

# collective bargaining

Issue 12/2017 | December

This newsletter presents up-to-date information on collective bargaining developments across Europe since February 2008. It aims to facilitate information exchange between trade unions and to support the work of the ETUC's collective bargaining committee.



AMSTERDAM INSTITUTE FOR ADVANCED LABOUR STUDIES  
UNIVERSITEIT VAN AMSTERDAM



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## **European sources**

**Looming walkouts across Europe force Ryanair to the union table**

*December 27, 2017*

European-wide threatened walkouts formulated by Ryanair crews in Germany, Ireland, Britain, Italy, Spain and Portugal in long-running rows over pay and conditions led to the unprecedented step of offering union recognition. The management said that the main reason to recognise unions was the fact that the airline was facing the prospect of compensating 150,000 passengers in Christmas week and possibly more after that as a result of the looming industrial action. The move prompted unions to suspend their strike plans, averting the threat of major upheaval over the busy holiday period. The Irish trade union Impact called off the threat of a strike at Irish airports after Ryanair pledged in writing to recognise the organisation. However, German trade union Cockpit decided to launch a 'warning strike' after a first round of talks with Ryanair broke down.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#) [in English \(3\) ...](#) [in English \(4\) ...](#) [in English \(5\) ...](#)

### **European partnership for integration signed**

*December 20, 2017*

The European Commission and the EU Social and Economic partners signed a 'European Partnership for Integration', laying down key principles and commitments to support and strengthen opportunities for refugees and migrants legally residing in the EU to integrate into the labour market. The Partnership includes principles like providing support as early as possible, ensuring that integration benefits refugees as well as the economy and society at large and ensuring a multi-stakeholder approach. Among the commitments the partners have undertaken is the sharing of best practices for labour market integration of refugees, for instance the organisation of mentoring programmes to integrate them into the workplace or facilitating the identification, assessment and documentation of skills and qualifications. They committed to promote the Partnership amongst their affiliates, and strengthen cooperation with public authorities at all appropriate levels.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **World inequality report 2018**

*December 15, 2017*

The World Inequality Report 2018, published by a team of economists, relies on a cutting-edge methodology to measure income and wealth inequality in a systematic and transparent manner. By developing this report, the World Inequality Lab seeks to fill a democratic gap and to equip various actors of society with the necessary facts to engage in informed public debates on inequality. Income inequality has increased in nearly all world regions in recent decades, but at different speeds. The fact that inequality levels are so different among countries, even when countries share similar levels of development, highlights the important roles that national policies and institutions play in shaping inequality.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **World social protection report**

*December 12, 2017*

The ILO published its flagship report. The report reconfirms that policy areas particularly relevant to income security include labour market and employment policies, employment protection, wages (including minimum wages) and collective bargaining, and active labour market policies. According to the report, there is enough evidence that many of the current labour reforms (downwards revising of the minimum wage, limiting salary adjustments to cost-of-living benchmarks, decentralising and weakening collective bargaining, easing retrenchment and flexibilising employment protection procedures) will not generate decent jobs. On the contrary, in a context of economic contraction they are likely to generate labour market 'precarisation', depress domestic incomes and ultimately hinder recovery efforts.

Read on: [in English ...](#)

### **Quality of life surveyed**

*December 7, 2017*

The European Quality of Life Survey (EQLS) is a tool established by Eurofound for monitoring and analysing quality of life in the EU. Carried out in 2003, 2007, 2011 and 2016, it documents the living conditions and social situation of European citizens. The latest edition reveals progress in quality of life from 2011 to 2016, with some dimensions having recovered to the pre-crisis levels of 2007. A decrease in material hardship and increase in satisfaction with standard of living occurred across all income quartiles in comparison to 2011.

The level of difficulties in making ends meet is still higher in seven countries than it was before the crisis in 2007. In 11 countries, more than half of the population report difficulties in making ends meet. According to another tool, the TotallyMoney survey, Denmark has the best work/life balance in Europe. The survey looked at how much leisure time a typical worker has, factoring in other elements such as happiness or the cost of living. Denmark had a relatively short working week, along with plenty of bank holidays and a good holiday allowance. Compared to neighbours Sweden, the second ranked country, its average working week was 3.5 hours shorter, but with just 11, it had three fewer bank holidays.

Read on with the Eurofound survey: [in English \(1\) ...](#) [in English \(2\) ...](#) Survey TotallyMoney: [in English ...](#)

## **Europe's wage development and the Troika intervention**

*December 3, 2017*

In a Global Labour Column, the impact of the Troika intervention is assessed. The author refers to the fact that all countries in the European Monetary Union (EMU) have been severely hit by the Great Recession in 2008 and 2009. However, the Troika did not push for a symmetric adjustment mechanism. It would have been functional to push current account surplus countries such as Germany towards substantially higher wage increases and fiscal expansion, and deficit countries like Greece, Spain or Portugal towards lower wage increases. Instead, deficit countries alone were pushed into enforcing nominal wage cuts to increase their price competitiveness. Wage cuts were combined with Washington Consensus-style policies, including flexibilization of labour markets, privatisation and deregulation of public utilities.

Read on: [in English ...](#)

## **Pensions in 2017**

*December 3, 2017*

The OECD published its 2017 pension report *Pensions at a Glance*. It highlights the pension reforms undertaken by OECD countries over the last two years. Moreover, one special chapter focuses on flexible retirement options in OECD countries and discusses people's preferences regarding flexible retirement, the actual use of these programs and the impact on benefit levels. The report can be read on the OECD webpage. The webpage also provides separate summary reports with country specific findings and country profiles of pension systems.

Read on: [in English ...](#)

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## **Austria**

### **Daily working time up to 12 hours?**

*December 18, 2017*

The incoming conservative/populist coalition has launched plans to increase the daily working time from 10 to 12 hours and the maximum working week from 50 to 60 hours. Flexibilization of labour law will see workers be able to work up to 12 hours a day in what the parties say is a 'win-win' for employees and employers. The trade unions have criticised the government's commitment to relaxing restrictions around working hours. Trade union confederation ÖGB stresses that the current restrictions of the working day are meant to protect workers for too long working hours. The union refers to research that assessed recovery from two consecutive 12-hours day shifts. It provides evidence of the negative effects of working too long.

