IndustriAll European Trade Union

Eucob@n report 2016

Contents

0 Key findings in this year's survey

Summary of the most interesting information received in this survey:

- ✓ Collective bargaining is still under pressure due to the difficult economic situation in Europe, neo-liberal policies, austerity measures and a massive surplus of cheap labour from low-cost countries.
- ✓ There have been some positive developments in significant indicators such as GDP growth and employment the last years. This could gradually lead to a stronger position for trade unions in wage negotiations.
- ✓ The national level is still important for collective bargaining, both sectoral and intersectoral, with the latter apparently gaining importance. At the same time, we know that wage negotiations are continuously being decentralised to the company level.
- ✓ Opening clauses, through which companies can deviate from national or regional collective agreements, exist in nine of the countries which took part in this year's survey. In Germany, deviations are only possible if strict criteria are met.
- ✓ *Erga omnes* agreements, which are universally applicable, are becoming more common, as instruments to avoid competitive advantages for companies outside employers' associations and to avoid social dumping by foreign companies.
- ✓ Reports of industrial actions in a number of sectors have been received from a number of countries. The longest strikes took place in the Netherlands.
- ✓ Involvement from confederations has been reported from Finland, Norway and other countries. However, in countries such as Germany and Italy, the industriAll affiliates reject any interference of confederations in collective bargaining.

1 Economic overview

- ✓ The European economy rebounded slightly to an increase in the production volume of 2.0% in the EU-28 in 2015. A further increase in the aggregate growth of 3.7% is forecast for the two years 2016 and 2017.
- ✓ Increases in the GDP volume do not go hand-in-hand with job creation. Whereas production in the EU-28 is forecast to grow by 5.7% from 2015-2017, employment is expected to increase by just 3.0%.
- ✓ Germany, Sweden, Estonia and Lithuania fulfilled the goal of employment rates by 2020 last year. All of the other Member States were lagging behind, in some cases substantially.
- ✓ The situation in the labour market is still very grave with an EU average of about 9% unemployment in 2016. Macedonia, Spain and Greece recorded levels above 20%, whilst only five countries had less than 5% unemployment last year.
- ✓ Inflation in the EU and the euro area has hit an all-time low. In 2015, no rise in consumer prices was registered. In 2016, it slightly picked up.
- ✓ Labour productivity is expected to increase gradually over the coming years, reflecting a slight increase in production yet no corresponding rise in employment.
- ✓ Real unit labour costs in the EU are dropping every year. The reduction over the five-year period 2013-2017 seems to be 1.8%.
- ✓ Historically, European wage costs increased more slowly than production between the mid-70's until 2005. A positive trend in wage shares since 2005 was a result of low economic growth rather than high wage increases. Eastern Member States are lagging behind the West in this respect.
- ✓ The average level of temporary employment in the EU was 14.1% in 2015. The percentage for of young workers affected by this was 43.3% in the EU-28 and 52.9% in the EA-19. There were great variations between the different European countries.
- ✓ The percentage of involuntary part-time employment has been increasing steadily since 2011. The level was around 29.1% in 2015, slightly higher in the Eurozone than in the EU as a whole. 15.8% of the involuntary part-time workers in the EU was at risk of poverty in 2014.
- ✓ Almost half of the unemployed (aged 18 years or over) had a disposable income below the at-risk-of-poverty threshold in 2014.
- ✓ Gender pay gaps increased from 2010 to 2014 in five of the countries for which Eurostat has data and remained unchanged in a further three. The wage differences between men and women are smallest in the countries with a generally high level of gender equality.
- ✓ The production volume of metal products (capital goods) in the EU increased by 13.7% from 2010 until 2015, yet employment only rose by 4.6.
- ✓ Chemicals production and employment have fallen since 2010.
- ✓ A rather steep fall in clothing production is taking place in the EU, with a 14.8% decrease since 2010. Major producers such as Belgium and Italy have lost as much as 24%. However, there has been growth in the sector in Turkey.
- ✓ The production volume of basic metals has hardly increased since 2010 and there has been a drop in employment.

1.1 Production and economic growth

The European economy is slowly picking up. The total production volume grew by 1.4% in the EU-28 in 2014 and by a further 2.0% in 2015. For the two years 2016 and 2017 forecasts are quite optimistic as they indicate an additional growth of 3.7%. Diverse developments are being registered in the various countries. Ireland achieved a GDP increase of 7.8% in 2015, a level which has rarely been seen in Europe in modern times. The economies of Finland, Austria and Italy grew by less than 1.0% while the misery continued in Greece with a further drop of 0.2%. For 2016, GDP volume growth is forecast in all European countries except Greece. The "Irish Miracle" seems to continue with a growth rate of 4.9%. GDP increases are forecast in all countries in 2017.

Table 1: GDP volume in national currency, percentage changes. Source: AMECO.

Country	2013	2014	2015	2016	2017
EU-28	0.2	1.4	2.0	1.8	1.9
EA-19	-0.3	0.9	1.7	1.6	1.8
Belgium	0.0	1.3	1.4	1.2	1.6
Bulgaria	1.3	1.5	3.0	2.0	2.4
Czech Republic	-0.5	2.0	4.2	2.1	2.6
Denmark	-0.2	1.3	1.2	1.2	1.9
Germany	0.3	1.6	1.7	1.6	1.6
Estonia	1.6	2.9	1.1	1.9	2.4
Ireland	1.4	5.2	7.8	4.9	3.7
Greece	-3.2	0.7	-0.2	-0.3	2.7
Spain	-1.7	1.4	3.2	2.6	2.5
France	0.7	0.2	1.2	1.3	1.7
Croatia	-1.1	-0.4	1.6	1.8	2.1
Italy	-1.7	-0.3	0.8	1.1	1.3
Cyprus	-5.9	-2.5	1.6	1.7	2.0
Latvia	3.0	2.4	2.7	2.8	3.1
Lithuania	3.5	3.0	1.6	2.8	3.1
Luxembourg	4.3	4.1	4.8	3.3	3.9
Hungary	1.9	3.7	2.9	2.5	2.8
Malta	4.1	3.7	6.3	4.1	3.5
Netherlands	-0.5	1.0	2.0	1.7	2.0
Austria	0.3	0.4	0.9	1.5	1.6
Poland	1.3	3.3	3.6	3.7	3.6
Portugal	-1.1	0.9	1.5	1.5	1.7
Romania	3.5	3.0	3.8	4.2	3.7
Slovenia	-1.1	3.0	2.9	1.7	2.3
Slovakia	1.4	2.5	3.6	3.2	3.3
Finland	-0.8	-0.7	0.5	0.7	0.7
Sweden	1.2	2.3	4.1	3.4	2.9
United Kingdom	2.2	2.9	2.3	1.8	1.9
Macedonia FYR	2.9	3.5	3.7	3.5	3.5
Iceland	4.4	2.0	4.0	3.5	3.3
Turkey	4.2	2.9	4.0	3.5	3.7
Montenegro	3.5	1.8	3.2	3.6	3.9
Serbia	2.6	-1.8	0.7	2.0	2.5
Albania	1.1	2.0	2.6	3.2	3.5
Norway	1.0	2.2	1.6	1.2	1.7
Switzerland	1.8	1.9	0.9	1.2	1.5

1.2 Employment and unemployment

1.2.1 Employment

Increases in the GDP volume do not go hand-in-hand with job creation although labour market conditions are improving against the background of somewhat higher economic activity. Whereas production in the EU-28 is forecast to grow by 5.7% from 2015-2017, total employment is expected to increase by just 3.0%. Since employment started picking up in 2014, the situation in Spain has improved. It registered a growth of 2.9% last year, with a further increase of 4.7% forecast for the two-year period from 2016-2017. On a negative note, the French and Italian employment numbers are growing at a slower pace.

Table 2: Total employment (persons), percentage changes. Source: AMECO.

Country	2013	2014	2015	2016	2017
EU-28	-0.3	1.0	1.1	1.0	0.9
EA-19	-0.7	0.6	1.0	1.0	1.0
Belgium	-0.4	0.3	0.8	0.8	1.1
Bulgaria	-0.4	0.4	0.4	0.3	0.5
Czech Republic	0.3	0.6	1.2	0.4	0.3
Denmark	0.1	0.8	1.1	0.9	0.9
Germany	0.6	0.9	0.8	1.1	0.8
Estonia	1.2	0.8	2.9	-0.9	-0.2
Ireland	2.4	1.7	2.6	1.7	1.4
Greece	-3.6	0.1	1.9	0.5	2.0
Spain	-2.9	0.9	2.9	2.5	2.2
France	0.0	0.3	0.4	0.5	0.7
Croatia	-2.6	2.6	1.7	1.0	1.4
Italy	-1.8	0.1	0.6	0.7	0.6
Cyprus	-6.0	-2.3	0.9	1.0	1.3
Latvia	2.3	-1.4	1.4	0.3	0.5
Lithuania	1.3	2.0	1.3	0.2	0.1
Luxembourg	1.8	2.5	2.5	2.6	2.5
Hungary	0.9	4.8	2.8	0.9	0.1
Malta	3.7	5.1	3.5	2.9	2.7
Netherlands	-0.9	-0.2	0.9	1.1	1.1
Austria	0.5	0.9	0.6	0.9	0.9
Poland	-0.1	1.7	1.4	0.7	0.5
Portugal	-2.9	1.4	1.4	0.9	0.7
Romania	-0.9	0.8	-0.9	0.0	-0.1
Slovenia	-1.4	0.6	1.4	0.7	0.7
Slovakia	-0.8	1.4	2.0	1.8	1.5
Finland	-0.7	-0.9	-0.3	0.2	0.3
Sweden	1.0	1.4	1.5	1.6	1.6
United Kingdom	1.2	2.3	1.5	1.0	0.9
Macedonia FYR	5.6	1.7	2.3	2.2	2.0
Iceland	3.4	1.6	3.8	2.8	2.5
Turkey	2.8	1.6	2.5	2.7	2.8
Montenegro	1.1	7.1	2.5	1.8	2.1
Serbia	3.7	10.1	0.6	0.2	0.3
Albania	-4.3				
Norway	1.1	1.1	0.5	0.3	0.7
Switzerland	1.4	1.8	1.5	-1.4	0.8

The EU has set a goal of 75% labour market participation by persons aged between 20 and 64 years as part of its 2020 strategy. For the EU Member States, the specific targets vary from 62.9% in Croatia to 80% in Sweden, Denmark and the Netherlands.

Germany, Sweden, Estonia and Lithuania fulfilled the goal in 2015. All the other Member States were lagging behind. The situation is most worrying in Greece where the employment rate is 15.1 below the target when we are less than four years shy of 2020. Spain is still 12.0 percentage points behind, but catching up. For other countries, such as Ireland, Luxembourg, Croatia, Austria, Denmark and the Netherlands the targets are within reach provided that last year's improvements continue. The very highest employment rates in Europe can be found in a couple of non-EU countries, Iceland and Switzerland.

Table 3: Employment rates age group 20-64, sorted 2015. Source Eurostat, Europe 2020 indicators.

geo\time	2012	2013	2014	2015	TARGET
EU-28	68.4	68.4	69.2	70.1	75.0
EA-19	68.0	67.7	68.2	69.0	:
Iceland	81.8	82.8	84.9	86.5	:
Switzerland	82.0	82.1	82.3	82.8	:
Sweden	79.4	79.8	80.0	80.5	80.0
Norway	79.9	79.6	79.6	79.1	:
Germany	76.9	77.3	77.7	78.0	77.0
United Kingdom	74.1	74.8	76.2	76.9	:
Denmark	75.4	75.6	75.9	76.5	80.0
Estonia	72.2	73.3	74.3	76.5	76.0
Netherlands	76.6	75.9	75.4	76.4	80.0
Czech Republic	71.5	72.5	73.5	74.8	75.0
Austria	74.4	74.6	74.2	74.3	77.0
Lithuania	68.5	69.9	71.8	73.3	72.8
Finland	74.0	73.3	73.1	72.9	78.0
Latvia	68.1	69.7	70.7	72.5	73.0
Luxembourg	71.4	71.1	72.1	70.9	73.0
France	:	:	69.4	69.5	75.0
Portugal	66.3	65.4	67.6	69.1	75.0
Slovenia	68.3	67.2	67.7	69.1	75.0
Hungary	61.6	63.0	66.7	68.9	75.0
Ireland	63.7	65.5	67.0	68.7	69.0
Cyprus	70.2	67.2	67.6	67.9	75.0
Malta	63.1	64.8	66.4	67.8	70.0
Poland	64.7	64.9	66.5	67.8	71.0
Slovakia	65.1	65.0	65.9	67.7	72.0
Belgium	67.2	67.2	67.3	67.2	73.2
Bulgaria	63.0	63.5	65.1	67.1	76.0
Romania	64.8	64.7	65.7	66.0	70.0
Spain	59.6	58.6	59.9	62.0	74.0
Croatia	58.1	57.2	59.2	60.5	62.9
Italy	60.9	59.7	59.9	60.5	67.0
Greece	55.0	52.9	53.3	54.9	70.0
Turkey	52.8	53.4	53.2	53.9	:
Macedonia FYR	48.2	50.3	51.3	51.9	:

1.2.2 Unemployment

The situation in the labour market is still grave with an EU average of about 9% unemployment. 24.9% of the Greek workforce remained in unemployment in 2015. Only five countries had less than 5% unemployed, three of which were EFTA countries.

The annual trend of increasing unemployment has been broken. A slight reduction in unemployment levels can be seen. The level in EU-28 is projected to reach 8.6% in 2017. Substantial reductions are being registered in Spain, however from an extremely high level. Greece will still be struggling with percentages well above 20. France is among the countries without a decrease in its unemployment level. In Norway and Switzerland, the situation is actually getting worse.

Table 4: Unemployment levels, sorted 2015. Source: AMECO (Labour Force Survey).

Country	2013	2014	2015	2016	2017
EU-28	10.9	10.2	9.4	8.9	8.6
EA-19	12.0	11.6	10.9	10.4	10.0
Macedonia FYR	29.0	28.0	26.1	24.7	23.5
Greece	27.5	26.5	24.9	24.7	23.6
Spain	26.1	24.5	22.1	20.0	18.1
Serbia	22.1	19.4	17.9	17.0	16.2
Montenegro	19.5	18.0	17.6	16.9	16.4
Croatia	17.3	17.3	16.3	15.5	14.7
Cyprus	15.9	16.1	15.1	13.4	12.4
Portugal	16.4	14.1	12.6	11.6	10.7
Italy	12.1	12.7	11.9	11.4	11.2
Slovakia	14.2	13.2	11.5	10.5	9.5
France	10.3	10.3	10.4	10.2	10.1
Turkey	9.0	9.9	10.3	10.6	10.7
Latvia	11.9	10.8	9.9	9.6	9.3
Ireland	13.1	11.3	9.4	8.2	7.5
Finland	8.2	8.7	9.4	9.4	9.3
Bulgaria	13.0	11.4	9.2	8.6	8.0
Lithuania	11.8	10.7	9.1	7.8	6.4
Slovenia	10.1	9.7	9.0	8.6	8.1
Belgium	8.4	8.5	8.5	8.2	7.7
Poland	10.3	9.0	7.5	6.8	6.3
Sweden	8.0	7.9	7.4	6.8	6.3
Netherlands	7.3	7.4	6.9	6.4	6.1
Hungary	10.2	7.7	6.8	6.4	6.1
Romania	7.1	6.8	6.8	6.8	6.7
Luxembourg	5.9	6.0	6.4	6.2	6.2
Denmark	7.0	6.6	6.2	6.0	5.7
Estonia	8.6	7.4	6.2	6.5	7.7
Austria	5.4	5.6	5.7	5.9	6.1
Malta	6.4	5.8	5.4	5.1	5.1
United Kingdom	7.6	6.1	5.3	5.0	4.9
Czech Republic	7.0	6.1	5.1	4.5	4.4
Germany	5.2	5.0	4.6	4.6	4.7
Norway	3.5	3.5	4.4	4.6	4.9
Switzerland	4.1	4.2	4.3	4.9	4.6
Iceland	5.4	5.0	4.0	3.9	3.7

1.3 Consumer prices

Inflation in the EU and the euro area has hit an all-time low. In 2015, the increase in consumer prices was exactly 0.0% in both EA-19 and EU-28. This record low is a result of low energy prices, high unemployment and weak domestic demand. Deflation was registered in twelve countries in 2015.

