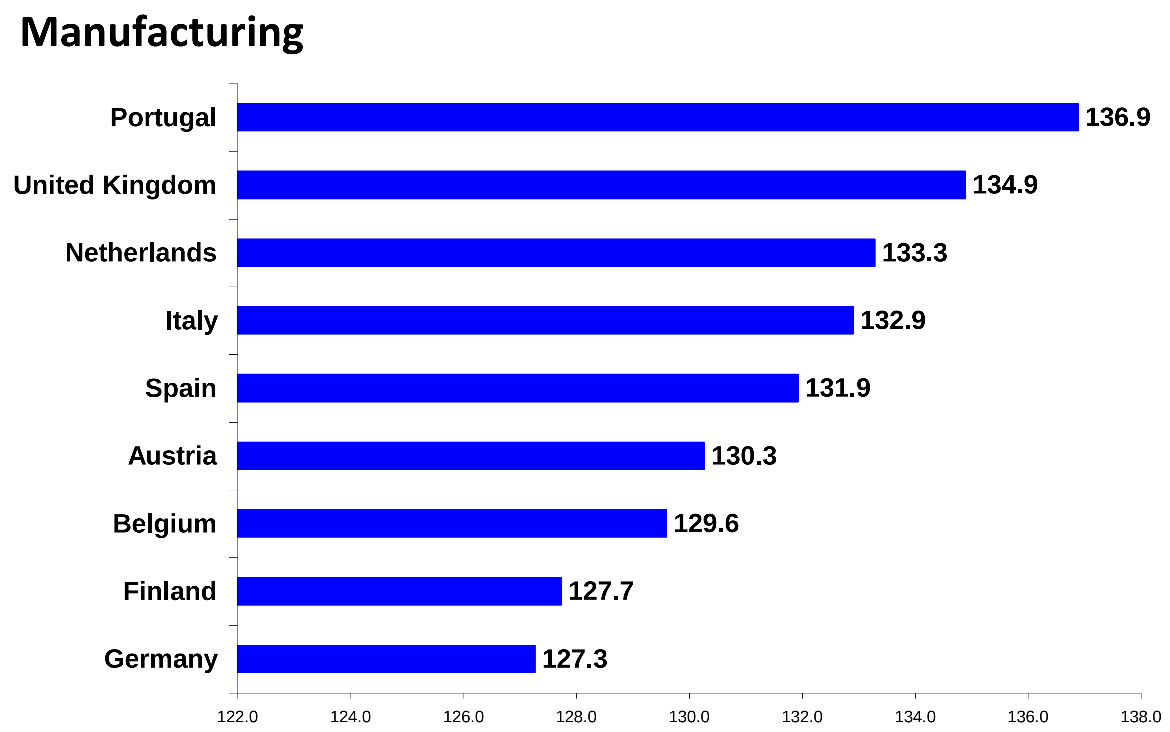
Table 1: Order of sectors from the highest (1) to the lowest (5) increase of collectively agreed wages, 2001-2010

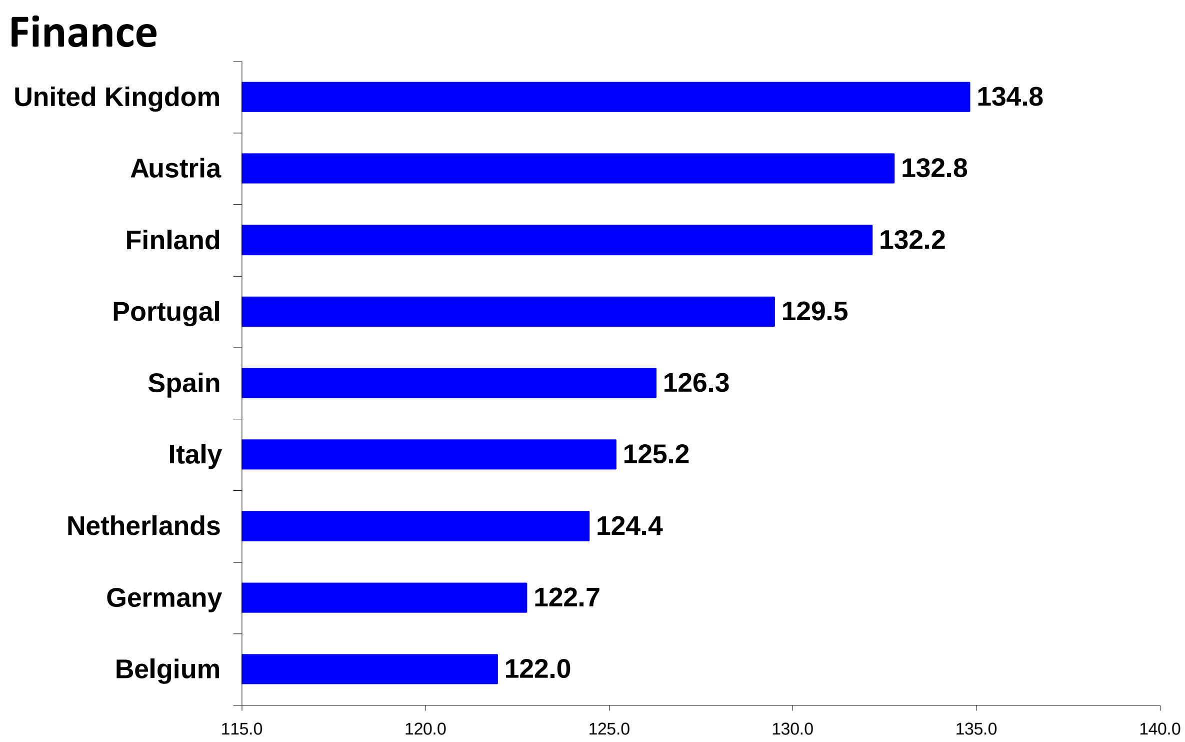
	1	2	3	4	5
Austria	Finance	**Total Economy**	Retail	Manufacturing	Construction
Belgium	Manufacturing	Retail	Construction	**Total Economy**	Finance
Finland	Finance	Construction	Retail	**Total Economy**	Manufacturing
Germany	Manufacturing	**Total Economy**	Finance	Retail	Construction
Italy	Construction	Manufacturing	Retail	**Total Economy**	Finance
Netherlands	Manufacturing	**Total Economy**	Construction	Finance	Retail
Portugal	Manufacturing	**Total Economy**	Retail	Finance	Construction
Spain	**Total Economy**	Construction	Retail	Manufacturing	Finance
UK	Construction	**Total Economy**	Manufacturing	Finance	Retail

Source: TURI Database on Collectively Agreed Wages in Europe

Comparing the different sectors, in manufacturing and retail the highest growth rates of collectively agreed wages were achieved in Portugal, while in finance and construction the order of countries with the highest wage growth was led by the UK. In three out of four sectors (manufacturing, retail and construction) the lowest wage increases could be observed in Germany, while in finance it was in Belgium.

