
COLBAR-EUROPE

Collectively Bargained Pay Inequality

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Collective bargaining and pay inequality

Wage inequality in the economy

- Bargaining collectively to strengthen bargaining position of workers (Blau & Kahn, 1992; Bosch, 2015; Williamson & Baird, 2014)
- Collective bargaining might exacerbate insider-outsider effects (Bosch, 2018; Kalleberg, Reskin & Hudson, 2000; Pettit & Hook, 2009)

Wage inequality in the organizational or sector context

- Curb pay inequality
- Interests of underrepresented, marginalized groups (Dickens, 2000; Heery, 2006; Milkman, 2016)
- Consistent treatment

The CBA Database

The WageIndicator CBA database contains a large number of collective bargaining agreements that are made available online in the original language and coded in a comprehensive and uniform way using the custom made COBRA system (Ceccon et al 2016).



- Current 542 CBAs from 28 European countries and 1,434 from 60 countries globally
- Includes information on meta data and nine substantive topics: (1) employment contracts, (2) health and medical assistance, (3) training, (4) sickness and disability, (5) social security and pensions, (6) working hours, (7) gender equality, (8) work-family balance and (9) wages.

The sample

- 116 Collective Bargaining Agreements from the European commerce sector
 - 95 in retail
 - 40 in wholesale
 - 14 in additional (sub)sectors (e.g. catering staff in road stations, or distribution centres in supermarkets)
- 22 European countries
 - Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Netherlands, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK

The collective bargaining agreements

Signatories:

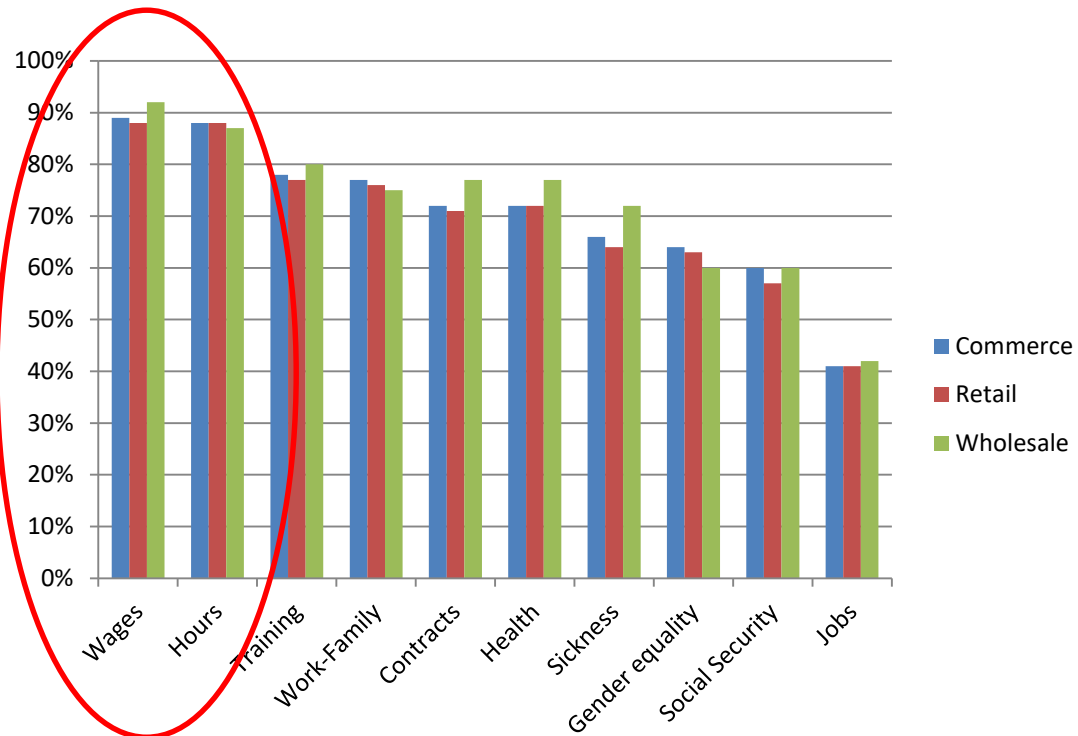
- 50 are signed with single employers (17 cover multinational companies), 59 with employers' associations and 7 with multiple individual employers.
- All agreements except two were concluded with at least one trade union
- and 6 (i.e. 5%) with at least one professional association.

Scope

- Starting date, ranging from 1970 to 2016,
- Both starting and ending dates (70%), ranging from 2012 to 2020.
- Agreements with specified start and end dates are closed for periods between 9 months and 10 years; the average duration is 2.5 years (30 months).
- In 87% of the cases, the agreements cover workers in the sector or firm throughout the country,
- whereas 13% apply only to specific regions;
- 30% of the agreements cover trade union members only.