Ultra-low inflation is problematic for any economy because it further reduces domestic demand. Consumers and investors tend to wait and see if prices will keep falling. Moreover, deflation increases the value of debts, including sovereign debts. So even if low inflation is positive for the workers' purchasing power, we should appreciate the certain price growth that was recorded in 2016. However, the expected inflation for 2016 was forecast to be 1.5% only one year ago. Now the estimate is 0.3%. This is far from the target inflation of the European Central Bank; "below, but close to 2.0%".

Table 5: Harmonised index of consumer prices, percentage changes. Source: AMECO, calculations by industriAll Europe.

Country	2013	2014	2015	2016	2017
EU-28	1.5	0.5	0.0	0.3	1.5
EA-19	1.3	0.4	0.0	0.2	1.4
Belgium	1.2	0.5	0.6	1.7	1.6
Bulgaria	0.4	-1.6	-1.1	-0.7	0.9
Czech Republic	1.4	0.4	0.3	0.5	1.4
Denmark	0.5	0.4	0.2	0.3	1.5
Germany	1.6	0.8	0.1	0.3	1.5
Estonia	3.2	0.5	0.1	0.8	2.9
Ireland	0.5	0.3	0.0	0.3	1.3
Greece	-0.9	-1.4	-1.1	-0.3	0.6
Spain	1.5	-0.2	-0.6	-0.1	1.4
France	1.0	0.6	0.1	0.1	1.0
Croatia	2.3	0.2	-0.3	-0.6	0.7
Italy	1.2	0.2	0.1	0.2	1.4
Cyprus	0.4	-0.3	-1.5	-0.7	1.0
Latvia	0.0	0.7	0.2	0.2	2.0
Lithuania	1.2	0.2	-0.7	0.6	1.8
Luxembourg	1.7	0.7	0.1	-0.1	1.8
Hungary	1.7	0.0	0.1	0.4	2.3
Malta	1.0	0.8	1.2	1.4	2.2
Netherlands	2.6	0.3	0.2	0.4	1.3
Austria	2.1	1.5	0.8	0.9	1.7
Poland	0.8	0.1	-0.7	0.0	1.6
Portugal	0.4	-0.2	0.5	0.7	1.2
Romania	3.2	1.4	-0.4	-0.6	2.5
Slovenia	1.9	0.4	-0.8	-0.2	1.6
Slovakia	1.5	-0.1	-0.3	-0.1	1.5
Finland	2.2	1.2	-0.2	0.0	1.3
Sweden	0.4	0.2	0.7	0.9	1.2
United Kingdom	2.6	1.5	0.0	0.8	1.6
Macedonia FYR	2.8	-0.3	0.0	1.1	1.4
Iceland	4.1	1.0	0.3	1.8	2.7
Turkey	7.5	8.9	7.7	8.5	8.0
Norway	2.0	1.9	2.0	3.0	2.5
Switzerland	0.1	0.0	-0.8	-0.6	0.2

1.4 Wages and labour productivity – unit labour costs

1.4.1 Labour productivity

Labour productivity is expected to increase gradually at EU level over the coming years, reflecting the slight GDP recovery without a corresponding rise in employment. In 2016, the productivity increase is forecast to be 0.8% and 0.6% in the EU and the euro area respectively. As tables 1 and 2 (above) show, production growth in the EU is expected to be 1.8% in 2016 and employment growth is forecast at 1.0%, which gives us a difference of 0.8%. The greatest improvements in labour productivity in 2016 are forecast in Ireland, Switzerland and Eastern countries. In 2017, productivity growth is expected in all countries, including Greece.

Table 6: Real labour productivity, percentage changes. (Real GDP per person employed). Source: AMECO, calculations by industriAll Europe.

Country	2013	2014	2015	2016	2017
EU-28	0.6	0.4	0.9	0.8	1.1
EA-19	0.4	0.3	0.6	0.6	0.8
Belgium	0.4	1.0	0.5	0.4	0.4
Bulgaria	1.7	1.2	2.6	1.7	2.0
Czech Republic	-0.8	1.4	3.0	1.7	2.3
Denmark	-0.4	0.5	0.1	0.3	1.0
Germany	-0.3	0.7	0.9	0.6	0.8
Estonia	0.3	2.1	-1.8	2.9	2.6
Ireland	-0.9	3.4	5.1	3.1	2.2
Greece	0.4	0.5	-2.1	-0.8	0.7
Spain	1.3	0.4	0.3	0.1	0.3
France	0.7	-0.1	0.8	0.8	1.0
Croatia	1.5	-2.8	0.0	0.7	0.7
Italy	0.0	-0.4	0.2	0.4	0.7
Cyprus	0.0	-0.2	0.7	0.8	0.7
Latvia	0.7	3.8	1.4	2.4	2.6
Lithuania	2.2	1.0	0.3	2.6	3.0
Luxembourg	2.5	1.5	2.3	0.7	1.3
Hungary	0.9	-1.1	0.1	1.6	2.7
Malta	0.3	-1.3	2.7	1.2	0.7
Netherlands	0.4	1.2	1.1	0.5	0.8
Austria	-0.1	-0.5	0.2	0.6	0.7
Poland	1.3	1.5	2.2	3.0	3.0
Portugal	1.8	-0.5	0.1	0.6	1.1
Romania	4.4	2.1	4.7	4.2	3.8
Slovenia	0.3	2.5	1.4	1.0	1.6
Slovakia	2.2	1.1	1.6	1.3	1.8
Finland	0.0	0.2	0.9	0.5	0.4
Sweden	0.3	0.9	2.6	1.8	1.4
United Kingdom	1.0	0.6	0.8	0.7	1.1
Macedonia FYR	-2.5	1.8	1.3	1.2	1.4
Iceland	0.9	0.3	0.2	0.7	0.8
Turkey	1.3	1.3	1.4	0.8	0.9
Montenegro	2.4	-4.9	0.6	1.7	1.7
Serbia	-1.1	-10.8	0.2	1.8	2.2
Albania	5.7				
Norway	-0.1	1.1	1.0	0.9	1.1
Switzerland	0.3	0.1	-0.6	2.7	0.6

1.4.2 Real unit labour costs

Real unit labour costs (RULCs) show nominal wage increases after a deduction of real labour productivity and a price index. If RULCs are negative, the wage share of GDP falls and the capital share increases accordingly. This is clearly negative from a trade union's perspective. We reject the simplified notion that lower RULCs mean improved cost competitiveness for companies.

As can be seen from Table 7, RULCs in the EU are dropping every year. The reduction over the five-year period 2013-2017 seems to be 1.8% in the EU-28. In the Eurozone, the evolution was positive until 2014 when it changed for the worse.

If we look at specific Member States, we notice that Ireland has had the biggest fall in RULCs, something which is linked to the higher labour productivity. Bulgaria and Turkey had the biggest increases.

Table 7: Real unit labour costs total economy. Source: AMECO, calculations by industriAll Europe.

Country	2013	2014	2015	2016	2017
EU-28	-0.5	-0.4	-0.5	-0.2	-0.2
EA-19	0.0	0.1	-0.7	-0.3	-0.2
Belgium	0.8	-0.7	-1.3	-1.1	-0.3
Bulgaria	7.8	3.9	-1.1	1.8	1.1
Czech Republic	-0.8	-2.3	-1.3	0.4	0.0
Denmark	0.2	0.6	0.8	0.6	-0.5
Germany	0.1	0.2	-0.2	0.1	0.5
Estonia	1.5	1.7	4.3	0.9	-0.3
Ireland	-1.0	-1.7	-9.0	-2.6	-1.3
Greece	-5.0	-0.4	1.1	0.2	0.0
Spain	-0.2	-0.6	-0.4	-0.2	-0.6
France	0.2	1.0	-0.9	-0.7	-0.4
Croatia	-3.0	-2.4	-0.6	0.0	-0.1
Italy	0.0	-0.4	-0.4	-0.8	-1.3
Cyprus	-2.0	-2.1	-0.3	0.7	0.1
Latvia	3.0	3.3	4.9	1.7	0.6
Lithuania	1.8	1.6	3.4	0.2	0.1
Luxembourg	-1.2	0.4	-3.0	-1.3	-0.7
Hungary	-2.2	-1.2	1.4	0.5	-0.9
Malta	-0.8	0.3	-3.5	-1.5	-0.9
Netherlands	0.0	0.1	-1.0	0.1	0.6
Austria	0.8	0.6	-0.1	-0.5	-0.8
Poland	-0.1	-0.4	0.4	0.6	-0.1
Portugal	-0.5	-1.8	-2.5	-0.3	-1.2
Romania	-3.9	1.4	-4.2	0.5	-0.1
Slovenia	-0.6	-2.1	-1.1	-0.5	-1.6
Slovakia	-0.2	0.9	1.0	2.1	0.8
Finland	-1.1	-0.4	0.3	-0.1	-0.2
Sweden	0.6	-0.3	-0.8	-1.3	0.0
United Kingdom	-1.5	-2.4	0.5	0.9	0.3
Macedonia FYR	-5.9	-1.4	-3.0	0.0	-0.1
Iceland	1.6	0.7	-1.0	1.6	0.1
Turkey	1.2	1.4	3.4	5.4	2.6
Norway	2.0	1.8	3.9	-0.2	-0.8
Switzerland	0.7	0.5	1.4	-1.7	0.0

Table 8 shows a breakdown of unit labour costs in 2016. The starting point is Compensation of Employees (CoE). The increase in the EU is expected to be 2.0%. CoE is forecast to increase more than labour productivity in the majority of countries so that nominal unit labour costs (NULCs) will be positive, 1.2% at EU level.

However, RULCs are projected to fall in 16 countries, in other words, nominal wage increases are falling behind productivity and prices[1]. This leads to lower wage shares of GDP, higher capital shares and more inequality. The greatest increases in real unit labour costs and wage share of GDP in 2016 were taking place in Turkey. Also Germany, Denmark and the UK were among the countries with increases. In these countries workers got both compensations for inflation and full participation in labour productivity gains.

Table 8: Unit labour costs total economy in 2016 (breakdown). Source: AMECO, calculations by industriAll Europe.

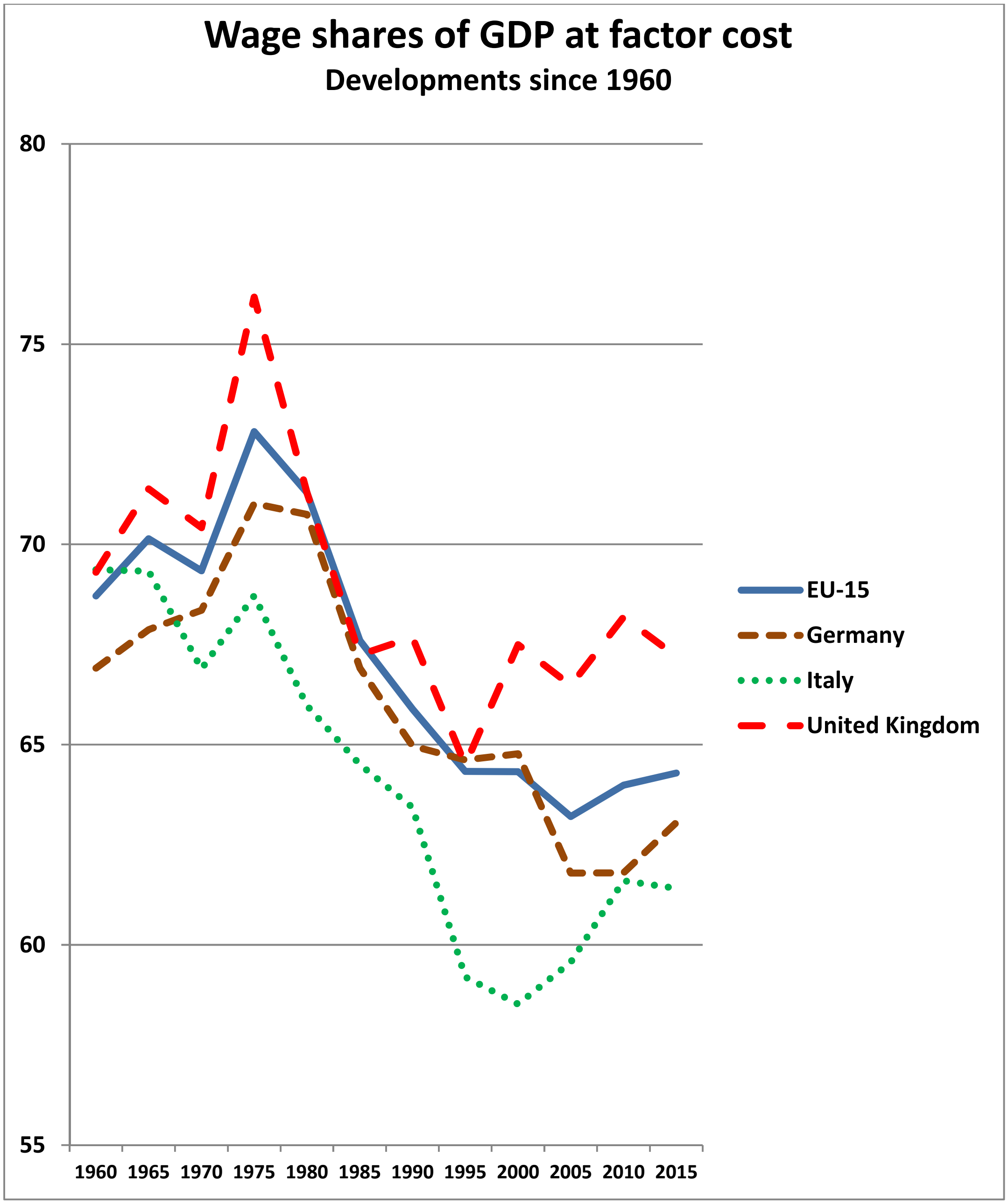
Country	CoE	Productivity	NULC	Deflator	RULC
EU-28	2.0	0.8	1.2	1.3	-0.1
EA-18	1.5	0.6	0.9	1.2	-0.3
Belgium	0.7	0.4	0.3	1.5	-1.2
Bulgaria	3.6	1.7	1.9	0.1	1.8
Czech Republic	3.2	1.7	1.5	1.0	0.4
Denmark	2.0	0.3	1.7	1.0	0.6
Germany	2.5	0.6	2.0	1.8	0.1
Estonia	5.6	2.9	2.7	1.7	1.0
Ireland	2.2	3.1	-0.8	1.8	-2.7
Greece	-0.8	-0.8	0.0	-0.2	0.2
Spain	0.8	0.1	0.7	0.9	-0.2
France	1.1	0.8	0.3	1.0	-0.7
Croatia	1.1	0.7	0.4	0.3	0.0
Italy	0.3	0.4	0.0	0.8	-0.9
Cyprus	1.1	0.8	0.4	-0.3	0.7
Latvia	5.2	2.4	2.8	1.0	1.8
Lithuania	4.6	2.6	1.9	1.7	0.2
Luxembourg	0.3	0.7	-0.4	0.9	-1.3
Hungary	4.6	1.6	3.0	2.4	0.6
Malta	1.9	1.2	0.7	2.3	-1.6
Netherlands	1.8	0.5	1.2	1.1	0.1
Austria	1.4	0.6	0.8	1.3	-0.5
Poland	3.8	3.0	0.8	0.2	0.6
Portugal	1.6	0.6	1.0	1.4	-0.3
Romania	6.9	4.2	2.6	2.0	0.6
Slovenia	1.7	1.0	0.7	1.1	-0.5
Slovakia	3.5	1.3	2.1	0.0	2.1
Finland	1.2	0.5	0.7	0.8	-0.1
Sweden	3.1	1.8	1.3	2.7	-1.4
United Kingdom	3.3	0.7	2.6	1.7	0.9
Macedonia	2.4	1.2	1.1	1.2	0.0
Iceland	4.6	0.7	3.9	2.2	1.7
Turkey	15.8	0.8	15.0	9.0	6.0
Norway	2.8	1.7	1.1	2.0	-1.0
Switzerland	0.2	1.8	-1.6	-0.7	-0.9

[1] The price index used by the Commission here is not the consumer price index but a producer price index called the GDP deflator.