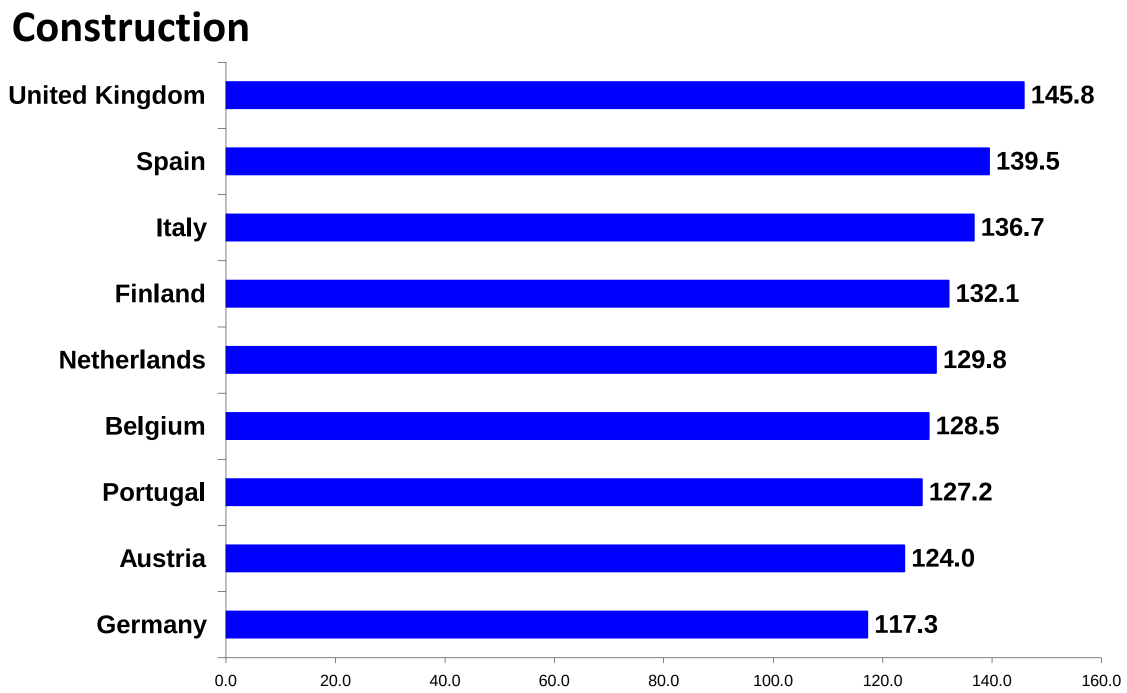
Figure 8: Development of collectively agreed wages 2001-2010
(2000 = 100)

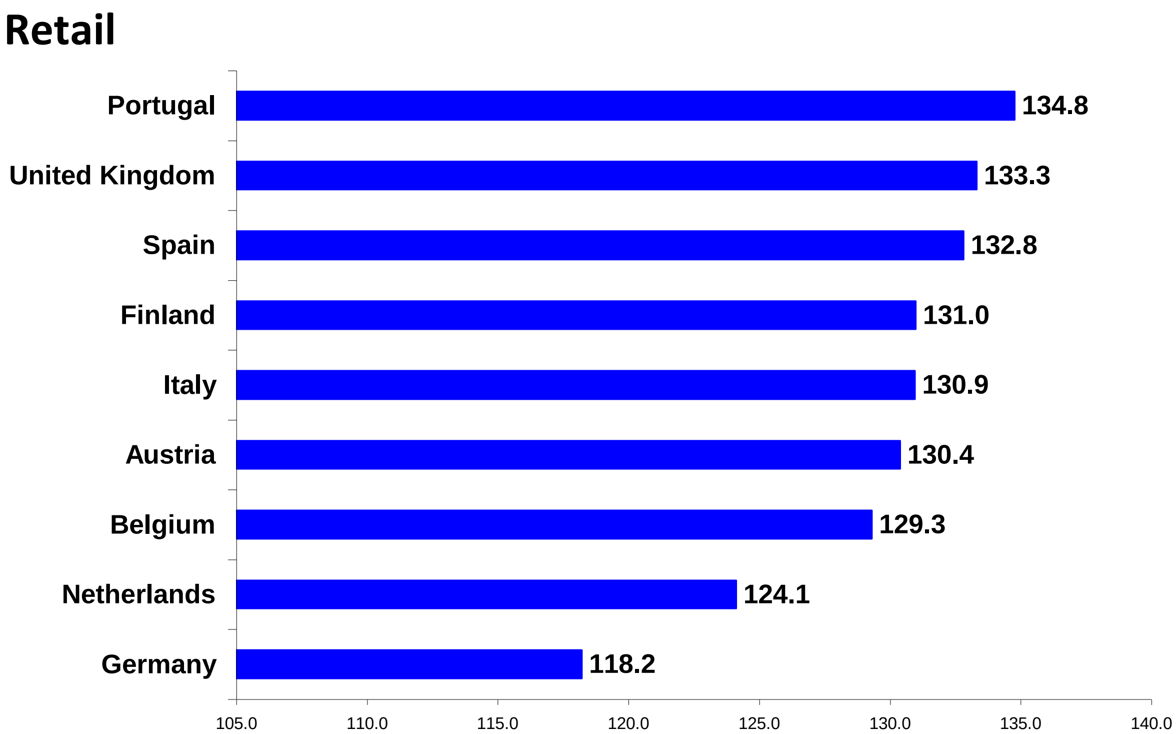




Source: TURI Database on Collectively Agreed Wages in Europe, calculations by the WSI

Figure 8: Development of collectively agreed wages 2001-2010
(2000 = 100)





Source: TURI Database on Collectively Agreed Wages in Europe, calculations by the WSI

3. Wage drift in Europe

One instrument to measure the influence of collective bargaining on the overall development of wages is the so-called wage drift, i.e. the difference in the development of collectively agreed and actual wages. There are, however, some significant methodological problems of measuring the wage drift, as there are different ways to measure 'actual' wages which usually do not correspond exactly with the measurement of collectively agreed wages.[7] Usually, data on actual wages are provided either as part of the national accounts or by special national wage statistics. A comparison of both sources of data often find significant differences with a tendency that national accounts might underestimate while special wage statistics often overestimate actual wage developments (Vandekerckhove et.al. 2012).

