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Equitable Wages - a Progress Report

(presented by the Commission)

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Executive Summary

The Community Charter of the Fundamental Social Rights of Workers includes the principle that all employment shall be fairly remunerated. In September 1993 the European Commission published its Opinion on an Equitable Wage. It focused on three key areas for action by Member States as follows: Action to improve labour market transparency with regard to wages; action designed to ensure that the right to an equitable wage is respected; and action in favour of human resource development. The social partners were invited to address these issues.

The European Commission set itself a number of tasks, summarised as: Improving the quality of information on the structure of wages; vocational training needs; the exchange of information on good practice in remuneration; and to undertake further studies to promote the convergence of equitable wage policies. The Commission undertook to submit a report to the Council, the Economic and Social Committee and the European Parliament after consultation with the social partners.

The findings of this report are primarily based on a special questionnaire sent to all Member State governments requesting information on progress since 1993 when the Opinion was issued. All Member States replied though in varying levels of detail.

The conclusions can be divided into a) legislation/regulation b) wage formation c) information on wages.

a) legislation/regulation

- Most Member States had the basic planks of legislation towards an equitable wage in place before the Opinion was issued. Equal opportunity provisions were frequently the precursor to subsequent legislation aimed at protecting vulnerable groups in the labour market.
- Some Member States felt that an equitable wage was a difficult concept to grasp, arising from the separate, though interrelated issues of a *fair wage* and an *adequate standard of living*. A fair wage is only one, albeit important, element in achieving an adequate standard of living.
- There were few signs that Member States had viewed the Opinion as a catalyst for action. The closest association was observed in the area of homeworking where some Member States had taken action, although probably under the influence of a complex set of circumstances.
- The majority of Member States felt that intervention in wage setting was not desirable and should be avoided if possible. This was even the case in some Member States where national minimum wage policy existed.

b) wage formation

- **In some Member States there had been a widening of wage inequalities, a situation exacerbated by developments in industry such as delayering and demerging which have put new pressures on workers and their careers.**
- **Changes in the ways wages are determined, such as the growth in performance related pay and the decline of traditional forms of collective bargaining in some Member States, has reduced control over monitoring and maintaining an equitable wage.**
- **Labour market developments such as the growth in non-standard forms of employment and precarious jobs have affected the ability of Member State governments to influence wage policy.**

c) information on wages

- **Transparency in wage information remains a problem area for all Member States. The wage statistics widely available at Member State level are often too general and too out of date to aid transparency and wage information generated by job vacancy information suffers from too narrow a base.**
- **Labour market developments such as the fragmentation of pay bargaining may undermine the basis for monitoring and setting minimum wages in some Member States.**
- **Data on the structure of earnings and changes in income differentials are not generally available on an EU-wide basis. However, new information sources have been initiated by Eurostat and should provide some useful indicators over the next few years.**
- **Some Member States questioned the value of EU-wide data on this subject, citing the sometimes significant differences in standards of living, wage rates and non-wage costs between Member States as problematic.**
- **On the basis of the data available from 7 Member States (Germany, France, Italy, the Netherlands, Austria, Portugal and the United Kingdom) it seems that the distribution of wages has become wider over time, with the partial exception of the Netherlands over more recent years. Furthermore, it seems that the distribution of earnings in services is wider than the distribution in industry.**

For the Commission it is possible to identify a number of key areas for future activity to develop these themes. These are as follows:

- **The dissemination of good practice on employment conditions in general and wages in particular at the level of the enterprise;**
- **Monitoring the development of continuous training and its impact on earnings and value to the employer and how opportunities to pursue it are handled (eg, through study leave, training allowances, etc);**

- Encouraging improvements in reliable and up-to-date information on wage determination and levels, etc, in all Member States and selected competitor countries;
- Encouraging the development of national vacancy information and access to this by all parts of the labour market, in particular job seekers.

1.0 General Introduction

1.1 Background

Following extensive background research and consultation with the social partners, the Commission issued its Opinion on an equitable wage in September 1993¹. At the time there was considerable concern over long-standing labour market problems that affected the fairness of remuneration. For example, the Opinion highlighted the need for increases in productivity to match movements in wage rates and the problems posed by differentials in wages that did not accurately reflect pure labour market factors, often leading to visible discrimination.

The basis of the Commission's response was the provisions of the *Charter of Fundamental Social Rights* which, *inter alia*, stated the fundamental principle that all 'employment shall be fairly remunerated'. In expanding on this statement the Charter suggested that each Member State should ensure that workers receive an 'equitable wage', described as:

'A wage sufficient to enable them (ie, the workers) to have a decent standard of living'.

The Commission interpreted this basic principle as one that was best served by encouraging Member States to respect it through adjustments in their own economic and social policies and in particular through the following methods:

'..using the normal instruments of economic and social policy, in particular those designed to raise productivity and stimulate economic growth, combat discrimination, and ensure solidarity across social groups.'

Thus the Commission saw the achievement of an equitable wage as a task involving a range of policy areas and hence a number of different partners in each Member State. This joint responsibility also emerged in the terms of the Commission's Opinion on an equitable wage.

1.2 The Opinion

The Opinion focused on three key areas for action by Member States and these were as follows:

- Action to improve labour market transparency with regard to wages;
- Action designed to ensure that the right to an equitable wage is respected;
- Action in favour of human resource development.

All three areas for action contained various ideas for policy that should be considered by Member States and in some cases the Commission offered ideas on its own role in promoting

¹ *Commission Opinion on an Equitable Wage* (Brussels, European Commission (DGV), COM(93) 388, September 1993).

the opinion.

Action to improve labour market transparency with regard to wages:

Here the Opinion suggested that better, more reliable information on wage structures would help ensure that problems become visible and can thus be tackled effectively. There was also an emphasis on the need to disseminate the information widely.

Action designed to ensure that the right to an equitable wage is respected:

This section of the Opinion aimed to convince Member State governments that legislative arrangements needed to be sufficient to ensure that vulnerable groups did receive an equitable wage. Particular areas of concern were the treatment of homeworkers, the continuation of discriminatory practices and the need for setting minimum wages through negotiation. Information was thought to be a key ingredient in achieving these aims, as was the development of good practice. In this section the Opinion also referred to the need to avoid negative consequences of measures to improve the position of these vulnerable groups, including a negative impact on job creation.

Action in favour of human resource development:

This was a fairly broad category in the Opinion which aimed to bring to the attention of Member States the need for on-going attention to be paid towards the development of the workforce. Here the emphasis was on developing the potential of people so that they became more valuable to the employer and thus attracted better remuneration and clearly the focus was on education and training at all levels.

The Opinion concluded with an invitation to the social partners to address the issues raised. More specifically the Commission set itself a number of tasks that it felt would help improve the ability of Member States to respond to the provisions of the Opinion. These actions are summarised as follows:

- to take appropriate measures to improve the quality of information available at Community level, in particular with regard to wage structures;
- to contribute towards a better matching of vocational training arrangements to the developing needs for qualifications and retraining of both workers and businesses, by ensuring the collection and dissemination of experiences in this area and encouraging co-operation between those concerned;
- to encourage the development of exchanges across the Community on the practices within firms with regard to remuneration;
- to undertake further studies, in collaboration with the Member States and the social partners, to seek to promote a convergence of equitable wage policies with the Member States.

Finally, the Commission also undertook to do a report on the progress made and obstacles encountered in the adoption of the Opinion approximately three years after the opinion was

first published with a further monitoring at two yearly intervals thereafter. This report represents the Commission's response to this requirement and Section 3 contains a review of the proposed actions from the Commission itself.

1.3 The Updating Process

The principal source of information used to compile this report has been the Member State responses to a questionnaire issued to the national labour ministries or other appropriate bodies in mid-1995 requesting information under the main headings of the original Opinion. The inquiry asked for information on the following aspects in each Member State:

- Rights to an equitable wage;
- Wages and labour market transparency;
- Ensuring rights to an equitable wage;
- Improving human resource development.

The questions were preceded by an *explanatory note* that established the background to the equitable wage and the need for this report three years on. Member States were asked to respond to the questionnaire by the end of September 1995 with a special request that any documentary evidence in support of their responses should also be sent.

In the event, few Member States had responded by the deadline which was extended on a number of occasions. By the end of January 1996 replies had been received from 13 Member States, with Portugal and Sweden responding a little later, thus completing the EU 15. The replies received were highly variable in their level of detail and all provided little in the way of supporting material. One Member State (Italy) not only provided the official view from the Ministry of Labour and Social Security, but included the views from consultations they had held with key social partner organisations.² Other Member States had also sought the views of the social partners before forming their replies. The three new Member States (Austria, Finland and Sweden) were not members of the EU at the time the Equitable Wage Opinion was drawn up. However, Austria and Finland provided detailed accounts of their current situations under the relevant headings of the questionnaire and their comments have been included in the general discussion of progress in Section 2 of this report.

² Those consulted were: CONFAGRICOLTURA, CONFAPI, INTERSIND, CGIL, CISL, UIL and the CIDA.

1.4 Report Structure

Given the variable nature of the Member State responses to the questionnaire, the core of this report, Section 2, takes the form of a collective discussion of the issues raised by the Opinion, bringing in examples from Member States as appropriate. The section therefore considers the responses under the four main headings of:

- Rights to an equitable wage;
- Wages and labour market transparency;
- Ensuring rights to an equitable wage;
- Improving human resource development.

The discussion in Section 2 provides the basis for the following section of the report which summarises the key issues and points arising from the national responses, setting them in an EU-wide context.

Section 3 of the report summarises the Commission's response to the tasks directed at it in the Opinion. There is also an overall discussion of the progress made by Member States, information on the statistics available to inform this subject area and a forward-looking perspective which outlines the potential role of the Commission in the area of an equitable wage.

1.5 Key Issues

In framing the debate on an equitable wage in Member States, it is instructive to discuss first some of the key issues that are likely to influence activity in this area. Some of these points were raised in the Opinion issued by the Commission. For example, the relationships between wages, productivity, employment and social factors, or the reasons why there is variation in wage levels between the Member States of the EU. All these are still relevant three years on, but it is important to revisit some of them in order to catch up with labour market developments in what is often an extremely dynamic environment.

Change in the labour market continues to take place. In particular, the growth in non standard forms of employment and precarious jobs will have a significant effect on the ability of Member State governments to influence wages. High levels of self employment, for example, offer little opportunity for wage policy and the increase in temporary contracts and flexible hours complicates the policy options. Many of these labour force sub-groups could never be brought into the scope of wage policy although for others the options are not as clear. With potentially vulnerable groups such as part-time workers, for example, already there are signs that regulation akin to that offered to full-time workers is perfectly possible.

More pressure emanates from the sometimes significant changes in the methods of wage determination. Some Member States have witnessed a breakdown of traditional forms of collective bargaining in favour of individual wage setting, often linked to such elements as performance related pay. In such circumstances control over what employees receive in the

form of remuneration becomes difficult. It also introduces the problem of variations in pay performance from year-to-year as business fortunes change, thereby posing particular problems for monitoring and seeking to maintain an equitable wage.

The use of a national minimum wage is also an issue. While only a minority of Member States have such a policy, the other Member States arrange for various minima to be negotiated through a range of collective agreements or concentrate action to a few vulnerable sectors. The relationship between low pay and low family incomes is a complex one and social policy also has a complementary role in tackling inadequate standards of living, albeit often arising from wages that are insufficient to meet the employees' needs. Furthermore, labour markets throughout the EU have experienced a widening of wage inequalities, especially under the strain of weak employment growth and high unemployment.³

In more general economic terms, Member States are experiencing considerable industrial change. Of course the process of fewer manufacturing jobs and more service sector jobs has been going on for some time now and is set to continue in most situations. In some situations, activities such as *delaying* and *demerging* have left many employees exposed to significant change in their career objectives. This has filtered down to how wage differentials are perceived and set with yet further implications for how traditional forms of wage setting can be sustained.

All these factors must be taken into account when the way in which the objective of an equitable wage has been tackled in Member States is examined. However, the diverse nature of the labour markets throughout the EU means that the effect of such factors will tend to vary in intensity. Some of this will be due to some Member States being ahead of others in terms of their experience of labour market change; this is good for the other Member States since they have the opportunity to draw on the experience of others.

³ See, for example, Freeman R and Katz C F (1994) 'Rising Wage Inequality: the United States vs Other Advanced Countries' (in R Freeman, ed, *Working Under Different Rules*, New York, Russell Sage Foundation and NBER, pp29-62).

2.0 The Situation in Member States

2.1 Introduction

All Member States responding to the questionnaire did so in an organised way following the various sub headings which formed the structure of the inquiry. However, the level of detail provided varied considerably between Member States and there were also differences in the interpretation of the questions posed. For example, some Member States explained the history of legislation surrounding the equitable wage issues at great length whilst others were more apposite, concentrating on the developments since the Commission's Opinion was issued.

In view of these differences in approach, it is not appropriate here to give an account of developments in each Member State. The structure adopted in this section of the report is therefore to take the four key headings from the questionnaire as the basis for a discussion of the issues, bringing in examples from Member States as appropriate.

2.2 Definitional Issues

A number of Member States (for example, Austria, Belgium, Germany and France) felt that the concept of an 'equitable wage' was somewhat misleading. The main problem was that it is often confused with the much wider concept of an 'equitable standard of living'. The contribution from Austria expanded on this by explaining that the basis for wage determination should be that they reflect the value of the work performed. Accepting this definition (as most Member States explicitly did) means that if the standard of living is then taken into account in wage determination, it would mean that differential wages would be paid for the same job (assuming that the individuals performing the same job had different income bases to begin with - again a perfectly feasible scenario). This would make a nonsense of the wage determination process and leads to the obvious conclusion that adjustments in living standards are not the remit of wage policy but of social policy.

Taking this definitional dilemma further, all Member States would agree that wage determination is principally the responsibility of the employer and employee (or their representatives in both cases) and as such the need to interfere in this process is resisted as much as possible. It is therefore not surprising that the majority of Member States were unable to demonstrate a direct link between the Commission's Opinion on an Equitable Wage and what national governments had done over the past three years. Most Member States were comfortable with the way in which the opinion was phrased, with the emphasis on subsidiarity, and felt little compulsion to respond to the measures outlined in it. A number of Member States clearly felt that even before the opinion was issued they had sufficiently comprehensive policies and practices in place to guarantee compliance with the broad intentions of the equitable wage objective.

2.3 Rights to an Equitable Wage

Member States were asked to respond to the point in the Opinion concerning the Charter of the Fundamental Social Rights of Workers⁴ regarding the right to an equitable wage and the need for that right to be reaffirmed. Here Member States tended to respond by providing details of the basic legal position regarding the rights to wages for work performed. There was a clear distinction between those Member States with *constitutional* provisions for an equitable wage, compared to those with more fragmented legislative provisions.

Only three Member States, Italy, Portugal and Spain, claimed to have the right to an equitable wage enshrined in their constitutions. In the case of Italy, the terminology used is:

*'.. wage which is commensurate with the quantity and quality of the work.'*⁵

The definition is also interpreted as meaning that the wage paid should not only be fair for the work performed but it should also be sufficient to provide for family needs. This is broadly similar to the Spanish case which also uses the phrase 'equitable wage' and additionally calls for the wage to be enough to satisfy the family's needs as well.⁶ Amplifying this, Article 40.1 of the Spanish Constitution sets out that as a guiding principle of economic and social policy, public agencies should promote conditions favourable to progress towards a more equal distribution of personal incomes and regional disparities in incomes. In Portugal, the explicit constitutional provisions are reinforced by reference to a National Minimum Wage and its role in the achievement of an equitable wage.⁷

The majority of Member States do not have such explicit constitutional provisions and, more interestingly, do not necessarily refer to the concept of an equitable wage. In France, for example, the free determination of wages is regarded as a fundamental principle of the rights of workers and is backed up by comprehensive legislation and this is a basic principle evident in other Member States. In Germany the concept of an equitable wage is not commonly accepted as a basis for wage determination but the right to free collective bargaining is and it is this system that helps guarantee that fair wages are set. To underline the point, the response to the questionnaire from Germany suggested that the fact that no one has ever claimed that wages arrived at in collective agreements were inequitable proves the efficacy of the system.

The free determination of wages under collective bargaining arrangements is therefore by far the most common basis for ensuring that equitable wages are paid in the Member States.

⁴ The relevant section in the opinion is paragraph 3 in the *Explanatory Memorandum* and paragraph 1 in the *Opinion*.

⁵ Contained in Article 36 of the Italian Constitution.

⁶ Contained in Article 35.1 of the Spanish Constitution.

⁷ Constitution of the Portuguese Republic, Article 59, paragraph 2.

However, the extent of *collective* agreements is changing in many Member States as traditional practices break down and individual pay determination takes over. Within the EU this is at its most developed in the United Kingdom where the view is (as articulated in the questionnaire response) that government has no role to intervene in wage setting. The response provided justification for the UK stance showing that real wages increased substantially between 1979 and 1995, by 35 per cent for male full-time workers and by 56 per cent for female full-time workers, the differential gain for women being particularly important in this context.