1.4.3 Wage share and distribution

The chart below is based on data from AMECO showing the ratio between compensation of employees and GDP at factor cost[2]. It reflects the fact that wages increased more slowly than production between the mid-70s until 2005, both in the EU as a whole and in the three selected Member States. The positive trend in wage shares since 2005 is a result of low economic growth rather than high wage increases. There is a great deal of uncertainty with respect to future developments.

Chart 1a: Wage share of GDP. Source: AMECO



[2] GDP at factor cost is GDP minus VAT and other direct sales taxes plus subsidies (the same as gross value added).

The picture is similar for another group of somewhat smaller, West-European industrialised countries (AMECO's historic data for the new Member States on wage share of GDP at factor cost starts in 1995).

The wage share in Austria was actually higher than 75% in 1975 before it started plunging to 61% three decades later. The curve for Sweden shows a less dramatic development as it peaked at 67%. There has been improvement in all countries since 2005 even though it has levelled out in Denmark during the last five years.

Chart 1b: Wage share of GDP. Source: AMECO

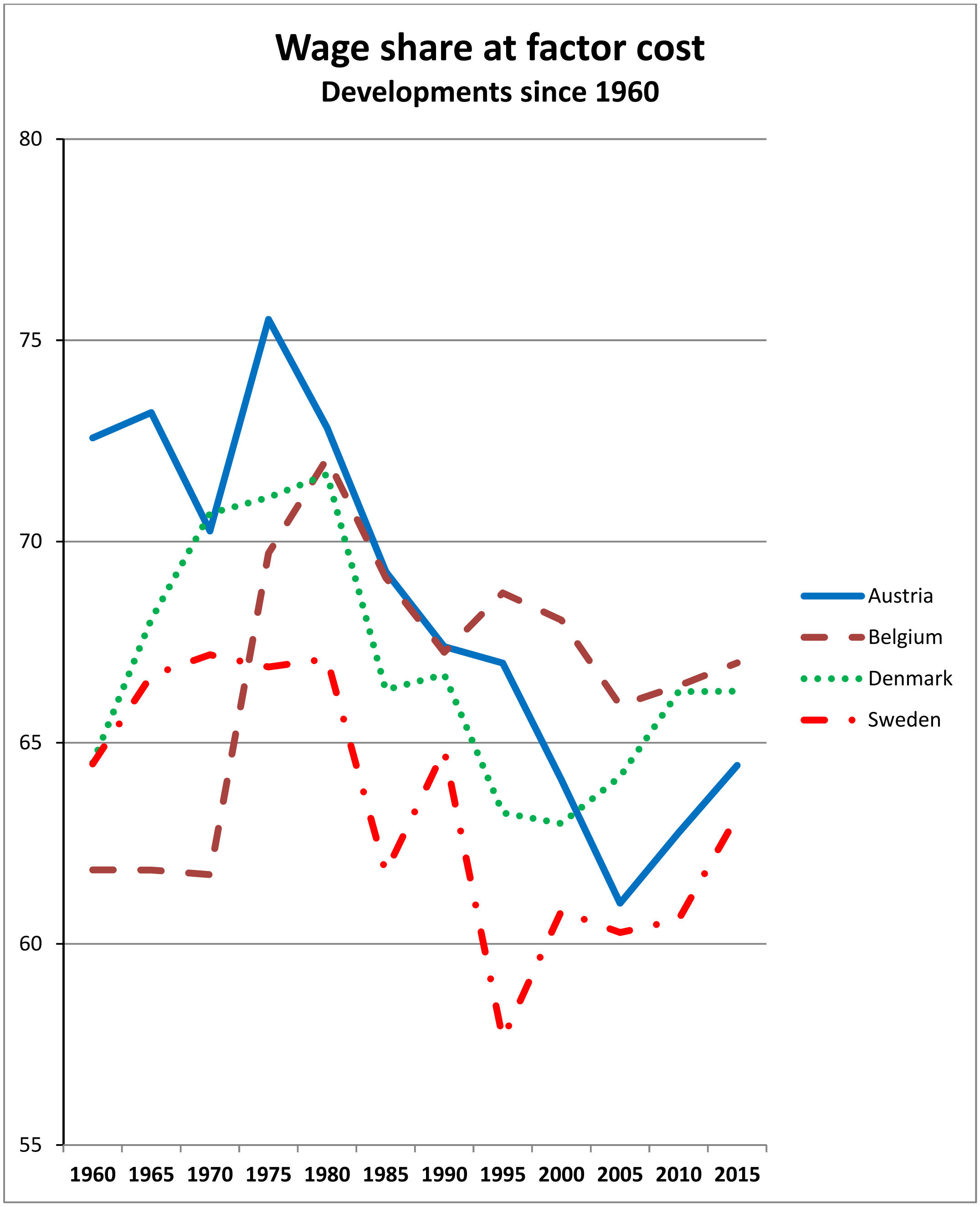
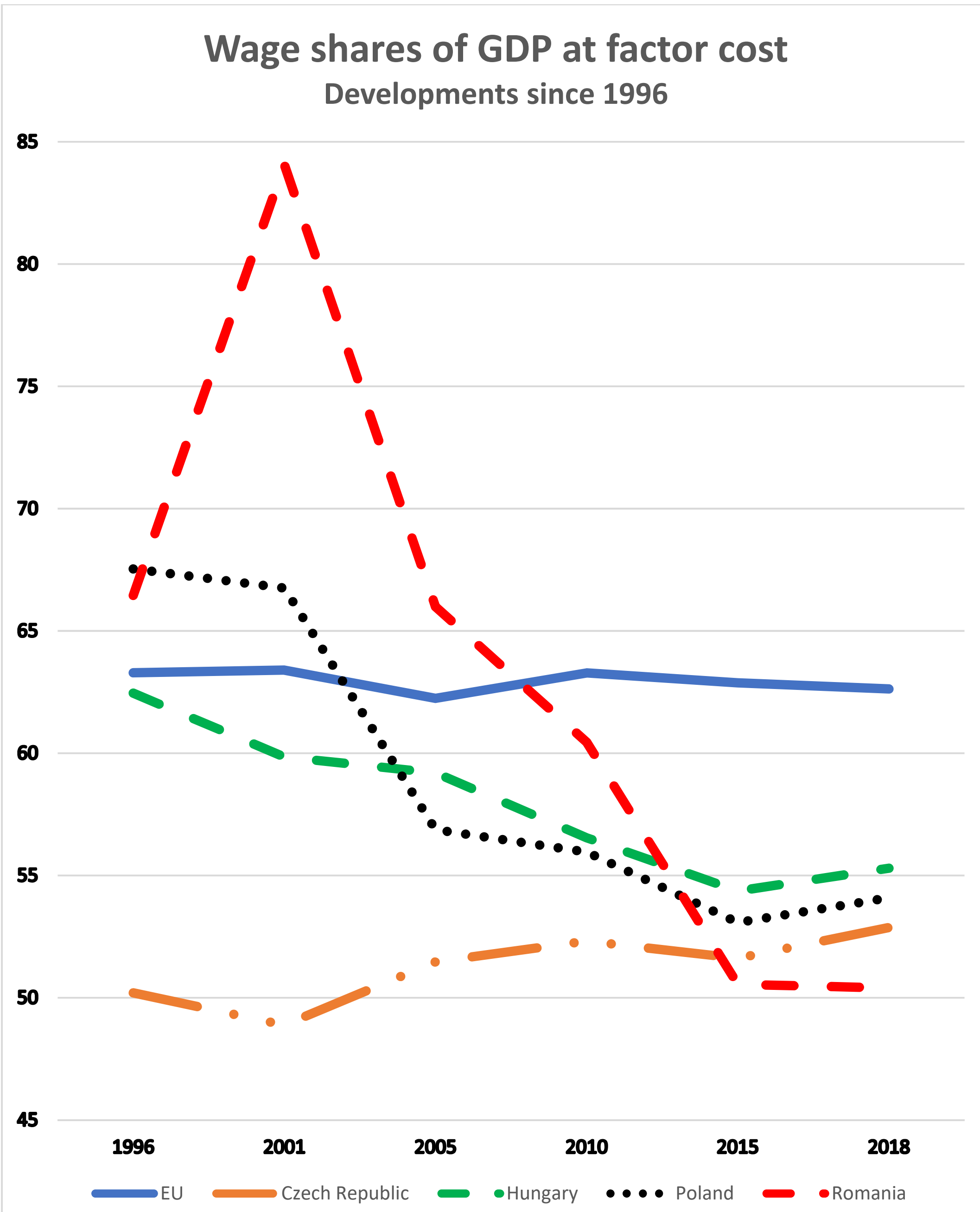


Chart 1c below compares the average wage share in the EU with four selected Eastern European countries. Data in this respect has only been available since 1996.

The EU average has been stable during these years at levels of 62-63%. The four eastern Member States, The Czech Republic, Hungary, Poland and Romania, all have considerably lower wage shares, actually as much as 10 percentage points lower. The shares declined steadily in Hungary and Poland until 2015 when they levelled out. In Romania, there has been a most incredible drop since 2001 of 23.7 percentage points. The Czech Republic started from a low level, but has seen a slight improvement after 2001.

Chart 1c: Wage share of GDP. Source: AMECO



1.5 Qualitative labour issues

1.5.1 Temporary employment

In 2015, the average level of temporary employment in the EU was 14.1%. This is an unacceptably high level, which tells us that only 85.9% of all workers and employees have permanent contracts. This level has been increasing since 2012, and in the euro area since 2013. There are great variations between different European countries. Romania, for example, hardly experiences any problems with temporary employment. Only 1.4% of its workers have temporary contracts. Also, the three Baltic States have reported decent levels at around 3.0%. At the other end of the table we find Poland, Spain, Portugal, Croatia and the Netherlands, where more than one out of every five workers is on a temporary contract.

Table 9: Percentage of workers aged 15-64 with temporary contracts, total economy, sorted 2015. Source: Eurostat.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	14.0	13.7	13.6	13.9	14.1
EA-18	15.6	15.0	14.9	15.1	15.4
Poland	26.8	26.8	26.8	28.3	28.0
Spain	25.2	23.4	23.2	24.0	25.2
Portugal	22.0	20.5	21.4	21.4	22.0
Croatia	13.5	13.3	14.5	16.9	20.3
Netherlands	18.1	19.2	20.2	21.1	20.0
Cyprus	14.2	15.1	17.5	19.0	18.4
Slovenia	18.0	17.0	16.3	16.5	17.8
Sweden	16.5	15.9	16.3	16.8	16.6
France	15.3	15.2	15.3	15.3	16.0
Finland	15.5	15.5	15.3	15.4	15.1
Italy	13.3	13.8	13.2	13.6	14.1
Switzerland	12.9	12.9	12.9	13.1	13.6
Germany	14.6	13.8	13.4	13.1	13.2
Turkey	12.2	12.0	11.9	12.9	13.1
Iceland	12.4	13.3	14.4	13.6	13.0
Macedonia FYR	14.8	14.3	15.2	15.5	12.6
Greece	11.8	10.2	10.2	11.6	11.9
Hungary	9.1	9.5	10.9	10.8	11.4
Slovakia	6.5	6.7	6.8	8.8	10.5
Luxembourg	7.1	7.6	7.0	8.1	10.2
Czech Republic	8.0	8.3	9.1	9.7	10.0
Austria	9.6	9.3	9.2	9.2	9.1
Belgium	8.9	8.1	8.1	8.6	9.0
Denmark	8.9	8.6	8.8	8.6	8.7
Ireland	10.2	10.1	10.0	9.3	8.7
Norway	8.0	8.5	8.4	7.9	8.0
Malta	6.5	6.8	7.5	7.7	7.4
United Kingdom	6.0	6.2	6.1	6.3	6.1
Bulgaria	4.0	4.4	5.6	5.3	4.4
Latvia	6.7	4.7	4.3	3.3	3.8
Estonia	4.5	3.5	3.5	3.1	3.4
Lithuania	2.7	2.6	2.7	2.8	2.1
Romania	1.4	1.5	1.4	1.5	1.4

The picture is very alarming with respect to the percentage of temporary employment amongst the youngest workers (15-24 years). The average levels in 2015 were 43.3% in the EU-28 and 52.9% in the EA-19.

Temporary employment is the most common form of precarious work, taking either the form of fixed-term employment with one employer or employment via a work agency. The manufacturing industry is the biggest user of agency workers. For many employers, it is obviously "business as usual" to give the youngest staff temporary contracts.

In Member States such as Slovenia, Poland and Spain, more than 70% of the youngest workers were on temporary contracts in 2015. For the former, this was over four times as high as the average for all age groups. Conversely, in this specific age group, it is Bulgaria, Romania and the Baltic States which have the most decent conditions in this respect.

Table 10: Percentage of workers aged 15-24 with temporary contracts including agency work, total economy, sorted 2015. Source: Eurostat.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	42.5	42.2	42.4	43.2	43.3
EA-18	51.4	50.8	51.2	52.1	52.9
Slovenia	74.5	72.0	73.6	72.7	75.5
Poland	65.6	66.4	68.6	71.2	72.7
Spain	61.2	62.2	64.7	69.1	70.4
Portugal	57.8	56.7	61.5	63.0	67.5
Croatia	45.8	47.9	46.6	57.2	60.9
France	55.4	55.9	57.0	56.0	58.0
Italy	50.0	53.2	52.7	56.0	57.1
Sweden	56.8	55.7	55.8	56.2	55.7
Germany	56.0	53.7	52.9	53.4	53.6
Netherlands	47.8	51.3	53.1	55.5	53.3
Switzerland	51.5	52.5	51.8	52.6	52.3
Luxembourg	34.5	39.0	30.9	45.4	47.1
Finland	43.4	42.0	43.0	42.5	41.8
Belgium	34.3	31.4	32.8	34.2	36.6
Austria	37.2	35.7	34.8	35.1	35.8
Greece	29.7	25.4	26.4	29.4	33.3
Iceland	32.9	32.9	33.7	31.2	33.2
Macedonia FYR	34.9	33.0	38.9	39.5	33.2
Ireland	33.8	34.9	33.1	33.9	32.7
Czech Republic	22.4	27.0	28.9	32.3	31.0
Cyprus	17.0	18.7	26.1	31.1	29.1
Slovakia	18.7	19.1	21.3	28.2	29.1
Norway	24.3	24.4	24.2	24.0	24.8
Hungary	23.3	22.7	24.7	25.1	24.1
Turkey	18.3	19.3	19.8	21.7	23.2
Denmark	22.1	20.9	20.9	21.3	22.7
Malta	17.6	17.0	19.8	19.0	16.8
United Kingdom	13.6	15.0	14.7	15.2	15.0
Bulgaria	7.6	9.5	13.2	14.5	11.7
Estonia	14.1	13.1	12.3	11.2	11.4
Latvia	11.2	9.7	10.0	8.4	10.9
Lithuania	8.8	9.4	8.0	8.5	6.5
Romania	5.4	5.3	6.1	7.0	5.4

Respondents from all countries (except for the Netherlands, Iceland and Norway, where part-time status is determined on the basis of whether the usual hours worked are fewer than 35 hours per week) were asked to make a self-assessment as to whether their main job could be classed as full-time or part-time. Individuals working on an involuntary part-time basis are those who declare that they work part-time because they are unable to find full-time work. The proportion of involuntary part-time work has been increasing steadily since 2011.

In 2015, the level was around 30%, slightly higher in the Eurozone than in the EU as a whole. The worst crisis-hit EU Member States in the South stand out as being the countries where large numbers of workers had to accept fewer hours than they wanted. In Greece, 72.6% of the part-time workers were involuntary in 2015. This represented an increase of 12.6 percentage points since 2011.

Only three countries (the Netherlands, Turkey and Switzerland) had under 10% of involuntary part-time workers.