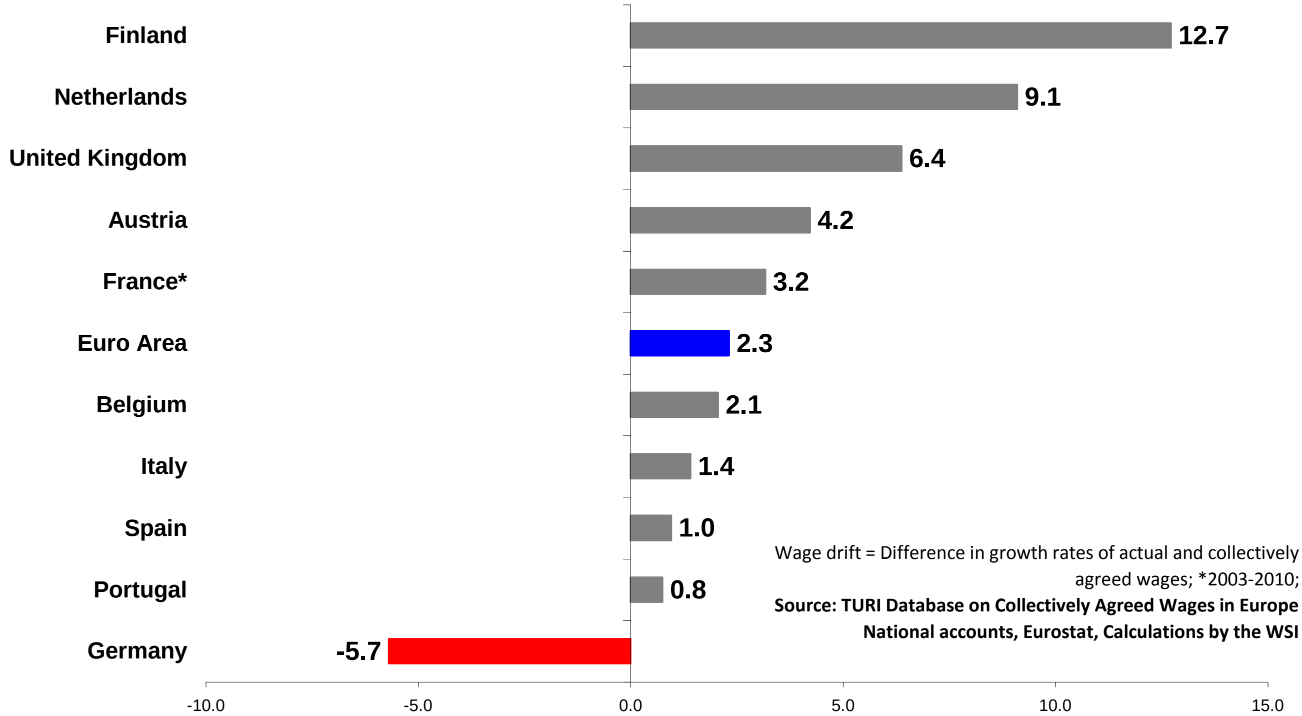
For the reason of comparability and availability of the data the following measurement of wage drift is based on a comparison between collectively agreed wages developments as provided by the TURI-Database and actual developments of wages per hour as provided by the Eurostat on the basic of national accounts. Hence, between 2001 and 2010 all countries involved in the CAWIE project except of Germany showed a positive wage drift, which means that on average actual wages grew faster than collectively agreed wages (*Figure 9*). The wage drift was most pronounced in Finland where over the last decade the difference between collectively agreed and actual wage growth was nearly 13 percentage points. Therewith, the wage drift accounted for roughly one-third of the average wage growth in Finland (Sauramo 2012).

The second largest wage drift could be observed in the Netherlands where the growth of actual wages was about nine percentage points above the growth of collectively agreed wages.[8] A more significant positive wage drift was also achieved in the UK, Austria and France (the latter for the period 2003-2010). In contrast to that, the wage drift in Belgium, Italy, Spain and Portugal was only slightly positive, so that wage dynamics were mainly driven by collectively agreed wages.

[7] One remarkable exception can be found in Finland, where the 'index of negotiated wages and salaries' is constructed as a subgroup out of the more broader 'index of wages and salaries' (Sauramo 2012).

[8] This contradicts to a certain extend the findings of the national CAWIE report on the Netherlands, which on the basis of national wage data finds only a relatively small positive wage drift (van Klaveren and Tijdens 2012).