Read on: [in English ...](#) The trade union position: [in German ...](#)

### **Kindergarten workers will receive 3% pay increase**

*December 15, 2017*

Trade unions *vida* and *GPA-djp* came to an agreement for the country's kindergarten that will lead to a pay increase as of 1 January 2018 of 3% for workers and assistants. Around 10.000 workers (mainly women) are active in the branch. The agreement sets the monthly minimum wage for starting assistants at 1514 euro. Another improvement is the 100% sickness pay in cases of long-term sickness and occupational accidents.

Read on: [in German ...](#)

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## Belgium

### **Workers protest against pension reform**

*December 19, 2017*

Members of the three main trade unions took the streets in a national demonstration against the Federal Government's pensions' reforms after the chamber of representatives voted in favour of a pension reform project in November. The reform will modify the law for salaried and self-employed workers regarding the principle of total career and early retirement pensions. The unions are concerned that the government is introducing new pension laws, including a points system, without an agreement by social partners. They have denounced the 'dismantling of public sector pensions' and warned that the reforms could create insecurity for pensioners as well as having a detrimental effect on the careers of women in particular.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **Pay increases outpace neighbouring countries**

*December 12, 2017*

An annual wage study, by Korn Ferry Hay Group (KFHG), suggests that Belgian companies are anticipating a more significant wage increase than in neighbouring countries during 2018. They are counting upon an increase of 3.1% in Belgian wages, compared to 2.5% in Germany and the Netherlands, and 1.7% in France. The cause of this could be automatic wage indexation and scale increases, and the low rate of employment for the over 55s, as well as labour market shortages.

Read on: [in English ...](#)

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## Bulgaria

### **Police officers protest**

*December 16, 2017*

The policemen continue with their protest marathon as long as the demands formulated by the trade unions are not met. The trade unions have negotiated with the interior ministry, asking for a decent pay increase, but so far there no solution has been found. The ministry of interior promised a salary increase. However, that increase was not for all employees. According to the unions, it does not solve the problems in the sector.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **Doctors want outstanding payments**

*December 9, 2017*

Doctors from the Lovech Hospital 'Prof. Dr. P. Stoyanov' came out in a protest. They handed over a declaration requesting payment of their salaries for three months to the National Assembly, the Prime Minister, the government and the Ministry of Health. The document was signed by almost all heads of wards, as well as by most doctors and nurses. The medics plan to strike if they do not get their wages for September, October and November. If no staff remuneration is paid within three days and no serious action is taken to stabilise the hospital's financial condition, effective protest actions will also be taken.

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## Croatia

### **Retail chain improves pay**

*December 12, 2017*

Retailer Istarski Supermarketi, the largest supermarket chain in Istria has announced an 25% increase of the average wages. The increase applies from 1 January 2018. According to the company, motivated workers are key for a successful business, 'investing in people is always worth'. The management argues that, with employees in the shop being in touch with the customer, the abilities and satisfaction of the workforce is a crucial prerequisite for a flourishing company in the long-term.

Read on: [in English ...](#)

## **Minimum wage in 2018**

*December 7, 2017*

The government published the minimum wage level that is applicable from 1 January 2018 on. It adopted a regulation increasing the minimum wage by 5% or a gross amount of HRK 163 (net HRK 131). The gross minimum wage will increase from HRK 3,276 to 3,439.80 (455 euro), which is a net amount of HRK 2,752 (364 euro). Thus, the minimum wage in 2018 will amount to 42.9% of the average wage. The Minimum Wage Act also envisages extra payments for work on Sundays and holidays and for overtime work. As a measure to compensate employers for the increase in the minimum wage, the government has proposed reducing, by 50%, the minimum rate for health insurance contributions, which are paid by employers.

Read on: [in English ...](#)

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## **Cyprus**

### **Union criticises strange deal**

*December 11, 2017*

Trade union Etyk made public that the Bank of Cyprus has offered to help members of provident funds recoup losses suffered in the 2013 banking crisis, a scheme announced by the government, but only in exchange for introducing a new salary regime. The country's largest bank informed its workers about its intention to introduce a remuneration scheme which 'will pin down' the earnings of the vast majority of its workers and their prospect of getting promoted, saving the bank up to 20 per cent on its payroll. The union said that the government's interference in the bank's labour affairs is causing a lot of concern and indignation, whilst the ultimate aim of the bank is to drastically reduce labour costs.

Read on: [in English ...](#)

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## **Czechia**

### **Half of the workforce will receive 13<sup>th</sup> month**

*December 15, 2017*

A total of 47% of firms plan to pay out a 13th wage or a reward in a similar amount to their workers in 2017. The Chamber of Commerce of the Czech Republic (HKČR) estimates that an average reward could reach CZK 30,000 (1165 euro). Similar benefits were provided by two fifths of firms (39%) in 2016. The rewards will be paid most prominently in construction (61%) and the manufacturing industry (54%).

Read on: [in English ...](#)

### **Pay improvements documented**

*December 4, 2017*

Preliminary figures from the Statistical Office confirmed the ongoing surge in wages for most workers. The numbers for the third quarter of 2017 show average gross wages increased by 6.8% from June to September 2017 compared with the same quarter in 2016. When the impact of inflation - still above the central bank's target figure of 2.0% - is taken into account this means a real wage increase of 4.2%. The median wage, that midway between the highest and lowest levels, comes in at a lower 25,181 crowns (978 euro), but the average annual rise is a higher 7.1%. This suggests that many lowest wage earners are receiving bigger pay rises.

Read on: [in English ...](#)

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## **Denmark**

### **Trade union news in English**

*December 13, 2017*

Trade union confederation LO published the December issue of its bimonthly Newsletter. In this issue a

report of a seminar on the 'Danish model', the results of a globalisation survey that shows workers to be technology enthusiasts, a critical review of the Budget 2018 that brings cuts in health and safety as well as in education, and new data on the economic development.