Table 11: Involuntary part-time work, sorted 2015. Source: Eurostat.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	26.3	27.7	29.3	29.6	29.1
EA-19	27.7	29.3	30.9	31.7	31.4
Greece	60.3	64.9	68.2	71.2	72.6
Cyprus	49.4	53.1	55.8	64.9	68.9
Italy	54.2	58.5	62.8	65.4	65.6
Spain	56.0	61.3	63.3	64.0	63.2
Bulgaria	57.1	66.5	61.8	63.2	60.6
Romania	51.5	53.0	55.9	56.9	59.0
Portugal	45.1	47.4	48.8	49.3	50.1
France	33.6	34.2	39.4	42.4	43.7
Macedonia	41.1	39.9	35.1	38.6	42.9
Ireland	37.7	41.2	43.1	41.4	37.8
Hungary	39.9	40.9	43.2	41.1	36.9
Latvia	42.1	43.5	40.7	38.1	32.7
Lithuania	37.5	33.0	32.7	31.3	31.9
Finland	28.8	25.7	26.1	29.0	31.4
Poland	24.5	27.5	30.9	32.3	30.5
Slovakia	24.4	32.1	32.4	33.4	29.9
Sweden	27.8	28.8	29.7	29.8	29.4
Croatia	24.7	22.2	24.8	25.5	26.7
Norway	18.8	17.1	18.8	20.3	20.6
United Kingdom	18.8	19.3	20.3	18.8	17.9
Czech Republic	18.8	20.0	16.9	21.1	16.4
Denmark	16.1	17.5	18.3	16.9	15.7
Malta	16.1	16.8	16.0	15.1	15.4
Iceland	24.3	22.1	17.6	19.7	14.9
Luxembourg	9.9	13.7	10.6	12.9	14.8
Germany	16.8	16.3	15.6	14.5	13.8
Estonia	22.3	20.7	18.5	15.1	13.3
Slovenia	8.0	8.6	10.6	9.6	13.0
Austria	10.1	10.1	11.8	11.5	12.4
Belgium	10.4	9.5	9.5	10.1	10.0
Netherlands	7.2	9.0	9.8	10.9	9.9
Turkey	7.2	6.9	7.0	8.5	9.2
Switzerland	7.3	7.6	7.5	7.9	8.2

The at-risk-of-poverty threshold is set by Eurostat at 60% of the national median disposable income (after state benefits). As table 12 shows, nearly one in six involuntary part-time workers in the EU was at risk of poverty in 2014.

In Romania, where 59% of the part-time work is involuntary (table 11), close to 60% of these workers were at risk of poverty. Romania clearly stands out as the country in Europe which is suffering the most in this respect. A group of eight countries – mainly from the South and East – follow with over 20% of part-time work being involuntary.

Involuntary part-time work seems to be less of a problem in countries with a generally higher level of wealth (GDP per capita). In ten countries, fewer than 10% of the group of workers had an annual disposable income below the threshold. These were Croatia, Austria, Norway, Switzerland, Denmark, Finland, Iceland, the Czech Republic, Belgium and the Netherlands.

Table 12: Involuntary part-time work and poverty risk, sorted 2014. Source: Eurostat.

geo\time	2011	2012	2013	2014	2015
EU-28	13.4	13.7	14.7	15.8	:
EA-19	12.3	12.5	13.4	14.2	:
Romania	59.5	59.6	58.5	62.0	59.4
Serbia	:	:	35.6	37.0	44.1
Macedonia	:	32.0	24.3	31.6	:
Portugal	28.3	23.4	28.0	31.1	29.5
Greece	21.4	27.3	27.0	27.9	28.2
Bulgaria	33.0	27.9	20.9	27.8	30.3
Lithuania	21.7	26.2	24.7	24.2	28.1
Spain	19.0	21.2	18.7	22.9	27.1
Turkey	23.8	23.5	20.9	:	:
Estonia	11.5	18.9	16.4	20.2	18.1
Hungary	16.8	15.8	17.9	20.1	18.2
Latvia	25.1	23.1	20.5	18.7	18.4
Italy	18.6	18.0	19.2	17.4	:
Poland	17.7	18.1	20.2	17.1	:
Cyprus	12.6	15.4	16.6	16.2	:
United Kingdom	12.3	14.3	13.6	16.1	13.1
Germany	10.5	11.3	13.4	14.9	:
Luxembourg	12.3	12.9	14.0	14.8	:
France	13.7	13.0	13.1	13.3	13.2
Slovenia	10.7	10.2	13.4	13.0	14.6
Malta	13.2	12.8	12.1	12.7	14.9
Sweden	11.9	10.2	11.1	12.0	9.6
Slovakia	18.1	16.4	17.8	11.4	19.0
Ireland	10.2	9.5	7.4	10.6	:
Croatia	25.8	19.7	26.2	9.9	:
Austria	9.1	10.5	9.5	9.6	11.1
Norway	7.1	7.0	7.9	9.3	8.9
Switzerland	10.9	11.3	9.8	8.8	:
Denmark	8.6	6.0	7.9	8.5	7.6
Finland	6.5	9.3	10.6	8.5	9.0
Iceland	5.6	6.2	9.7	7.6	11.5
Czech Republic	8.9	10.0	10.5	6.4	6.3
Belgium	6.4	6.4	5.9	6.2	6.4
Netherlands	5.4	4.5	4.5	5.1	4.9

Unemployment and poverty go hand-in-hand. Almost half of the unemployed (aged 18 years or over) had a disposable income below the at-risk-of-poverty threshold in 2014. And as one can see from the sorted column to the right, it was the largest country in Europe, Germany, which had the highest proportion of citizens who are unemployed and at risk of poverty. Nearly seven out of ten unemployed Germans fell into this category. Another rich country - Luxembourg - also registered a share of over 50%.

Only three countries registered a level (marginally) below 30%. Meanwhile, other Nordic countries, France, Cyprus, Ireland, the Netherlands, Norway and Turkey all had shares between 30% and 40% of people who are unemployed and at risk of poverty. Basically, this table incontrovertibly illustrates that unemployment benefits across Europe are insufficient to make a decent living.

The trend since 2011 is clearly negative. At the same time as unemployment levels reach unprecedented highs, the unemployed people are increasingly at risk of poverty. The percentages have gone up by 1.5 and 1.0 in EU-28 and EA-19 respectively since 2011.

Table 13: Unemployment and poverty risk, sorted 2014. Source: Eurostat.

geo\time	2011	2012	2013	2014	2015
EU-28	45.8	46.3	46.5	47.3	:
EA-19	45.9	46.2	46.9	46.9	:
Germany	67.8	69.3	69.3	67.4	:
Lithuania	53.0	54.4	61.0	62.6	62.3
United Kingdom	47.2	51.3	43.9	57.9	48.3
Estonia	52.1	55.6	54.8	54.7	54.8
Hungary	47.1	49.6	53.2	54.0	54.4
Latvia	50.0	51.9	55.9	53.3	55.0
Romania	48.1	52.4	54.5	50.8	55.5
Bulgaria	52.2	48.5	47.6	50.2	53.3
Luxembourg	42.3	51.9	53.0	50.0	:
Malta	43.4	48.2	49.6	48.8	55.7
Slovakia	42.6	44.6	43.8	48.7	45.5
Italy	47.5	45.0	47.0	48.1	:
Spain	40.5	43.5	44.7	48.0	46.5
Czech Republic	46.4	46.7	44.5	47.8	48.7
Serbia	:	:	48.4	47.0	46.2
Finland	43.5	45.5	37.5	46.8	39.6
Greece	44.0	45.8	46.3	45.9	44.8
Slovenia	44.6	46.9	46.2	45.3	44.8
Austria	40.3	45.4	45.8	44.6	41.4
Croatia	42.3	43.2	43.2	43.2	:
Poland	43.6	42.5	43.7	43.0	:
Belgium	37.9	34.8	46.2	42.9	40.7
Sweden	38.4	42.2	42.4	41.3	39.3
Portugal	36.0	38.3	40.3	40.5	42.0
Macedonia FYR	:	46.5	43.7	40.4	:
Turkey	40.8	40.9	38.1	:	:
Norway	32.9	40.1	39.3	39.8	43.6
Netherlands	33.5	33.3	34.2	36.3	36.3
Ireland	31.8	34.0	34.1	35.6	:
Cyprus	36.9	31.5	33.6	32.6	:
France	36.7	36.0	35.6	31.1	37.1
Denmark	28.3	27.6	33.1	27.5	37.6
Iceland	21.8	20.0	29.6	25.1	22.5

Switzerland	30.1	38.9	32.8	24.6	:

1.5.2 The gender pay gap

The wage differences between men and women are smallest in countries with a generally high level of gender equality, such as the Nordic countries and Belgium. It is also striking that these are the countries with the highest trade union densities in Europe and those that have most weight on the trade union side in collective bargaining. However, large countries in the South such as Italy and France can also be found at the "right" end of the table with gaps below 15%. The Italian situation has improved remarkably the last five years.

Gender pay gaps have increased since 2010 in nine of the countries for which we have data. Spain recorded an increase of 1.2 percentage points. In nine other countries, the gap has been reduced by more than two percentage points in the same period. In this group, we find countries from all over Europe, meaning there is no clear pattern with regard to a trend towards more equality between men and women.

A narrower gender pay gap would mean that, to a larger extent, women were being employed in executive positions and moreover that the Treaty provision on equal pay for work of equal value (TFEU Article 157) was coming closer to being a reality.

Table 14: Percentage difference between wages for male and female workers in the manufacturing industry (NACE C), sorted 2014. Source: Eurostat.

GEO/TIME	2010	2011	2012	2013	2014
Portugal	33.4	28.8	31.1	30.1	30.7
Estonia	31.6	31.2	32.7	32.8	29.2
Cyprus	33.4	32.7	30.7	30.0	29.0
Slovakia	27.4	28.3	28.1	28.9	29.0
Czech Republic	28.1	27.8	27.2	27.3	27.3
Germany	27.4	27.2	26.3	26.0	26.3
Lithuania	28.8	26.9	26.6	25.7	25.2
Bulgaria	24.1	24.9	25.7	25.8	23.7
Spain	22.3	24.6	24.3	23.5	23.5
Iceland	23.3	22.5	23.5	24.6	22.7
Hungary	26.4	25.8	26.0	23.2	22.6
Romania	22.6	22.4	22.7	22.2	21.9
Poland	20.9	21.2	21.4	21.2	20.9
Switzerland	19.8	19.6	20.2	20.3	:
Croatia	18.4	17.7	15.9	18.3	19.2
Netherlands	18.6	21.1	20.0	19.1	19.1
Latvia	18.8	17.5	19.6	19.3	18.5
United Kingdom	21.7	20.6	20.5	20.3	18.1
Malta	14.9	15.6	15.5	15.4	14.5
France	16.2	15.2	15.0	15.0	14.4
Luxembourg	16.2	15.4	14.4	14.0	13.8
Denmark	14.0	13.2	13.7	13.0	12.7
Finland	14.4	13.6	13.0	12.1	11.6
Norway	13.6	12.6	12.6	11.4	11.5
Italy	16.0	14.4	14.0	13.8	10.9
Slovenia	12.9	12.8	11.9	11.6	10.8
Belgium	11.5	11.2	11.0	10.8	10.6
Sweden	8.9	7.7	7.3	6.6	6.0

2 Collective bargaining systems – a cross-sectoral overview

2.1 Collective bargaining levels

National level and company levels continue to play a significant role in collective bargaining. For various reasons, negotiations take place at intersectoral level due, for example, to mergers of trade unions or simply because some unions cover several sectors.

However, wage negotiations are being decentralised and only seven European countries now have national collective agreements in all sectors. Among industriAll Europe affiliates that negotiate only at company level is Energija (Latvia). And actually, a number of unions only negotiate at sectoral level with no possibility for local adaptions. Multiple levels can be found in a number of countries. It varies how dominant each level is.

In future Eucob@n surveys it will be a goal to compile more information about collective bargaining which has been completely decentralised, i.e. wage formation that is only decided at company level. If possible, it would also be interesting to compare with wage setting and wage distribution in companies without collective bargaining to assess the impact of unionisation and collective efforts.

Table 15: Collective bargaining levels.

Country	Union(s)	National		Regional		Local/company
		Inter-sectoral	Sectoral	Inter-sectoral	Sectoral	
METAL						
Austria	PRO-GE		X			
Belgium	Four unions	X	X			
Czech R.	OS KOVO auto.	X				
Czech R.	OS KOVO aero.		X			
Czech R.	OS KOVO foundry	X				
Czech R.	OS KOVO com					X
Denmark	CO-industri		X			
Finland	Metalli, Pro		X			
Finland	YTN		X			
France	FGMM-CFDT	X				X
Germany	IG Metall		X (Adopts agreement for pilot region)		X	
Iceland	SGS	X				
Netherlands	FNV, CNV		X			
Norway	Fellesforbundet		X			
Norway	NITO	X				X

Slovakia	OZ KOVO		(X) CA's cover only parts of the sectors. Two have been partially extended.			X
Spain	FICA		X			
Sweden	Unionen		X			
Sweden	Engineers		X			
CHEMICAL						
Bulgaria	NLF		X		X	X
Czech R.	OS ECHO		X			X
Finland	PRO		X			
Finland	TEAM		X			
Germany	IG BCE		X			
Iceland	SGS	X				
Latvia	Energija					X
Spain	FICA		X			
Sweden	Unionen	X				
TCLF						
Belgium	METEA, AC CG	X	X			
Czech R.	OS TOK		X			X
Finland	PRO		X			
Germany	IG Metall		X			
Spain	FICA		X			
STEEL						
Austria	GPA-djp		X			
Belgium	METEA, Metaal		X			X
Czech R.	OS KOVO		X			
Denmark	CO-industri		X			X
Finland	Metalli		X			
Finland	PRO		X			
France	FGMM CFDT		X			X
Germany	IG Metall				X	X
Italy	FIOM		X			X
Netherlands	FNV					X
Slovakia	OZ KOVO		X (Covers only 12 companies)			X
Sweden	IF Metall		X			
Sweden	Engineers		X			
Switzerland	UNIA		X			

2.2 The existence of opening clauses

Companies can deviate from national or regional collective agreements through 'opening clauses'. Social partners at company level can agree on either higher or lower wage levels or different working time arrangements. This must be borne in mind when the outcomes of national bargaining are assessed.

Opening clauses – either in collective agreements or in national legislation – exist in nine of the countries which took part in this year's survey, amongst them Germany. Derogations in Germany are founded on the Pforzheim agreement of 2004. The agreement specifies that derogations are only possible provided that jobs are safeguarded or created as a result and the agreements help improve competitiveness and ability to innovate, as well as investment conditions. Also, the Dutch report states that opening clauses may only be resorted to under very strict conditions.

Table 16: Opening clauses

Country	Union	Opening clauses in CA	Statutory opening clauses	No opening clauses	Comments
METAL					
Austria	PRO-GE			X	
Belgium	Four unions			X	
Czech R.	OS KOVO auto.			X	
Czech R.	OS KOVO aero.			X	
Czech R.	OS KOVO foundry			X	
Czech R.	OS KOVO comp				
Denmark	CO-industri				
Finland	Metalli, Pro			X	
Finland	YTN	X			
France	FGMM-CFDT				
Germany	IG Metall	(X)			Flexible components of the wage increase for companies in trouble. Only if certain conditions are fulfilled, the bargaining partners can agree on such a flexible element.
Iceland	SGS		X		
Netherlands	FNV, CNV	X			Only within very strict rules.
Norway	Fellesforbundet		X		
Norway	NITO				
Slovakia	OZ KOVO			X	
Spain	FICA		X		
Sweden	Unionen			X	
Sweden	Engineers	X			

CHEMICAL					
Bulgaria	NLF				
Czech R.	OS ECHO			X	
Finland	PRO			X	
Finland	TEAM	X			
Germany	IG BCE			X	
Iceland	SGS				
Latvia	Energija			X	
Spain	FICA		X		
Sweden	Unionen			X	
TCLF					
Belgium	METEA, TVD		X		
Czech R.	OS TOK				
Finland	PRO, TEAM			X	
Germany	IG Metall	(X)			
Norway	Fellesforbundet				
Spain	FICA				
Sweden	Unionen				

2.3 The character of the agreement

There is great variation with regard to the character of the new collective agreements, but few of them apply only to trade union members. Examples of agreements for members only were reported from the Czech Republic and Sweden in this year's survey.