Figure 9: Wage drift 2001-2010 – in percentage points –

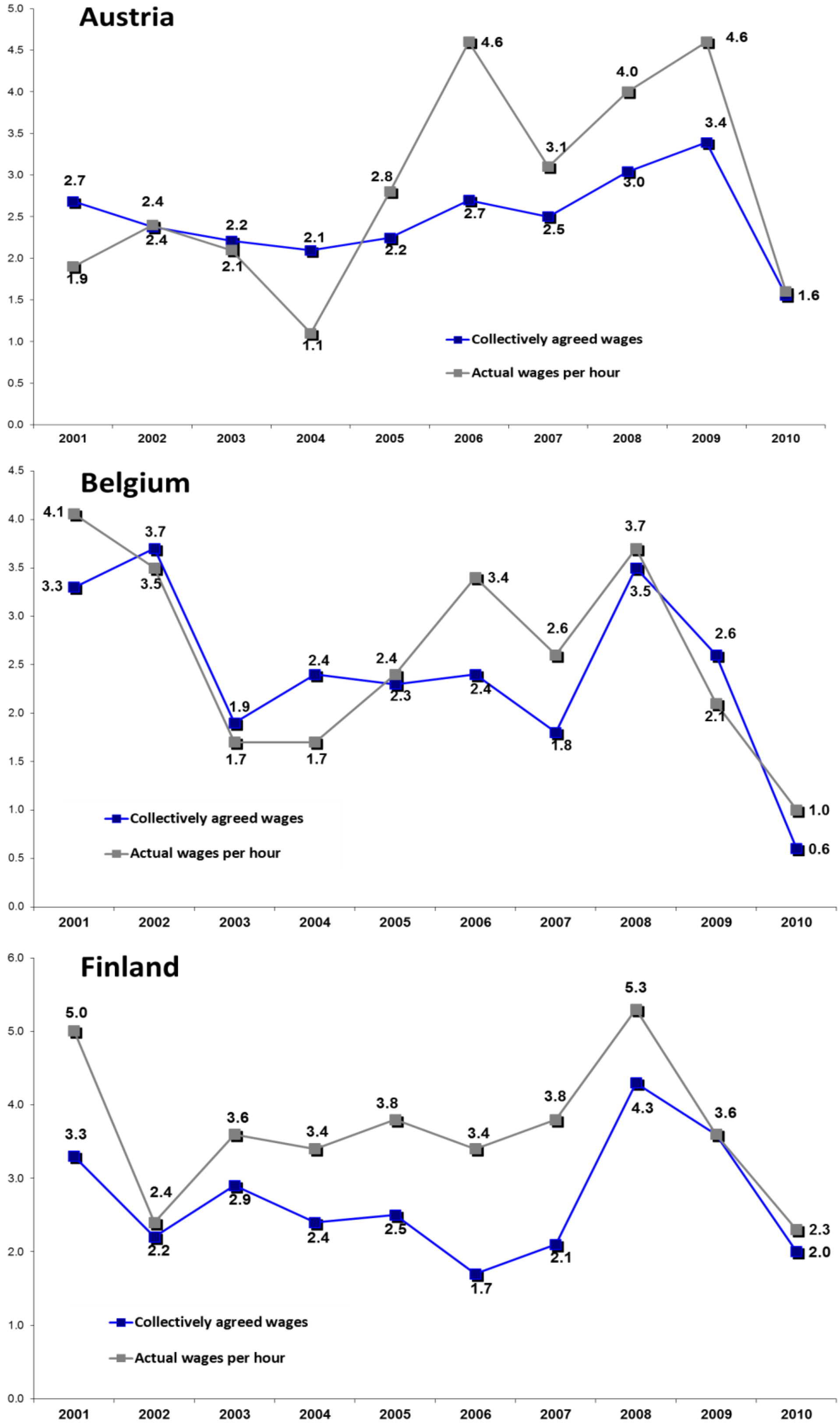


Wage drift = Difference in growth rates of actual and collectively agreed wages; *2003-2010;
Source: TURI Database on Collectively Agreed Wages in Europe National accounts, Eurostat, Calculations by the WSI

Finally, as a rather exceptional case Germany was the only country with a relatively strong negative wage drift. During the 2000s the average growth of actual wages was nearly six percentage points below the average increase of collectively agreed wages. The latter is mainly the results of a steady decline in the German collective bargaining coverage which has been even most pronounced in the low wage sectors. Moreover, the strong negative wage drift in Germany was also supported by growing opportunities for companies to deviate from multi-employer agreements (Bispinck and Schulten 2012).

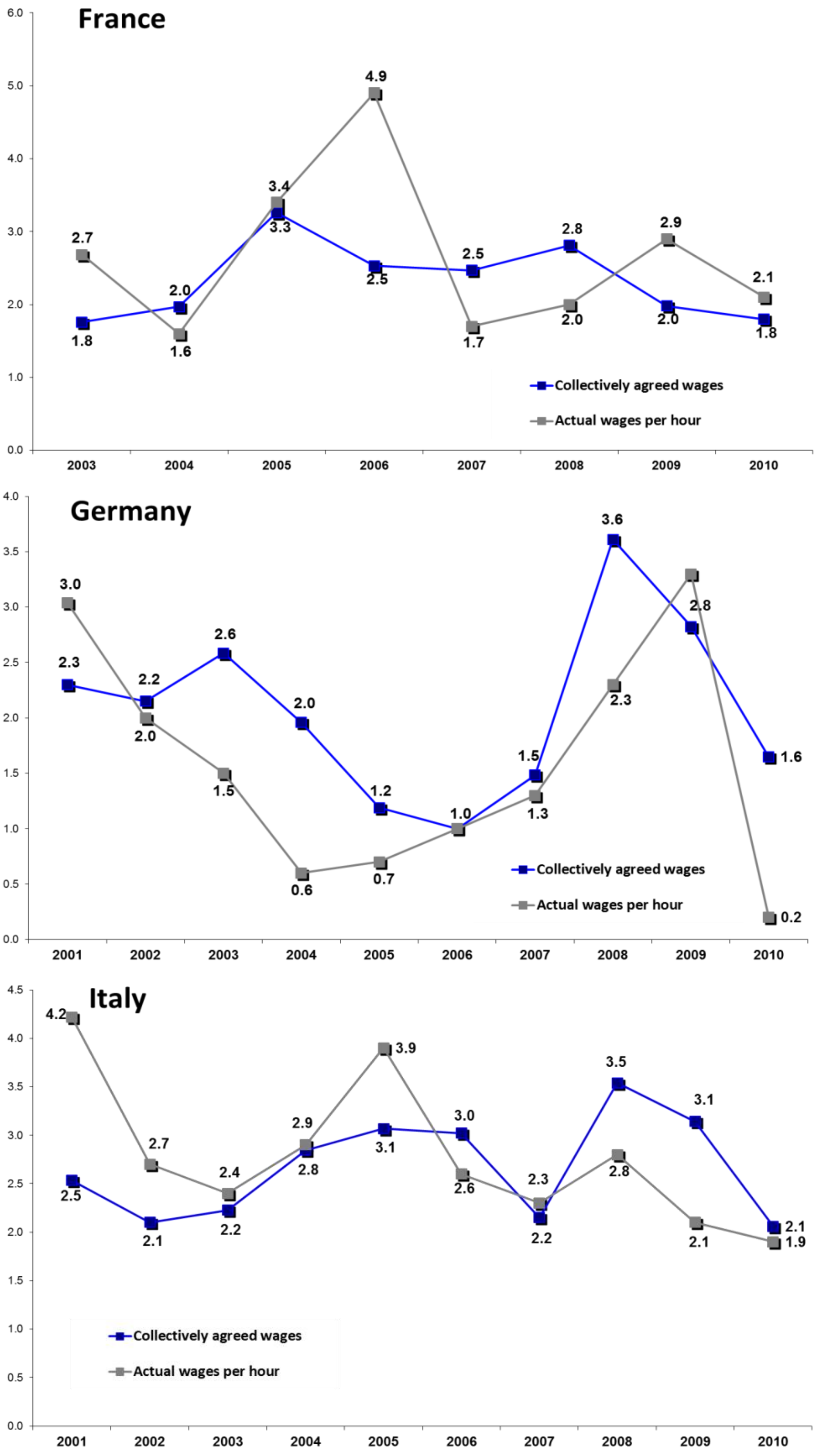
All in all, in most of the countries involved in the CAWIE project the development of collectively agreed wages has shown a much more stable pattern, while actual wage developments is much more diverse and influenced by more short-term and cyclical factors (*Figure 10*).

