

Non-paper of the services of the European Commission on Available data on minimum wages and collective bargaining coverage

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission. The information transmitted is intended only for the Member State or entity to which it is addressed for discussions and may contain confidential and/or privileged material.

The purpose of this note is to provide an overview of the available data in the EU on statutory minimum wages (Section 1), on the minimum wage protection provided by collective agreements (Section 2), and on collective bargaining coverage (Section 3). A summary table of data availability and frequency is included in Annex 1.

1. STATUTORY MINIMUM WAGES

1.1. Level of minimum wages and share of workers covered

Minimum wage levels

Data on the level of minimum wages is published by **Eurostat twice a year** (identifier: earn_mw_cur). This data refers to national minimum wages for all Member States with statutory minimum wages. Eurostat also publishes qualitative information on the composition of the minimum wage in each Member State.

Minimum wages set for specific groups of workers qualify as variations and are thus covered in section 1.2. Therefore, data breakdowns are not relevant for this indicator¹.

The data is published in mid-February, for the reference date of 1 January, and in mid-August for the reference date of 1 July each year.

Share of workers covered by minimum wages

With the entry into force of the IESS Regulation, the **EU Labour Force Survey (LFS)** survey will publish data on the gross monthly pay from the main job (INCGROSS variable) as from 2023². This data will allow calculating the share of workers earning the minimum wage by combining it with the level of the minimum wage. It will be available with a 2-year delay, i.e. data available on year t will refer to year t-2. The LFS also allows calculating data for different breakdowns³. The LFS will continue to be conducted every year and released in April⁴.

¹ For instance if a different minimum wage level is applied by age to young people, it would qualify as youth variation.

² The LFS currently collects, from households, data on income from the main job (INCDECIL variable), but this is reported on a voluntary basis only by a few Member States. With the entry into force of the IESS Regulations, the reporting of the new INCGROSS variable will be compulsory.

³ Including by gender, age, company size and sector. The LFS does not currently allow calculating a breakdown by disability. However, as from 2023, two new variables will be published that will provide

1.2. Existing variations and share of workers covered by them

Data on existing variations and the share of workers covered by them⁵ does not exist at EU level. However, Member States can find a description of all their current variations in their national legislation.

The share of workers covered by each variation can then be calculated based on the LFS on an annual basis. The LFS can provide the wage distribution for specific breakdowns. These distributions can be used to derive the share of workers covered by the variations affecting those categories of workers⁶ (for instance, the breakdown by age would allow estimating the share of workers covered by a youth variation, which are one of the most widely used)⁷. LFS data is also available for different breakdowns (see section 1.1).

1.3. Deductions

Some qualitative information on deductions to statutory minimum wages are provided as information attached to the data transmitted to Eurostat on a bi-annual basis (identifier: `earn_minw`) but are not published yet.

2. MINIMUM WAGE PROTECTION PROVIDED ONLY BY COLLECTIVE AGREEMENTS

This section explores the availability of data for Member States where minimum wage protection is provided only by collective agreements.

2.1. Distribution in deciles of wages set in collective agreements weighted by the share of covered workers

This indicator can be calculated using a repository with the relevant data from all valid collective agreements⁸. These collective agreements should include those agreed at firm level in countries where a non-negligible share of workers is covered *only* by them, i.e. not by a national or sectoral agreement. The indicator could then be calculated by reviewing all wages set in the collective agreements and the share of workers covered by them.

breakdowns by health status (GENHEALTH variable) and limitation in activities (GALI variable), which could be used to provide a breakdown by disability.

⁴ The EU Structure of Earnings Survey (SES) and the EU Statistics on Income and Living conditions (SILC) can also provide data on the level of minimum wages and the share of workers covered. However, the SES is only conducted every four years, and does not allow for calculating a breakdown by disability, while SILC does not allow for reporting a breakdown by company size. Therefore this section focuses on the data available from the LFS which seems the most adequate source for obtaining data on the level of minimum wages and the share of workers covered.

⁵ Variations exist in 11 Member States (BE, IE, EL, ES, FR, HR, LU, HU, MT, NL, and PT).

⁶ For calculating the share of workers covered by a variation when the LFS does not provide a breakdown for a specific group, only national administrative data can be used.

⁷ Variations based on age exist in 5 Member States (BE, IE, LU, MT, and NL). An example of a youth variation can be found in Belgium, where the minimum wage for 17-year-olds is 76 % of the baseline minimum wage, and for 16-year-olds and below, 70 % of the baseline minimum wage.

⁸ Valid collective agreements refer to all those which are applicable, including expired agreements that remain applicable and are recognised in law and/or by the social partners until a new agreement is reached.

Some information is already available. Following the revision of the Posting of Workers Directive adopted in 2018⁹, the concerned Member States should upload information on collective agreements (including rates of pay and coverage) which are declared as “universally applicable”¹⁰ on a single official national website. For other agreements, information is already available in AT, IT and SE¹¹.