Erga omnes agreements are becoming more common, and are being used as instruments by which to avoid social dumping. The entire agreements or parts of them have been made universally applicable through legislative measures. Thus employers which are not affiliated to a national association cannot gain competitive advantages through wages lower than those in the collective agreements.

A wide range of agreements apply both to blue and white collar workers, normally with the exception of the top management. Unionen and PRO gave feedback on agreements only applicable to white collars, whilst IF Metall's steel agreement only covers blue collars.

Table 17: The character of the agreement

Country	Union	Only for organised employers	Universally applicable (*erga omnes*)	Blue and white collars	Only for union members	Comments
METAL						

Austria	PRO-GE		X			Only blue collars
Belgium	Four unions		X			
Czech R.	OS KOVO auto.	X			X	
Czech R.	OS KOVO aero.	X		X	X	Requires approval of companies.
Czech R.	OS KOVO found	X		X	X	
Czech R.	OS KOVO com			X		
Denmark	CO-industri					
Finland	Metalli, Pro		X			
Finland	YTN		X			
France	FGMM-CFDT		X	X		
Germany	IG Metall	X		X		
Iceland	SGS		X			
Netherlands	FNV, CNV		X			
Norway	Fellesforbundet					Applicable to all workers in companies with the CA. Shipbuilding: Binding on all workers. A small part also for white collars.
Norway	NITO					
Slovakia	OZ KOVO			X		
Spain	FICA		X			
Sweden	Unionen		X		X	Only white collars, salary agreement for the members.
Sweden	Engineers	X			X	
CHEMICAL						
Bulgaria	NLF					
Czech R.	OS ECHO	X				
Finland	PRO		X			Only white collars
Finland	TEAM		X			
Germany	IG BCE	X		X		
Iceland	SGS	X		X		
Latvia	Energija	X				
Spain	FICA		X			
Sweden	Unionen	X				
TCLF						
Belgium	METEA, AC CG		X			
Czech R.	OS TOK	X	X	X		
Finland	PRO		X			Only white collars
Germany	IG Metall	X		X		
Spain	FICA		X			

STEEL						
Austria	PRO-GE		X			Only blue collars
Austria	GPA-djp			X		
Belgium	METEA, Metaal		X			
Czech R.	OS KOVO		X			
Denmark	CO-industri					Agreement covers 230,000 union members. Applicable to all skilled and unskilled workers in the industry.
Finland	Metalli					Agreement covers all metal workers.
Finland	PRO					Applicable to all salaried employees.
France	FGMM CFDT		X			
Germany	IG Metall			X		All steel workers in North-West Germany, East Germany and Saarland. Exception: 740 workers of Stahlwerk Thüringen (Company agreement).
Italy	FIOM					
Netherlands	FNV					
Slovakia	OZ KOVO		X			
Sweden	IF Metall					All blue collars
Sweden	Engineers					General conditions are applicable to all white collar workers, but salary agreement only applicable to union members.
Switzerland	UNIA			X		

2.4 Industrial actions

Numerous affiliates across Europe have organised industrial action during the period of reporting, either by organising traditional strikes, warning strikes, demonstrations or nationwide conferences aimed at putting pressure on employers. Members of FNV and CNV went on lengthy strikes in two sectors.

Reports of industrial actions in a number of sectors have been received from Germany, Iceland, the Czech Republic and Finland. Fellesforbundet barely avoided strike though state mediation. In Spain, FICA issued a strike threat.

Table 18: Industrial actions

Country	Union	Yes	No	Comments
METAL				
Austria	PRO-GE		X	
Belgium	Four unions		X	
Czech R.	OS KOVO auto.		X	
Czech R.	OS KOVO aero.		X	
Czech R.	OS KOVO foundry			
Czech R.	OS KOVO com	(X)		A few strike alerts and use of mediator.
Denmark	CO-industri			
Finland	Metalli, Pro		X	
Finland	YTN			
France	FGMM-CFDT		X	
Germany	IG Metall	X		Warning strikes involving 800.000 workers.
Iceland	SGS	X		2.5 days in late spring 2015
Netherlands	FNV, CNV	X		Yes for nine months in metal industri and six in engineering.
Norway	Fellesforbundet		X	Arbitration necessary according to Norwegian legislation.
Norway	NITO			
Slovakia	OZ KOVO		X	
Spain	FICA		X	
Sweden	Unionen		X	
Sweden	Engineers		X	
CHEMICAL				
Bulgaria	NLF		X	
Czech R.	OS ECHO		X	
Finland	PRO		X	
Finland	TEAM		X	One demonstration against government austerity measures.
Germany	IG BCE		X	
Iceland	SGS			
Latvia	Energija			
Spain	FICA		X	One strike threat
Sweden	Unionen			
TCLF				
Belgium	METEA, AC CG		X	
Czech R.	OS TOK		X	
Finland	PRO		X	

Germany	IG Metall		X	
Spain	FICA		X	

2.5 Involvement of the confederations

Almost all of industriAll Europe's affiliates are members of a national confederation. Norwegian NITO and Czech SKP are two of the few exceptions.

In this year's Eucob@n survey, involvement from confederations has been reported from numerous countries, but in different forms and to varying extents. In France, where the situation in 2016 was extraordinary, the confederations did their best to negotiate with the government the proposed changes to the national labour code, of which decentralised collective bargaining was a key element. In Finland, three confederations agreed a national social contract which was the basis for collective bargaining. In Norway, it is tradition that the second highest body of the socialist confederation adopts guidelines for the collective bargaining rounds before its affiliated unions start negotiating and later approves the outcome.

On the other hand, in large countries such as Germany and Italy only unions negotiate without any interference at all from confederations.

Table 19: Involvement of the confederations

Country	Union	Involvement	No involvement	Comments
METAL				
Austria	PRO-GE		X	
Belgium	Four unions		X	
Czech R.	OS KOVO auto.		X	
Czech R.	OS KOVO aero.		X	
Czech R.	OS KOVO foundry			
Czech R.	OS KOVO com		X	
Denmark	CO-industri			
Finland	Metalli, Pro	X		
Finland	YTN			
France	FGMM-CFDT	X		Confederation attempted to negotiate with the government the amendments of the French Labour Code.
Germany	IG Metall		X	
Iceland	SGS	X		Made the deal at national level.
Netherlands	FNV, CNV	X		Support during strike and assistance in negotiations.
Norway	NITO		X	Not affiliated to confederation.
Norway	Fellesforbundet	X		Decided the general guidelines for the negotiations.
Slovakia	OZ KOVO		X	
Spain	FICA		X	

Sweden	Unionen		X	
Sweden	Engineers		X	
CHEMICAL				
Bulgaria	NLF		X	
Czech R.	OS ECHO		X	
Finland	PRO	X		National tripartite agreement negotiated.
Finland	TEAM			Agreed a national social contract which was the basis for collective bargaining.
Germany	IG BCE		X	
Iceland	SGS			
Latvia	Energija		X	
Spain	FICA		X	
Sweden	Unionen			
TCLF				
Belgium	METEA, AC CG		X	
Czech R.	OS TOK		X	
Finland	PRO			Yes, the confederation negotiated the basic principles, wages and extension of working hours.
Germany	IG Metall		X	
Spain	FICA			

2.6 Minimum wages

Minimum wages are applied at national level and can be laid down by either collective agreements or laws. Neither European frameworks nor guidelines exist regarding this subject. There are different systems and great variations between the countries. Germany is the latest country to have introduced nationally binding minimum wages.

Where statutory minimum wages (legislation) have been reported, consultation of the social partners is the main rule. Exceptions can be found in Spain, for example.

The five Nordic countries have minimum pay rates laid down by collective agreements, however these are not legal minimum wages that constitute national wage floors. In Norway (selected sectors) and Finland they have been made generally applicable through legislative measures.

Table 20: Minimum wages.

Country	Union	Collective agreement	Statutory with consultation	Statutory without consultation	No minimum wage
METAL					
Austria	PRO-GE	X			
Belgium	Four unions	X			

Czech R.	OS KOVO auto.		X		
Czech R.	OS KOVO aero.		X		
Czech R.	OS KOVO foundry				
Czech R.	OS KOVO com		X		
Denmark	CO-industri				X
Finland	Metalli, PRO	X			
Finland	YTN				X
France	FGMM-CFDT	X			
Germany	IG Metall		X (not significant in the sector. Tariffs in CAs are higher.)		
Iceland	SGS	X			
Netherlands	FNV, CNV		X		
Norway	NITO				X
Norway	Fellesforbundet				
Slovakia	OZ KOVO		X		
Spain	FICA			X	
Sweden	Unionen	X			
Sweden	Engineers				X
CHEMICAL					
Bulgaria	NLF		X		
Czech R.	OS ECHO		X		
Finland	PRO	X			
Finland	TEAM				X
Germany	IG BCE				
Iceland	SGS				
Latvia	Energija		X		
Spain	FICA			X	
Sweden	Unionen				X
TCLF					
Belgium	METEA, AC CG	X			
Czech R.	OS TOK				
Finland	PRO				
Germany	IG Metall	X	X		The national minimum wage is €8.50 per hour, €8.25 in the East.
Spain	FICA			X	

2.7 The Wage Coordination Rule and the VOWA

Table 22 shows the calculation of the values of the whole agreements minus inflation and growth in real labour productivity. These figures correspond very well with the data we compiled in last year's survey[3]. We see from the right-hand column that there are positive BPPG figures for Spain, Bulgaria, Slovakia, Germany and Denmark, meaning that the collective agreements (wage increases and improved workers' rights) compensate for inflation and fully reflect increases in productivity gains, in other words the wage coordination rule of industriAll Europe was fulfilled. As long as the offset inflation rate is above zero, workers participate in productivity gains. This was the situation in all countries in this year's survey except Belgium, where an extraordinary wage freeze was in force and wages increased less than inflation.

Table 22: BPPG calculation 2015

Country/union/sector	Value of the Whole Agreement 2015, VOWA	Inflation, HICP	Offset inflation rate, OIR	Labour productivity	Balanced participation in productivity gains, BPPG
BE - metal	0.3	0.6	-0.3	0.5	-0.8
BE - textile	0.2	0.6	-0.4	0.5	-0.9
BG - chemical	7.0	-1.1	8.1	2.6	5.5
CZ - aero	2.0	0.3	1.7	3.0	-1.3
CZ - auto	NA	0.3		3.0	
CZ - chemical	1.5	0.3	1.2	3.0	-1.8
CZ - companies	NA	0.3		3.0	
CZ - foundry	NA	0.3		3.0	
CZ -textile	2.6	0.3	2.3	3.0	-0.7
DE - chemical (rubber)	2.8	0.1	2.7	0.9	1.8
DE - chemical	3.0	0.1	2.9	0.9	2.0
DE - metal	3.7	0.1	3.6	0.9	2.7
DE - textile	3.0	0.1	2.9	0.9	2.0
DK - metal/chemical	1.7	0.2	1.5	0.1	1.4
ES - chemical	0.4-1.0	0.2	0.2-0.8	0.1	0.1-0.7
ES - textile	0.5-1.0	0.2	0.3-0.8	0.1	0.2-0.7
ES - metal	0.8	-0.6	1.4	0.3	1.1
FI - metal, chem, texti	0.5	0.2	0.3	0.9	-0.6
FR - metal	0.7	0.1	0.6	0.8	-0.2
IS - multiple sectors	3.0	0.3	2.7	0.2	2.5
LV - chemical	NA	0.2		1.4	
NL - engineering	0.6	0.2	0.4	1.1	-0.7
NL - metal industry	0.5	0.2	0.3	1.1	-0.8
NO - metal (NITO)	2.6	2.0	0.6	1.0	-0.4
NO - metal, textiles	2.7	2.0	0.7	1.0	-0.3
SE - engineering	2.4	0.7	1.7	2.6	-0.9
SE - multi (Unionen)	2.4	0.7	1.7	2.6	-0.9
SK - metal	3.0	-0.3	3.3	1.6	1.7
SK - metal and electric	5.8	-0.3	6.1	1.6	4.5

[3] The difference regarding the VOWA figure for the Czech chemical sector is due to the fact that we received replies for two different unions; OS SKP in 2015 and OS ECHO in 2016.

Table 23 is based on final data for inflation but on forecasts for labour productivity in 2016[4]. Wage increases according to our survey were generally low but they still compensated for consumer prices in times when inflation was hitting an all-time low. Only Bulgaria and Spain of the countries taking part in the survey had negative inflation in 2016. In these countries, the offset inflation rate (the "real wage increase") was higher than the Value of the Whole Agreement (the "nominal wage increase"). Reductions of purchasing power were recorded in Belgium (wage freeze) and in Norway (higher inflation than expected due to expansionary fiscal policies). The picture was mixed with respect to the BPPG with the Czech Republic, Denmark, Germany, Iceland, the Netherlands and Spain still on the positive side, Belgium, Finland and Norway on the negative side and others being close to zero. All figures for real labour productivity growth were positive throughout Europe except in Belgium and Denmark.

Table 23: BPPG calculation 2016 – updated in March 2017

Country/union/sector	Value of the Whole Agreement 2016, VOWA	Inflation, HICP	Offset inflation rate, OIR	Labour productivity	Balanced participation in productivity gains, BPPG
AT - metal, steel	NA	1.0			
BE - metal	NA	1.8		-0.1	
BE - textile	0.2	1.8	-1.6	-0.1	-1.5
BG - chemical	NA	-1.3		2.2	
CZ - aero	3.0	0.6	2.4	1.0	1.4
CZ - auto	NA	0.6		1.0	
CZ - chemical	1.8	0.6	1.2	1.0	0.2
CZ - companies	3.2	0.6	2.6	1.0	1.6
CZ - foundry	NA	0.6		1.0	
CZ - textile	3.5	0.6	2.9	1.0	1.9
CZ - clothing	6.4	0.6	5.8	1.0	4.8
DE - chemical (rubber)	3.3	0.4	2.9	0.9	2.0
DE - chemical	2.2	0.4	1.8	0.9	0.9
DE - metal	2.2	0.4	1.8	0.9	0.9
DE - textile	2.2	0.4	1.8	0.9	0.9
DK - metal/chemical*	2.2	0.0	2.2	-0.5	2.7
ES - chemical	0.4-1.5	-0.3	0.5-1.6	0.3	0.2-1.3
ES - metal	1.2	-0.3	1.5	0.3	1.2
ES - textile	0.9-1.2	-0.3	1.0-1.3	0.3	0.7-1.0
FI - metal, chem, tex	0.2	0.4	-0.2	1.1	-1.3
FR - metal	0.8	0.3	0.5	0.4	0.1
IS - multiple sectors	6.3	0.8	5.5	1.6	3.9
LV - chemical	NA	0.1		1.9	
NL - engineering	2.3	0.1	2.2	0.6	1.6
NL - metal industry	1.7	0.1	1.6	0.6	1.0
NO - metal (NITO)	NA	3.9		0.5	
NO - metal, textiles	2.4	3.9	-1.5	0.5	-2.0
SE - engineering	2.2	1.1	1.1	1.3	-0.2
SE - multi (Unionen)	2.3	1.1	1.2	1.3	-0.1
SK - metal	2.6	-0.5	3.1	0.7	2.4
SK - metal and electric	3.7	-0.5	4.2	0.7	3.5

[4] The latest forecasts for inflation and productivity were inserted in March 2017. They were based on AMECO data. The final figures were not yet available in Eurostat.

3 Collective bargaining outcomes per sector

4.1 The metal sector

Metals are key to all services and infrastructure that are used by contemporary society. The sector, which is made up by car manufacturers, aerospace, shipbuilding, defence, machinery etc., is important for the EU's economy in terms of employment and production value. As the material standard of living grows, demand for metal also increases. From this perspective alone, it is difficult to see what could stop the overall growth in demand for metals in the foreseeable future. The use of metals is indispensable for the economy.

3.1.1 Production

Table 24 below shows the production index for metal products (capital goods) from 2011 until 2015. For the EU as a whole, the volume growth (deflated by producer prices) has been close to 14% since 2010. The highest growth figures can be found in the eastern Member States. The following countries registered a volume of growth exceeding 50% in the current period: Macedonia, Estonia, Slovakia, Lithuania and Latvia. Germany registered a growth of 17.6% and the UK 11.3%, whilst France only recorded an increase of 2.9%. In Italy and Spain there was a decline in the production of capital goods of about two per cent.