Read on: [in English ...](#)

### **Decrease of foreign labour could lead to frictions**

*December 4, 2017*

An analysis from the central employers' confederation (Danmarks Arbejdsgiverforening, DA) reports the growing need for foreign labour. DA's figures show that the number of EU citizens coming to work has fallen by 65% in the space of 15 months. That statistic is related to a sharp decrease in Polish citizens taking jobs in Denmark, according to the report. The number of newcomers from other EU countries has also fallen sharply since the second quarter of 2016. An advisor at the Economic Council (Det Økonomiske Råd) thinks that the trend should be cause for concern. Employment minister spoke about risks of companies leaving if there was a lack of available labour. Earlier on, the confederation of employers in the industry DI had expressed similar worries, based on a report (by Hay) that placed the country among the countries currently experiencing the fastest growing gap between vacant positions and available workers. The trade union confederation LO urged the industries to recruit from within the country's estimated 100,000 jobless.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#) The Hay summary: [in English ...](#)

### **Wages before and after the crisis**

*December 1, 2017*

An analysis of the labour market now available online reveals that employment rates are high, but average working hours are low due to many working part-time. The economy was severely affected by the crisis and the associated employment loss was large. Although many have been affected by unemployment, overall unemployment spells have been short due to high job turnover rates. This has prevented a sharp increase in long-term unemployment and eased labour market entry for young people. Wage inequality is on the rise. Wage developments reflect a boom-bust pattern. As employment increased and unemployment decreased, wage increases (both nominal and real) picked up and wage competitiveness (relative unit labour costs) deteriorated by about 15% over the period 2004-2009. The crisis reversed these wage developments, inducing negative real wage growth.

Read on: [in English ...](#)

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## **Estonia**

### **Railway workers have an agreement**

*December 31, 2017*

The state-owned cargo rail operator AS EVR Cargo and railway worker and railroad engineer trade unions signed a one-year extension of their collective agreement. EVR Cargo employs 650 people. The collective agreement promises wage growth and improved working conditions for 2018. The company's management said that they had established a very constructive cooperation with the trade unions, with the Estonian Railwaymen's Trade Union and Locomotive Workers' Trade Union always giving 'valuable feedback', which helps the company to better organise work within the company and improve the motivation of its employees.

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## **Finland**

### **Citizens' initiative to scrap harsh activation policy**

*December 31, 2017*

National news agency YLE listed the most important changes for the new year. The state national pension, which tops up income-related pensions, is to be frozen in 2018 with no index increases. The guarantee or basic pension, which is paid to the very poorest pensioners, will be increased by 15 euro a month. But the most prominent is the new act on labour market activation. This provision in the unemployment benefits legislation reduces benefit payments by 4.65 percent in cases where over a three-month period unemployed



persons do not work enough or participate in programmes that would help them finding a job. There will be a check every 65 days of unemployment, with the risk of this penalty if a worker is not undertaking work-related training or working at least 18 hours. Meanwhile a citizens' initiative has started to cancel the act.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **Bank workers strike**

*December 20, 2017*

Following a deadlock in the collective bargaining, a bank workers' strike will go into effect. The trade unions and the employer representatives could not find common ground on terms and conditions of weekend work. The National Conciliator, who is facilitating the dispute negotiations, said that there was no agreement in sight. The unions representing the workers want banks to agree on the terms and conditions for weekend duty in broader local negotiations. However, employers want to be able to call on staff to work weekends after discussions with personnel. Adding provisions for weekend work to current agreements involves settling pay. Banking sector employees say they prefer steady salary increases similar to other private firms in the financial sector. However, employers want greater say in determining personal pay rises.

Read on: [in English ...](#)

### **High season for bargaining**

*December 8, 2017*

Collective bargaining is underway in almost all sectors. Trade union JHL is negotiating in the municipal, energy and private social services sectors. In total, the union is involved in 55 national level collective agreements which cover various sectors and companies. There are also some 40 separate collective agreements for various public agencies which need to be negotiated. One of the major collective agreements involves the private social service sector, an agreement that is negotiated together with several other unions. It covers 70,000 employees, of whom 7,400 are JHL members. According to statistics provided by the Confederation of Finnish Industries EK, wages in the private social service sector fell last year by 0.1%. JHL wants to put a stop to this negative development and ensure incomes rise in this sector.

Read on: [in English ...](#)

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## **France**

### **Social partners negotiate vocational training reform**

*December 20, 2017*

The government has launched a series of reform proposals. One of the proposals deals with the personal training budget (CPF). This CPF provides workers with the possibility to follow training courses in order to establish a level of qualifications or competences. The social partners currently discuss the modelling of the vocational education. The partners in bargaining have fixed a calendar for the negotiations that runs until February 2018. Trade union CFDT proposed to work out the different details in an interprofessional agreement.

Read on: [in French \(1\) ...](#) [in French \(2\) ...](#) The government proposals on vocational training: [in French ...](#)

### **Joint call for strike in accommodation for elderly**

*December 18, 2017*

The trade unions in the care sector have formulated a joint call for strike on 30 January in the accommodations for dependent elderly people. The unions criticise the deterioration of the working conditions and the weakening support that can be given to the elderly. Workers and families have expressed their worries several times, without success. The budget cuts have led to a reduction of staff, bringing the workforce below the critical level that can guarantee a human and dignified care treatment.

Read on: [in French ...](#)

### **Garbage collectors on strike in Paris**

*December 4, 2017*

Twenty Paris arrondissements were affected by a garbage-worker strike that started on 4 December 2017. Garbage collection workers, who are looking for a pay rise, blocked off the entrances to waste collection

centres around the Paris suburbs. Around 400 workers went on strike, meaning rubbish in some parts of town simply hasn't been collected. The City Hall said it was open to wage negotiations with the workers.

Read on: [in English ...](#)

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## Germany

### **Deal concluded for the planned steel merger**

*December 23, 2017*

The Thyssenkrupp management has offered workers commitments on jobs and investments to get union backing for its deal with Tata Steel to merge their European steel operations. Both groups agreed in September in a memorandum to merge their operations, creating the continent's second largest steelmaker with revenues of 15 billion euro. Workers at Thyssenkrupp fiercely opposed the deal, as they were concerned more steel jobs would get lost on top of the 4,000 already announced. IG Metall demanded 10-year guarantees for jobs, plants and investments and set a deadline for an agreement. The union came to a deal on 21 December 2017 that secures steel plants and jobs, a big step towards the planned merger. The agreement, which still needs to be approved by the members of IG Metall, foresees no forced layoffs or major site closures until 30 September 2026; this result comes close to the union's demands.