Figure 10: Development of collectively agreed and actual wages
– in % to the previous year –



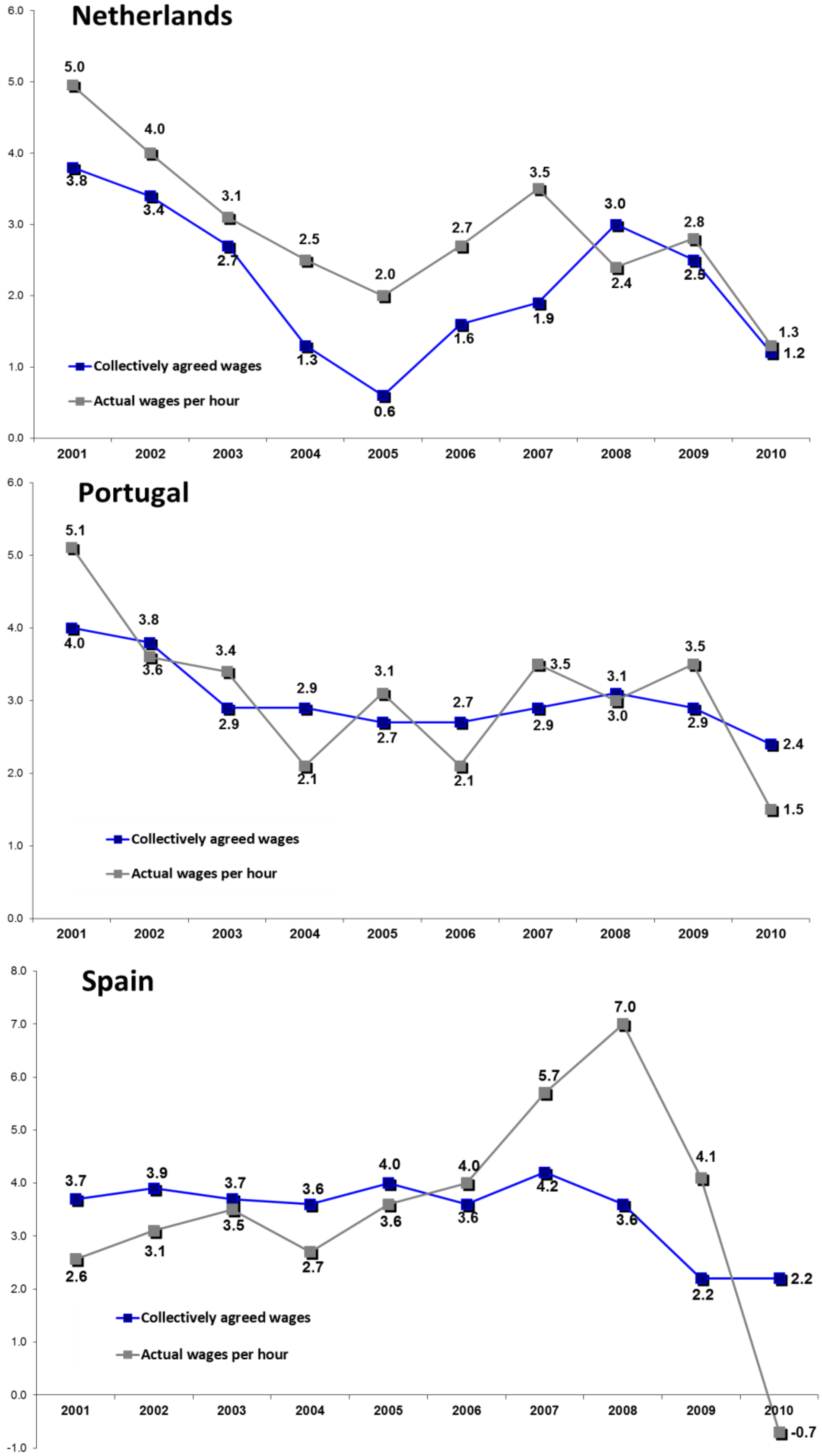
Source: TURI Database on Collectively Agreed Wages in Europe, National accounts, Eurostat, Calculations by the WSI

Figure 10: Development of collectively agreed and actual wages
– in % to the previous year – (continued)