Table 24: Volume index of production in the metal industry (capital goods). Source: Eurostat, Short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	108.3	107.4	107.3	109.8	113.7
EA-19	108.5	107.4	106.8	108.6	112.6
Belgium	111.8	110.2	108.9	113.0	115.5
Bulgaria	105.1	108.8	110.3	122.3	132.1
Czech Republic	114.0	113.9	115.2	125.7	135.0
Denmark	108.0	109.0	113.8	112.7	121.3
Germany	111.9	113.3	114.0	116.6	117.6
Estonia	152.8	161.4	166.4	176.7	172.0
Greece	86.5	69.9	69.6	68.1	69.6
Spain	100.6	89.3	90.5	91.4	98.2
France	104.1	102.3	101.8	102.4	102.9
Croatia	111.3	102.5	91.6	92.0	97.3
Italy	105.1	98.8	93.9	94.3	97.7
Cyprus	99.7	87.6	65.7	64.6	68.6
Latvia	125.2	154.2	155.3	154.1	158.0
Lithuania	113.3	129.5	145.0	157.2	162.6

Luxembourg	106.3	109.6	101.3	105.7	110.3
Hungary	113.5	115.2	122.1	136.7	149.9
Malta	101.7	102.1	108.7	115.8	118.6
Netherlands	108.2	107.0	105.0	107.7	110.1
Austria	110.9	113.6	117.0	116.3	119.4
Poland	111.1	109.7	114.5	122.3	135.2
Portugal	97.5	91.5	88.7	93.0	95.5
Romania	108.9	114.7	126.6	142.6	147.6
Slovenia	102.2	102.3	95.7	99.0	105.2
Slovakia	111.3	137.3	144.3	150.2	164.0
Finland	103.8	105.4	98.8	94.2	93.2
Sweden	99.4	93.1	87.2	82.6	87.6
United Kingdom	107.0	108.1	109.3	112.6	111.3
Norway	103.4	113.1	125.3	134.0	126.1
Montenegro	135.8	133.9	122.4	130.6	141.5
Macedonia FYR	156.1	159.8	174.1	258.6	319.6
Serbia	106.1	112.2	143.8	137.4	141.5
Turkey	120.1	118.1	125.2	131.9	142.6
Bosnia and Herzegovina	98.2	97.9	108.0	108.6	106.0

3.1.2 Employment

As shown for the total economy above, production and employment do not go hand-in-hand. The number of persons employed in capital goods has increased by 4.6% since 2010 which is one third of the growth in the production volume.

The countries with a higher increase in employment than in production increase are few and far between. Germany registered an 11.1% increase in the number of metal workers whilst the increase in the UK was 5.0%. Spain had a slight decline, both in its metal workforce and in its production. There was no data available for Italy.

Turkey's performance was the most positive of the large countries with a 30.5% increase in metal employment.

Table 25: Index of employment (number of persons employed) in the metal industry (capital goods). Source: Eurostat, short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	101.6	102.6	102.4	103.3	104.6
EA-19	101.2	102.0	101.7	102.2	103.0
Belgium	100.6	100.6	99.0	96.0	91.8
Bulgaria	100.5	98.9	97.8	100.7	104.3
Czech Republic	102.6	104.8	104.2	106.2	109.8
Denmark	100.4	99.5	95.2	95.4	96.4
Germany	102.4	105.8	107.7	109.7	111.1
Estonia	107.0	110.2	115.0	111.6	113.7
Ireland	102.1	103.4	108.6	105.1	109.8
Greece	91.5	88.8	66.2	70.4	70.4
Spain	101.5	95.9	90.1	92.0	96.0
France	99.4	99.4	98.5	97.2	95.6
Croatia	98.0	95.7	94.7	92.6	92.1
Cyprus	100.3	95.7	84.9	83.0	83.7

Latvia	111.7	122.7	132.5	128.8	128.0
Lithuania	103.4	106.2	111.2	122.9	133.0
Luxembourg	103.0	101.3	99.5	99.8	102.4
Hungary	111.1	111.0	112.5	112.6	116.7
Malta	101.1	97.9	96.7	97.5	100.1
Netherlands	102.0	101.5	101.0	100.9	102.6
Austria	103.6	107.1	108.2	107.8	109.2
Poland	101.3	103.5	104.2	107.6	111.0
Portugal	99.0	96.1	92.6	93.5	94.3
Romania	104.8	108.1	111.3	116.0	123.1
Slovenia	99.9	103.8	101.8	104.2	105.5
Slovakia	106.1	110.7	112.1	111.5	115.0
Finland	95.6	96.2	95.7	90.0	86.2
Sweden	103.0	101.4	99.6	97.9	97.9
United Kingdom	101.6	104.0	103.0	103.8	105.0
Iceland	107.7	116.4	119.4	122.4	124.6
Norway	100.2	105.8	110.2	112.5	104.5
Switzerland	102.0	102.5	102.0	102.8	74.2
Macedonia FYR	96.7	88.3	86.1	170.3	202.3
Serbia	99.4	103.0	106.1	102.5	101.4
Turkey	110.7	116.1	121.2	126.9	130.5

3.1.3 Survey responses

We received replies regarding collective bargaining in the metal industries from 23 unions in 14 countries in 2016. This was fewer than in the previous years.

Table 26: Replies from countries and unions in the metal sector the three latest years.

Year	Countries	Unions
2014	18	32
2015	15	28
2016	14	24

New agreements have been reported by the Czech Republic, Iceland, Germany, Norway, Slovakia, Spain and Sweden.

Austria

PRO-GE reported on a universally applicable agreement for 180 000 blue and white collar workers in the metal and steel sectors. Wage increases for 2016 were not known at the time of reporting.

Belgium

ACV-CSC METEA, ABVV METAAL, MWB-FGTB and ACLVB resubmitted a joint report of last year on an *erga omnes* agreement for the fabricated metals sector valid for the two-year period 2015-2016. The agreement is applicable to 123 600 workers.

A wide range of improvements relating to job quality was achieved, for example in terms of training opportunities, working conditions, work-life balance, career breaks for workers over 50, further development of a sectoral security fund, time credits and an increase in efforts to combat unfair competition and social dumping.

The next bargaining round is scheduled for March 2017.

The Czech Republic

OS KOVO submitted four reports: aerospace, automotive, foundry and companies.

In the aerospace sector a new agreement valid for the whole of 2016 was signed at the beginning of the year. It is applicable to 2 240 workers, representing 28% of the workforce in the sector. The employers' association needs the approval of individual companies to conclude agreements on their behalf. That is the reason why this agreement covers only a part of the employers, i.e. those who have approved it. Nominal wages increased by 2.0% in 2016. As far as working time regulations are concerned, no increase of weekly working time was agreed compared with the previous year. The collective agreement guarantees one week holiday for all workers in addition to the legal minimum. Furthermore, employers are obliged to design plans for vocational training and education and to consult trade unions regarding contents and times. The objective is to make it possible for the workers to participate in systematic education which is in line with the needs and aims of employer and in this manner to improve their employability. Lastly, the Second Common Demand has been implemented through a cooperation between the social partners in the sector. Precarious work is compensated through supplementary bonuses. A new draft agreement will be presented to the employers in August 2016.

In the automotive sector, the last national agreement was concluded with the relevant employers' association in 1993. The Automotive Industry Association, AutoSAP, refuses to approve a revised agreement drafted by OS KOVO. It argues it does not have a mandate from its member companies to sign it.

In the foundry sector, the last agreement was concluded in 2011. It was valid from 1 January 2012 until 31 December 2015. OS KOVO presented to the employers' association of foundries a new draft agreement which was rejected the employers, arguing that it did not have a mandate from its members to negotiate. This year a national mediator intervened and attempted to resolve the dispute.

500 company agreements have been evaluated by OS KOVO. They cover all sectors – automotive, machinery, steel, electrotechnical and aircraft industries. Most of them are valid for one year. They apply to both blue and white collars.

- 87 % of the agreements contained holidays above the legal minimum level.
- 77% of the agreements contained wage increases.
- 63% of the agreements contained pension contributions.
- 59% of the agreements contained weekly working time of 37.5 hours. (Shortened from 40 hours.)
- 43% of the agreements contained half-yearly or yearly bonuses.

Negotiations will restart in the fourth quarter of 2016.

Denmark

CO-industri did not sign any new agreements at national level during the 12 months prior to May 2016. The next talks with the employers will start in December 2016. A result will most likely be reached by mid-February 2017 as the agreement expires 1 March 2017. Wage increases have been moderate the latest years. The value of the whole agreement was 1.8% in 2014 and 1.7% in 2015.

<u>Finland</u>

Metalli's agreement in the metal and technology industries is valid from 1 November 2013 until 31 October 2016. It is an *erga omnes* agreement applicable to 90 000 workers. Wages have hardly increased at all the latest years. This development is linked to a national social contract between the government and the main social partner organisations in Finland. This contract aims at reducing the overall labour costs by 5%. A new collective agreement had been negotiated and signed in June 2016. It applies to the period from November 2016 until October 2017 and will be described in detail in next year's report.

Trade union PRO has a similar agreement for the same sectors and the same period. It applies to 25,000 employees. The bargaining organisation for salaried employees in the private sector, YTN, negotiates on behalf of 70 000 professional or managerial staff. These organisations too signed new agreements in June 2016.

<u>France</u>

FGMM-CFDT did not conclude any new agreements in the period of the survey. A hot potato issue in France is the decision by the government (Labour Minister El Khomri) to revise the national labour code in a way that promotes flexibility for workers and strengthens the position of the employers. The largest French trade union confederations did their best to make the proposed law less awful but succeeded only to a certain extent. Wage increases have been modest also in France lately.

<u>Germany</u>

IG Metall reported on a new agreement in the metal and electrical industries, valid from 1 April 2016 until 31 December 2017 (21 months).

About 2.3 million workers out of 3.7 million, corresponding to 62.2%, are covered by the agreement. Warning strikes with 800 000 workers were organised. The warning strikes contributed to the achievement of much better conditions than the employers initially offered.

Wages increased by 2.8 % from 1 July 2016 till 31 March 2017 (9 months) for all blue-collar workers, white collar workers and apprentices. A one-off payment in June 2016 of €150 for all blue and white collar workers and €65 for all apprentices was agreed as a supplement. Wages will increase by another 2.0% from 1 April 2017 until 31 December 2017 (9 months).

The agreement does not contain any standard opening clauses. However, it does contain flexible components of the wage increase for companies in economic troubles. The flexible elements in the wage agreement are as follows:

- The agreed one-off payment can be postponed to a later date within the period of validity of the sector agreement or be reduced, but not to zero.

- The second step of the wage increase can be postponed from 1 April 2017 until at the latest 1 July 2017.

Companies who want to apply these flexible elements, must prove their below-average or bad results of operations. Moreover, they must be a member of employers' association of the metal and electrical industries and covered by the sector agreement. Only if these preconditions are fulfilled, the bargaining partners IG Metall and employers' association can agree to the implementation of flexible elements.

IG Metall intended to run a working time campaign in the second half of 2016 and formulate a qualitative demand based on the feed-back from the organisation. Discussions about wage demands are likely to be launched in the second half of 2017. Negotiations will start again in January 2018.

Iceland

SGS reported on an agreement for a wide range of sectors valid from 1 May 2015 until 31 December 2018. It covers workers in the private sector in Iceland, in total 90 000 (95%). A 6.2% wage increase was given from 1 January 2016. In addition, the employer contributions to pension funds go up from 8.0% to 8.5%. The agreement was negotiated by the national confederation. The next round will start in the autumn of 2018.

The Netherlands

FNV and CNV Vakmensen have an agreement in the metal industries that runs from 1 May 2015 until 1 June 2018. It applies to 140 000 workers. Widespread, lengthy strikes have been necessary in this sector to put pressure on the employers.

Wages increased by 2.1% from 1 April 2016. A one-off payment of 0.5% was added in July 2016. Young workers (under 23) were given 1.0%. Trade union fees will be tax deductible, something which means an advantage of about €70 per year per member.

When it comes to working time, four-day weeks within full time contracts will be possible, by using holidays (also public holidays). Workers will get more control over their working time and their free time. Employers must make plans to keep elderly workers healthy when they work night shifts. Overtime combined with night shifts must be reduced. Elderly workers cannot be forced to do overtime after night shifts.

A right of two days for individual training and education will be introduced, for workers themselves to decide for what kind of education they want to do on these days. Training vouchers of €1,500 will be granted up to a total limit of €2,000 000.

Special measures will be made available for disabled workers and unemployed to help them enter the sector. Furthermore, the agreement will be adapted to the Posting of Workers Directive based on the equal pay for equal work principle. Workers with fixed-term contract will have the right to permanent employment after two years or after two temporary contracts.

The next bargaining round in the metal industries will start in May 2018.

The collective agreement for metal and engineering is valid from 1 March 2015 until 1 May 2017. It applies to 295 000 workers. In this sector strikes of six months were necessary. Wages will increase by 1.75% from 1 July 2017 after a one-off payment of 0.65% in February 2016. In addition to the abovementioned qualitative improvements regarding training, working time, disabled, unemployed, posted workers and union fees, there was agreement on early retirement for dismissed workers over 60 (normally 62) and equal pay for hired workers. In this sector the next round will start in March 2017.

Norway

Fellesforbundet gave feedback on a new agreement covering metal, technology and textiles. It is valid from 1 April 2016 until 31 March 2018. It applies to 28 500 of the workers and employees of the total number of 60 000 in the sectors. Wages increased by 2.4% in 2016. Fellesforbundet has initiated a political process with the Norwegian government aiming to improve the occupational retirement schemes. Moreover, Fellesforbundet strives to strengthen education and training measures in the sector and to reinforce the status and to enlarge the scope of the agreement. A mid-term review will take place in April 2017. The next bargaining round is scheduled for April 2018 (general revision).

NITO, which organises engineers who have completed at least a three-year degree programme, reported that wages increased by 2.2% in 2015. Negotiations for 2016 had not started at the time of reporting. They began in September 2016.

TEKNA explained in an email that their collective agreement had not been terminated, just prolonged the two last periods. The nominal wage increase for 2016 had been 1.8% in the private sector.

Slovakia

OZ KOVO gave feedback on collective bargaining in the metal sector. The agreement is only binding on 39 enterprises. Its coverage rate is 67% or 67 000 workers after a partial extension by the country's labour minister. It applies both to blue and white collars in the relevant companies. The agreement is valid from 1 February 2016 until 31 December 2016. Wages increased by 2.6% in 2016. OZ KOVO expects to submit a proposal to the employers in September 2016 for the calendar year 2017. The subject will be wage increases.

In the engineering sector the coverage is approximately 13% (17 000 workers). A new agreement for blue and white collar workers was concluded last year after lengthy and difficult negotiations. It is valid from 1 June 2015 until 31 May 2017. The general pay rises were 2.9%, slightly more at the lowest levels. Additions for work on Saturdays and Sundays (25% out of the average salaries) were kept. For work on holidays the additions will from now on be 100%. Workers who retire will receive an extra month's pay after ten years' employment. Working time per week will be 40 hours in line with the national labour code. Workers who take care of children under ten years get three days off, one day is given for baptisms, funerals and moving house.

The coverage rate in the electrical sector is 34% (14 800 workers). The low number of enterprises is due to disintegration of employers in various non-representative employer unions, something which weakens the representativeness of the primary (high-level) collective agreement. Minimum pay rates were increased by 4.3% on average during the period from 1 May 2016 to 31 December 2016. Moreover, for the first time in history, the amount of agency workers must be limited to 25% of the total number of staff in each company.

Spain

FICA reported on a review of its collective agreement for white goods, which is valid from 2015 until 2017. The agreement, which is universally applicable, covers 6 500 workers, of which 18% are members of FICA. Wage increases have been moderate also in the Spanish manufacturing sector the latest years. The general pay rise in this sector was 1.2% in 2016.

Sweden

The Swedish Engineers gave feedback on a collective agreement valid from 1 April 2016 until 31 March 2017. It applies to the union members only. Wages increased by 2.0% in 2016. The next round will start in January 2017.