At perhaps the other extreme, in Austria collective agreements are the basis for setting fair wages and are the accepted way of protecting employee rights. However, the difference from most other Member States is in the comprehensive application of these collective agreements, covering as they do all workers in a given sector irrespective of their direct involvement in the bargaining process. This situation arises from the requirement that all enterprises should belong to their local Chamber of Commerce and it is these chambers that are at the forefront in collective bargaining with the employee representative organisations. All member organisations are therefore bound to honour the collective agreements reached by their chamber. However, even in this comprehensive system there are some exceptions to the rule. In cases where, on the employers' side, no incorporated bodies exist which enter into collective agreements, an administrative authority (the *Bundeseinigungsamt*) may issue scales of minimum wages. These are provisions laying down minimum rates of pay and providing for the reimbursement of costs. Another exceptional case may arise if a voluntary employers' association rather than the statutory representative body concludes the collective agreement and there may therefore be employers who are not bound by collective bargaining agreements (i.e. non-members of the voluntary employers' association). In these instances, provision has been made for the *Bundeseinigungsamt* to extend the scope of collective agreements to cover those employers who are not party to the collective agreement concerned. However, this only involves extending the scope of the collective agreement and not any changes to its provisions. In Sweden it is also common practice for collective agreements to be extended to cover all workers in a particular sector which would also include those not involved in the negotiation process.

Comprehensive collective agreements are also the normal practice in Finland where they tend to set all manner of working conditions in addition to wages. For example, agreements usually cover holidays and other benefits and may make provision for training and this is a trend common to many other Member States as well. Germany, for example, has a particularly well-structured system of collective bargaining which is guaranteed and honoured in the law and covering many aspects of employment in addition to wages.

Increasingly Member States have enacted special legislation to encompass the growing numbers of people in precarious jobs. Home workers are an important category here and in Austria they are covered by a special Act (the *Heimarbeitsgesetz*) that sets wages and other conditions of work through special home work commissions. A similar system to this exists in Germany where home worker wages are fixed to binding scales set by home worker committees involving employer and home worker representatives with an independent chair. In Spain, legislation provides for home workers in that they are required to be paid a wage

at least equal to the comparable wage paid in a more normal work situation⁸, and this is broadly similar to the approach in Portugal⁹. In the Netherlands a special law to protect home workers is in preparation.

It is interesting to note that many Member States did not give great prominence to their provisions on minimum wages in their responses to the questionnaire which tends to reflect the real role of such measures, as a safety net which may not be extensively used. All Member States have some form of minimum wage provision, although they range from the comprehensive covering all sectors and types of employment (eg France) to the extremely limited, exemplified by the United Kingdom with just one sector, agriculture, now covered by minimum wage setting. The types of minimum wage provision within the Member States can be categorised into three types as follows:

- National minimum wage set by law (France, Luxembourg, Netherlands, Portugal, Spain);
- Minimum wages set through collective agreements (Austria, Belgium, Denmark, Germany, Greece, Italy, Finland, Sweden);
- Minimum wages set in some vulnerable sectors (Ireland, United Kingdom).

In the case of France, the national minimum wage (known as the *SMIC*) was established in 1970 and is maintained through a two-staged process of adjustment involving monthly uprating according to the retail price index and an annual review which takes into account the wider economic and social circumstances of the country. In Portugal the National Minimum Wage was introduced in 1974 and since 1978 has been subject to an annual adjustment by the Government on the basis of consultations with the social partners. In 1991, 1992 and 1996 this adjustment has been agreed by the social partners themselves.

The most common way of establishing minimum wage rates is through collective agreements which effectively means that there will be different minima set when examined across sectors. Even in the case of the Netherlands where a legal minimum wage is set (albeit linked to an index of wage rates derived from collective agreements) employees are covered by minima (agreed at sectoral or company level) which, on average, are 15 per cent higher than the legal minimum wage. However, the social partners are currently introducing wage rates which begin from, or slightly above, the legal minimum wage.

In the case of Ireland, the system of Joint Labour Councils which set not just minimum rates of pay but all rates for their sectors and occupations, operates in a much wider system of collaboration between the government and the social partners. Since 1987 there has been a series of three-year national programmes which provide a basic framework for the economic and social policies and include ceilings on wage increases applicable to all sectors. These agreements are weighted in favour of the lower paid to help ensure that equitable wages prevail, although the system is not entirely dependent on influencing pay but also involves

⁸1995 Workers' Statute (Article 13).

⁹1990 and 1991 Economic and Social Agreements (in force respectively in 1991 and 1992) and 1996 Short Term Social Agreement.

ensuring that social benefits play their part.

2.4 Wages and Labour Market Transparency

The Opinion, under the heading: 'Action to improve labour market transparency with regard to wages', envisaged that improvements in the collection and dissemination of comparable statistical information would help ensure greater fairness in wage provision. In responding to the questionnaire, most Member States recognised the important role of good statistics as a basis for transparency but few had done anything since 1993 to enhance their own data.

The exceptions to this general rule included Denmark where the social partner organisations, in association with the central statistical agency, *Danmarks Statistik*, in 1993 started developing new wage statistics to provide greater detail across the country. By the end of 1995 this data covered the whole labour market and all elements in the remuneration package (eg, in addition to wages, sick pay, pensions, etc). However, there is no doubt that the comparatively high levels of trade union membership have enabled Denmark to develop such data in an atmosphere where transparency on wages is already highly developed by virtue of the high levels of social partner support. The same conditions prevail in Sweden where a comprehensive set of wage statistics are available.

By contrast, in Luxembourg a meeting of the tripartite committee in 1995 met and considered the need for further information on wages, but decided that no new measures were needed at the time. However, at least it is known that the issue was considered in Luxembourg since there is little evidence to show that the available wage information has come under such high level review in the other Member States in the past few years. Only the Austrian response mentioned its involvement in the new EU-wide structure of earnings survey which it is planning to implement in 1996 following the development of a new household panel survey which derives income components information. Some of the impetus for these important developments in Austria came from the country's recent accession to the EU. However, even prior to 1995, the Austrian Central Statistical Office (ÖSTAT) published statistics on the levels of income in various sectors of the economy at regular intervals. In the last few years, the main focus has been on income distribution. The response from Finland did not specify any new statistical developments but confirmed that it already carries out relevant statistical surveys on earnings and conditions of work.

In fact, most Member States concentrated on confirming that they already carry out a range of wage studies producing useful comparative statistics which were thought to be adequate to ensure a high degree of transparency in the labour market. For example, there is a long tradition of wage surveys in the United Kingdom with the annual *New Earnings Survey*, *Labour Force Survey* and household expenditure survey and the response stated that there were no plans to extend these. Similarly in the Netherlands the Central Bureau of Statistics (CBS) is active in the preparation of earnings information and works with the Central Planning Bureau in this field. Germany has a similarly well-developed statistical base, as does France where the Ministry of Labour (MTDP) publishes monthly wage indices and in association with INSEE, the national statistical agency, conducts various wage surveys. In France the information provides an important input to the social dialogue at the quarterly meetings of the tripartite council.

Aside from statistics, for those Member States with well-developed collective bargaining arrangements (ie the majority) another means of ensuring transparency is in the dissemination of information on the terms of these agreements. In Belgium, for example, all agreements are kept on file by the Employment Ministry and are available for scrutiny. A similar situation exists in Italy where the national collective agreements are published with details of the wage levels set clearly displayed. In Germany collective agreements allow access to full information to both sides and even in the more restricted environment of public sector agreements, the terms of these are widely published. A public register on collective agreements is kept in the Ministry of Labour and Social Affairs. The situation is similar in most of the "Länder" with regard to regional collective agreements.

The process in Austria is for all agreements to be registered with the Ministry of Labour and Social Affairs, after which they are open to public scrutiny. In Finland the collective agreements are also open to view and here they often contain information on the work evaluation criteria that have been used to determine the true worth of a job (in financial terms). The only restriction on access to such information in all of the above cases is that individual wages do not form part of this openness and hence must be kept confidential.

In Portugal, collective agreements which are the main instrument for fixing wages at sectoral level must be deposited with the Ministry of Labour. The Ministry keeps a register on collective agreements and publishes them in the Official Bulletin of the Ministry.

In Spain, collective agreements are registered with the competent labour authority in the territory covered by the agreement. In addition, collective agreements must be published (free of charge) in the Spanish Government Gazette (Boletín Oficial del Estado), or in the equivalent Gazette of the Autonomous Community or Province according to its territorial scope. Publication ensures transparency in the labour market with regard to wages and salaries.

Clearly where collective agreements do not exist then information on the prevailing wages is more limited. This is again the majority situation in the United Kingdom and to a lesser extent in Ireland where the trend has been for less collective bargaining and more individual wage negotiations between employer and employee. Of course collective agreements themselves often just establish broad wage floors and it is then up to local or individual negotiations to improve on them. However, in those labour markets where collective bargaining is of secondary importance, the transparency in wages becomes that much more opaque. Nor is the situation helped much by reliable information from earnings surveys and the like since these have the universal defect of being well out-of-date by the time they are published. Typically a year out-of-date is the minimum and often two or three years is common which may not assist efforts at improving transparency in the short term.

The Opinion mentioned the potential role of employment services in improving labour market transparency and this point was picked up in a minority of responses from Member States. The advantage of the information generated by employment services is that it is likely to be up-to-date, based as it generally is on current job vacancy information, and it is generally more accessible to the parties likely to be affected by wage inequalities (ie the job seeker or current worker). Of course accuracy of the information may be a problem, although the recruitment process tends to generate fairly reliable indications of what the jobs pay.

The provision of employment services varies considerably between Member States but few details emerged from the questionnaire response to highlight these differences.¹⁰ Austria took an important step in 1994 when it set up the Employment Service (*Arbeitsmarktservice*), which is a public-law enterprise for the provision of services with responsibility for implementing employment policy. This function was carried out by the public authorities up until 1994, when privatisation took place. However, it is not just the public employment services that have a role to play here but also private sector employment agencies. Again the incidence of such private sector agencies varies across the EU but their role in certain sectors and occupational areas (eg clerical, secretarial) is quite crucial.

However, one of the main problems in relying on the employment services to bring about wage transparency is that their coverage of the labour market is at best partial and at worst biased. The fact that private sector agencies tend to specialise has already been referred to.

Public sector employment services are also limited by the vacancies that are notified to them¹¹ and inevitably they constitute a minority of the total vacancies existing in the labour market at any one time since *Labour Force Survey* and other data show that other sources of information invariably dominate in job search.¹² Notified vacancies can also be heavily skewed towards those in lower skilled categories and in hard-to-fill vacancy areas, where terms and conditions (including the offered wage) fail to attract the job seeker. Nevertheless, for the job seeker the employment services represent a source of *current* wage information and it is important that Member States try to ensure that it is as reliable and wide-ranging as possible.

One area where at least two Member States have taken steps to improve their information is in international comparative wage information. The central statistical agency in the Netherlands has been working with the Central Planning Bureau to establish reliable indicators on wage indices and replacement rate information in countries both inside and outside the EU. Italy also has a tradition of publishing international wage comparisons on a regular basis. However, whilst some Member States expressed an interest in such international comparisons (especially with other EU Member States) others questioned their usefulness bearing in mind the sometimes huge differences in wage and non wage costs between EU Member States.

¹⁰ The provision and development of employment services is of considerable interest to the European Commission and work is currently underway through the *Employment Observatory* (DGV) to assess provision throughout the EU. The forthcoming *Trends* bulletin No 26 will report on this work (due for publication in late 1996).

¹¹ In the EU only Luxembourg has a legal requirement that vacancies are notified to the public employment service. However, this does not guarantee wider coverage of unfilled vacancies since most are filled in a relatively short period of time.

¹² In most cases LFS data shows that most jobs are filled through word-of-mouth information followed by advertisements in newspapers and journals.

Aside from statistics, one of the key ways to transparency in wages across the labour market is for worker representatives involved with the bargaining process to have access to information on earnings at enterprise level. This is a problem for many Member States since firms are often protected from imparting such information by the rules of confidentiality. In Greece, for example, there are some obligations on employers to keep good information and to open this information for inspection and indeed most Member States will be governed by similar regulations on maintaining proper records for taxation purposes, for example. Employers in France have a particularly rigorous set of rules on what they need to collect and report as regards wages and other payments to employees. However, access to such information is only going to assist in the wage setting process for those covered by the relevant collective bargaining agreement. It will not promote transparency across the separate bargaining rounds. In Portugal workers and their representatives have the right to be informed on the data relating to annual personnel plans. These plans also contain information on wages.

2.5 Ensuring Rights to an Equitable Wage

Despite the difficulty some Member States had in interpreting the concept of an equitable wage, plenty of evidence was provided in the questionnaire responses on the activities that underpinned their concern over fair wages. The Opinion went into some detail under this section: 'Actions designed to ensure that the right to an equitable wage is respected'. It suggested that Member States should consider the need for further arrangements in the following areas:

- legislation on discrimination;
- ensuring fair treatment for workers in all age groups and for home workers;
- mechanisms for establishing negotiated minima and the strengthening of collective bargaining arrangements.

The questionnaire attempted to elicit a response on these issues and most Member States gave comprehensive information on the existing provisions and indicated where recent changes had taken place and it is these changes that are of most interest to this report.

Provisions for the equal treatment of men and women were in place in all Member States, although with varying degrees of history. France has had a law in place on the equal treatment of all its citizens since 1958 and this has been embellished over the years to ensure that men and women receive (and are seen to receive) equal treatment in matters of pay for similar work. In Portugal the Constitution establishes the principle of non-discrimination. Equal treatment between men and women at work has been ensured by law since 1979 which established a tripartite committee with the task of promoting the application of this principle. In Germany there has been an explicit prohibition since 1980 against any discrimination between men and women with regard to equal pay for the same or equivalent work. More latterly, in Sweden in 1994 and in Denmark in 1995 (covering racial discrimination), specific legislation outlawing discrimination in the labour market has been enacted, although the issue was already prominent in separate collective agreements in both countries.

In Italy the basic legislation on equal treatment has been in place since 1977 with further legislation enacted in 1991. However, the law protecting disabled people from discrimination in the workplace has a much longer history dating back to 1968. In the United Kingdom the 1995 Disability Discrimination Act has been recently introduced to provide specific protection on issues such as recruitment, pay and career advancement.

Other recent changes to equal opportunity legislation include amendments to the law on equal treatment for men and women in Finland where, in 1995, the coverage has been increased to include such factors as access to education and training and similar measures which underpin the equality of career opportunities in direct response to EC Directives in this field. In Belgium the emphasis has been on minor amendments to how the existing legislation in this area operates. For example, there have been some new attempts to improve the monitoring of equal opportunities in the workplace backed up by legislation. In France, 1995 saw the setting up of a high-level special project establishing an observatory to monitor equal opportunities, presided over by the Prime Minister. The main focus of this new monitoring will be equality between the sexes, but also within scope are foreign workers in France.

In helping ensure that fair wages exist as far as possible, minimum wage policy plays an important part. The range of different approaches to minimum wage setting have been discussed in the previous section and here it is important to focus on their effectiveness in the process. For national minimum wages the key to their continuing effectiveness is the regularity with which they are reviewed and, ultimately, their value as a proportion of the going rate in the occupations to which they apply. Here the French SMIC operates under a structured and regular uprating procedure which helps ensure its relevance. However, this appears to be less of the case with some other national minima. In Portugal and Spain, for example, the national minimum wages are only reviewed annually which may mean that in between reviews they may be less effective.¹³ Of course annual reviews and possibly even longer periods are the norm in collective agreements and where minimum wage levels are established through this process, the same degree of downward drift might occur. However, given that all other wages covered by such agreements are likely to be in the same position, then the potential for a gap to open between the minimum wage and other wages is less of an issue.

One interesting development on the use of minimum wages is in the Netherlands. Here the legal minimum wage has clearly been seen as a potential constraint on the recruitment of certain disadvantaged groups in the labour market. Thus a special dispensation is now being introduced for the minimum wage which allows employers to recruit the long-term unemployed for a wage of at least 70 per cent of the agreed minimum wage for a maximum duration of two years. These offers of jobs are also linked to a requirement that the employer offers relevant opportunities for education and training. Other special measures exist that are aimed at persuading employers to recruit the long-term unemployed, all linked to levels of the minimum wage. Similarly, in Portugal there is some flexibility in the National Minimum Wage. For instance, it can be 25 per cent less for workers under 18 years of age and 20 per

¹³Although in Portugal the minimum wage is normally adjusted only once a year, it may happen that it is adjusted more often. This was the case in 1989 during which two adjustments took place (January and July) due to a high inflation rate.

cent less for workers under apprentices' or training contracts. Since 1991 there has been a separate minimum wage only for domestic servants (before 1991 also for the agricultural sector) with a minimum inferior to the general minimum wage. However, this sectoral minimum wage has been adjusted at a higher rate than the general minimum wage with the result that the difference between the sectoral and the general minimum wage has diminished.

In Spain there is a two-tier statutory minimum-wage, i.e. for those under and those over 18. In apprenticeship contracts - covering young people over 16 and under 25 without the qualifications required for a formal training contract - the apprentice's wage is fixed by collective agreement. In the absence of an agreement, the wage may not be less than 70, 80 or 90 % of the statutory minimum wage during the first, second and third year respectively of the contract. wages for apprentices aged under 18 may not be less than 85 % of the statutory minimum wage corresponding to their age group. Similarly, in training contracts the worker's wage must be that laid down in the collective agreement for workers undergoing training. If no such contract exists, the wage during the first or second year of the contract may not be less than 65 or 75 % respectively of the wage laid down by agreement for a worker carrying out similar or equivalent work.