Prevalence of wage bargaining

- Wages and working hours are almost always included in commerce CBAs
- Often included are training, work-family arrangements, employment contracts and health
- Social security and sick leave, are less commonly determined through collective bargaining
- Least included topic is that of job descriptions or occupations

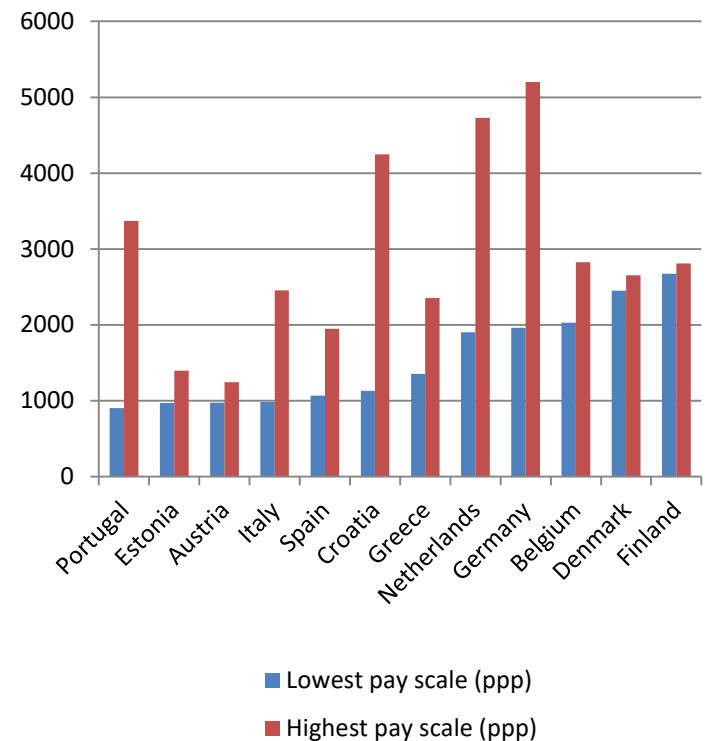


Negotiated pay increases

- Seventy-two collective agreements contained a wage increase. Incl. 27 out of 36 wholesale agreements & 58 out of 73 retail agreements
- 25 contain structural pay rises, 22 once-only pay rises and 25 agreements containing both a structural and a once-only pay hike.
- 59% of pay rises were negotiated as a percentage of the current wage. Twenty-two CBAs paid out a lump sum increase and seven a combination of a lump sum and a percentage increase.
- Percentage pay rises varied from 0.1% to 5% and lump sums between €250 and €500.

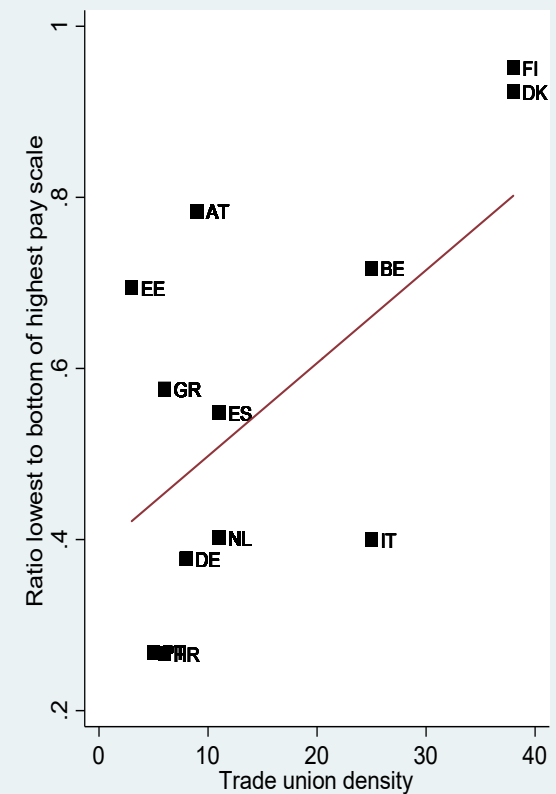
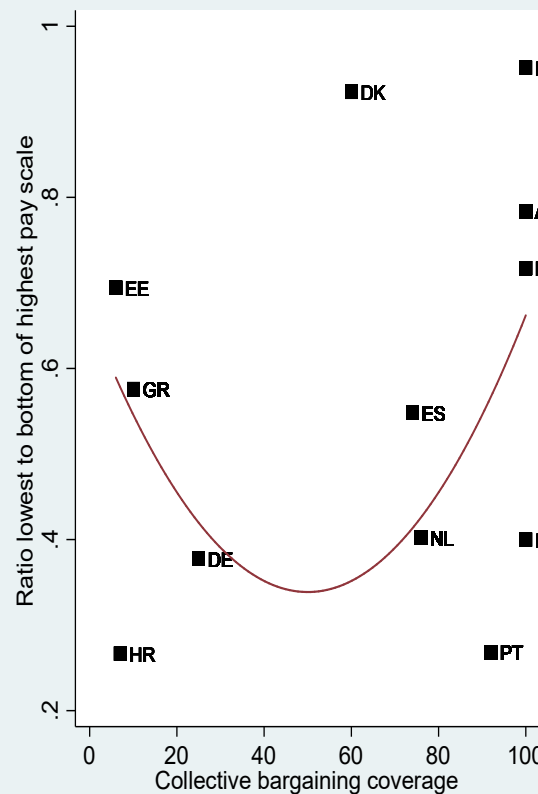
Negotiated wage levels of pay scales