Unionen reported on a multisector agreement for white-collar workers, with the same validity as the above agreement. Metal is the biggest sector (70,000 workers). The wage part of the agreement covers unionised workers only. Wages including social rights increased by some 2.3% in 2016. The next round will start in January 2017.

3.2 The mining, energy and chemical sectors

The sectors of the former EMCEF comprise extraction of raw materials, including oil and gas, production of energy and a wide range of chemical products such as glass, rubber, plastic, perfume and pharmaceuticals. Outputs range widely, with basic chemicals produced in huge quantities (millions of tonnes) and some speciality chemicals produced in modest kilogramme quantities, albeit with very high value.

3.2.1 Production

As Table 27 below shows, there has been just a marginal increase in chemicals production since 2010. The index for the EU-28 has been remarkably stable. Its value in 2015 was just 1.5% higher than six years earlier.

Denmark and eastern Member States such as Romania, Hungary, Estonia and Turkey have had the largest increases in production volumes. Of the major economies, France (13.2%) and the UK (12.8%) stood out.

Several countries in Western Europe registered a decline in chemical production in this period, for example Germany, Belgium, Italy and the Netherlands.

Table 27: Volume index of production in the chemical industry. Source: Eurostat, short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	102.0	100.2	100.1	100.8	101.5
EA-19	101.4	99.3	99.3	99.4	99.3
Belgium	103.5	100.1	96.8	94.5	92.3
Bulgaria	114.1	103.1	97.0	106.1	109.0
Czech Republic	95.2	100.0	96.8	106.1	101.6
Denmark	100.3	104.3	108.4	120.6	126.4
Germany	100.7	98.3	98.9	97.5	96.8
Estonia	127.6	127.3	132.9	124.4	106.8
Ireland	118.7	134.8	138.4	117.2	122.0
Greece	97.9	88.7	90.6	91.7	95.1
Spain	101.5	94.1	93.1	97.4	101.4
France	106.1	104.0	107.9	111.6	113.2
Italy	96.7	91.6	90.3	90.9	91.8
Latvia	96.4	113.0	102.4	114.2	118.4
Lithuania	105.5	117.5	108.9	119.4	119.1
Hungary	107.8	107.3	113.3	123.2	126.0
Netherlands	98.2	103.6	99.1	98.5	95.9
Austria	103.3	106.5	105.7	109.6	107.7
Poland	101.2	110.1	106.9	105.5	109.9
Portugal	99.9	88.4	91.7	94.6	96.6
Romania	108.2	105.5	112.6	115.4	109.6
United Kingdom	107.2	104.6	103.6	106.5	112.8
Norway	97.0	82.1	81.8	81.8	83.3
Macedonia FYR	105.9	84.6	83.8	93.2	88.8
Turkey	106.9	108.6	112.6	117.6	121.8

3.2.2 Employment

Employment development in the chemicals sectors has also been very stagnant. The number of workers in 2015 was in fact lower than in 2010. There were variations between the countries. Of the larger countries, only Germany, Poland and Turkey registered growth.

Table 28: Index of employment (number of persons employed) in the chemical industry. Source: Eurostat, Short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	99.9	99.5	98.9	99.8	99.8
EA-19	99.9	99.6	100.0	101.2	101.4
Belgium	100.8	99.4	98.6	97.6	98.1
Bulgaria	99.7	99.1	101.8	99.2	104.0
Czech Republic	99.3	99.8	97.7	99.2	102.0
Denmark	97.9	95.9	97.3	98.4	103.1
Germany	102.2	103.1	103.5	104.6	105.6
Estonia	105.9	114.0	114.6	109.8	104.5
Ireland	:	121.1	150.0	142.8	156.3
Greece	94.9	90.9	80.8	84.0	84.0
Spain	91.3	86.0	89.0	99.9	99.0
France	99.6	98.7	98.8	98.4	97.9

Croatia	97.8	93.9	86.9	77.1	69.9
Latvia	107.9	100.8	101.7	108.2	109.3
Lithuania	97.3	96.5	99.6	101.1	103.4
Hungary	110.8	101.5	102.6	108.9	114.3
Netherlands	100.0	100.4	101.0	99.8	98.6
Austria	101.4	102.1	100.1	99.0	99.3
Poland	102.5	104.0	103.0	104.1	107.0
Portugal	100.4	97.6	94.7	92.1	93.8
Romania	97.4	99.5	93.1	87.4	84.2
Finland	99.3	111.6	103.9	101.9	103.5
Sweden	98.4	97.9	95.0	94.6	94.8
United Kingdom	98.5	95.9	91.7	92.7	87.6
Norway	101.2	95.7	94.4	96.3	96.7
Macedonia FYR	67.1	59.7	56.2	55.2	53.2
Turkey	105.0	108.7	113.9	121.3	122.7

3.2.3 Survey responses

In 2016, we received feedback from 10 unions in 9 countries. This is the lowest turnout ever in this sector. Half of the countries can be found in the Nordic/Baltic region.

Table 29: Replies from countries and unions in the chemical sector the three latest years.

Year	Countries	Unions
2014	13	15
2015	10	18
2016	9	10

New agreements were reported by the Czech Republic, Finland, Germany and Spain.

Bulgaria

In 2015 NLF signed a pact for social partnership with employers' associations in the chemical sector (excluding pharmaceuticals), which resembled a collective agreement. No national collective agreements were signed as collective bargaining had been blocked for ten years by the employers in the sector. Wage increases at company level had on average been 6.5% in 2014 and 7.0% in 2015.

The Czech Republic

OS ECHO reported on a new agreement in the energy sector binding on the employers which are members of the national association. Wags increased by 1.8% in 2016. The next bargaining round is starting in October 2016.

Finland

Trade union PRO signed an *erga omnes* agreement for several chemical sectors and for textile services. It is valid from 1 March 2014 until 30 November 2016 and applies to 9 000 employees. Only wages were negotiated in 2016 and the new wage agreement is valid for the first eleven months of 2016. The increases were moderate in line with the national tripartite understanding (social contract). The next round (main revision) is starting in October 2016.

Germany

IG BCE gave feedback on an adapted, prolonged chemicals agreement valid for 24 months. It applies to the organised employers and covers 550 000 blue and white collar workers. Wages increase twice by 5.3% in total, 3.0% for 13 months and 2.3% for 11 months. The next round will start in March 2018.

A revised crude rubber agreement is valid for 24 months and applies to 25 000 workers. It applies to unionised blue- and white-collar workers in the companies which are affiliated to the national association. Wages increased by 5.0% in total, 2.5% from 1 June 2016, 1.9% from 1 June 2017 and 0.6% from 1 January 2018. Also in this sector, the next round will start in March 2018.

Latvia

Energija gave brief feedback on company agreements for 4 500 workers. There was no data on the outcomes.

Spain

FICA reported on mid-term reviews of four sectoral *erga omnes* agreements:

- The perfume industry, agreement valid for the years 2015-2016, applicable to all of 23 000 workers of whom 20% are union members, 1.3% wage increase in 2016, negotiating at the time of reporting.
- Paper industry, agreement valid for the years 2015-2018, applicable to all of 17 000 of which 11% are union members, 1.3% wage increase in 2016, next round in the last six months of 2018.
- Glass and ceramic industry, agreement valid for the years 2015-2016, applicable to all of 60 000 workers of whom 30% are union members, 1.3% wage increase in 2016, next round in the last six months of 2016.
- Chemical industry, agreement valid for the years 2015-2017, applicable to all of 243 000 workers of whom 12% are union members, 1.5% wage increase in 2016, next round in the last six months of 2017.

3.3 The textiles, clothing, leather and footwear sectors (TCLF)

The TCLF industries are primarily concerned with the design and production of yarn, cloth, clothing, leather, footwear, and their distribution. Advanced, technical textile products are gaining significance. Textile services are also part of the sector, a branch which is unaffected by the tough competition with imports to Europe, from Asia, for example. The economic downturn since 2008 significantly affected the global textile and clothing industry. The TCLF industry has yet to replicate its upbeat performance prior to the crisis. In 2015, the graphs are still declining in most countries.

3.3.1 Production

The average drop in clothing production in the EU-28 was 14.8% from 2010 until 2015 (index value 85.2). In the euro area it was even higher, namely 19.4%. Italy saw a drop of 23.1%. On the other side, large producers such as Turkey and Romania registered growth. This table only covers the clothing industry, which is the largest of the TCLF sectors.

Table 30: Volume index of production in the clothing[5] industry. Source: Eurostat, short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	96.7	90.8	87.2	86.8	85.2
EA-19	94.6	88.0	83.3	82.9	80.6
Belgium	95.9	87.4	79.8	75.9	76.0
Bulgaria	100.9	94.5	98.6	98.1	95.5
Czech Republic	96.4	90.9	86.2	81.2	95.2
Denmark	115.4	90.2	93.2	87.6	81.1
Germany	98.6	89.5	87.1	91.8	86.5
Estonia	116.6	121.6	121.4	119.1	100.5
Greece	80.6	71.6	67.2	62.7	54.3
Spain	92.7	85.9	89.2	83.4	77.7
France	100.3	97.7	86.3	89.6	81.5
Italy	93.6	85.8	76.9	75.6	76.9
Latvia	127.9	129.2	131.0	109.3	92.5
Lithuania	119.4	118.0	135.8	144.4	139.4
Hungary	99.5	97.4	93.0	100.5	88.3
Netherlands	99.0	96.3	92.4	91.0	90.7
Austria	84.0	77.9	71.3	71.5	68.5
Poland	108.1	109.2	113.7	112.1	114.9
Portugal	95.0	98.4	105.5	110.5	106.9
Romania	103.2	101.0	108.6	109.1	101.3
Finland	99.1	91.9	85.6	75.5	67.2
United Kingdom	107.1	104.0	94.3	95.2	103.4

[5] This indicator from Eurostat does not provide data for the entire TCLF sector.

Norway	97.2	89.9	87.7	86.9	81.1
Macedonia FYR	111.6	103.7	117.8	123.2	131.5
Turkey	98.8	104.6	106.9	107.0	110.6

3.3.2 Employment

The number of workers was reduced by 8.9% in the five years leading up to 2015. Among the worst hit countries were Spain, France, Austria, Belgium and Poland.

Turkey, which is a very large producer, recorded an increase of 9.6%.

Table 31: Index of employment (number of persons employed) in the clothing industry. Source: Eurostat, short-term business statistics, calculations by industriAll Europe. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	98.0	95.4	91.7	91.0	91.1
EA-19	98.4	96.0	90.9	90.7	91.0
Belgium	95.2	88.9	82.7	80.1	76.7
Bulgaria	101.2	98.8	97.5	93.1	88.9
Czech Republic	101.2	99.9	93.3	96.8	99.7
Denmark	98.0	98.1	97.5	96.7	94.6
Germany	98.8	99.3	97.0	95.2	102.9
Estonia	98.8	101.4	99.9	90.4	95.6
Greece	87.5	81.1	70.8	87.8	90.6
Spain	95.6	98.4	78.4	73.6	74.9
France	93.8	88.4	85.3	82.9	80.4
Croatia	97.4	88.6	81.6	81.3	78.1
Latvia	112.0	108.7	109.8	98.1	90.2
Lithuania	105.0	94.6	95.1	93.7	92.0
Hungary	95.1	91.5	87.5	86.8	83.0
Netherlands	99.6	97.7	99.5	94.9	94.2
Austria	95.7	92.5	85.3	77.0	73.2
Poland	97.1	89.6	85.4	81.2	79.6
Portugal	100.0	99.0	99.4	102.1	103.0
Romania	99.4	99.7	98.6	97.3	95.3
Finland	109.0	:	:	:	97.8
Sweden	89.0	73.5	74.3	71.7	72.1
United Kingdom	82.6	79.2	86.1	96.5	121.5
Norway	100.0	94.9	91.2	85.0	85.0
Macedonia FYR	99.4	97.3	97.3	97.3	95.9
Turkey	104.5	107.9	111.1	111.2	109.6

3.3.3 Survey responses

In the TCLF sector, 10 unions from 8 countries reported on collective bargaining in 2016. Unfortunately, we have limited material to analyse. There are few pure textiles unions left in Europe and national collective agreements in the sector are scarce. We received ten replies from five unions on collective agreements that only covered TCLF. The remaining five unions gave feedback on multisector agreements.

Table 32: Replies from countries and unions in the TCLF sectors the three latest years.

Year	Countries	Unions
2014	11	16
2015	7	8
2016	8	10

New agreements were reported by Belgium, the Czech Republic, Finland, Germany and Spain.

Belgium

CSC (METEA) and FGTB (AC CG) submitted three joint reports on prolonged and adjusted *erga omnes* agreements for blue collar workers in the clothing, textiles and textile services sectors. The current agreements in the textiles and textile services sectors are valid for the whole of 2015 and 2016, the clothing agreement only for 2016.

The agreement in the textiles sector applies to 15,300 workers. Little has been achieved recently in terms of purchasing power in the extraordinary Belgian situation (wage freeze). However, meal tickets were increased from €7 to €8 per day. Moreover, employers must pay a daily amount to workers who are temporarily unemployed. The early retirement and time-credit regimes were adjusted. The next round will start at the end of 2016. The agreement in the textile services sector covers 6,100 workers. It will be revised at the end of 2016 of beginning of 2017. The clothing agreement applies to 7,200 workers. It will be renegotiated in September 2016. The adjustments of these two agreements in 2015-2016 have been similar to those of the textiles agreement.

The Czech Republic

OS TOK reported on a, adjusted, prolonged agreement valid for the whole of 2016 that is applicable to 35 000 workers. In textile companies, wages were raised by 3.5% and in clothing companies by 6.4%. Special qualitative improvements (working time, education etc.) were agreed for workers over 55. The next round is starting in September 2016.

Finland

PRO gave feedback on an agreement for salaried employees in textiles and clothing. It applies to 1 100 workers (60%). The national confederation for academics (AKAVA) had negotiated the main points. Nothing was achieved in terms of higher pay or social improvements. On the contrary, annual working time was increased by 12 hours. The next round is starting in the autumn of 2017.

Germany

IG Metall has signed a new national agreement in the textile and garment sector for blue and white collar workers valid for West and East Germany. It expires at the end of January 2017 in the west and at the end of April in the east. The agreement is applicable to about 100 000 workers (61%). Wages increased by 2.4% from 1 June 2015 in West-Germany and by 2.3% from 1 August 2016 in East Germany.

The next bargaining round is starting in December 2016.

Spain

FICA reported on mid-term reviews of four sectoral *erga omnes* agreements:

- Tanning industry, agreement valid for the years 2016-2018, applicable to all of 2 400 workers of which 14% are union members, 1.0% wage increase in 2016, next round in the last six months of 2018.
- Textile and clothing industry, agreement valid for the years 2015-2017, applicable to all of 78 300 workers of which 20% are union members, 0.9% wage increase in 2016, next round in the last six months of 2017.
- Leather industry, agreement valid for the years 2015-2017, applicable to all of 17 000 workers of which 2% are union members, 1.2% wage increase in 2016, next round in the last six months of 2017.
- Footwear industry, agreement valid for the years 2014-2015, applicable to all of 24 000 workers of which 36% are union members, no wage increase in 2016, next round going on at the time of reporting.

3.4 The steel sector

The steel industry processes iron ore into steel. This industry has grown out of the need for stronger and more easily produced metals. Steel has played a key role in creating modern economies dependent on rail infrastructure, cars and other road vehicles as well as a variety of other steel products. Production grew sharply until the end of the last century. Over the course of the 20th century, production of crude steel rose at an astounding rate. In recent years, we have seen problems with overcapacities, imports from China and sinking prices.

3.4.1 Production

The production volume in 2015 was virtually the same as in 2010 after having dropped by a 6.4% from 2011 until 2013. Turkey, Poland, Hungary and Denmark had the most positive trends. In Germany, there was an increase of 3.3%. Germany represents about one quarter of the EU production volume. Italy, Spain, France and the UK all recorded decreases.

The table covers all basic metals, not just steel.