Some Member States operate their labour market policies under a broad consensus on the major economic and social issues. In Ireland, for example, the triennial framework agreements between the government and the social partners tend to establish an atmosphere where fair treatment of all workers can be monitored closely. In Italy, a 1993 Protocol signed by the government and the social partners agreed on an incomes policy designed to improve equity in the distribution of incomes through policies to control inflation and encourage economic growth. It is hoped that by working closely with the social partners, government can better influence such activities as wage determination and this includes protecting the vulnerable groups in the labour market.

All Member States provided some indication of their provisions to protect the wages of workers who were put at a disadvantage through no fault of their own. Typically this can arise in cases of illness or industrial injury, but relevant policies are also directed towards firms going bankrupt, for example. In Spain, the new Workers' Statute of 1995 made various provisions in this area. For example, the concept of a wage was clarified removing, for example, the possibility that an employer might try to substitute payment in kind for cash wages. Under the new statute payments in kind are not allowed to exceed 30 per cent of the total (gross) pay of the employee. Responding to an EC Directive¹⁴, there was also cover for wages in the event of an employer's insolvency and entitlement to wages if the employee is unable to work because of the employer. Basically the Spanish provisions make it clear that the wage obligations of the employer take precedence over other financial commitments.¹⁵ In Germany labour legislation seeks to protect employees by ensuring that fair wages are also paid for public holidays, absence for personal reasons and annual holidays, etc.

¹⁴ Council Directive of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer (80/987/EEC) O.J. NL 283/23 of 28.10.80.

¹⁵ As contained in Article 45 of the amended Workers' Statute (24th March 1995).

In the White paper on European Social Policy, the issue of the right to payment of wages on public holidays and during illness was listed among the range of "other areas" put forward for legislative action at Union level (Chapter III, paragraph 13). The Commission's Medium Term Social Action Programme again refers, in paragraph 4.3.6. to the right to payment of wages on public holidays and during illness. It goes on to say that this question will be covered by the first report on the Commission's Opinion on an Equitable Wage. In order to fulfill this task, the Commission sent out a questionnaire to Member States regarding the right of payment of wages on public holidays and during illness. Member States' replies are summarised in Appendix A.

Many Member States have sought to adjust their legislative provisions in line with developments in the labour market over the past few years. The Equitable Wage Opinion drew attention to one of these areas, that of home workers and this has been directly responded to by a number of Member States. For example, the 1995 Workers' Statute in Spain specifically protects home workers, particularly that the wage paid should be at least equal to that of workers carrying out similar tasks in a more normal workplace environment. Portugal has a similar requirement with the minimum wage acting as a fall back position. Austria and Germany have their *Home Worker Committees* that set binding rates of pay for home workers through agreement between the employers' and employees' organisations, guided by an independent chair. The Netherlands is also in the process of preparing a law to cover homeworkers.

However, responses to labour market change extend beyond home workers. In Luxembourg, for example, a new law in 1993 established equal treatment in the payment of wages for part-time workers and in 1994 this approach was extended to those on temporary contracts of employment. Part-time workers have received similar attention in other Member States, although Italy has probably gone further than most in introducing legislation that seeks to protect workers on all types of different employment contracts at the same place or work. In a similar vein, the Netherlands has recently extended the coverage of its national minimum wage to all those employed working fewer than 13 hours a week.

All these measures indicate that Member States have tended to respond to the key changes in the labour market over the recent period and whilst some Member States have chosen to respond by introducing specific legislation, others have allowed the existing provisions to be extended to cover the new forms of working, albeit sometimes determined through case law.

This introduces a discussion on the ways in which Member States enforce their legislative provisions on fair wages. Breaching the laws carries the normal financial and/or custodial penalties that have been a feature of such provision for a long time. However, these penalties apply once infringements have been discovered and proven and there is some variation between Member States in the ways in which such infringements are detected. Countries such as Italy and Portugal tend to rely on the labour inspectorate to check on the implementation of the legislative provisions, although individuals can also bring a case before an industrial tribunal, which is a facility found in other Member States. France and Belgium also rely heavily on the labour inspectorate to detect infringements of the legislation and in the case of the France the provisions of the SMIC are assiduously applied. Once cases reach the law, most Member States have special labour courts to handle the process at least in the first instance.

Enforcement of the legislation on fair wages does not appear to be a large problem identified by the Member States. However, there is some evidence to show that it is a problem likely to be of more significance in the future as non standard working arrangements proliferate and, in some Member States in particular (eg, Greece, Spain and Italy) the special problems posed by illegal workers and the informal economy grow in complexity.

2.6 Improving Human Resource Development

The section in the Opinion on 'action in favour of human resource development was a rather broader area than the previous action points and it is not surprising, therefore, that the responses to the questionnaire on this point were somewhat vague. In fact the question in the inquiry to Member States was much more focused, asking for a view on human resource development initiatives aimed at improving the *earnings potential* of the workforce.

The majority of Member States responded in the form of rather wide-ranging statements of commitment to the development of the workforce through education and training and increased productivity, all going towards economic growth. Portugal was the only Member State to draw attention to the relationship between earnings and educational attainments, quoting the OECD which suggested that in Portugal education and earnings are more closely related than in any other OECD country.¹⁶

Interest in encouraging a climate of *continuous training* seems to have permeated the human resource development objectives in most Member States. In Greece, for example, there has been a joint initiative between the Ministry of Labour and Social Security and the Labour Force Employment Organisation (OAED) to develop measures to promote life-long learning. In Denmark education and training is explicitly seen as the way to maximise the labour market potential of the workforce and this includes earnings and in 1995 a new agreement was formed for state sector employees that strengthens the role of training in general and continuous training in particular. This is linked with a wider effort by the Danish government and the social partners to give 'interesting and exciting' jobs through continuous human resource development, currently undergoing pilot studies. Portugal is in the throes of a large scale reformation of its education and vocational training systems.

Germany also states its commitment to life-long learning but here the employers operate in an employment culture where training has always played a prominent role which has, to some extent, reduced the need for further government pressure in this area. Luxembourg may also be considered in a similar light, yet in 1994 the government issued a Declaration reaffirming the need for continuous training, backed up by proper access and certification. France has also taken steps to encourage a greater take-up of continuous training through the introduction of new qualifications, for example, all with the involvement of the social partners. In fact in many Member States the role of the social partners is quite crucial to the success of the measures introduced since many are built into collective agreements at national and local levels. In Portugal the extensive reforms to initial and continuing vocational training depend on the involvement of the social partners with government.

¹⁶ OECD (1995) *OECD Economic Studies Portugal* (Paris, OECD).

One important issue in the development of continuous training is ease of access and there is useful information from Member States to indicate significant changes here. For example, in the Netherlands a recent White Paper, 'Labour and Care', proposed developing such measures as parental leave and career breaks in order to allow employees to follow training. Similarly in Finland a new 'Study Leave Act' has given those with a minimum of just one years length of service the right to take study leave (unpaid). Significantly, however, the study followed by those taking up the offer does not have to be related to the business of their employer, the emphasis being more on personal development. In Austria the eligibility for study leave is much more restricted with only members of works councils being legally entitled to educational leave. However, some collective agreements also make provision for training leave. In Portugal most continuous training is funded through the state under the guidance of the Institute for Employment and Vocational Training. In Sweden, over the period 1990-95 the state-managed *Working Life Fund* aimed to support improvements to the working environment and the organisation of work.

Vocational training generally has come under scrutiny in most Member States over the recent period. In Spain, vocational training is seen as the key to getting the unemployed back into the labour market and to tackle this the Spanish vocational training system was reorganised in 1993. This effectively merged the two previous vocational training systems into one with the primary goals of matching training to labour market need and improving access and quality. In Luxembourg the changes, although less dramatic, still aim to adapt vocational training provision to developments in the labour market (particularly those resulting from technological applications) and to the world of work generally.

A key feature of the vocational training developments is to assist the disadvantaged groups in the labour market and so many of the changes can be linked to general interventions to combat unemployment. This is particularly so in Italy where 1993 legislation gave the Ministry of Labour the task of implementing training advice and guidance to workers on special earnings supplements, support is also available to firms providing in-company training and guidance as is the case in Portugal as well.

Two Member States have also taken the opportunity to raise the development of the workforce to national crusade status. The United Kingdom was first to do this through the setting up of the *National Targets for Education and Training (NTETs)*, based on the initiative of the main employers' confederation with later support from trade unions and the government. The NTETs set objectives for proportions of the working population to reach certain levels of qualification by the end of the decade and the 1995 Competitiveness White Paper¹⁷ set revised targets (generally upwards) and with more emphasis on higher level skills. A similar approach is also evident in Spain's 1993 National Vocational Training Programme which set out quantitative and qualitative targets on vocational training achievements to the end of 1996. All this was tied in with the 1993 National Employment, Training and Integration Plan which aimed to ease the integration of the unemployed into the labour market through training.

¹⁷ *Competitiveness - Forging Ahead* (London, HMSO, May 1995).

From the information supplied by the Member States it is not possible to determine how much influence the Equitable Wage Opinion had on the types of human resource development measures outlined above. In reality the role of increased earnings potential in the changes to vocational training and other key policy areas is likely to be of secondary importance to the other objectives of this policy, a principal one of which is the reduction of unemployment.

3.0 The European Union Perspective

3.1 Progress from the Commission

In its Opinion on an Equitable Wage the Commission considered that it was pertinent

- To take appropriate measures to improve the quality of information available at Community level;
- To contribute towards a better matching of vocational training arrangements to the developing needs for qualifications and retraining, etc;
- To encourage the development of exchanges across the Community on the practices within firms with regard to remuneration;
- To undertake further studies, in collaboration with the Member States and the social partners to seek to promote a convergence of equitable wage policies within the Member States.

The quality of information available at Community level

Regarding the improvement of the quality of information available at Community level, Council Regulation 2744/95 was adopted in 1995 in order to produce statistics on the structure of earnings for the year 1995 (1994 for France and 1996 for Austria). The statistical work is currently being undertaken in all Member States, and the results regarding the level and the distribution of individual earnings will become available during 1997. Most EEA Member States are expected to have submitted their results by the middle of 1997 and these will be published progressively in a separate volume for each Member State, including in each case an overview of the most important points. A series of brief reports will give comparative information as the general picture emerges. There will later be considerable possibilities for in-depth multivariate analysis, aided by the fact that the data for most Member States will be in the form of individual records; a programme for such work will be defined during the course of 1997. In 1996 the Commission will publish a study which focuses on the development of minimum wages during the period of 1980-1995, on the relationship between the minimum wage and the average wage, and on the number of people receiving the minimum wages in the Member States. In 1994 the Commission launched the European Household Panel survey for a minimum of three years of duration. The survey consists of a sample of about 60 000 households throughout the European Union. After it was launched in 12 Member States in 1994, Austria joined the project in 1995 and Finland in 1996. The preliminary results relating to 1994 are already available and the results for 1995 should be

available at the end of 1996. In addition, Eurostat, with the collaboration of the national statistical institutes, is currently carrying out studies on the following issues:

1. the feasibility for a European Employment Cost Index (EECI) which would allow a quarterly follow-up of the evolution of the cost of employment in relation to industry, occupation, gender, age and size of enterprise;
2. whether it is appropriate to include wage variables in the EU Labour Force Survey.

It is also important to mention at this point the memorandum on equal pay for work of equal value [COM(94)6], which has been adopted by the Commission on 23 June 1994, with a view to define the scope and concept of equal pay for work of equal value and provide guidance on the criteria to be taken into account in job evaluation and job classification. In addition, the Commission intends to adopt a code of conduct on equal pay, which will provide all interested parties with practical guidance on measures to secure the implementation of equal pay in all aspects of the pay package, as well as guidance for the elimination of sex discrimination in the job classification and evaluation schemes on which pay structures are based. This idea of a code of conduct with regard to the treatment of weaker groups of workers has already been floated in the Opinion.

The matching of vocational training arrangements

With regard to the contribution towards a better matching of vocational training arrangements to the developing needs for qualifications and retraining, the Commission has established a policy framework to support the actions of the Member States to develop more flexible systems. The Commission's White Paper, "Teaching and Learning: Towards the Learning Society", whilst recognising that the responsibility for education and training rests with the Member States, puts forward some objectives for its development in Europe. The White Paper advocates developing new ways of accrediting skills irrespective of how they have been acquired, to give unqualified people, who for example have work experience, access to qualifications outside the formal training system. To meet business needs, the White Paper advocates closer relationships between education and training establishments and enterprises and the development of on-and-off-the-job-training at all levels, including in higher education. The White Paper also argues for a change in the ways in which expenditure on training is viewed in taxation and accounting terms to promote investment in people and it suggests exploring new ways of financing training through, for example, training accounts and new combinations of training and working time. During 1996 - the European Year of Lifelong Learning - a wide ranging debate has been launched around the issues in the White Paper. It is also proposed that the LEONARDO DA VINCI vocational training programme, be used to support a number of experimental pilot projects to test out some of the ideas in the White Paper. In the context of the European Employment Strategy, the Commission has urged Member States to set targets for the educational/attainment levels of their workforce. This would provide a commitment to raising skill levels in the medium term, including those of the more lowly qualified.

In addition, within the framework of Objective 4 of the European Social Fund, which has as one of its aims the improvement of vocational training so that it meets the requirements of

the labour market, several actions have been taken. First of all, the firms, which receive financing under Objective 4 for the readaptation of their workers, are required to introduce a forward looking element into their training plans in order to be able to make a comparison between the profile of future job requirements and the profile of the skills of their workers. Secondly, the first axe of the Community Support Framework or Single Document is to review the labour market to highlight industrial developments that will lead to changes in skill requirements of the labour force. One way of achieving this is by special studies to identify industrial changes that will lead to new training needs of the labour force. In some cases Labour Market Observatories have been instituted to provide fast feedback of the changes so that the necessary alterations can be made to meet the new needs. The second axe of the Community Support Framework provides the necessary training for the trainers so that they can respond to these new needs. The third axe establishes training plans which will ensure that the new skills are passed on to those who need them.

Furthermore, the mid-term review has as one of its principle aims to re-focus the training provided to better meet the current needs and future needs of the labour market. The Community Support Frameworks are being constantly changed so that they can better address the changing needs. Finally, the Commission has actively encouraged the Member States to involve the social partners in the training process with the aim of continually improving the training provided by ensuring it is kept abreast of the changing skills needs.

The development of exchanges across the Community on the practices within firms with regard to remuneration

With regard to the encouragement of the development of exchanges across the Community on the practices within firms with regard to remuneration, reference can be made, in particular, to the report of the Expert Working Group on Flexibility and Work Organisation. This was published in Social Europe Supplement 1/95. The Working Group recommended that experiences with new wage systems should be evaluated at the European level and the results made available to the social partners. Good examples can be an important tool in promoting negotiations at industry and company level. Since wage systems are very strongly influenced by the nature of production and size of firm, the evaluation should focus on specific new experiences which can be used by others. The Commission will be considering with the social partners how best to take forward this recommendation.

Further studies to seek to promote a convergence of equitable wage policies within the Member States

With regard to the commitment to undertake studies to seek to promote a convergence of equitable wage policies within the Member States, the Commission is carrying out two study projects. The first project is an *Analysis of Wage Structures and Employment*. The purpose of this project is to improve and enrich the capacity of analysis and expertise, and streamline the cooperation with experts in accordance with the commitments agreed at the European Council at Essen. A group of independent experts on employment has been set up as a part of this process. An analysis of wage structures and employment will be carried out in the project. This analysis will recall the main elements of the problem, give the state of debate,

address important policy responses and formulate proposals for policies and/or further research. The final report of the study will be presented in 1996. The second project concerns the *Mapping of Low Wages*. The project aims to examine the extent of low pay in selected European countries and to map the personal, job-related and household characteristics of the low paid in different countries from new harmonised data sources; to examine the role played by social security systems in supporting the low paid in different countries; to examine the implications of minimum wage legislation for low pay, the wage bill and social security bill in several countries. The project was started in March 1996 and will be finalised in August 1997.

3.2 Overview of Progress in Member States

It was clear from the responses to the questionnaire that some Member States were not comfortable with the definition of an equitable wage. Basically it was thought to confuse the separate, though interrelated issues of a *fair wage* and an *adequate standard of living*. Clearly a fair wage is an important ingredient in achieving an adequate standard of living, but it is unlikely to be the only factor.

In general there were few signs that the Commission's Opinion on an Equitable Wage acted as a catalyst for action in the Member States. The closest relationship observed in the responses was the introduction in some Member States of legislation to protect the terms and conditions of homeworkers, which was specifically mentioned in the Opinion. However, there are significant problems in establishing such relationships because of the complexity of the economic and social environment. It is highly probable that changes made by Member State governments were influenced by a variety of factors, one of which might have been the Opinion.

The fact that most Member States felt that they already had the basic planks of the necessary legislation in place should be seen as an encouraging factor. Much of the legislation surrounding equal opportunities, for example, dated from the 1970s and was directly related to EC Directives, although there had been some updating of provisions since. In fact much of the concern over the provision of an equitable wage has come through the equal opportunities route. The fact that more women than men tend to take precarious jobs (eg, part-time, temporary work, etc) indicates that attention to equal opportunities is particularly important and there were encouraging signs in the Member States that other vulnerable groups were being brought into the protection of the law.