Read on: [in English ...](#) [in German ...](#)

### **Amazon workers continue their action**

*December 16, 2017*

Workers at Amazon distribution centres talk about their action at Amazon in a video. They continue the dispute with the firm that takes already more than four years. In Bad Hersfeld workers have started a four-day strike over pay and work conditions coinciding with the days in which people are expected to exchange Christmas presents. Trade union ver.di demands a treatment of workers along the lines of the collective agreements that exist for the retail sector. The firm sticks to the cheaper logistic agreement.

Read on: [in English ...](#) [in German ...](#)

### **Income inequality revisited**

*December 14, 2017*

Economist Thomas Piketty released a study on wage equality across the globe. His team found wages in Germany were as unequal as before the First World War. The top 10 percent earn 40 percent of overall income, the study found. This proportion has been growing since the middle of the 1990s, according to the German Institute for Economic Research (DIW), which studied the German data. The bottom 50 percent have lost out significantly in recent years in terms of their cut of the overall income. In the 1960s they earned a third of the total, now that has dropped to 17 percent.

Read on: [in English ...](#) [in German ...](#)

### **Labour market participation since the crisis**

*December 1, 2017*

The Institute for Employment Research IAB compared the labour market participation in several EU-countries over a longer period. The comparison gives an impression of how the financial crisis and the subsequent European debt crisis affected the labour markets in several European countries. It shows the employment rates in 2007, before the onset of the financial crisis, and for 2014, when the crisis in Southern Europe reached or just passed its peak. In the EU-28, the 2014 rate was 64.8%, barely lower than in 2007 (65.2%). However, the picture becomes more diverse, if the situation in individual countries is analysed. In Germany the rate increased to almost 74%, whilst employment in Greece fell more than 10% to below 50%.

Read on: [in English ...](#)

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## Greece

### **Planned reforms lead to national strike**

December 22, 2017

Workers organised a massive 24-hour general strike demanding the government to end austerity measures. Ferries and flights were suspended, public transport was limited and hospitals treated emergency cases only as doctors joined workers across the country in the strike. Around 50 anti-austerity demonstrations took place across the country. Unions are calling on the government to stop making cuts that have led to poverty, high unemployment and restrictions on labour rights. The third international bailout programme is due to end in August 2018, and the country has agreed to continue slashing wages and pensions when external funding comes to an end. Earlier this month, the government decided to withdraw an amendment on workers' strike, due to strong reactions from opposition parties. Regarding the right to go on strike, the amendment said that for a union to go on strike, at least 50% plus one of active union members must agree.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **The effects of the austerity policy**

December 13, 2017

Two researchers from the Labour Institute of the General Confederation of Labour published a critical assessment of the impact of the austerity policy. According to the authors, consolidation plans usually bring with them reductions in public sector wages with negative spill-overs to the wage-setting process in the private sector. This not only suffocates directly consumer spending. As long as private consumption represents an important, if not the most important, determinant of aggregate demand, it also negatively feeds back on employment, ultimately endangering a vicious spiral of depressed consumption, employment and growth. Their plea is to put in place labour protective regulations assuring decent wages and working conditions with a view to operate as a buffer stock against deflation, supporting the level of internal demand and sound financial conditions.

Read on: [in English ...](#)

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## Hungary

### **The impact of emigration of skilled labour**

December 12, 2017

In several articles, the impact of emigration of the skilled labour on the labour market is discussed. The authors reflect on the number of citizens abroad, most of them young, qualified professionals aiming to work. The total population is falling, whilst most of the emigrants are from the active age groups before starting a family. The effect on important parts of the economy are becoming manifest. The biggest opposition party Jobbik therefore has launched a proposal for a European 'wage union', with the aim to eliminate wage inequalities in the EU.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#) [in English \(3\) ...](#)

### **Pay rise does not deliver**

December 5, 2017

Notwithstanding an announced 12% pay increase in public healthcare, the effect on the wage of skilled care workers is negligible. The anomaly is due to the manner in which the salaries are calculated. As the guaranteed minimum wage was adopted many skilled healthcare workers saw their pay improve as they were adjusted to the minimum wage of skilled workers in other sectors. However, much of the wage increase took the form of a payment supplement that bridged the gap between the low salaries of skilled healthcare workers and the guaranteed monthly minimum wage of HUF 161,000 (519 euro) in other sectors. Although the 12% increase applies to skilled healthcare workers as well, their salary has not reached the guaranteed minimum wage. But it gets closer to the guaranteed minimum wage and the government simply reduces the payment supplement. As a consequence, the remuneration of skilled healthcare workers stalls.

Read on: [in English ...](#)

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## Iceland

### **Airline engineers' strike over**

December 23, 2017

Engineers from the Icelandair airline ended their strike. For six months the airline engineers have been negotiating with their management to demand a 20% pay increase. The strike resulted in a tentative agreement. Both parties had to make concessions, and now they have a contract until the end of 2019. The strike has led to some delayed flights, but now flight schedules will return back to normal.

Read on: [in English ...](#)

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## Ireland

### **Unions seek 3.1% pay increase**

*December 15, 2017*

Trade union confederation Irish Congress of Trade Unions (ICTU) is urging unions in the private sector to seek a minimum pay increase of 3.1% and compensation for what it termed the 'excessive costs' of housing, childcare and pensions. The call was published in the ICTU's Private Sector Bulletin, which cites the improving economic and labour market situation and the increasing costs associated with childcare and housing as some of the reasons for the new pay claim. The ICTU's private sector committee issued the advisory on pay bargaining for 2018 to member unions in the private sector.

Read on: [in English ...](#)

### **Ban on zero-hours contract foreseen**

*December 7, 2017*

The government plans to ban zero-hours contracts in most circumstances and strengthen rights for workers on insecure contracts and those working variable hours. The minister for employment and social protection said the draft legislation would significantly improve the employment protections for people who were in less secure arrangements, not by choice, and may not know from week to week what hours they will be working. She said the vast majority of employers treated their employees well and they should have nothing to fear from the new Bill. The trade union confederation Irish Congress of Trade Unions called the legislation by no means perfect and required some amendments but said it did represent progress. The employers' group Ibec argued the legislation as drafted would have significant adverse consequences.