Table 33: Volume index of production in the basic metal industries. Source: Eurostat, short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	105.0	100.2	98.6	100.9	100.9

EA-19	104.2	98.9	97.3	100.0	100.0
Belgium	99.5	96.4	96.4	96.1	105.6
Bulgaria	106.7	98.3	102.0	103.8	98.5
Czech Republic	105.6	97.2	95.4	98.8	97.6
Denmark	107.1	95.8	102.3	108.5	121.3
Germany	104.4	100.8	100.5	103.3	103.0
Estonia	95.3	84.5	88.2	97.7	93.8
Greece	107.2	101.8	96.8	101.9	105.7
Spain	101.3	93.5	92.2	95.8	95.8
France	102.6	94.2	92.7	94.4	90.0
Italy	105.4	97.8	91.3	94.0	91.5
Latvia	100.1	133.3	58.9	30.0	:
Lithuania	127.7	141.5	158.6	84.0	83.1
Hungary	108.3	102.2	105.8	109.2	113.1
Netherlands	98.0	99.4	101.2	106.6	107.2
Austria	111.7	108.0	108.8	110.9	116.1
Poland	116.8	114.2	110.9	117.7	117.8
Portugal	101.7	97.6	99.8	103.5	113.8
Romania	109.3	100.7	93.1	97.4	101.2
Finland	103.6	98.8	97.5	102.6	105.3
Sweden	104.7	97.6	92.6	92.3	110.4
United Kingdom	108.6	110.9	110.7	107.8	97.2
Norway	92.2	88.2	84.3	87.3	80.9
Macedonia FYR	115.3	102.4	91.7	92.9	98.8
Turkey	111.0	116.8	122.9	123.1	122.8

3.4.2 Employment

The employment reduction in basic metals in the EU-28 was 3.0 per cent from 2010 until 2015 and slightly higher in the EA-19. Belgium, for example, lost 17.3% of its workforce in the steel sector, whilst Finland lost 26.1% and Spain lost 13.0%.

On the positive side, Germany, Austria, Poland, the UK, Denmark and Estonia saw their numbers of employees increase by 27 - 30%, actually substantially more than the growth in production volume during the same period. In Turkey, employment in the steel sector rose by 20.3%.

Table 34: Index of employment (number of persons employed) in the basic metal industries. Source: Eurostat, short-term business statistics. 2010=100.

GEO/TIME	2011	2012	2013	2014	2015
EU-28	101.4	99.6	97.3	96.6	97.0
EA-19	100.2	99.0	96.9	95.4	95.7
Belgium	100.2	96.9	89.2	84.9	82.7
Bulgaria	91.7	85.7	82.8	88.5	82.6
Czech Republic	105.1	98.3	100.8	99.6	101.2
Denmark	107.9	114.3	109.6	115.2	116.2
Germany	102.7	104.1	103.1	103.1	102.9
Estonia	127.0	111.2	107.7	129.8	130.0
Greece	98.7	94.5	87.3	86.9	92.3

Spain	93.9	86.1	81.6	79.4	87.0
France	98.6	98.3	96.8	95.3	93.1
Croatia	90.5	68.9	73.1	74.9	71.2
Latvia	102.6	110.6	97.6	39.0	44.0
Lithuania	105.6	117.4	125.6	71.2	72.6
Hungary	100.6	99.1	97.0	101.7	104.6
Netherlands	100.3	96.5	94.5	92.8	92.9
Austria	103.5	105.1	105.8	107.2	109.0
Poland	105.8	106.1	103.8	104.0	104.4
Portugal	98.7	94.7	91.9	91.5	95.5
Romania	101.0	100.0	91.5	88.9	88.4
Finland	99.1	87.9	84.8	73.6	73.9
Sweden	108.2	105.3	99.5	96.5	96.1
United Kingdom	104.3	101.1	99.3	104.7	107.6
Norway	97.0	91.3	88.0	89.5	90.6
Macedonia FYR	110.6	108.4	107.4	106.2	102.8
Turkey	109.1	114.6	116.4	119.9	120.3

3.4.3 Survey responses

The annual steel survey, which was launched in 2010, has normally had a high response rate. 19 unions from 13 countries gave feedback to this survey in 2016.

Table 35: Replies from countries and unions in the steel sector the three latest years.

Year	Countries	Unions
2014	18	22
2015	12	15
2016	13	19

New agreements were reported by Austria, Belgium, Denmark, Germany, Slovakia and Sweden.

Austria

PRO-GE reported on a universally applicable agreement for 180 000 blue and white collar workers in the metal and steel sectors. The next round is starting on 26 September 2016. Wage increases for 2016 were not known at the time of reporting.

GPA-djp gave feedback on a national agreement applicable to all employees in the steel sector (6 200). The main demands were purchasing power, higher minimum pay rates, higher remuneration for apprentices, possibility of optional time off, shorter working time for continuous shift-work and higher compensation for travelling in other EU states. Salaries, supplements and additions were increased by 1.5%. (Wage table sent as attachment). An agreement on a new working time account was also made (separate document). The next round will start in September 2016 and focus on working time reduction.

Belgium

Metea and Metaal reported jointly on a sectoral agreement applicable to all companies (*erga omnes*). The number of workers is 11 500. The agreement was signed in November 2015 for the two years 2015-2016.

The main demands were:

- Wage increases of 2.0% plus lump sums
- Sustainable employment
- Job security clause. No individual or collective redundancies for the duration of the agreement.
- Right to retirement from 55 years after 35 years of employment
- Training time to be considered as working time
- Strict limitation of the number of temporary contracts (permanent contracts after six months of work in a period of at least 12 months, no new trial period)

Negotiations took place at company level. No information regarding outcomes have been received.

The next round is starting towards the end of 2016.

The Czech Republic

The last Czech steel sector agreement was concluded in 2000 and it was valid for the years 2001-2003. Every year, a new draft agreement has been handed over to the employers' federation which has refused to negotiate on the ground that it has not had a mandate from its members. This year, a fresh attempt was made also with the assistance of a state mediator. The trade unions were not successful. The employer did not change their negative attitude towards collective bargaining.

The main demands were:

- Increase of average nominal wage of at least 3% compared to 2015
- Internal vacancy announcements before external procedure
- Working time: 37.5 hours per week
- Training rights based on agreements with individual workers
- Training rights for trade union officers

OS KOVO is preparing steps to put pressure on the employers (National Steel Federation) with the aim to change its negative attitude towards sectoral collective bargaining.

Denmark

CO-industri has a steel agreement which is valid from 1 March 2014 until 1 March 2017. The overall agreement is negotiated at the national level. The minimum pay rates are agreed upon in the national agreement, and is hereafter used as a benchmark in wage bargaining on company level.

Considering the fragile recovery from the financial crisis it was agreed that the wage increase should only offset the inflation.

- The minimum pay rate, which today is DKK 108.70 (€14.6) was increased from 1 March 2014 by DKK 1.50 (€0.20), from 1 March 2015 by DKK 1.65 (€0.22) and from 1 March 2016 by additionally DKK 1.80 (€0.24).

- The employers' contribution to the workers' optional pay accounts has also increased every year, by 5.0% since 2014.
- The inconvenience bonuses have gone up by 4.8%.
- Dismissed workers get one extra week's training with support from the industry's skills development fund.
- Working time remains 37 hours per week
- Remuneration to apprentices and students increase every year.
- Workers' representatives get more information on conditions for hired staff and better possibilities to avoid abuse
- Parents of the same sex have equal rights to parental leave. Paid parental leave is extended from 11 weeks to 13 weeks, each parent is entitled to five weeks, and the remaining 3 weeks are granted to either the one or the other parent.

The next round will start at the beginning of 2017.

<u>Finland</u>

Metalli and PRO gave similar feedback on steel agreements which came into force in November 2014 expired on 31 October 2016. They were renegotiated in May 2016 and will be described in next year's survey report. The wage increases in 2014 and 2015 were very moderate.

<u>France</u>

FGMM CFDT had not signed a new agreement in the steel sector in 2016. The minimum wage tables and the management of skills developments had been subject to negotiations. However, nothing had been agreed or signed. The existing agreement is applicable to 45 enterprises with 18 000 of whom 3 000 are managers. The next negotiations on minimum wages will take place from the third quarter of 2017 onwards.

<u>Germany</u>

IG Metall negotiates sectoral agreements for blue and white collar workers plus apprentices in three regions; North-West Germany (75 000), East Germany (8 000) and Saarland (15 000). The conditions are by and large the same all over Germany. There are company agreements at the two RIVA plants in East Germany, which adopts the same conditions as the sector agreement of the East German steel industry, and at Stahlwerk Thüringen (740 workers) which has lower standards than the sector agreement.

New agreements were signed in North-West Germany at the end of 2015. Their main contents were:

- Wage increases of 2.3% (14 months)
- Lump-sum increases €200, €80 for apprentices
- Reimbursement of travel costs to school for apprentices
- Extension of the agreement on partial retirement until February 2016
- Extension of the agreement on secure employment (TV Besch) until January 2019. This agreement includes the possibility of a working time reduction from 35 to 28 hours per week with wage compensation in part to avoid job losses, as

well as a guarantee of unlimited employment of apprentices after completion of their apprenticeship
- Extension of the agreement on working conditions and use of subcontractors

A new agreement was concluded in Saarland in January 2016. It led to:

- Wage increases of 2.3% (16 months)
- Lump-sum increases (€200, €160 for apprentices)
- Improvement of the situation of the apprentices
- Extension of agreement on conditions and use of subcontractors, including sub-sub-contractors until February 2017
- Stronger protection of shop stewards.

The negotiations in the collective bargaining regions North-West Germany and East Germany will probably start in the last week of February or the first week of March 2017. Saarland will traditionally follow three months later. The main topics will be wage increases and partial retirement, probably at a time of massive restructuring and consolidations, which might have an impact on the demands.

Italy

FIOM did not sign a new agreement in the steel sector during the relevant period. The current agreement is a multi-sectoral agreement for 1.8 million workers of whom 40 000 are steel workers. Negotiations were taking place at the national level at the time of reporting.

The Netherlands

FNV also did not sign a steel agreement during the one-year reporting period. Its current agreement expires in April 2017 and negotiations are set to begin at the start of the year.

Slovakia

OZ KOVO gave feedback on a revised high-level agreement for metallurgy and basic metals that had been negotiated for the period May 2016 through to April 2018. It does not automatically apply to all companies but still it covers 15 500 workers (more than 70%). After an extension by the Labour Minister is applies to 20 000 workers (90%, i.e. close to *erga omnes*).

Wages were raised by 2.7%. This was lower than the demand, partly due to falling commodity prices and reduced profits in the sector. Instruments to secure employment, working time, training rights etc. were unchanged compared with 2015. OZ KOVO demanded 35 hours per week in all companies, not just in some.

As far as future negotiations are concerned, a supplement on wages to the agreement will be presented to the employers in 2017.

Sweden

IF Metall reported that iron and steel are produced at 13 plants in Sweden. There are also 15 plants for processing of steel. The Swedish steel industry employs 16 000 workers directly and 26 000 workers indirectly. A new agreement was concluded in March 2016 valid for 12 months. It applies to all blue-

collar workers in the sector. Wages increased by 2.2%. The demand was 2.8%. A working group between the union and employers was set up to analyse the gender equality situation. The next collective bargaining round will start in the autumn of 2016 because a new agreement should be concluded by April 2017. Salary increases and secure employment are the likely demands to be adopted by the IF Metall Council in November 2016.
The Swedish Engineers had concluded a new agreement for the period 1 April 2016 until March 2017 with the same wage demands and results as above. A demand of reduced working time from the age of 60/62 was launched. The result was that 0.2% was added for part-time pension. Working groups on gender equality and health and safety have been set up. The next round is starting in the early spring of 2017 with wages and part-time pensions as likely priority issues.

Switzerland

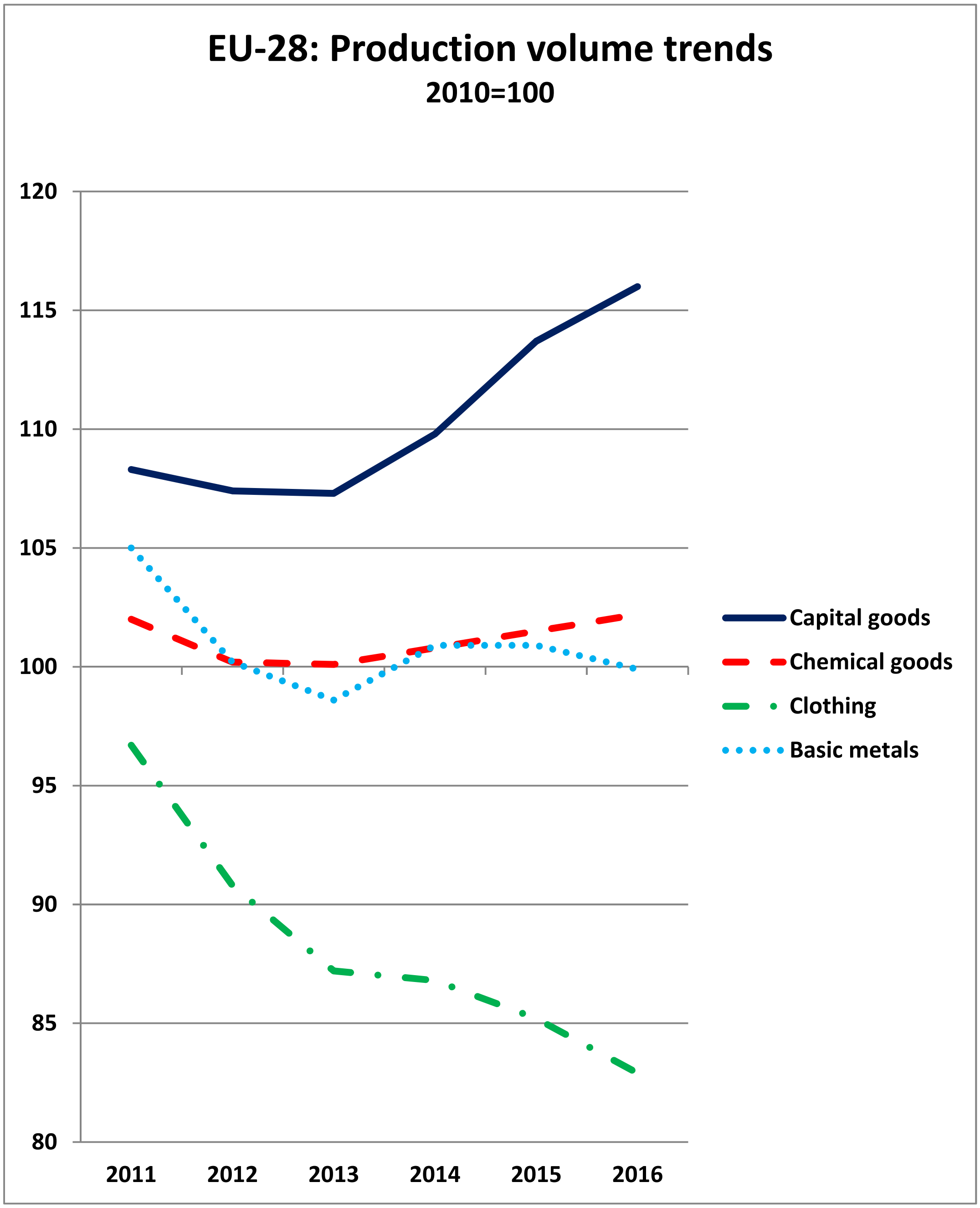
UNIA reported briefly that they had not had any negotiations in the steel sector during the reporting period. The next bargaining round will take place in 2018. Wage increases have been close to zero because of the strong currency (Swiss Franc).

4 Cross-sectoral comparison

4.1 Production

The chart below clearly illustrates that metal production has enjoyed positive development during the last five years. On the other hand, clothing production has suffered from continuous negative development. The volume of both chemicals and steel products has been stable and increased marginally in 2015.

Chart 4: Indices of production volume. Source: Eurostat, Short-term business statistics.



4.2 Employment

The picture is similar for employment, but one notices the steep drop in the basic metals sector until 2014. Employment in the clothing industry levelled out in 2015.

Chart 5: Indices of employment. Source: Eurostat, Short-term business statistics