However, even in the more regulated labour markets there was still an overwhelming view that intervention in wage setting was not desirable and should be avoided where possible. So even where national minimum wages existed they tended to directly affect few people, although their existence tended to influence the overall wage setting processes. This was also the case in the majority situation where collective agreements set minimum wages for specific groups of workers, but here the direct relevance of the minimum wage was even less.

Transparency in wage information remains a problem in all Member States. Whilst nationally generated wage statistics existed in all Member States, it was usually a case of them being too general and too late. Wage information related to job vacancies has the virtue of being more immediate, but its value is severely limited by the low rate of notification of vacancies

to the public employment service and the general process of filling vacancies which often bypasses employment agencies completely. The value of EU-wide data is also open to question due to the wide differences in the standards of living, in wage rates and in non-wage costs.

The above discussion tends to show that creating the right conditions for an equitable wage to be maintained will vary between Member States and the main objective should be that each achieves it in its own way with the minimum disruption to economic and social progress.

3.3 Statistics

Information on trends in the structure of earnings, and changes in income differentials are needed in order to gauge the magnitude of the effects of labour market and legislative changes since the Opinion was issued. Unfortunately such data is not readily available on an EU-wide basis, and any attempt to compile data across Member States inevitably involve the use of data from a variety of sources, which are not necessarily comparable. However, there are important developments that will assist research in the near future. In particular there are three statistical exercises being developed by Eurostat, namely:

- *Structure of earnings statistics:* Eurostat is currently co-ordinating the collection of relevant data in each Member State which will identify different characteristics of the sample according to gender, age, length of service (in job), occupation, sector and educational attainments, etc. Results from the inquiry are expected during 1997;
- *The Household Panel:* This study of household income was launched in 1994 for a minimum of three years of duration. The survey consists of a sample of about 60 000 households throughout the European Union. The preliminary results relating to 1994 are already available and the results for 1995 should be available at the end of 1996.
- *Study of minimum wages in Europe:* This special study is due to report in mid 1996 and covers in the main those Member States with national minimum wages, examining the scope of the minima and relationships with average wages. For those Member States without a national minimum wage, the study is restricted to certain sectors and areas of collective agreement.

Appendix B contains information on wage developments in Member States on the basis of both the Household Panel and a direct request from Member States which were able to supply information on wage developments.

3.4 Outlook

The need to monitor equitable wages will continue to be an important issue for the future but it cannot be isolated from the other factors currently shaping labour markets in the EU. However, the relative importance of the issue is heightened by the fragmentation of the labour market, drawing away from traditional forms of collective bargaining. In some Member States where established collective bargaining arrangements are key to the setting of minimum wage levels, for example, then the question arises as to what will happen to these provisions if the bargaining structure breaks down? Without these collective agreements a further negative

effect would be the loss of a valuable source of information on wages that currently contributes a good deal towards transparency in this area.

However, as labour markets fragment and new forms of working begin to predominate, the most realistic way of encouraging an equitable wage will be through the demonstration of good practice, principally at the level of the employer. This suggests a positive role for the Commission in fostering this use of experience throughout the EU.

For the Commission it is possible to identify a number of key areas for future activity to develop these themes. These are as follows:

- The dissemination of good practice on employment conditions in general and wages in particular at the level of the enterprise;
- Monitoring the development of continuous training and its impact on earnings and value to the employer and how opportunities to pursue it are handled (eg, through study leave, training allowances, etc);
- Dissemination, every four or five years, of comparable statistics on structure of earnings in all Member States, implementation of a European Employment Cost Index allowing the measurement of low wages trends, and yearly publications of minimum wages applicable in the Member States.
- Encouraging the development of national vacancy information and access to this by all parts of the labour market, in particular job seekers.

Appendix A:

**Report on the Right to Payment of Wages on Public
Holidays and During Illness**

Report on the Right to Payment of Wages on Public Holidays and during Illness on the basis of a questionnaire sent to the Member States by the Commission in January 1996.

1. The questions and the overall situation in the Member States:

A The Right to Payment of Wages on Public Holidays

1.) *Do employees normally have a right to be paid in respect of public holidays?*

In Belgium, Germany, Greece, Spain, Ireland, Italy, Luxembourg, Austria, Portugal, Finland and Sweden employees have a legal right to be paid in respect of public holidays. In Denmark there are some employees that are excluded from this right and in the United Kingdom the right depends on the terms of the employee's contract of employment. In France and the Netherlands the right is regulated in many cases by collective agreements.

2.) *If " yes ", is the legal basis for this right enshrined in the Constitution, in laws, regulations, administrative provisions or legally binding collective agreements?*

The normal legal basis is a law and in addition to this there are other regulations or collective agreements. In the Netherlands and Sweden this right is only enshrined in collective agreements (in the Netherlands in collective agreements declared generally binding). In Finland, only the independence day as a public holiday has a statutory basis. Other public holidays are regulated by collective agreements. Holiday entitlement in the United Kingdom is not generally a statutory right but a matter covered by the contract of employment between the individual employer and employee.

3.) *Are there categories of employees who are excluded from the right, or are normally not paid, in respect of public holidays?*

In Belgium, Germany, Greece, Spain, Italy, Luxembourg, Austria, Portugal, Finland (subject to one small exception: see 4 below) there are no exceptions. In Denmark, France, Ireland, the Netherlands and Sweden certain groups of employees are excluded from this right and in the United Kingdom it depends on the contract of employment.

4.) *Is the right to be paid in respect of public holidays subject to completion of a period of service with the employer?*

In Belgium, Denmark, Germany, Greece, Spain, Italy, Luxembourg, the Netherlands, Austria and Portugal there is no qualifying period. In France some workers with an hourly wage are excluded and in Ireland there is only a period for part - time employees; in Sweden and Finland this can be regulated in collective agreements and in the United Kingdom the answer to this question depends on the contract of employment.

5.) *Is the payment always made by the employer or by some other body? If the latter, which?*

In most Member States the employer has to pay; in Denmark there is a special scheme for some employees.

6.) *How is the notion of " public holidays " defined and how many such days are there?*

In no Member State is there a clear legal definition of the term "public holiday", but the days are listed. In Belgium there are 10; in Denmark 9 1/2; in Germany 10 - 13; in Greece 10 - 12; in Spain 14; in France 11; Ireland 9; in Italy 10; in Luxembourg 10; in the Netherlands 7; in Austria 13; in Portugal 12 - 14; in Finland 12; in Sweden 11 and in the United Kingdom 8 - 10 public holidays.

7.) *Are such holidays paid in addition to paid annual leave, within the meaning of Article 7 of the working time directive (93/104/EC)?*

In the United Kingdom the answer depends on the contract of employment. In all other Member States the public holidays are paid in addition to annual leave.

8.) *Is the question of the right to payment of wages on public holidays an issue of current public debate in the Member States?*

Only in Ireland, where holiday legislation generally is under review at present.

B The Right to Payment of Wages during Illness

1.) *Do employees normally have a right to be paid in respect of periods when they are ill?*

Normally employees have the right to be paid during illness.

2.) *If " yes ", is this right enshrined in social security law, in employment law, or in some other laws, regulations, administrative provisions or legally binding collective agreements or elsewhere?*

This right is enshrined in employment laws, social security laws and collective agreements.

3.) *Are employees paid their full wages or some percentage or at a flat rate?*

In Belgium, Denmark, Italy, Luxembourg, Austria and Finland employees receive their full wage. In all other countries payments are often at a lower rate either as a percentage of their wage (in Germany, in Greece, in Spain, in France, in the Netherlands, in Portugal and in Sweden) or at a flat rate (in Ireland and in the United Kingdom).

4.) Does the basis of calculation change over time and is there a limit to the period of time for which payments can be made?

In all Member States except Ireland there is a limit to the period of time for which payments can be made. In Ireland there is no limit provided that the employee has paid social insurance contributions for at least 5 years.

5.) Are there categories of employees who are excluded from the right or are normally not paid in respect of illness?

In the United Kingdom employees over 65, employees with a fixed term contract of less than 3 months, employees who earn less than £ 61 per week and employees who are involved in a trade dispute are excluded from this right. Employees who cannot get statutory sick pay from their employer may qualify for Incapacity Benefit from the State. In Finland (usually) and Sweden the first day, in France and the United Kingdom the first three days of illness are not paid. In Greece only half the wage is paid in respect of an illness lasting 1 - 3 days. In the other Member States there are no exclusions.

6.) Is the right to be paid in respect of illness subject to completion of a period of service with the employer?

In Germany (on the basis of statutory law), Luxembourg, the Netherlands and the United Kingdom there is no qualifying period, in Austria there is such a period for manual workers and in Belgium, Greece, France, Ireland (for the health insurance organisation), and Sweden (for only a few cases) for manual workers and employees. In Finland, the employer is not obliged to pay wages in respect of illness if the employment relationship has lasted for less than one month. However, collective agreements often contain more favourable provisions for the employees.

7.) Is the payment always made by the employer or by some other body? If the latter, which?

In all Member States except France, Ireland and in some circumstances in Italy the employer has to pay the wages during the initial period; afterwards it is the responsibility of the health insurance organisation.

8.) Where the employer pays, is he reimbursed from a social security or similar fund?

In Germany and Austria the employer is reimbursed for the payment to manual workers in many cases; in Luxembourg, Finland, Sweden and the United Kingdom in some cases. In Belgium, the Kingdom of Denmark and the Hellenic Republic there is no reimbursement. In France, Ireland and Italy (for manual workers) in most cases it is the social insurance organisation which pays.

9.) Is the question of the right to payment of wages in respect of illness an issue of current public debate in the Member States?

In Denmark employees make regular demands for improvements in existing schemes under collective agreements. In Germany the Act on Payment of Wages during Illness was amended on 1 October 1996. All employees and manual workers receive in principle only 80 % of the wage instead of 100%. This amendment is subject to a controversial public debate. In Sweden there have been substantial changes in the system of sick benefits - including the introduction of the Act on Sick Pay, the introduction of the so called waiting day - a day without pay or compensation - and the reduction of compensation levels. In the United Kingdom, the Department of Social Security has issued a consultation document which invited views from all sides of industry on a proposal to exempt employers from paying and operating Statutory Sick Pay where they pay contractual remuneration (including occupational sick pay) at or above the Statutory Sick Pay rate to employees who have a day of incapacity for work. The United Kingdom says that employee's right would be fully protected by retaining the underlying liability for Statutory Sick Pay.

2. The Right to Payment of Wages on Public Holidays and during Illness in Different Member States:

A The Right to Payment of Wages on Public Holidays

Belgium

There are 10 public holidays (1.1., Easter Monday, 1.5., Ascension, Whit Monday, 21.7., 15.8., 1.11., 11.11., 25.12.). If a public holiday is a Sunday another day has to be free. Each employee receives the same wage on these days, provided that he has not been absent from work without justified ground the day before and after the public holiday. Working on a public holiday is allowed if it is allowed on Sunday.

Denmark

There are 9 1/2 public holidays (1.1., Maundy Thursday, Good Friday, Easter Monday, 1.5., 12.5., Ascension, 5.6.- half public holiday, 25.12., 26.12.). Employees who are paid on a monthly basis receive the full wage. Other employees covered by collective agreements normally get 3.5 % of the wage for each public holiday. Employees who are not covered by collective agreements have no legal right to be paid in respect of public holidays. Work on public holidays is allowed.

Germany

Only the Day of Unity (3.10.) is fixed by a Federal Law. The other public holidays are regulated differently by the single Federal States. There are between 9 and 13 public holidays per year. The 1.1., Good Friday, Easter Monday, 1.5., Ascension, Whit Monday, 25.12., 26.12. are public holidays in each federal state. Each employee gets the wage on these days if he hasn't been absent from work the day before and after the public holiday without a justified ground (§ 2 Entgeltfortzahlungsgesetz).

Greece

There are 6 public holidays (25.3., Easter Monday, 1.5., 15.8., 28.10., 25.12.) for everybody. In addition to these days the Minister of Social Affairs can determine 5 days a year as public holidays. Each employee gets the wage on these days if he hasn't been absent from work the

day before the public holiday without justified ground.

Spain

There are 12 fixed public holidays (1.1., 6.1., 19.3. or 25.7., Maundy Thursday, Good Friday, 1.5., 15.8., 12.10., 1.11., 6.12., 8.12., 25.12.) and two optional public holidays. When a public holiday falls on a Sunday the following Monday is free. Each employee gets the same wage on these days as if he had worked.

France

The right for payment on the 1 st of May is enshrined in article L. 222 - 7 Code du travail. Employees with a monthly wage get also the wage on the 1 st of May. Other employees get the wage if they have been employed for at least 3 months and have been working for 200 hours during the last 2 months and haven't been absent from work the day before and after the 1 st of May without a justified ground. There are 11 other public holidays enshrined in Article L. 222 - 1 of the Code du travail, but it depends on collective agreements whether employees get their wage or not.

Ireland

There are 9 public holidays (1.1., 17.3., Easter Monday, the first Monday in May, June and August, the last Monday in October, 25.12., 26.12.). When a public holiday falls on Sunday another day is free. Full time workers get the full wage on a public holiday; regular part-time workers have to complete 13 weeks and non regular part-time workers have to work 120 hours to get this right. Outworkers, seafarers, lighthouse or lightship employees, fishermen and relatives of the employer who live in his house are excluded from this right.

Italy

There are two national public holidays (25.4., 1.5.) and 8 other public holidays (1.1., 6.1., Easter Monday, 15.8., 1.11., Immaculate Conception, 25.12., 26.12.). There are also public holidays fixed by collective agreements. Each employee receives the same wage on these days as if he had worked.

Luxembourg

The Law of 10.4.1976 establishes New Year's Day, Easter Monday, 1.5., Ascension, Whit Monday, 23.6., 15.8., 1.11., 25.12., 26.12. as public holidays. When a public holiday falls on Sunday another day is free. Each employee gets the wage on these days if he hasn't been absent from work the day before and after the public holiday without justified ground or for 3 days within 25 working days before the public holiday. Work on public holidays is permitted.

Netherlands

There are 7 public holidays (1.1., Easter Monday, 30.4., Ascension, Whit Monday, 25.12., 26.12.) per year and the 5 th of May every five years. There is no law, but almost in all collective agreements there is a provision for payment of wages on public holidays. This right can also be a part of the contract of employment.

Austria

There are 13 public holidays (1.1., 6.1., Easter Monday, 1.5., Ascension, Whit Monday, Corpus Christi, 15.8., 26.10., 1.11., 8.12., 25.12., 26.12.) for everybody and some for special

groups. Working on a public holiday is not allowed, subject to many exceptions. Each employee receives the same wage on these days as if he had worked (= principle of loss of wages, § 9 par. 1 Arbeitsruhegesetz).

Portugal

There are 12 fixed public holidays (1.1., Good Friday, 25.4., 1.5., Corpus Christi, 10.6., 15.8., 5.10., 1.11., 1.12., 8.12., 25.12.) and two optional public holidays (Shrove Tuesday and one day for each town). Each employee gets the same wage on these days as if he had worked.

Finland

Independence Day (6.12.) and the 1st of May are legal public holidays. Employees who are paid weekly or monthly are also paid for public holidays. Employees with a daily or hourly wage get the wage for Independence Day if they have been employed for at least 6 working days. There are 9 further public holidays (1.1., 6.1., Good Friday, Easter Monday, Ascension, Midsummer Day, 1.11., 25.12., 26.12.) laid down by Church Law. Payments in respect of these public holidays is determined by collective agreements.

Sweden

There are 11 public holidays (1.1., 6.1., Good Friday, Easter Monday, 1.5., Ascension, 23.6., 24.6., 1.11., 25.12., 26.12.). 6 of these days can never be on Sunday. There is no law, but collective agreements for about 85 % of all employees govern the right to payment of wages on public holidays.

United Kingdom

In England and Wales there are 8 bank and public holidays (1.1., Good Friday, Easter Monday, the first and the last Monday in May, the last Monday in August, 25.12., 26.12.), in Northern Ireland 10 as for England and Wales plus 17 March and 12 July. In Scotland there are 8 (1 January, 2 January, Good Friday, first and last Monday in May, the first Monday in August, 25 and 26 December). It is traditional for many employees to have holidays on these days. But there are regional variations and in Scotland in particular the public and business community tend to observe various local and traditional days instead. Entitlement to holiday pay generally depends on the contract of employment between the individual employer and employee.

B The Right to Payment of Wages during Illness

Belgium

Manual workers get this right after one month of employment; employees get it after the trial period. During the first 7 days of an illness all employees receive the full wage. Afterwards manual workers get 85.88 % and non manual workers 86.93 % for further three weeks. During the last two weeks the health insurance organisation has to pay 60 % and the employer has to pay the rest. In some cases the employer is reimbursed.

Denmark

The employer has to pay the full wage during illness for 14 days. Afterwards the state pays sickness benefits which consist of about 90 % of the wage.