Read on: [in English ...](#)

### **The 'low road' approach to production and employment**

*December 4, 2017*

The trade union confederation ICTU published a report, which reveals that precarious work is now pervasive in the country. Secure direct employment is increasingly replaced by insecure, uncertain and unpredictable work. The report assessed the increase of precarious employment and the impact of outsourcing. It signals an intense price competition between supplier firms at all points of the supply chain to respond to demands for low cost and speedy deliver. In response, many firms have sought to take the 'low road' approach to production and employment at the expense of job security, job quality and wages. The ICTU calls for legislation to tackle insecurity and bogus self-employment.

Read on: [in English ...](#) The report: [in English ...](#)

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## Italy

### **ILVA deal questioned by ArcelorMittal**

*December 23, 2017*

The employment perspectives of the thousands of steel workers at the troubled Ilva-plant are still not secured. Steelmaker ArcelorMittal told commissioners running the plant that it wants changes made to the contract, in which it agreed to buy the company, in order to protect it from legal challenges. Partly, the challenges stem from an appeal filed by the local authorities against the central government's approval of ArcelorMittal's environmental plan for Ilva. The authorities said the environmental clean-up plan for Europe's largest steelwork did not do enough to safeguard the environment and public health. The health damage caused by the plant has been linked to higher than average local cancer rates. The trade unions organised a meeting with fellow-unions from other ArcelorMittal plants in Europe to discuss the strategy.

Read on: [in English ...](#) [in Italian ...](#)

### **Problems at Amazon still going on**

*December 20, 2017*

The negotiations at Amazon on working conditions and pay ended in a dead-end street as the company refused to show up for talks convened by the local government. The retailer is notorious for its refusal to enter into serious talks with the trade unions (see earlier Newsletters). The trade unions reacted with a call for strike and a demonstration in front of the plant.

Read on: [in English ...](#)

### **Doctors strike for more staff**

*December 12, 2017*

Doctors from over the country went on strike to gain attention for the growing demand for more doctors and other medical staff. The doctors protested outside the Ministry of Economy and Finance in Rome. All the major public doctors' unions joined the strike in protest against the 2018 budget bill. They are demanding a renewal of the collective agreement with the government and they want more doctors, specialists and other medical staff to be hired. Hospitals now rely on temporary workers, but would benefit from hiring permanent staff.

Read on: [in English ...](#)

### **Risk of poverty and social exclusion increased**

*December 6, 2017*

According to a report, published by statistical office ISTAT, one in three people (30% of the residents) are at risk of poverty or social exclusion. The rate is much higher than the EU-average (at 23.5%). The results of the ISTAT-survey show on one side a relevant and widespread growth of the 2015 total household income at current and constant prices, on the other side an increase, in 2016, of the economic inequality and the risk of poverty or social exclusion. This indicates a worsening of the financial situation of a large part of the population. The income growth was the highest in the richest quintile of the population.

Read the report: [in English ...](#)

### **Analysis of labour market disparities**

*December 4, 2017*

In an interesting paper, the labour market development in the period 2000-2016 is analysed. After a sizable negative shock from the double-dip recession a moderate recovery began in 2014. However, unemployment remains higher than pre-crisis levels, especially for young workers. The authors pinpoint the regional heterogeneity that is still high, with the stagnating south unable to catch up with the north. The south has experienced a more pronounced relative decrease in public sector real wages as well as a lower increase in private sector real wages due to different inflation dynamics. Given the strong economic heterogeneity between regions, the same collectively bargained wage might have different purchasing power in the north, the centre, and the south. Real earnings are increasing, but productivity is stable at relatively low levels compared to other European countries. Undeclared employment is still high, especially in the south.

Read on: [in English ...](#)

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## **Latvia**

### **Substantial wage growth predicted**

*December 27, 2017*

On the brink of the New Year, a bank analyst says average gross wages in the country may grow by 9% in 2018. There is also a possibility of a two-digit increase. The most rapid increase will be observed in industries with highest activity and labour market frictions – like the construction sector. Another expert predicts wage growth will be 7.6% in 2017, 8.2% in 2018 and 7.2% in 2019. In the third quarter of 2017, the average wage reached 925 euro, which is 7.5% more than a year ago. The country plans to increase the minimum wage from 380 to 430 euro, with a non-taxable minimum at 200 euro.

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## Liechtenstein

### **Bargaining results for the year 2018**

*December 20, 2017*

Trade union LANV published a handsome overview of the bargaining results for the year 2018. The list of sectoral agreements reveals that the general tendency is a modest 0.5% wage increase, with an improvement of the minimum wage and a nominal increase of at least 100 Swiss Francs. In most branches, the minimum wage for unskilled workers is now set at 3,300 Swiss Francs (2810 euro). Also improved are the parental leave and holidays. The union still has serious difficulties to get a decent agreement in hospitality and in the hairdresser branches.

Read on: [in German ...](#)

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## Lithuania

### **Resident doctors will have better pay**

*December 21, 2017*

The government has approved that the wages of resident doctors increase in 2018. The health ministry estimates that the monthly salary of a junior resident will rise from 390.5 euro to 463.75 euro and that of a senior resident will go up from 497 euro to 530 euro. The government allocated an additional 1.4 million euro in the 2018 budget for the pay increase.

Read on: [in English ...](#)

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### **Labour costs increase substantially**

*December 11, 2017*

The statistical office published an analysis of the development of the labour costs in the 3<sup>rd</sup> quarter of 2017. Compared to the 3<sup>rd</sup> quarter in 2016, labour costs per hour worked in industrial, construction and service enterprises (including individual enterprises), seasonal adjusted, increased by 7.9%. The increase was observed in all economic activities, the largest in financial and insurance activities (12.4%), information and communication (12.1%), real estate activities (10.5%), administrative and support service activities (10.3%), professional, scientific and technical activities, wholesale and retail trade; repair of motor vehicles and motorcycle (9.7% each).

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## Luxembourg

### **Union wants higher minimum wage**

*December 20, 2017*

In its bilingual magazine, trade union OGBL formulates a clear demand for an improved statutory minimum wage. Currently, the minimum monthly net wage for a 40-hour working week is 1727 euro, whilst the poverty-threshold is estimated at 1860 euro. This means that minimum wage earners belong to the working poor. OGB refers to a study of the statistical office that calculated the level of 1900 euro net as being the necessary income for a decent, but modest live. With a widening gap between rich and poor, the statutory minimum wage is also part of a policy that should tackle growing inequality.