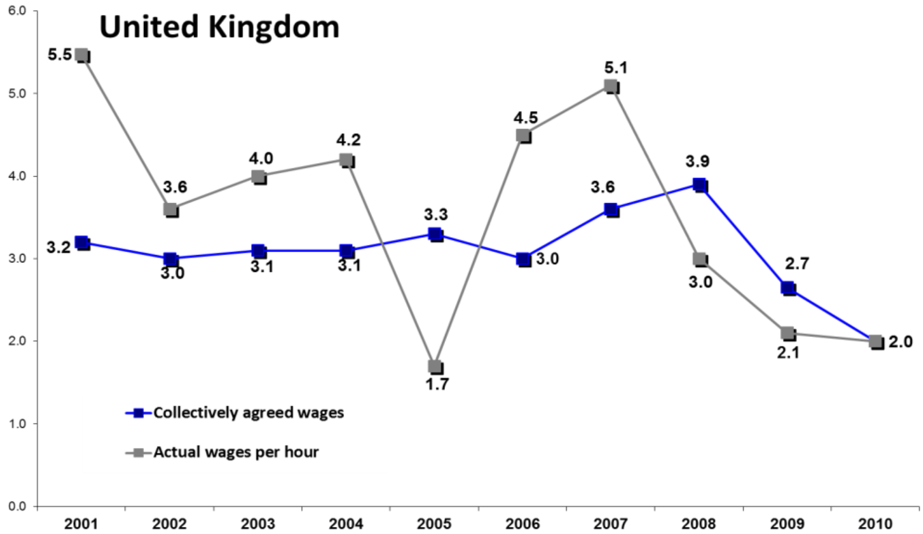
Source: TURI Database on Collectively Agreed Wages in Europe, National accounts, Eurostat, Calculations by the WSI

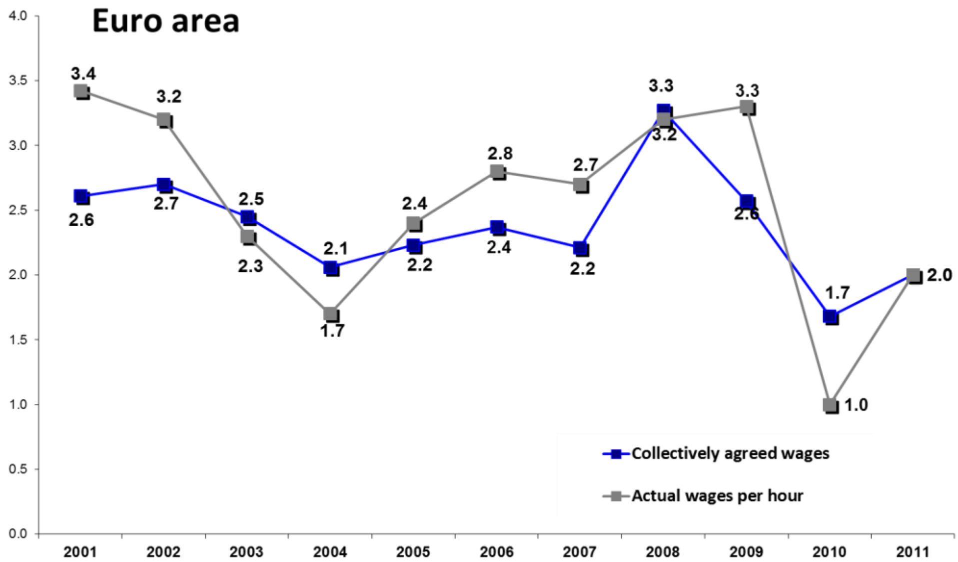
Figure 10: Development of collectively agreed and actual wages
– in % to the previous year – (continued)



Source: TURI Database on Collectively Agreed Wages in Europe, National accounts, Eurostat, Calculations by the WSI

Figure 10: Development of collectively agreed and actual wages
– in % to the previous year – (continued)





Source: TURI Database on Collectively Agreed Wages in Europe, National accounts, Eurostat, Calculations by the WSI

4. Conclusion

During the 2000s the overall development of collectively agreed wages in Europe has shown a rather stable pattern. The overall wage growth was rather moderate, while in many European countries workers received only rather small increases in real terms. In almost every country the development real wages growth lacked significantly below productivity growth leading to a continuing decline of the wage share and a further redistribution from labour to capital income. These principle findings of the CAWIE project hold also true when the positive wage drift is considered which in many countries has led to a somewhat faster growth of actual wages.

The restrictive wage developments in Europe had rather ambiguous effects. On the one hand they were rather positive for the development of profits and helped to increase the price competitiveness. On the other hand they had a clear dampening effect on the development of private demand. Since the Euro area in total is based on a demand-led rather than a profit-led economic development regime, in net terms the restrictive wage developments had a negative impact for the development of growth and employment (Stockhammer and Onaran 2012; Onaran and Galanis 2012).

In none of the countries considered by the CAWIE project, there is any evidence that wage developments determined by collective agreements have been 'too expensive' and therewith would have created economic problems in terms of competitiveness. This is an astonishing result in so far, as currently within the framework of the new European economic governance some EU policies are focusing very much on 'structural reforms' at the labour market aiming freezes and cuts in wage developments and more fundamental changes of collective bargaining systems (Schulten and Müller 2013). Although there is no evidence at all, that certain collective bargaining systems determines a certain bargaining outcome pr even a certain macroeconomic performance (Aidt and Tzannatos 2008, Traxler and Brandl 2011), some EU policies seems to follow a one-fits-all strategy and promotes the decentralisation or even the decline of collective bargaining as "employment-friendly reforms" (European Commission 2012a).

However, if there has been a problem with wages in Europe at all, it has been the remarkably low wage development in Germany. The latter is to a large extent the result of a strong negative wage drift which indicates a partial erosion of the German collective bargaining system. As an economic consequence, Germany is relying very much on an export-led growth model with a comparatively weak development of its domestic market. If now some policies within the EU treat Germany as a ‘model’ to overcome the economic crisis, this is simply based on a fallacy of the concept of competition as not all European countries can become surplus countries at the same time. Instead of promoting a “race to the bottom scenario” in European wage developments, it might be economically more reasonable to strengthen collective bargaining institutions in order to promote adequate wage increases for a more balanced and sustainable economic development.