Germany

All employees have the right to 80 % of their wage for at least 6 weeks (§ 3 Entgeltfortzahlungsgesetz). By renouncing one day of their annual leave the employees obtain the right to full wage during 5 days of illness. During the first 4 weeks of the employment relationship the employees have no right to payment of wages during illness. For the majority of employees, collective agreements contain more favourable provisions. Small firms (max. 20 workers) can be reimbursed with regard to wages paid to manual workers during their illness.

Greece

After having been employed for 10 days employees receive about 70 % of the wage from the employer during illness. The payment lasts for 13 days and becomes 26 days after one year of employment. In case of illness lasting between one and three days the employer only has to pay half the wage.

Spain

In Spain all employees get 60 % of the wage from the health insurance organisation for 20 days and afterwards 75 %. The first 3 days of each illness are waiting days. Sometimes there are collective agreements with sickness benefits paid by the employer.

France

Employees covered by the law 78/49 of 19.1.1978 get 90 % of the wage for 30 days from the employer when they become ill after having been employed for at least 3 years. After 30 days they get 66.6 % for a further 30 days. But many employees who are not covered by this law get about 50 % of the wage from the health insurance organisation. There are also 3 waiting days. The right to payment from the health insurance organisation depends on having worked for at least 200 hours during the last three months. Within three years the health insurance organisation pays sickness benefits only for 360 days.

Ireland

In Ireland the social insurance organisation has to pay a flat rate during illness. There is no limit for employees that have paid social insurance contributions for at least 5 years; for others the right to payment of wages during illness is limited to one year. The first three days of each illness are not paid.

Italy

The right to payment of wages during illness is enshrined in article 2110 of the civil code. Further regulations for employees are enshrined in collective agreements. The employer has usually to pay the full wage during illness for employees and the health insurance organisation has to pay about 60 % of the wage for manual workers. Manual workers have 3 waiting days. But many collective agreements reduce the differences between employees and manual workers.

Luxembourg

The employer has to pay the full wage during the month during which the illness has started and the following three months. If the employer does not pay, the health insurance organisation has to pay in advance.

Netherlands

All employees have the right to payment of 70 % of the wage during illness. The employer has to pay during 52 weeks. In a few cases there is a reimbursement to the employer. In most collective agreements there is a provision for a supplement to the statutory level.

Austria

This right is enshrined in § 8 Angestelltengesetz for non manual workers and in § 2 Entgeltfortzahlungsgesetz for manual workers. Non manual workers have this right for 6 weeks, manual workers for 4 weeks. They get the full wage. During the first 14 days of employment manual workers do not have this right. The duration of the payment depends on the period of service with the employer. In the case of non-manual workers, this increases to 8/10/12 weeks after 5/15/25 years respectively, and to 6/8/10 weeks after 5/15/25 years respectively in the case of manual workers. In the case of manual workers the employer is reimbursed 80 % of the payment made.

Portugal

In Portugal the health insurance organisation has to pay 65 % of the wage during 155 weeks. If an employee has to stay in a hospital or has a family, he gets 100 % of the wage.

Finland

After having been employed for at least one month all employees have the right to payment of wages during illness. They get the full wage for seven working days starting from the first day after the day of reporting to be sick. This right may be extended by collective agreements. After this period and after one waiting day all employees receive 70 % of the wage from the health insurance organisation.

Sweden

All employees get 75 % of the wage during the first 14 days from the employer. Each first day of illness is a waiting day. Afterwards they get 75 % from the health insurance organisation and 10 % from the employer. There is only a reimbursement for small firms that have a special insurance for this purpose.

United Kingdom

The right to payment from the health insurance organisation is enshrined in Part XI of the Social Security Contributions and Benefits Act 1992 and in the Statutory Sick Pay Regulations 1982. Statutory sick pay is payable at a flat rate of £ 52.5 per week. The first three days of each illness are not paid. In addition, employees may be entitled under their contract of service with their employer to occupational sick pay.

3. Conclusion:

The principle of the payment of wages on public holidays and during illness is established in all Member States, though there are some differences in how the legislation operates. In some Member States some (relatively small) categories of employees are excluded from these rights. In no Member State is there a current public debate on the issue of payment on public holidays, but in Ireland the holiday legislation is currently under review. In a number of Member States, i.e. in Denmark, Germany, Sweden and the United Kingdom, the issue of payments during illness is discussed as part of the wider debate on financing the social security system.

Appendix B:

Statistics

Statistics

1. Introduction

The purpose of this Statistical annex is to review the data which are available on the distribution of wages in Member States of the European Union and how this has tended to change over recent years. Its further aim is to indicate the lack of information which at present exists on these issues in the Union. It has been prepared with the assistance of the Statistical Office of the European Communities (Eurostat).

Despite the increasing interest from both an economic and social perspective in the distribution of wages in the Union and the extent to which it is becoming more or less unequal over time, the data available are extremely limited and, to a large extent, not comparable between countries. Although information is collected on a regular basis by Eurostat on wages and labour costs in private sector activities across the Union (the Labour Cost Survey, conducted every four years) and on changes in hourly and monthly earnings of manual and non-manual workers in manufacturing and certain service activities (compiled on a six-monthly basis), this is concerned with averages rather than with how wages vary between individuals.

The only data at present available which are approximately comparable between Union countries are from the new European Community Household Panel (ECHP) which was set up by Eurostat in 1994, in part to provide details of household income and of the relative importance of different sources of income, including wages and salaries, in Member States (although so far the three new Member States are not included). Data, however, are only available at the moment from the first wave (the survey of the sample of households included in the Panel conducted in Spring 1994) and, therefore, effectively relate to the position at one point in time.

While these data are analysed below, they indicate nothing about how the distribution of wages is changing over time, which is a key point of interest. For this, there is no alternative to using national sources of data, despite the inevitable problems of comparability to which this gives rise. These data have been compiled by means of a direct approach to the national Statistical Offices in each of the countries, requesting the following details for 1985, 1990 and 1995:

- the distribution of monthly earnings from employment by decile of:
 - full-time male employees in the total economy, industry and services
 - full-time female employees in the total economy, industry and services
 - the hourly rate for each decile where available;
- the distribution of hourly earnings from employment by decile of:
 - part-time male employees in the total economy, industry and services
 - part-time female employees in the total economy, industry and services.

In practice, only 7 Member States - Germany, France, Italy, the Netherlands, Austria, Portugal and the UK - were able to supply any of these data at all. Two of these countries - Germany and Austria - could only provide data for a single year (1990 for Germany and 1995 for

Austria) and then only for a restricted set of variables (for full-time male and female employees but not for part-time employees in both cases and for Industry, Wholesale and Retail trade, Banking and Insurances in the case of Germany). One country, Italy, was able to supply data only for 1985 and 1990 and then only for full-time employees (part-time workers account for a relatively small share of employment in Italy), and another, France, could provide data only for 1986 and 1992. Portugal was able to supply figures for all three years (though for 1994 rather than 1995), but only for full-time employees (as in Italy, part-time workers account for only a small proportion of employment). None of the countries, except Portugal, supplied data for the distribution of hourly earnings of full-time employees as well as monthly earnings. (These data are also collected routinely in the UK as part of the New Earnings Survey, though given the lack of data for other countries, it was not considered worthwhile to collect these for present purposes.)

This means that a complete set of data for three years (though not necessarily for the precise ones specified) is available for just two countries - the Netherlands and the UK. For most countries, the data cover only employees in the private sector and not the public sector and, in some cases, only a limited number of service activities (in Germany, only wholesale and retail distribution, banking and insurance, in France, these sectors plus business services). Moreover, since the data come from different sources in different countries (administrative sources, such as social security records, in some cases, business surveys in others), this further limits their direct comparability between Member States.

An additional feature affecting comparability, as well as any interpretation placed on the results of the analysis, is that the data in most cases relate to employees of all ages, young people who may have been working only for a relatively short time as well as people with experience. In practice, the former are likely to be on lower rates of pay than the latter, the extent of the difference varying between different sectors of activity according to the value attached to experience (which is likely to be greater the higher the skills required by the job performed). This is clearly liable to distort comparisons between countries, as well as changes over time insofar as the age composition of the work force is changing. Indeed, the declining numbers of young people entering employment, both because of demographic trends and because of the tendency of these to remain longer in education, might be expected of itself to be associated with a reduction in the inequality of the distribution of wages insofar as there are fewer workers on youth rates of pay. In practice, however, this could well be offset by other developments, such as the tendency for the skill content of jobs and the qualifications demanded to increase.

Although the data available are likely to be most informative for indicating changes over time, the fact that a time series exists only for a few countries clearly limits the analysis which can be undertaken on this. This annex, therefore, is largely concerned with presenting the data rather than interpreting them in any great detail.

2. Measures of wage dispersion

To assess how the distribution of wages has changed over time or how it compares between different groups in the labour market (between men and women employed full-time), as well as between different countries (though as emphasised above the nature of the data severely restricts how far this is meaningful in practice), the approach adopted here is to construct, in the first instance, what are known as 'Lorenz curves'. These indicate the percentage of total

earnings in the economy or in a particular sector going to a given percentage of the population (they show, for example, what proportion of male full-time employees receive 50% of the total earnings received by this particular section of the work force). More formally, they show the relationship between the cumulative percentage of employees in each of the groups distinguished, ranked in terms of the earnings they receive, and the cumulative percentage of total earnings of that group which they account for. If the cumulative percentage of employees is plotted against the vertical (or Y) axis and the cumulative percentage of earnings against the horizontal (or X) axis, then the more concave the curve, the more unequal the distribution of wages. (This can be readily envisaged by imagining two distributions, one where 50% of employees receive only 20% of total wages and the other where 50% receive 40% of the total.) If earnings, on the other hand, were to be equally distributed between employees, then the relationship would be a straight-line at 45 degrees to both axes (20% of employees would receive 20% of wages, 50% would receive 50% and so on).

Instead of directly examining curves, the degree of inequality in the distribution of wages can be measured by a summary statistic known as the Gini coefficient. This, in effect, measures the curvature of the Lorenz curve. More precisely, it is defined as the ratio of the area between the curve and the 45 degree line to the total area above the 45 degree line. It, therefore, varies between 0, when there is perfect equality in the distribution of earnings (ie the Lorenz curve corresponds to the 45 degree line), and 1, when there is perfect inequality (ie a single individual receives all of the wages). An increase in the Gini coefficient, therefore, indicates that the wage distribution is becoming more unequal and a decrease that it is becoming more equal.

This, however, is true only in some average sense. In other words, a given Gini coefficient, since it is summarising the degree of inequality of the distribution as a whole, is compatible with curves of different shapes - with ones which, for example, are more unequal at the top or bottom end of the distribution. The fact that the coefficient does not change between two years does not necessarily signify, therefore, that the distribution has not changed, except in some overall sense. It could have become either more unequal at the top or the bottom of the wage scale. This implies that, though the Gini coefficient is a useful summary measure, it is not really a substitute for examining the shape of the Lorenz curve and how this is changing over time. In consequence, this annex, as well as presenting values for the Gini coefficient for different groups of employees in the different Member States, contains a large number of graphs illustrating the wage distributions.

In addition to the Gini coefficient, the other measure of wage dispersion which is used focuses specifically on the bottom end of the wage distribution which is of major interest in the context of the present report. This is the wage of the bottom decile of employees as a percentage of average wages of the group in question. If this were 60% of average earnings, for example, it would indicate that 10% of wage earners received 60% or less of average earnings.

3. Wage distribution in selected Member States

For the 7 Member States for which data have been provided, Lorenz curves are plotted here showing the distribution, first, of the monthly earnings of full-time male and female employees, where possible in the total economy, industry and services and for each of the years for which statistics are available. (In practice, the Lorenz curve is not shown here for

Germany because of doubts about the representative nature of the data, as noted below.) In each case, the two summary measures of dispersion, or inequality, described in the previous section are calculated for all of the wage distributions illustrated in the graphs.

What emerges from this analysis is that for all Member States for which data are available for more than one year, the distribution of wages appears to have become wider over time, with the partial exception of the Netherlands over more recent years. This is the case for both men and women employees and, for the most part, for earnings in industry and services considered separately (the only exceptions being the Netherlands for the economy as a whole since 1990 and France for services). At the same time, however, the extent of the increase differs significantly between countries as well as between sectors.

A general point to emphasise in this regard, when interpreting movements in the measures of dispersion, is that, under normal circumstances, the distribution of earnings tends to change relatively slowly over time, partly because of pressure (in the form of collective bargaining, for example, or established pay scales in most organisations above a certain size) for uniformity in rates of pay increase and inertia against significant changes in relative wages. Significant changes in distribution would, therefore, be expected only over a number of years.

The other general features of the data are, first, that the distribution of earnings in services seems to be wider than the distribution in industry for both men and women, perhaps reflecting the wider range of skills covered by service activities than industrial ones. Over time, as the share of employment in services increases, this could lead to a widening of wage dispersion in the economy. Secondly, the distribution of earnings for men working full-time appears to be wider than for women.

Full-time male employees

Starting with the three countries - the Netherlands, Portugal and the UK - for which data are available for each of the three years 1985, 1990 and 1995 (or for years which are adjacent to these), all show a widening of the distribution of monthly earnings of men working full-time in the economy as a whole as well as in industry and services taken separately. In the Netherlands, where the distribution of wages seems to have been less unequal at the beginning of the period (although as noted above comparisons need to be interpreted with caution), the widening in the distribution was very much smaller than in the other two Member States (Graph 1), the Gini coefficient for the economy as a whole increasing from 0.187 in 1985 to 0.193 in 1990 and 0.196 in 1994 (Table 1), while the bottom 10% of wage earners received less than 62% of the average wage in 1994 as opposed to less than 65% 9 years earlier (Table 2). For men working full-time in industry, the increase in wage inequality was more marked than in the rest of the economy between 1985 and 1990, but the distribution remained largely unchanged between 1990 and 1994, while for services it widened at much the same (low) rate between both pairs of years (Graphs 2 and 3).

In Portugal, the wage distribution for full-time male employees widened significantly both between 1985 and 1989 and between 1989 and 1994 (Graph 4). In 1985, the Gini coefficient for such workers was 0.287 over the economy as a whole; by 1989, it has risen to 0.305 and by 1994, to 0.343. At the same time, the bottom 10% of employees earned less than 43% of the average wage in 1994, whereas in 1989, they had earned 46½% and in 1985 51%. In this case, the widening of the wage distribution was greater in industry over the period than in

services, though as in the Netherlands, the dispersion of earnings remained wider in the latter sector than the former (Graphs 5 and 6).

In the UK, the widening of the wage distribution was almost as large over a similar period (Graph 7), though in this case the figures relate to full-time men on adult rates of pay and, therefore, unlike for the other two countries, exclude young people on lower pay rates. Here, the Gini coefficient for men working full-time over the economy as a whole (excluding those employed in the public sector as in the other cases) went up from 0.239 in 1986 to 0.260 in 1990 and, at a somewhat slower rate, to 0.275 in 1995. The bottom 10% of wage earners in this case received less than 48½% of the average wage in the latter year as opposed to 53½% in 1986. As in Portugal, the wage distribution is wider in services than in industry and widened by more over the period (Graphs 8 and 9).

In the other two countries for which data are available for more than a single year, the distribution of earnings of full-time male employees also widened (Graphs 10 and 11). In Italy, the Gini coefficient for the economy as a whole rose from 0.203 in 1985 to 0.236 in 1990, while in France, it increased from 0.248 in 1986 to 0.262 in 1992. In the former, the widening of wage distribution was more marked in industry than in services (Graphs 12 and 13), the overall widening in the dispersion of earnings partly reflecting the relative shift in employment from the former to the latter. This effect was even more pronounced in France, where the distribution of wages became less rather than more unequal in services even though the degree of inequality increased over the economy as a whole, as well as in industry (Graphs 14 and 15).

For the remaining two countries for which data exist, these relate only to 1995. In the case of Germany, for which details of hourly earnings of full-time male (and female) employees in the total economy alone are available, the distribution seems to be much more equal than in any other Member State, though this might well be a consequence of the coverage of the data rather than of a genuine difference.

For Austria, the other country concerned, for which the data appear to be more reliable, the extent of wage dispersion for full-time male employees over the economy as a whole in 1995 was relatively narrow (Graph 16), slightly wider than in the Netherlands, but less than in the other countries for which data exist (ignoring Germany). As for other countries, the dispersion was wider in services than in industry (the Gini coefficient being 0.207 in the latter, 0.257 in the former).

Full-time female employees

The dispersion of earnings for women working full-time appears to be narrower than for men in all countries apart from Austria. As for men, however, the degree of dispersion has also tended to widen over time, with the exception of the Netherlands.

In the last country, though the distribution of wages for full-time women employees widened between 1985 and 1990 in the total economy as well as in services (though not in industry), it narrowed slightly between 1990 and 1994 (Graphs 17, 18 and 19), the Gini coefficient for the economy as a whole declining from 0.187 to 0.184.

In Portugal, wage dispersion for women employed full-time widened between 1985 and 1994 even more than for men, in industry and services considered separately as well as over the total economy (Graphs 20, 21 and 22). The overall Gini coefficient rose from 0.240 in the earlier year to 0.305 in the later one, while the bottom 10% of wage earners received under 53% of the average wage in 1994 as opposed to less than 66% in 1985.