2.2. The level of wages for workers not having minimum wage protection provided by collective agreements and its relation to the level of wages of workers having such minimum protection

A good estimation of this indicator can be calculated on the basis of the data on individual earnings included in the EU Structure of Earnings Survey (SES). This survey contains information on the coverage by collective agreements and therefore is suitable for the calculation of the level of wages and shares of covered and non-covered workers¹². These groups can then be compared through a ratio of their average annual, monthly or hourly earnings. The SES data is also available by gender, age, company size and sector. The SES is conducted every 4 years.

3. COLLECTIVE BARGAINING COVERAGE RATE

From a statistical point of view, the collective bargaining coverage rate results from dividing the number of workers covered by a collective agreement by the total number of workers that have the right to bargain.

The OECD/AIAS database¹³ provides an estimation of the collective bargaining coverage rate for each Member State [“adjusted bargaining coverage rate” variable¹⁴]. At the same time, the SES allows for calculating the collective bargaining coverage rate by gender, age, company size and sector, since it includes one question on the coverage of collective agreements (variable 1.5) that can be crossed with these specific breakdowns. These two data sources are updated every three/four years¹⁵.

This indicator could also be calculated based on the relevant data on collective agreements, where a repository with the relevant data is available (see Section 2.1).

⁹EU Directive 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC (OJ L 173, 9.7.2018, p. 16–24), which entered into force on 29 July 2018.

¹⁰ Universal applicability means that all employers operating in the relevant sector or at national level must comply with the provisions of the collective agreement. It is up to the Member States to define whether or not a collective agreement is universally applicable.

¹¹ Namely relevant data is held by: in Austria, the Arbitration Authority (Bundeseinigungsamt) of the Ministry of Labour and the Economics Chamber (Wirtschaftskammer Österreich); in Italy, the tripartite National Economic and Labour Council (CNEL), and the National Statistical Office (ISTAT); in Sweden the National Mediation Office (Medlingsinstitut). In the other three Member States (CY, DK and FI) such information can be retrieved from individual trade unions and employers’ associations.

¹² In particular, the wages of covered and non-covered workers can be derived from the SES (variables B41, B42 or B43 for measuring average gross annual, monthly or hourly earnings).

¹³ OECD/AIAS database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS), released on 18 February 2021. Available at: <http://www.oecd.org/employment/ictwss-database.htm>

¹⁴ This variable is defined as “the number of employees covered by collective (wage) agreements in force as a proportion of all employees with the right to bargain (defined as the proportion of employees who are not excluded from collective bargaining)”.

¹⁵ Every four years for SES, and every three to four years for the OECD database.

ANNEX 1: SUMMARY TABLE ON DATA AVAILABILITY AND FREQUENCY

Indicator	Source of available data	Variable/ identifier	Frequency of data release	Availability of disaggregated data	Reference date for data released on year T	Date of release
Statutory minimum wages						
Minimum wage levels	Eurostat	earn_mw_cur	Twice a year	n/a ¹⁶	1 Jan (1 Jul) of year T for mid-February (mid-August) release	Mid-February & mid-August
Share of workers covered by minimum wages	EU Labour Force Survey (LFS)	INCGROSS (as from 2023)	Annual	By gender, age, company size, sector, and disability (expected as from 2023)	year T-2	Summer
Description of existing variations	None	-	-	-	-	-
Share of workers covered by variations	LFS	INCGROSS (as from 2023)	Annual	By gender, age, company size, sector, and disability (expected as from 2023)	year T-2	Summer
Description of existing deductions	Qualitative data submitted bi-annually to ESTAT (not published)	-	-	-	-	-
Collective bargaining coverage rate	OECD/AIAS database	Adjusted bargaining coverage rate	Every three/four years	n/a (SES used for calculating breakdowns)	Varies depending on the specific country	Unknown (not defined yet)
	SES	Variable 1.5	Every four years	By gender, age, company size and sector	Year T-2	Unknown (varies from one update to another)

¹⁶ If a minimum wage is set for a specific group of workers, it would qualify as a variation and would thus be covered by variations (see third and fourth rows).

Indicator	Source of available data	Variable/ identifier	Frequency of data release	Availability of disaggregated data	Reference date for data released on year T	Date of release
Minimum wage protection provided only by collective agreements						
Distribution in deciles of wages set in collective agreements	Official website with “universally applicable” collective agreements Information on national and sectoral collective agreements available in AT, IT, SE	-	-	-	-	-
Collective bargaining coverage rate	Official website with “universally applicable” collective agreements Information on national and sectoral collective agreements available in AT, IT, SE	-	-	-	-	-
Level of wages for workers not having minimum wage protection and its relation to the level of wages of workers having such protection	Structure of Earnings Survey (SES)	Variables B41, B42 or B43	Every four years	By gender, age, company size, and sector	Year T-2	Unknown (varies from one update to another)