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Annex

TURI Database on Collectively Agreed Wages in Europe

A1: Austria

Collectively agreed wages in Austria, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1995	3.4	3.7	3.7	3.6	3.2	2.9
1996	2.4	3.3	2.7	2.9	2.4	0.3
1997	1.7	2.7	2.6	2.0	1.5	0.0
1998	2.3	2.6	2.2	1.7	1.7	2.2
1999	2.5	2.8	2.1	2.1	1.9	2.7
2000	2.1	2.3	2.2	1.8	1.5	1.6
2001	2.7	3.0	2.2	2.7	2.7	2.1
2002	2.4	2.8	2.4	2.5	2.8	1.2
2003	2.2	2.2	2.0	2.1	2.2	2.4
2004	2.1	2.1	1.9	1.9	2.0	2.3
2005	2.2	2.4	2.2	2.1	2.4	2.3
2006	2.7	2.8	2.4	2.6	2.9	2.7
2007	2.5	2.5	2.5	2.3	2.4	2.4
2008	3.0	3.3	3.3	3.3	3.1	2.8
2009	3.4	3.0	3.6	3.7	3.2	3.5
2010	1.6	1.6	1.9	1.5	1.6	1.1
2011	2.0	2.4	2.4	2.2	2.1	1.2

Source: Statistik Austria, Tariflohnindex 1986 and 2006

A2: Belgium

Collectively agreed wages in Belgium, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances
1998	2.2	2.3	3.0	1.9	1.5
1999	1.6	2.1	1.9	1.3	0.9
2000	2.8	3.0	3.5	2.3	3.6
2001	3.3	3.7	4.2	3.5	3.0
2002	3.7	3.7	4.6	2.8	3.1
2003	1.9	1.9	2.1	2.2	1.5
2004	2.4	2.7	2.4	2.9	1.6
2005	2.3	2.4	2.6	2.6	2.1
2006	2.4	2.7	2.8	2.6	1.8
2007	1.8	1.8	1.8	2.0	1.7
2008	3.5	3.5	2.7	4.3	3.7
2009	2.6	2.8	2.0	2.0	1.1
2010	0.6	1.1	0.3	1.2	0.6
2011	2.7	2.7	2.8	3.0	2.8

Source: Federal Public Service Employment, Labour and Social Dialogue (Ministry of Labour), "Indexcijfer van de conventionele lonen" (Index of negotiated wages)

A3: Finland

Collectively agreed wages in Finland, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1996	3.1	2.5	3.0	3.8	3.9	3.4
1997	1.4	1.3	1.2	1.4	1.3	1.5
1998	2.7	2.3	2.3	3.3	2.5	2.8
1999	1.8	1.8	1.7	2.0	1.7	1.8
2000	2.9	2.8	3.0	2.6	2.9	2.8
2001	3.3	3.1	3.0	3.7	3.7	3.3
2002	2.2	2.2	2.2	2.3	2.2	2.3
2003	2.9	2.6	2.5	2.9	3.1	2.9
2004	2.4	2.3	2.3	2.4	2.5	2.4
2005	2.5	2.4	2.5	2.6	2.5	2.5
2006	1.7	1.7	1.8	1.7	1.9	1.6
2007	2.1	2.5	2.0	1.8	3.1	2.1
2008	4.3	3.5	4.9	4.9	3.7	4.2
2009	3.6	3.3	5.2	3.4	4.0	3.8
2010	2.0	1.2	1.9	1.7	1.6	2.7
2011	2.0	1.8	2.1	2.6	2.2	2.1

Source: Statistics Finland, Index of negotiated wages and salaries

A4: France

Collectively agreed wages in France, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances
2003	1.8	2.6	1.9		0.8
2004	2.0	2.2	2.7	1.1	2.0
2005	3.3	2.6	3.8	1.0	2.4
2006	2.5	2.4	3.9	4.0	2.1
2007	2.5	2.4	3.0	3.2	2.4
2008	2.8	2.4	3.4	2.1	0.9
2009	2.0	1.8	2.0	1.1	2.8
2010	1.8	0.7	1.0	0.9	0.6

Source: Dares (Statistical services of the Ministry of Labour, Employment and Health)

A5: Germany

Collectively agreed wages in Germany, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1996	3.4	4.4	2.7	3.3	2.4	2.1
1997	1.5	1.5	1.7	1.0	1.2	1.4
1998	1.9	2.0	1.3	2.5	2.0	1.9
1999	2.6	2.7	2.3	2.4	2.3	2.8
2000	2.1	2.4	1.9	3.1	2.0	1.3
2001	2.3	2.4	1.6	3.0	2.7	2.8
2002	2.2	2.5	1.0	1.7	2.7	2.3
2003	2.6	2.7	2.2	2.8	2.4	2.7
2004	2.0	2.3	1.1	2.0	2.3	2.2
2005	1.2	1.5	0.0	1.0	1.4	0.5
2006	1.0	2.0	0.9	0.3	1.2	0.1
2007	1.5	3.0	1.7	0.8	1.5	0.2
2008	3.6	3.0	2.7	1.6	2.9	5.4
2009	2.8	3.0	2.6	1.7	2.2	2.9
2010	1.6	1.8	2.4	2.1	1.4	1.7
2011	1.5	2.1	1.9	2.0	1.3	1.0

Source: German Statistical Office (Destatis)

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1998	1.8	1.8	1.3	2.4	1.5	1.9
1999	3.0	3.2	2.0	3.3	3.1	3.2
2000	2.4	2.6	1.6	3.0	2.0	1.9
2001	2.1	2.0	1.6	2.8	3.2	1.8
2002	2.7	3.1	1.8	2.6	2.4	2.1
2003	2.5	2.4	3.0	2.1	2.1	3.0
2004	2.0	2.2	2.4	1.8	2.4	1.8
2005	1.6	1.8	0.5	0.9	1.7	0.9
2006	1.5	2.3	0.7	1.0	2.1	0.5
2007	2.2	3.1	2.0	1.3	1.8	0.6
2008	2.9	2.7	3.0	1.2	2.7	4.4
2009	2.6	3.0	2.4	1.2	1.8	3.7
2010	1.8	1.4	2.4	2.4	1.8	0.9
2011	2.0	1.9	2.3	1.9	1.1	1.8