In the UK, though the widening of the wage distribution was less for full-time women than for full-time men, it was, nevertheless, significant (Graph 23), the Gini coefficient increasing from 0.215 in 1986 to 0.246 in 1995 and the earnings of the bottom 10% of wage earners declining from 58½% of the average wage to under 52½% over the same period. The widening of the dispersion of wages was equally marked in industry and services considered separately (Graphs 24 and 25).

In Italy, the widening of the distribution of wages between 1985 and 1990 was much less pronounced for women working full-time than their male counterparts, especially in services (Graphs 26, 27 and 28), where the Gini coefficient remained virtually unchanged. In France, on the other hand, the reverse was the case, the dispersion of women's wages widening more than for men between 1986 and 1992, in industry and services as well as over the economy as a whole (Graphs 29, 30 and 31).

Finally, in Austria, the earnings of full-time women employees were more unequally distributed than those of men in 1995, especially in industry (Graph 32). Overall the Gini coefficient for women's wages was 0.264 as against a value of 0.228 for men.

4. European Community Household Panel

The new Household Panel provides a source of additional information on the distribution of wages in the Union, which in view of the paucity of data available at the national level is potentially of great value. Precisely how valuable it will prove to be, however, will only become clear over time.

While the primary purpose of the Panel is to indicate how income, living conditions and other characteristics of households in the Union are changing over time, so far only the results of the first wave (ie the first of the annual surveys of the households included) carried out in Spring 1994 are available and then only on a provisional basis. These, therefore, provide details of the distribution of earnings solely for one point in time. (Though questions are asked in the survey about income during the previous year as well as about current income, it is hazardous in practice to infer anything about changes from this.)

Moreover, the sample of households included in the Panel, even though it has been carefully selected to be as representative as possible of the population as a whole, is relatively small (in total just over 60,000 households are included in 12 Member States, the three new Member States so far not being covered), and it remains as yet unclear how reliable the data will turn out to be in practice. This applies especially to a few of the larger countries, Germany particularly, where the sample is very small in relation to population (in Germany, only 5,000 households are covered out of a total number of around 35 million) and to comparisons between Member States as opposed to estimates of the position over the Union as a whole (for which the sample size may be less of a problem). It also applies, in particular,

to income which it is notoriously difficult to collect information about, in part because of the disparate sources of this, in part because individuals themselves are often unclear about how much they earn either before or after tax, especially if their pay varies over the year and includes various bonuses or special payments, in part because there is no easy way of checking the details which are given.

Nevertheless, even accepting the possibly wide margins of error to which the results are subject, the ECHP provides a potentially valuable insight into differences in the distribution of earnings from employment across the Union. This is particularly the case since, unlike the data presented and discussed above, the figures are compiled (at least in principle) on a common set of definitions both of earnings and of the employees covered.

The data from the first wave of the ECHP on monthly gross earnings of employees are analysed below. (Specifically, the data relate to the gross monthly wage of employees in 1994, adjusted for bonuses and annual supplements, which may not be paid in equal amounts through the year, in order to produce an estimate of average monthly earnings). Despite their apparent comparability between countries, given the small sample included in the Panel and the difficulty of collecting reliable details of income, the results should be interpreted with due caution and treated as indicative only of the true differences which exist between Member States.

The distribution of gross earnings across the Union

Analysis of the ECHP data shows some differences in the distribution of earnings from the national figures examined above. This is only to be expected in view of the (possibly) different definition of earnings involved and differences in coverage, as noted above, with, in principle, all employees being included in the Panel data rather than only some as in most of the national data (which mostly cover only private sector employees and then in some cases not all of services). Nevertheless, the relative picture shown by the ECHP data is broadly similar to that indicated by the national figures; generally, women's wages appear to be less widely dispersed than those of men, while earnings of both men and women seem more widely dispersed in the UK, France and Portugal than in the Netherlands or Italy (Graphs 33 to 44 summarise the ECHP results). It also seems to be the case from the ECHP data that wage disparities in the less prosperous Member States tend to be wider than in the more prosperous ones, though there are notable exceptions.

In more detail, the country with the widest distribution of wages of both full-time male and full-time female employees in 1994 was the UK, where the Gini coefficient for the former was 0.333 and for the latter 0.290 (Table 3) and where 10% earned less than 43% of the average wage and 10% of women, less than 48%. (These figures indicate a wider dispersion of earnings than the national data examined above, though part of the reason for this is that the latter covered only employees on adult rates of pay and, therefore, excluded many young people included in the data for other countries). This is followed by France, Ireland, Luxembourg, Spain and Portugal, where the distribution was only slightly less wide for both men and women. There is a distinct difference between these six countries and the other six Member States for which data are available, where gross earnings appear to be more evenly distributed. This is particularly so in the Netherlands (where the data relate to 1993 and may be less reliable than for 1994 because of memory difficulties on the part of respondents), Greece and Italy, where in each case the value of the Gini coefficient was less than 0.2

(perhaps too much below to be plausible in the case of the Netherlands).

The data show, in addition, that the pattern of disparities in earnings (the shape of the Lorenz curve) differs between Member States with similar degrees of overall dispersion. In particular, disparities are relatively wide at the bottom end of the wage scale in some countries and at the top end in others. The UK and France, for example, have a similarly dispersed overall distribution of gross earnings for men (the Gini coefficient having much the same value in both cases) but there were more people on low wages in 1994 in the UK than in France (as indicated by the lower wages of the bottom 10% of wage earners relative to the average wage in the former than in the latter in Table 3) and, by implication, less people on higher wages (a difference which may reflect the existence of minimum wage legislation in one case and not the other).

Similarly, the relative wages of the bottom 10% of earners were higher in Portugal than in any other Member State apart from the Netherlands, Italy and Greece despite the relatively dispersed nature of the overall distribution of earnings, and significantly higher than in Spain, where the overall dispersion was similar. As in the previous case, this implies a comparatively wide dispersion of earnings in Portugal further up the wage scale. In other words, in both the UK and Spain, as well as in Ireland and Luxembourg, the wide dispersion of wages was more the result of a large proportion of employees earning low wages than a large proportion of earnings going to a small proportion of high wage earners, in relation to the position in France or Portugal.

Earnings and hours worked

The ECHP data also provide an insight into the hours worked by those on low wages relative to those further up the pay scale. For both men and women working full-time, there is a common tendency across the Union for those earning the lowest wages to work longer hours than those earning higher levels. For 7 of the 11 Member States for which data are available (there are no data for the Netherlands), men in the bottom decile of the earnings distribution in 1994 worked an average of at least 3 hours a week more than the average hours worked by all full-time male employees (Graph 45). (These figures relate to those employed in industry and services taken together and exclude agriculture where hours worked are more difficult to estimate and generally longer, especially for those on low wages, than those employed in other activities. Including agriculture would, therefore, increase the relative hours worked by the lowest paid employees). In Greece, Spain and France, the difference was over 4 hours a week and in Ireland, over 5 hours a week. Only in Luxembourg did men in the bottom decile work less than 2 hours a week longer than the average.

For women, those on the lowest earnings also work longer than average in all Member States, though the difference tends to be slightly less than for men. In five of the 11 Member States, women in the bottom decile of the earnings distribution worked over 3 hours a week longer than the average weekly hours for those employed full-time (Graph 46). Only in Ireland, was the difference more than this, while in both Germany and Luxembourg, it was under 1 hour a week.

The implication of the figures for hours worked is that, for both men and women, disparities in hourly rates of pay in all Member States are even wider than the differences in monthly earnings indicated above.

Table 1
GINI coefficients: Full-time employees

Netherlands									
	1985			1990			1994		
Men	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,187	0,168	0,197	0,193	0,180	0,201	0,196	0,180	0,205
Women	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,177	0,170	0,179	0,187	0,163	0,191	0,184	0,164	0,188
Portugal									
	1985			1989			1994		
Men	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,287	0,257	0,303	0,305	0,276	0,326	0,343	0,323	0,351
Women	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,240	0,188	0,264	0,250	0,190	0,283	0,305	0,258	0,320
United Kingdom									
	1986			1990			1995		
Men	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,239	0,218	0,267	0,260	0,233	0,302	0,275	0,242	0,311
Women	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
	0,215	0,188	0,223	0,236	0,210	0,252	0,246	0,231	0,261
Italy									
	1985			1990					
Men	Total economy	Industry	Services	Total economy	Industry	Services			
	0,203	0,183	0,250	0,236	0,219	0,266			
Women	Total economy	Industry	Services	Total economy	Industry	Services			
	0,182	0,161	0,212	0,192	0,173	0,214			
France									
	1986						1992		
Men	Total economy	Industry	Services				Total economy	Industry	Services
	0,248	0,231	0,286				0,262	0,247	0,275
Women	Total economy	Industry	Services				Total economy	Industry	Services
	0,184	0,174	0,194				0,216	0,208	0,219
Austria									
							1995		
Men							Total economy	Industry	Services
							0,228	0,207	0,257
Women							Total economy	Industry	Services
							0,264	0,246	0,273

57

Table 2
Bottom decile relative to average earnings: Full-time employees

Netherlands

	1985			1990			1994		
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men	65,165	69,145	62,404	63,304	65,785	61,637	62,064	65,363	60,078
Women	61,381	60,893	59,984	60,341	67,306	59,157	63,738	68,442	63,179

Portugal

	1985			1989			1994		
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men	51,117	56,048	45,203	46,726	50,860	40,762	42,853	46,730	38,884
Women	66,061	65,199	53,922	57,705	71,117	53,922	52,765	60,811	46,310

United Kingdom

	1986			1990			1995		
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men	53,697	58,229	49,407	50,712	55,323	45,613	48,580	53,281	44,274
Women	58,564	63,035	58,879	54,759	60,410	53,568	52,299	57,079	51,745

Italy

	1985			1990					
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men	63,370	65,945	53,068	59,757	61,805	53,890			
Women	58,174	60,413	56,381	65,539	69,988	61,332			

France

	1986						1992		
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men	57,149	59,770	50,681				54,545	56,220	53,058
Women	67,016	69,271	64,073				61,134	62,974	60,328

Austria

							1995		
	Total economy	Industry	Services	Total economy	Industry	Services	Total economy	Industry	Services
Men							54,108	60,587	46,813
Women							43,895	49,112	41,733

ff

Table 3
Summary statistics of gross monthly wage distribution of full time men and women
employees in Member States, 1994

	Gini coefficients		Bottom decile as % average	
	Men	Women	Men	Women
B	0.213	0.194	55.7	57.7
DK	0.246	0.208	52.6	55.2
D	0.238	0.214	52.7	47.3
EL	0.192	0.134	57.8	69.8
E	0.285	0.283	47.5	41.5
F	0.318	0.270	47.0	50.2
IRL	0.308	0.256	42.4	49.7
I	0.195	0.158	61.8	65.3
L	0.300	0.290	42.2	38.5
NL*)	0.126	0.165	73.6	68.7
P	0.284	0.269	56.5	60.0
UK	0.333	0.290	42.8	48.3

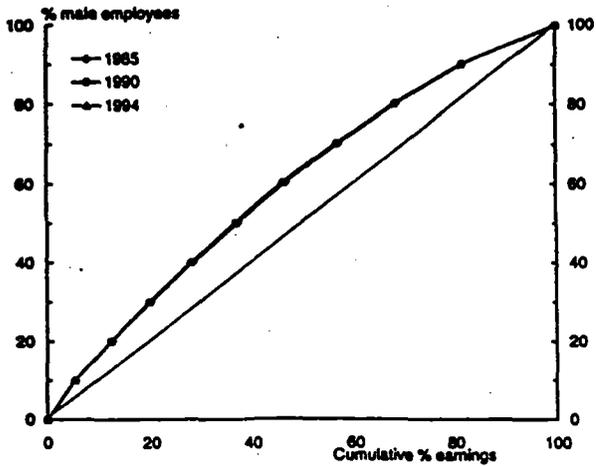
*) Figures relate to annual gross wages in 1993 as 1994 data are not available.

Note: The data are for employees working 30 hours or more a week.

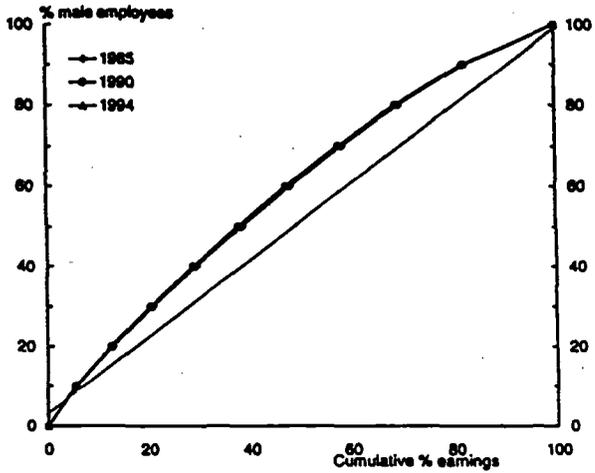
Source: European Community Household Panel, first wave, provisional data.

Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

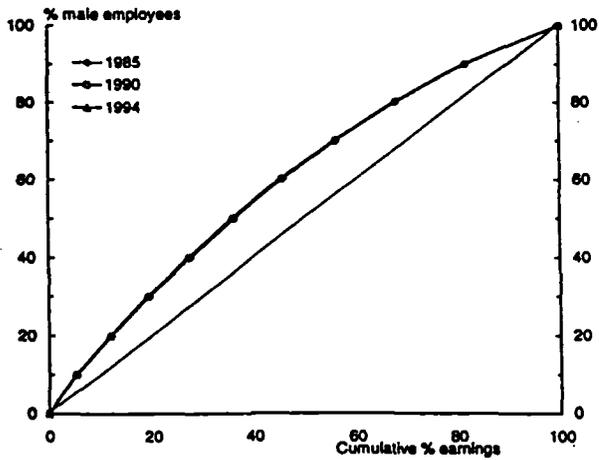
1 The Netherlands, total economy, 1985, 1990, 1994



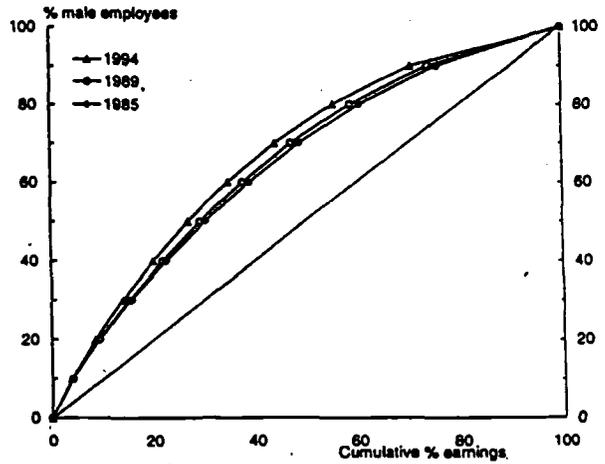
2 The Netherlands, industry, 1985, 1990, 1994



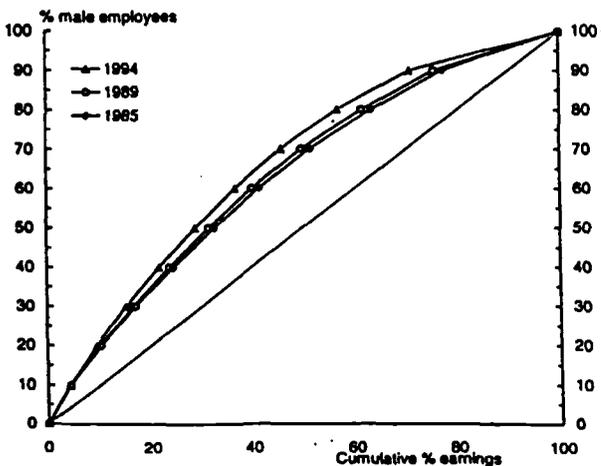
3 The Netherlands, services, 1985, 1990, 1994



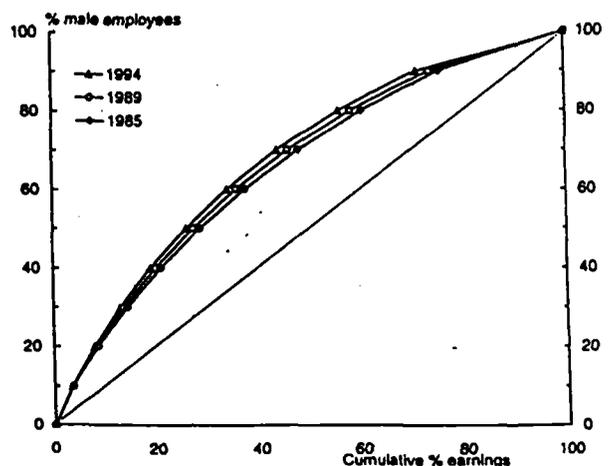
4 Portugal, total economy, 1985, 1989, 1994