Read on: [in French and German ...](#)

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### **Improvement of parental leave**

*December 15, 2017*

The parliament passed a new system of work leave for family reasons, from January 2018, with changes to the number of days granted for paternity leave, the care of sick children and marriage. Among the biggest

changes are an extension of paternity leave from two days to 10. Twelve weeks are granted for maternity leave – up from eight – while an allowance for days off to care for sick children is to be given in accordance with a child's age. The link below leads to an overview.

Read on: [in English ...](#)

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## Malta

### **Ground handlers and Air Malta agree on wages**

*December 20, 2017*

Trade union GWU could come to an agreement with Air Malta for the workforce at the ground handling services. The agreement was the third to be concluded by the airline with different unions, having previously closed deals with engineers and cabin crew. The agreement reached with the GWU that leads to pay increases will see 450 ground handlers being hived off in a new state-owned company, named Air Malta Aviation Services, with the same conditions. The company will be created in 2018 and will include check-in desk workers from the airport's departure lounge. It will service Air Malta, but also seek new business.

Read on: [in English ...](#)

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## Netherlands

### **Pay increase improves disposable income**

*December 20, 2017*

The office for economic policy analysis CPB published a policy brief dedicated to the economic perspectives with graphs and data. The economy will grow by some 3.1% in 2018, the second year in a row of plus 3% growth. Unemployment will continue to fall, but the wage increases are still moderate. However, higher wages will be needed in order to attract personnel. Improvement of real wages translates into higher purchasing power and the increase in the number of jobs will lead to a higher disposable income for households.

Read on: [in English ...](#) The report: [in Dutch ...](#)

### **Bargaining in public transport standstill**

*December 18, 2017*

The trade unions CNV Vakmensen and FNV called for actions and a possible strike in the public road transport. Negotiations for a new collective agreement for public transit workers have come to a standstill. The current collective agreement that covers over 12 thousand public transport workers expires on 1 January 2018. Trade union FNV stated that the talks failed on the reduction of the high workload and on higher wages. The union reacted with an ultimatum to the employers to respond to its demands. A survey among CNV members showed that there is great willingness to join the strike.

Read on: [in English ...](#)

### **National strike by teachers in primary education**

*December 12, 2017*

Teachers in primary education went on strike on 12 December 2017. Several trade unions are cooperating in order to remind the government of the importance of primary education, because it is the start of their participation in society. The Netherlands are facing a shortage in primary school teachers. The unions are demanding a fair salary and a reduction in work pressure, making the job more attractive for future teachers. They want a salary similar to teachers in secondary schools, and reducing of the workload, for example by hiring educational support staff, smaller classes and less administrative burdens.

Read on: [in English ...](#)

### **Cabin crew opposes reduction of staff**

*December 4, 2017*

Trade union FNV has announced that KLM's cabin crew will be striking for 24 hours on 8 January 2018. FNV announced the strike more than a month in advance to give KLM chance to take security measures and to inform passengers and other airlines. The cabin crew members are striking against the so-called -1CA measure, which was implemented over a year ago. KLM decided to send one fewer cabin crew member on a number of long distance flights. This will be the longest cabin crew strike in the 98-year history of KLM. According to FNV, the strike can be prevented if KLM reverses the -1CA measure.

Read on: [in English ...](#)

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## Norway

### **Underpayment in hospitality forbidden**

*December 19, 2017*

In the hospitality sector, a general binding agreement prescribes that from 1 January 2018 onwards all workers are treated according to the collective agreement, whether organised or not, Norwegian or foreign. The agreement makes it unlawful to pay hotel, restaurant and catering workers over the age of 18 years less than NOK 157.18 (16 euro) per hour. Trade union Fellesforbundet hopes that this arrangement will make an end to the totally unworthy working conditions that the union has signalled among many foreign workers in the hospitality sector.

Read on: [in English ...](#)

### **Collective decision-making works**

*December 6, 2017*

A comprehensive study, in the frame of their 'Collective decision-making barometer' project, set up by the Work Research Institute and six trade unions has shown the importance of collective decision-making when changes or reorganisations within companies have to be implemented. Changes and reorganisations are far less conflict-prone if employees both participate in and have influence over the process. The study states the opposite of what seems to be the trend of more authoritarian leadership models, where standardisation and control are more important than employees' participation.

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## Poland

### **Retail workers' payment improves**

*December 5, 2017*

The Biedronka retail chain announced an increase in wages at the beginning of 2018. The relatively low unemployment leads to a situation with shops facing more competition to attract good workers, driving them to offer not just improved wages but also benefits packages that may include provisions like private health insurance, paid holidays, and more. Depending on the location and position, the Biedronka employees' pay will increase by 200 to 550 PLN per year following 2018. Currently a cashier receives a monthly 2550 PLN (608 euro). At competitor Lidl this pay is around 3300 PLN (787 euro).

Read on: [in English ...](#)

### **Labour market participation and sustainable pensions**

*December 5, 2017*

The OECD published data that show the impact of the recent restoration of the statutory retirement age of 65 years for men and 60 for women. Retiring at the reduced statutory pensionable age lowers benefits. The pension is determined by lifetime contributions and remaining life expectancy at the time of retirement. Retiring earlier lengthens the expected remaining life and reduces pensions by around 6% per year. Lower pensions will result in a higher number of people, especially women, relying on minimum pensions, which in turn weakens the financial balance of the public pension scheme. Contrary to the regular earnings-related pensions, minimum pensions are not fully covered by past contributions and require additional financing sources. Increasing labour market participation will be a key issue to keep the pension system sustainable.



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## Portugal

### **Retail workers strike for better pay**

*December 22, 2017*

Trade unions representing workers in leading distribution and warehouse companies are calling out their members to put into effect a nationwide strike on the 23rd and 24th of December of 2017 to press for better working conditions. According to trade union FEPCES, the strike is over the collective employment contract in force in the sector, salaries, automatic promotions for warehouse workers, and rules on working hours.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

### **Postal workers on strike**

*December 14, 2017*

Postal workers went on strike on the Thursday and Friday before Christmas to demand the renationalisation of the company and better working conditions. Trade union (SINDETELCO) handed in a strike notice for 21 and 22 December for the 'Reversal of the privatisation of CTT' (Portuguese Post Office).