- 35 CBAs contain pay scales in the full text
- Separate pay scales for young workers or students are found in Belgium (16 to 21 year olds and students), Denmark (under 18 year olds), the Netherlands (16 to 23 year olds), and Portugal (under 18s). In Austria, we find separate pay scales for apprentices.
- Workers in the lowest scales are best off in Denmark and Finland and worst off in Portugal and Estonia (blue bars).
- Workers in the highest pay scale earn relatively high wages in the Netherlands, Germany, Portugal & Italy (red)



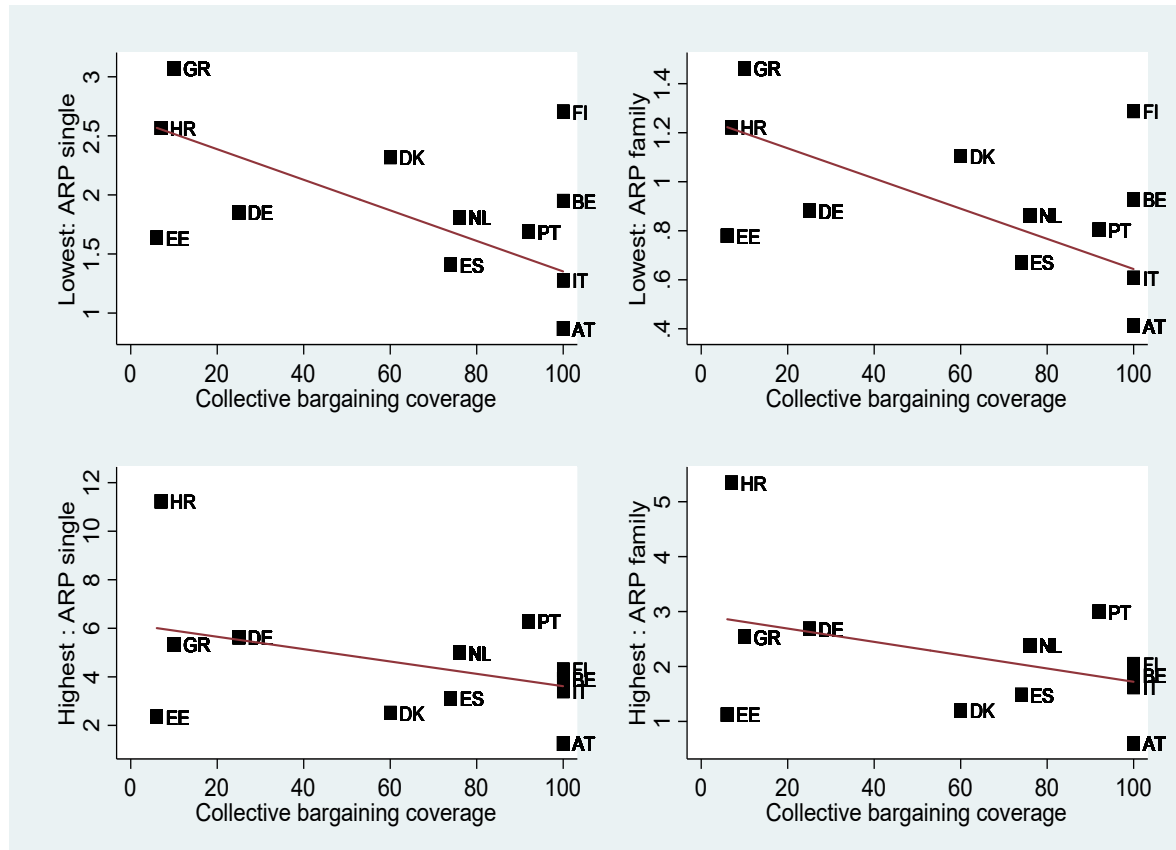
Pay scale inequality

- In Finland, Denmark, Austria and Belgium, workers in the lowest pay scales earned at least 75% of their counterparts in the highest pay scales.
- Despite similar collective bargaining coverage, however, we find much larger gaps between commerce workers in the lowest pay scales and those in the highest scales in Spain, the Netherlands, Italy and Portugal.



Negotiated wages and povert

- Single workers in the lowest scale found in the commerce sectors earn enough to stay out of poverty if they work full time in all countries, except Austria.
- However, only in Croatia, Denmark, Greece and Finland does the bottom of the lowest pay scale allow workers to maintain a family.
- In a large group of countries (e.g. Greece, Germany, Portugal, the Netherlands), workers in the highest pay scales appear able to earn a comfortable living. In Austria, Estonia and Denmark even workers in the highest pay scale barely earn enough to keep a family above the at risk of poverty threshold.



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Thank you for your attention

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Pay scales & Minimum wages