Source: WSI Collective Agreement Archive

A6: Italy

Collectively agreed wages in Italy, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1995	3.2	3.6	1.7	4.4	7.9	2.2
1996	4.1	3.3	3.0	3.8	5.7	6.0
1997	4.3	3.9	2.8	3.6	3.1	5.1
1998	2.4	2.8	3.2	4.4	0.4	1.1
1999	1.8	2.2	2.9	2.2	0.2	1.6
2000	1.9	2.0	2.8	2.0	1.6	1.1
2001	2.5	2.0	1.1	1.4	1.0	4.0
2002	2.1	2.8	2.5	3.4	2.1	1.1
2003	2.2	2.6	2.6	2.3	2.5	1.3
2004	2.8	3.0	4.1	1.8	1.6	2.8
2005	3.1	2.7	4.7	5.3	3.2	4.0
2006	3.0	3.4	2.9	1.7	2.2	2.8
2007	2.2	2.8	4.1	2.2	0.5	2.1
2008	3.5	3.4	3.8	2.1	5.4	3.8
2009	3.1	3.3	4.0	3.9	2.0	2.1
2010	2.1	2.8	2.1	3.3	2.3	1.5
2011	1.8	2.5	2.9	1.9	0.9	1.4

Source: ISTAT, Indice delle Retribuzioni Contrattuali

A7: Netherlands

Collectively agreed wages in the Netherlands, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
2001	3.8	3.9	4.9	4.3	3.4	3.6
2002	3.4	3.5	4.1	3.5	3.6	3.5
2003	2.7	2.5	2.8	2.7	2.7	2.4
2004	1.3	1.6	2.0	1.6	2.2	0.5
2005	0.6	0.9	1.2	0.3	1.3	0.3
2006	1.6	1.4	1.0	1.2	1.8	1.8
2007	1.9	1.7	1.8	1.8	2.2	3.0
2008	3.0	3.4	3.4	2.9	3.0	2.1
2009	2.5	2.7	3.6	2.5	2.5	1.8
2010	1.2	1.4	1.7	1.1	1.2	0.7

Source: Centraal Bureau voor de Statistiek (CBS)

A8: Portugal

Collectively agreed wages in Portugal, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail including motor vehicle sales and repair	Finance & Insurances
1995	5.0	5.4	4.5		4.8
1996	4.5	4.6	4.5		3.6
1997	3.6	3.7	3.5		3.4
1998	3.3	3.4	3.0		3.0
1999	3.6	3.5	4.1		3.2
2000	3.4	3.6	3.1	3.4	3.2
2001	4.0	3.8	3.8	4.1	3.9
2002	3.8	3.7	3.5	4.0	3.1
2003	2.9	2.9	2.6	3.2	2.5
2004	2.9	2.9	0.0	2.9	2.6
2005	2.7	2.8	2.7	2.7	2.6
2006	2.7	2.8	2.0	2.7	2.5
2007	2.9	2.9	2.6	2.8	2.7
2008	3.1	3.5	3.0	3.0	2.7
2009	2.9	3.2	2.3	2.9	2.0
2010	2.4	3.4	1.9	2.0	1.6

Source: DGERT, weighted average variation between wage tables, annualized

A9: Spain

Collectively agreed wages in Spain, in % to the previous year

	Total Economy	Manufacturing	Construction	Retail	Finance & Insurances	Public Administration
1995	3.7	3.6	3.5	3.7	3.0	3.7
1996	3.8	3.6	4.0	3.6	3.4	3.6
1997	3.0	2.7	2.8	2.8	3.0	0.7
1998	2.6	2.4	2.4	2.9	2.5	2.2
1999	2.7	2.3	2.3	2.3	2.3	1.9
2000	3.7	2.7	3.4	3.0	2.5	2.3
2001	3.7	3.1	4.1	3.4	2.3	2.1
2002	3.9	2.7	3.5	2.8	2.1	2.2
2003	3.7	2.9	4.7	3.1	2.5	2.3
2004	3.6	2.8	3.4	2.7	2.2	2.1
2005	4.0	2.9	2.9	2.9	2.6	3.7
2006	3.6	3.0	3.0	3.4	2.5	2.7
2007	4.2	3.0	3.6	3.1	2.3	2.2
2008	3.6	3.4	3.6	3.5	2.7	2.4
2009	2.2	2.1	3.5	1.9	1.7	3.0
2010	2.2	2.2	1.6	2.0	2.7	0.6
2011	2.5	2.8	1.5	2.7	2.2	0.0

Source: Statistics on collective agreements (MEYSS)

A10: United Kingdom

Collectively agreed wages in the United Kingdom, in % to the previous year

	Total Economy	Manufacturing*	Construction	Retail**	Finance & Insurances	Public Administration
1995	3.0	*3.3*	3.0	*3.0*	3.0	
1996	3.4	*3.3*	3.4	*3.2*	3.0	
1997	3.1	*3.4*		*3.0*	3.0	
1998	3.6	*4.0*	4.2	*3.5*	3.6	
1999	3.1	*2.8*	5.0	*3.4*	3.2	
2000	3.0	*2.7*	4.4	*2.9*	2.5	
2001	3.2	*3.0*	4.5	*2.9*	3.1	
2002	3.0	*2.5*	5.0	*2.5*	2.4	
2003	3.1	*3.1*	4.9	*3.2*	2.5	
2004	3.1	*3.0*	4.3	*3.1*	3.0	2.9
2005	3.3	*3.5*	3.7	*3.1*	3.1	3.0
2006	3.0	*3.0*	3.5	*2.5*	3.0	3.0
2007	3.6	*4.0*	4.0	*3.5*	3.5	3.0
2008	3.9	*4.0*	4.2	*3.2*	3.5	2.5
2009	2.7	*2.3*	4.5	*3.2*	2.3	2.5
2010	2.0	*2.0*	0.0	*2.0*	1.5	2.0
2011	2.8	*2.6*	2.0	*2.3*	2.5	1.1

*Manufacturing represented by 'all industries' (ie non-services) settlements including but not limited to NACE C in the **three months** to July **as first published**

** Retail represented by retail, wholesale, hotels and catering settlements including but not limited to NACE 47

Source: Annual surveys of settlements in the year to July# as published in the LRD magazine Workplace Report/Bargaining Report based on the Payline database

A11: Euro area

Collectively agreed wages in the Euro area, in % to the previous year

Euro area 17 (fixed composition)

1991	3.8
1992	6.8
1993	4.5
1994	2.6
1995	3.5
1996	2.8
1997	2.4
1998	2.2
1999	2.4
2000	2.3
2001	2.6
2002	2.7
2003	2.5
2004	2.1
2005	2.2
2006	2.4
2007	2.2
2008	3.3
2009	2.6
2010	1.7
2011	2.0
2012	2.2

Source: European Central Bank (ECB),

Indicator of negotiated wage rates