Read on: [in English ...](#)

### **VW workers reject deal on work shifts**

*December 12, 2017*

A majority of the workforce at the Volkswagen unit Autoeuropa (63%) rejected a preliminary deal on new working hours. It is the second time in a row that a preliminary agreement on a new shift system has been rejected. The Works Council aimed to restart the negotiating process with the objective of reaching a new agreement. However, the management announced shortly after that it had decided to unilaterally start with the new production schedule of 17 weekly shifts. The plan is to open the factory every Saturday for two shifts from the end of January 2018 onwards. The management promises to pay the work on Saturdays as overtime, thus with a 100% bonus, which was one of the workers' major claims.

Read on: [in English ...](#)

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## Romania

### **Ford workers on strike**

*December 22, 2017*

Several hundred employees at the Ford Craiova car plant started a spontaneous strike, one day after the trade union announced that an agreement with the management was reached on a two-years collective agreement. The agreement would cover the transfer of social contributions to employees and grant a monthly wage increase of RON 300 (64.7 euro) for the new assembly line workers in 2017. The workforce clearly disapproved the outcome of the negotiations. The US car manufacturer, with 4,200 employees in Craiova, wanted to increase the gross salary from 2018 only if workers agreed that a two-year collective agreement, instead of the usual one year, was signed.

Read on: [in English ...](#)

### **Wage increase at Kaufland and Dacia**

*December 20, 2017*

Kaufland, the country's largest retailer, announced that it increases gross wages so that net amounts don't drop. In addition to that, the retailer will increase the gross monthly minimum wage in the company to RON 2,800 (605 euro) for commercial workers, from 1 March 2018. The amount includes both food vouchers as well as Christmas and Easter gift vouchers. At the same time, management and the trade unions at automotive Dacia announced an increase of the gross wages by 20%, starting 1 January 2018, in order to avoid that the workers' net salaries drop after the social contribution transfer to employees. Due to a decree, social contributions will be fully transferred from employers to employees from the beginning of 2018.

Read on: [in English ...](#)

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## Serbia

### **IMF reports on recent economic development**

*December 21, 2017*

In a report with several interesting data and graphs, the IMF assesses the current economic situation. The figures show the massive and continuous fall of wage and pension expenses as a share of GDP. In one part of the report (Section D), the reform plans, often leading to serious jobs losses, related to the privatisation of strategic companies are discussed.

Read on: [in English ...](#)

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## Slovakia

### **Staff shortage becoming manifest**

*December 14, 2017*

The most recent survey, based on evaluations by entrepreneurs, who point to progress or decline in individual areas of the business environment, indicates that the business environment is threatened mostly by a lack of labour. The employment situation is thus, that it becomes more difficult to find people who want to work, are able to work and are willing to work for the salaries offered by companies.

Read on: [in English ...](#)

### **Uber driver fined**

*December 13, 2017*

A person driving without permission for the company Uber received the first ever valid fine. He will have to pay €200, as stems from the ruling issued by the district court in Bratislava. The court doubled the original fine imposed by the city of Bratislava. The driver was stopped by the police, claiming that he did not have his vehicle marked properly; the vehicle was missing the taxi inscription. The car lacked the name of the taxi service provider, an indication of the basic fare and a fixed taximeter. The Civil Association of Licensed Taxi Drivers stated that driving for Uber is providing a taxi service with the same rules that apply to other drivers.

Read on: [in English ...](#)

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## Slovenia

### **Employment situation improves**

*December 4, 2017*

In a report with graphs and figures, produced by the Employment Service of Slovenia, the prognoses for the labour market development in 2018 are revealed. Companies expect to create 16,500 jobs, or expand their workforce by 2.6%, during the first half of 2018. Demand is expected to come from jobs in manufacturing, as well as truck drivers, welders, warehouse employees and salesmen. The data show that the biggest surge in the workforce is expected in construction (7.5%) and other business activities, which includes staffing agencies, security, cleaning and lease of cars and equipment (6.2%).

Read on: [in English ...](#) The report: [in Slovene ...](#)

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## Spain

### **Emergency call workers strike over the festivities**

*December 25, 2017*

Emergency call service workers in Andalucía are striking over the Christmas and New Year period. The union that called for the strike has promised the fulfilment of minimum services. The telephone operators are acting in favour of better working conditions. They say that the ongoing subcontracting practices have deteriorated these conditions. The union is demanding that a non-binding law proposal approved by the Regional Parliament be put into practice in order to improve the situation.

Read on: [in English ...](#)

### **Hospitality workers at airports strike**

*December 23, 2017*

The trade unions had called for a strike at bars, cafes and restaurants on all airports across the country. The CCOO and UGT unions described the action as a great success with 90% of the workforce supporting the strike. The action, which could run until mid-January 2018, is set up in order to demonstrate the large dissatisfaction with the policy of the airport manager Aena that is characterised by a fragmentation of the concessions of the establishments into very small lots. This policy makes it difficult for companies to be profitable unless they cut labour costs.

Read on: [in English ...](#)

### **Agreement on minimum wage for 2018**

*December 19, 2017*

As a result of talks between the trade unions and the government, the minimum wage will increase to a monthly 736 euro, starting from 1 January 2018. The unions have long asked for wages to rise to reflect the strong economic growth and to repair the loss of salaries of the workers who lost most in the economic crisis.

Read on: [in English ...](#)

### **Unions march to reclaim public employees' rights**

*December 14, 2017*

The public-sector federations of CCOO and UGT were marching in Madrid on 14 December to reclaim the rights of public employees lost during the crisis. Since 2010 nearly 350,000 public sector jobs have been lost and those workers that have kept their job have seen a 13% fall in purchasing power. Many other rights linked to training opportunities, maternity leave replacements and equality have also been lost. The trade unions demand real collective negotiations at all levels of the public administration. They also demand a reduction of casual work down to the 8% maximum established in law.