5 Portugal, industry, 1985, 1989, 1994

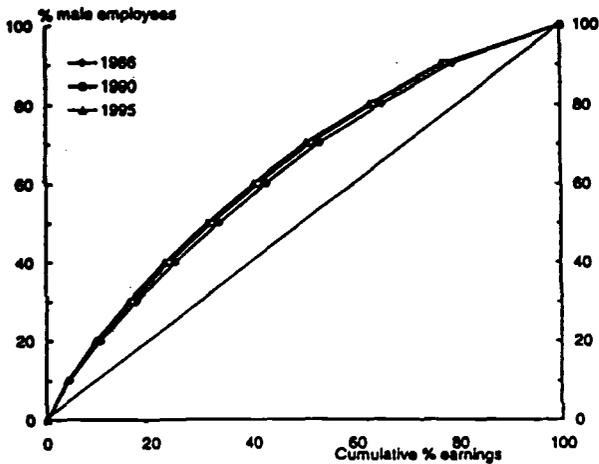


6 Portugal, services, 1985, 1989, 1994

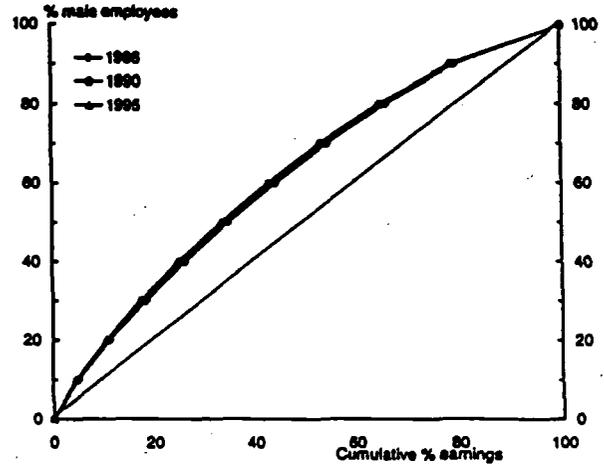


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

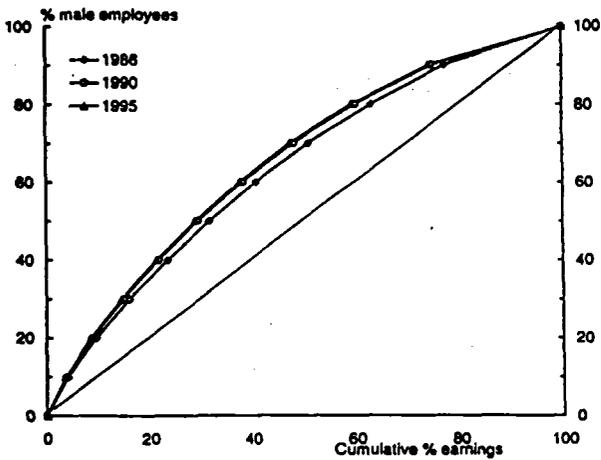
7 UK, total economy, 1986, 1990, 1995



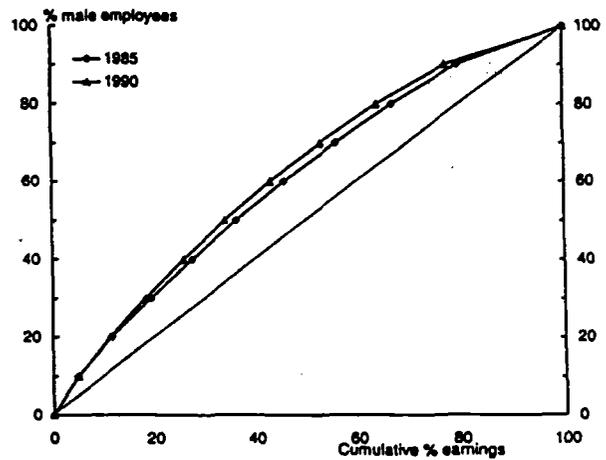
8 UK, industry, 1986, 1990, 1995



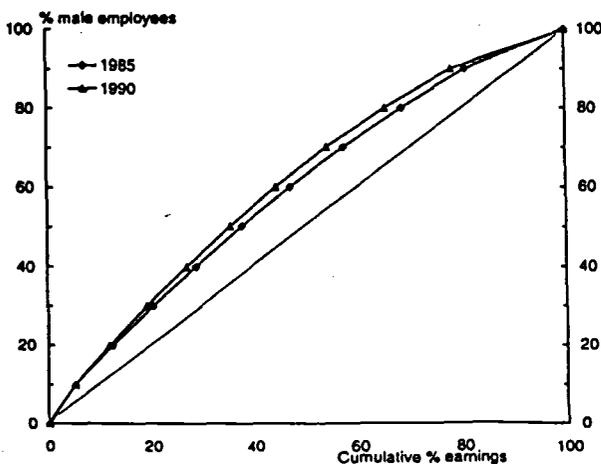
9 UK, services, 1986, 1990, 1995



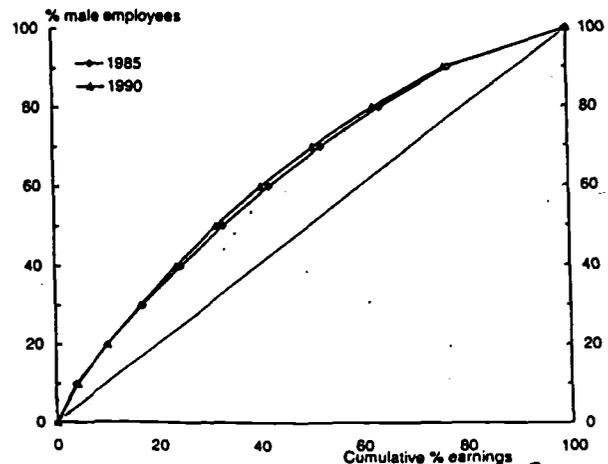
10 Italy, total economy, 1985, 1990



11 Italy, industry, 1985, 1990



12 Italy, services, 1985, 1990

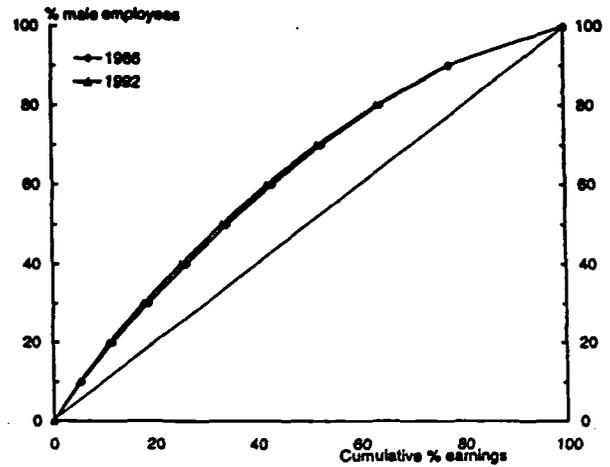


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

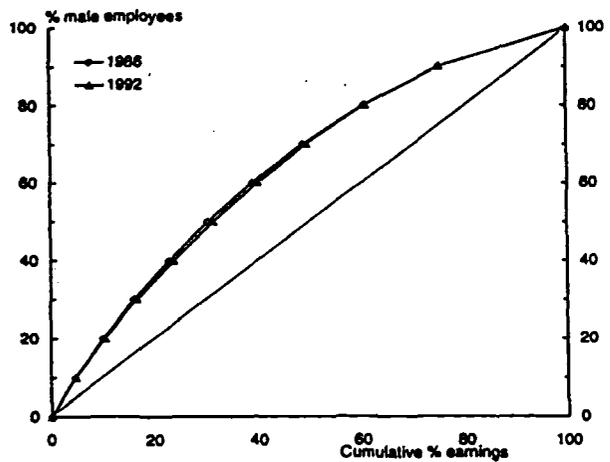
13 France, total economy, 1986, 1992



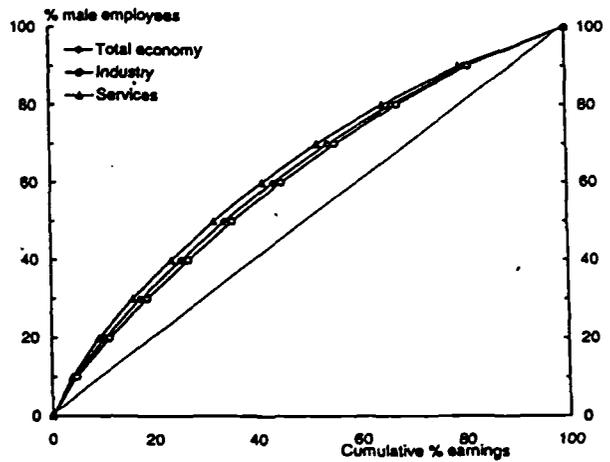
14 France, industry, 1986, 1992



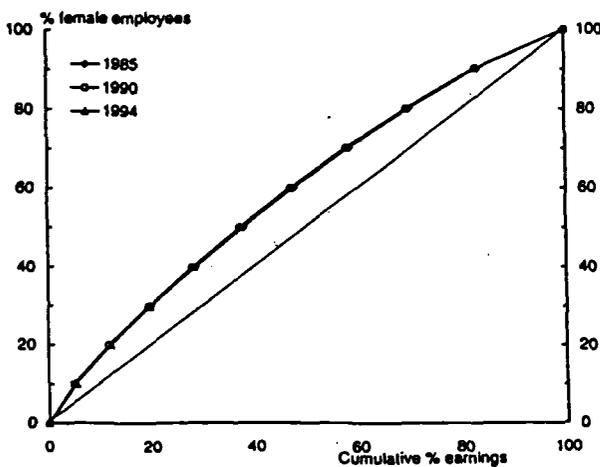
15 France, services, 1986, 1992



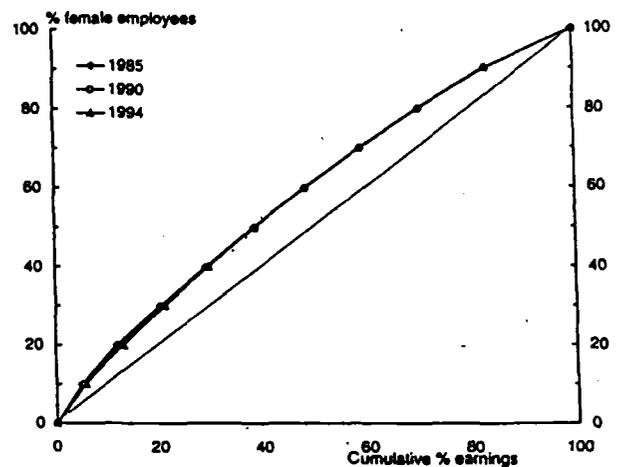
16 Austria, total economy, industry and services, 1995



17 The Netherlands, total economy, 1985, 1990, 1994

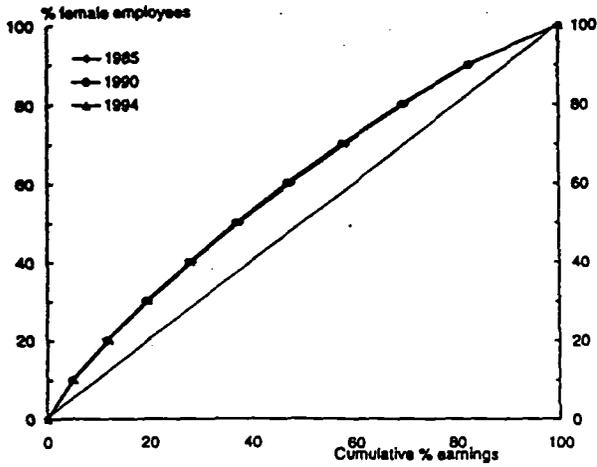


18 The Netherlands, industry, 1985, 1990, 1994

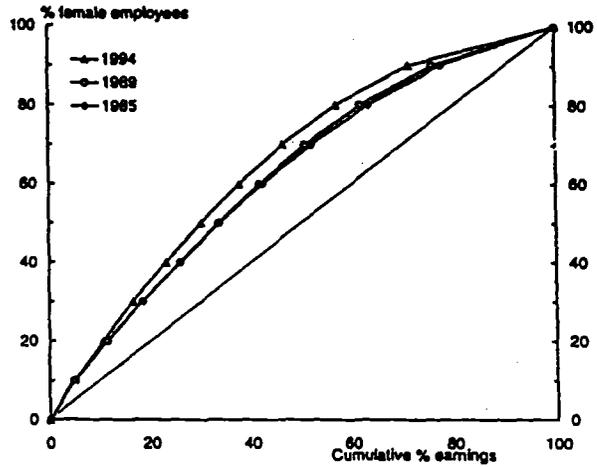


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

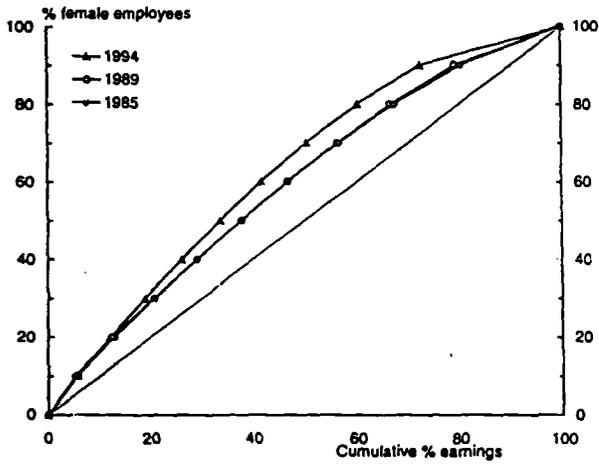
19 The Netherlands, services, 1985, 1990, 1994



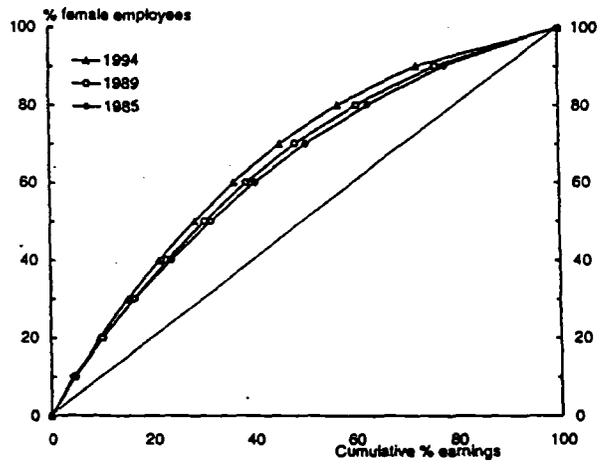
20 Portugal, total economy, 1985, 1989, 1994