Read on: [in English ...](#)

### **Wage development and other labour market data**

*December 1, 2017*

An analysis with labour market data from the period 2000-2016 shows that youth and long-term unemployment escalated during the crisis and, despite the ongoing recovery, were still at unsustainably high levels in 2016. The aggregate rate of temporary employment declined during the recession, but grew among youth. Real wages declined during the recession and have not returned yet to their pre-recession levels. Interestingly, median real wages kept on rising until 2010 despite dramatic job losses, which, according to the authors might reflect 'rigidities in the system of collective bargaining'.

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## **Sweden**

### **Pool of workers replaced by temp workers**

*December 16, 2017*

APM Terminals in Gothenburg has abandoned a pool of labour shared by various terminal operators and instead established a partnership with temporary agency Adecco. Ports are often faced with a shortage of permanent workers. In those instances, terminal operators often turn to temporary labour providers. According to a representative of the temp agencies, this is largely determined by whether a terminal

operating company is unionised or non-unionised. In neighbouring Finland, the use of casual port workers sourced from temporary agencies is totally forbidden, following an agreement with the trade unions.

Read on: [in English ...](#)

### **Job cuts at Nordea just the beginning**

*December 1, 2017*

A financial-worker trade union expects that the job cuts announced by Nordea Bank AB are just the beginning of a transformation that's about to hit the whole industry as more financial firms come to rely on digital solutions. Nordea said it intended to get rid of 4,000 full-time employees and 2,000 consultants. The move toward digital services increases demand for IT specialists, and when there's a shortage of those skills, hiring moves elsewhere. The Civilekonomerna union warned employees at other banks for similar developments.

Read on: [in English ...](#)

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## Switzerland

### **ABB workers come up with own restructuring plan**

*December 15, 2017*

Workers at the ABB-plant in Sécheron have formulated an alternative for the planned restructuring and transfer of (part of) the production to Poland. In November 2017, management and labour agreed to work towards an acceptable solution for the planned restructuring that could lead to a loss of 150 jobs. In the alternative proposal, the transfer will take 3 years, instead of the planned 18 months. This prolonged period will be used to create new employment at the ABB-plant and for the retraining of the existing workforce.

Read on: [in German ...](#) [in French ...](#)

### **Right to strike assessed**

*December 7, 2017*

Trade union Unia has published a book that assesses the right to strike. In 2018, it will be 100 years ago that this right was legalised. Since 1999, the right to strike is also enshrined in the constitution. According to the authors, the right is topical than ever; they even speak of a strike-renaissance. The contributions focus especially on disputes and strikes since the early 2000s.

Read on: [in German \(1\) ...](#) [in German \(2\) ...](#) [in Italian ...](#) [in French ...](#)

### **The labour market in recent years**

*December 1, 2017*

In a rather optimistic paper, labour market data from the period 2000-2016 are analysed. The authors conclude that, although the crisis had a strong impact on the economy, unemployment remained below 5%, and real earnings have been growing at a rate of about 0.7% per year since 2000. However, there is a wide wage gap, both between men and women and between nationals and foreign workers. For instance, foreign men's earnings equal 83% of Swiss men's earnings in 2015. Women earned around 83% of a man's wage in 2015. Thus, convergence has been slow. At a speed of three percentage points per 15 years, or one percentage point per five years, it would take another 25-30 years to wipe out the gender pay gap.

Read on: [in English ...](#)

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## Turkey

### **Government still fires workers**

*December 24, 2017*

The government has sacked another 2,756 public sector workers as it continues its purge of people it claims supported last year's failed military coup. A pair of government decrees published in the Official Gazette said

those fired in the latest round of dismissals include 637 military personnel, 360 gendarmerie force members and 150 academics. Critics say the government crackdown is just an excuse to silence political opposition.

Read on: [in English ...](#)

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## United Kingdom

### **Substantial increase of minimum wage if rate for top earners applies**

*December 31, 2017*

Trade union GMB has calculated how high the minimum wage would be if the rate matched executive pay rises. GMB's research underscores by just how much the statutory pay floor has failed to keep pace with executive earnings. The calculations show that if increases in the national minimum wage had kept pace with a chief executive, the hourly minimum would be £12.74 compared with £7.50 now for those 25 years and older. For a worker aged over 25 on 40 hours per week this would equate to a yearly minimum wage of £26,000 compared with the £14,664 they are currently earning.

Read on: [in English ...](#)

### **Worst real wage growth of all advanced economies predicted**

*December 29, 2017*

An analysis conducted by trade union confederation TUC predicts that 2018 will be a poorer year than previous years for pay in Britain, where inflation has consistently outpaced wage growth in recent months. Inflation has surpassed 3%, largely fuelled by a dramatic fall in the pound in the aftermath of June 2016's Brexit vote. The analysis, based on forecasts of the Organisation for Economic Cooperation and Development (OECD), expects that pay is to fall by 0.7% in 2018 after accounting for inflation. The forecasted pay downgrade is in line with earlier reports published by several thinktanks (see our November Newsletter) and a report of the independent Resolution Foundation.

Read on: [in English ...](#) The Report of the Resolution Foundation (with graphs and figures): [in English ...](#)

### **GMB: CJEU backs London's position on Uber**

*December 20, 2017*

A ruling from the Court of Justice of the European Union (CJEU) concluded that Uber is a transport company and not a digital service as the company had argued. In its ruling, the CJEU said that a service whose purpose was to connect, by means of a smartphone application and for remuneration, non-professional drivers using their own vehicle with persons who wish to make urban journeys must be classified as a service in the field of transport in EU law. The verdict comes after Transport for London (TfL) deemed Uber unfit to run a taxi service and refused to renew its licence in September 2017. Trade union GMB welcome the verdict as a support for London's position.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#) The ruling: [in English ...](#)

### **New name and shame list published**

*December 8, 2017*

The government came up with an updated list of 'name and shame', the overview that lists the firms, which underpay their workers. The press release says that firms in retail, hospitality and hairdressing businesses were among the most prolific offenders named in this round. The 260 firms that figure on the list underpaid 16,000 workers £1.7m in back pay and have been fined £1.3m. The trade unions have asked for this publication in the past. However, the publication as such is not enough, or like the GMB said: the Department for Business, Energy and Industrial Strategy's approach to naming and shaming minimum wage dodging employers is a poor substitute for prosecution.

Read on: [in English \(1\) ...](#) [in English \(2\) ...](#)

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