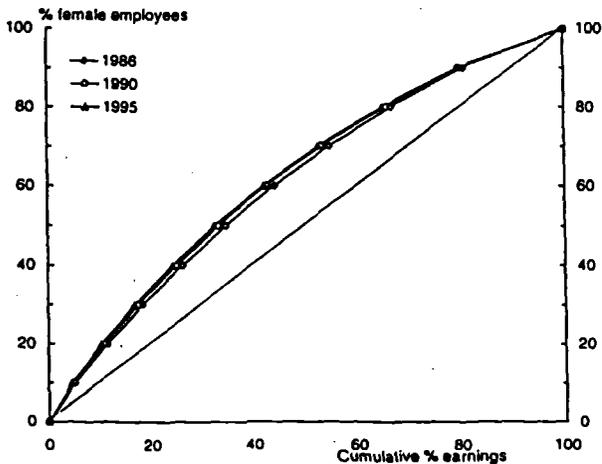
21 Portugal, industry, 1985, 1989, 1994



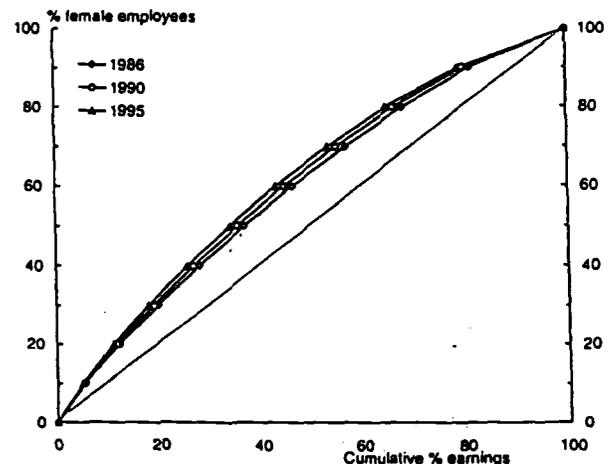
22 Portugal, services, 1985, 1989, 1994



23 UK, total economy, 1986, 1990, 1995

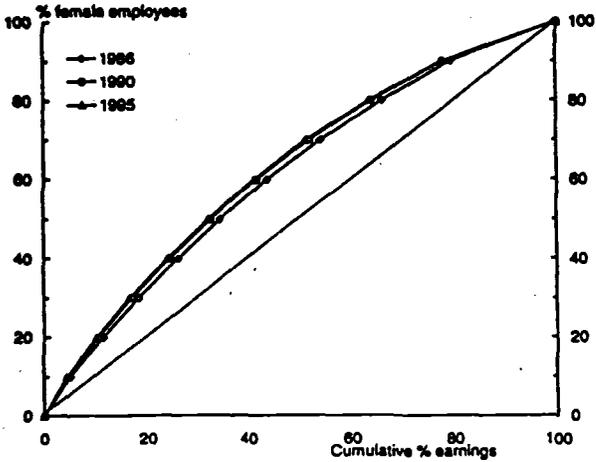


24 UK, industry, 1986, 1990, 1995

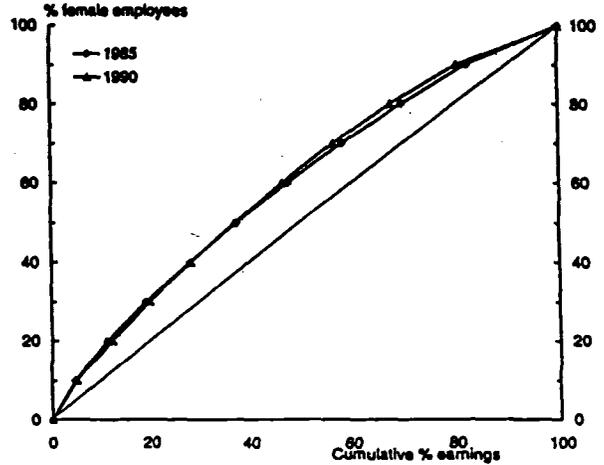


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

25 UK, services, 1986, 1990, 1995



26 Italy, total economy, 1985, 1990



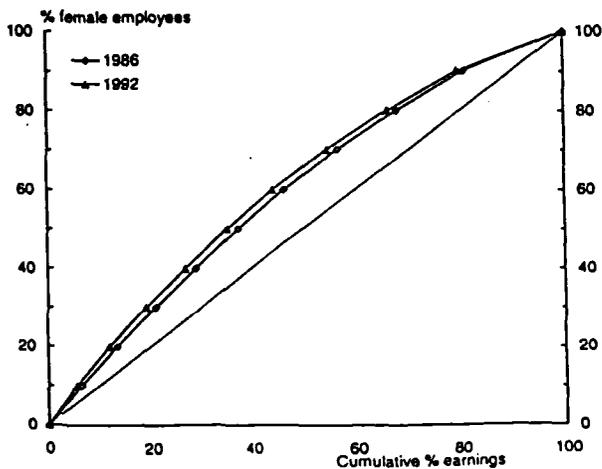
27 Italy, industry, 1985, 1990



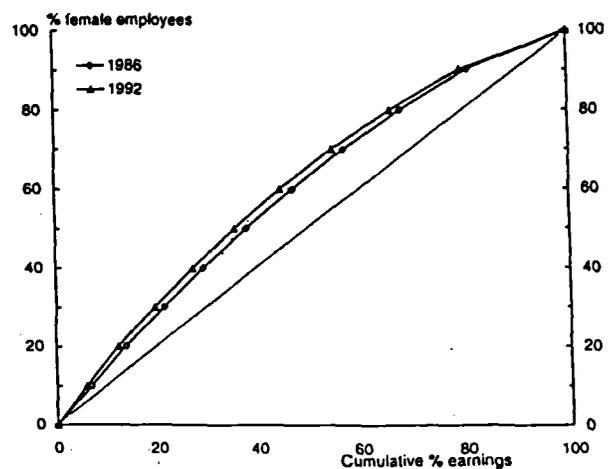
28 Italy, services, 1985, 1990



29 France, total economy, 1986, 1992

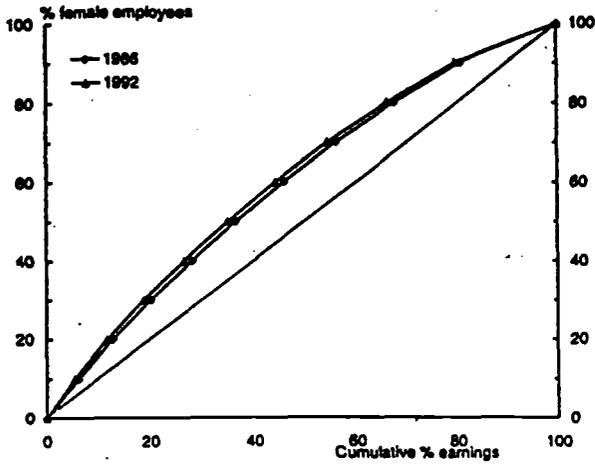


30 France, industry, 1986, 1992

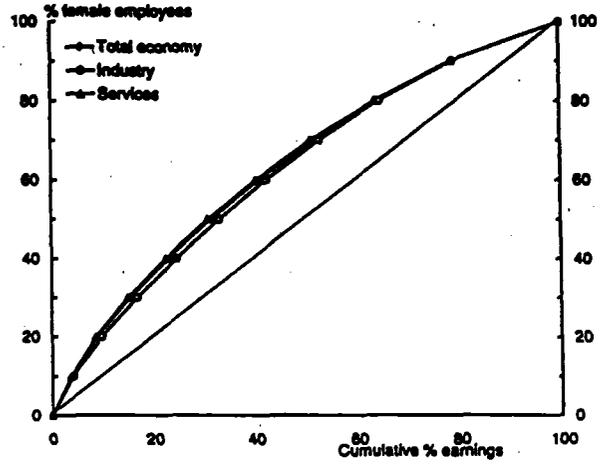


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1985-95

31 France, services, 1986, 1992

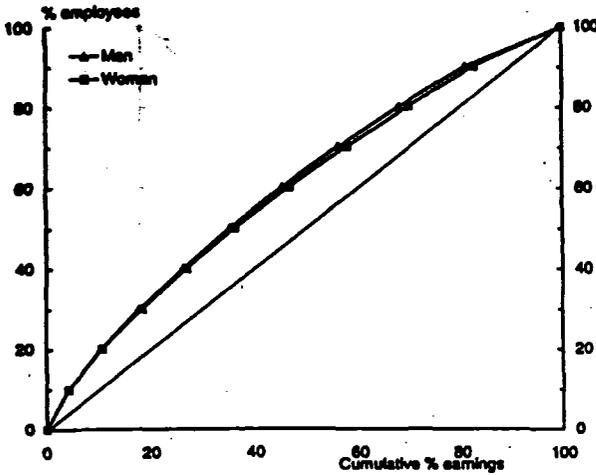


32 Austria, total economy, industry and services, 1995

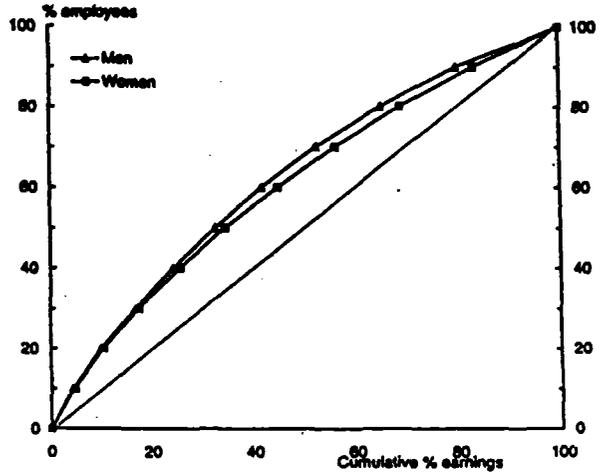


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1994 (ECHP data)

33 Belgium, 1994



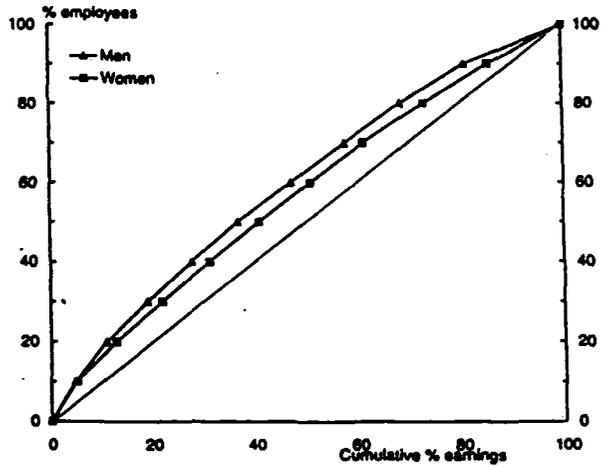
34 Denmark, 1994



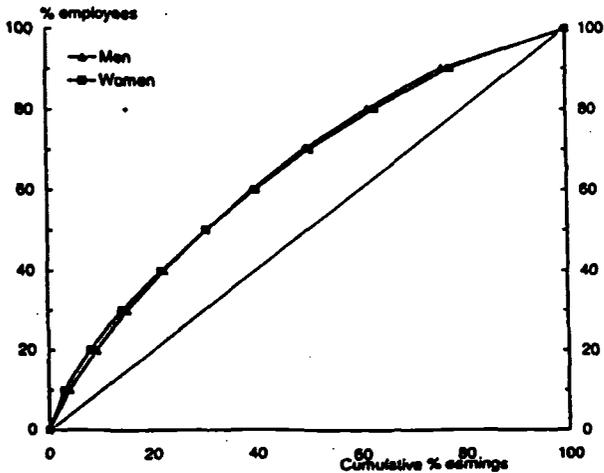
35 Germany, 1994



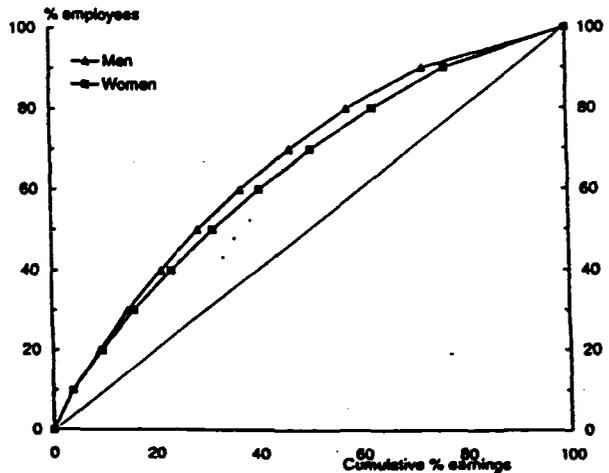
36 Greece, 1994



37 Spain, 1994

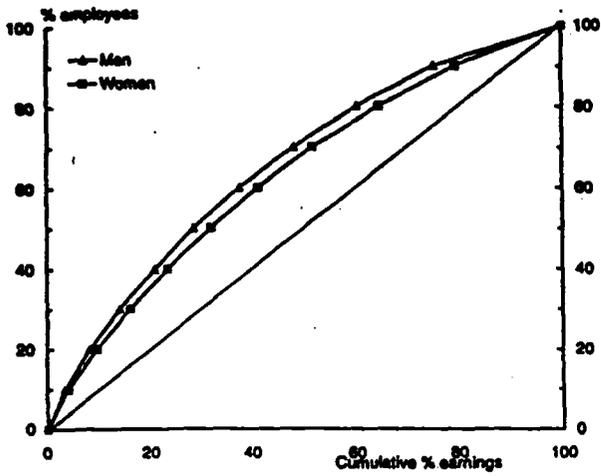


38 France, 1994

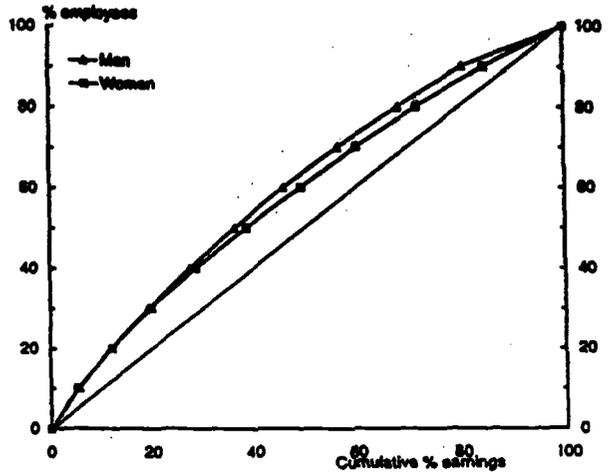


Distribution of gross monthly earnings of men and women full-time employees in Member States, 1994 (ECHIP data)

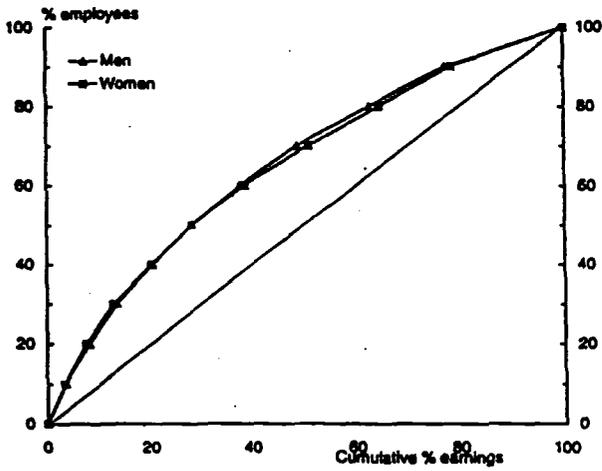
39 Ireland, 1994



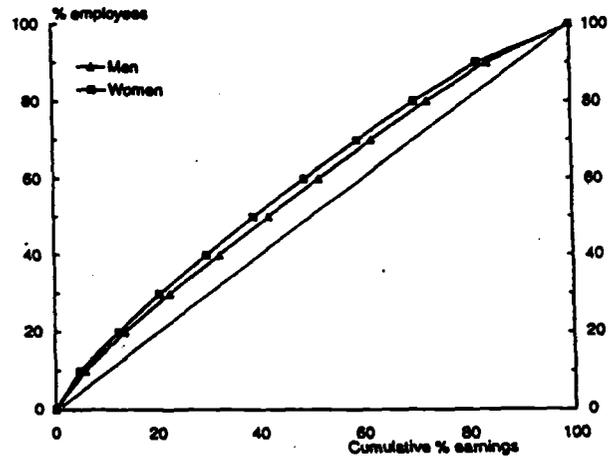
40 Italy, 1994



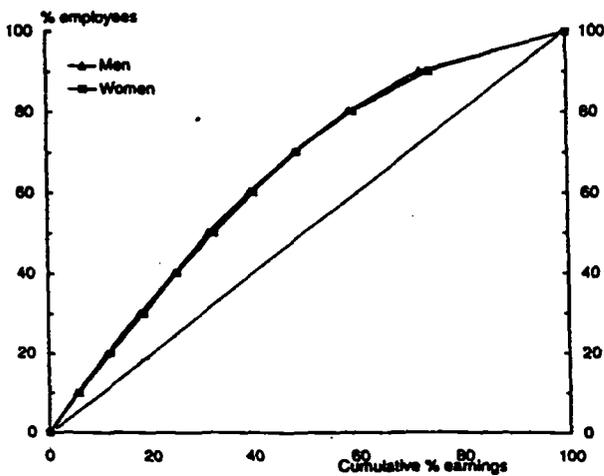
41 Luxembourg, 1994



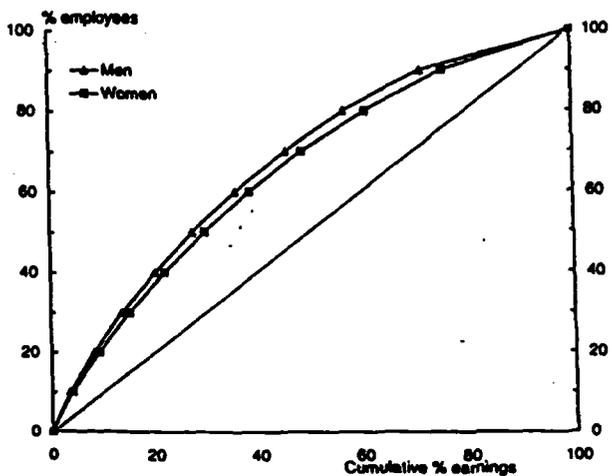
42 The Netherlands, 1993



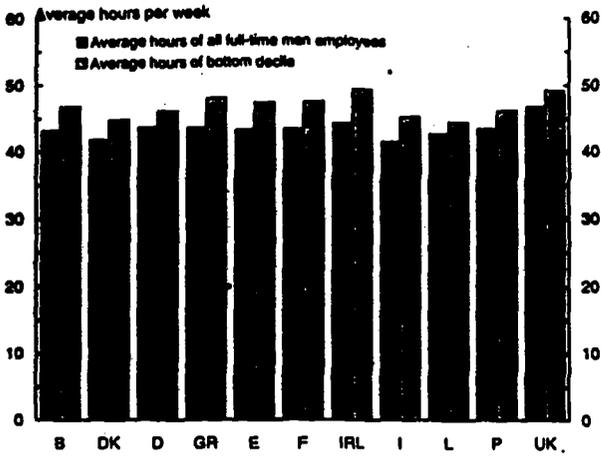
43 Portugal, 1994



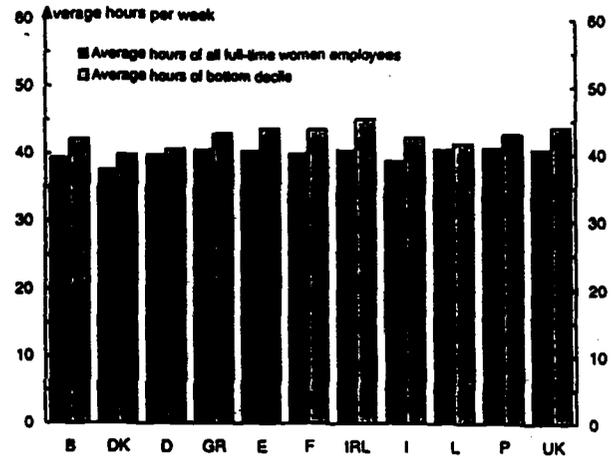
44 UK, 1994



45 Average hours usually worked per week, full-time male employees, 1994



46 Average hours usually worked per week, full-time female employees, 1994



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