

# WSI EUROPEAN COLLECTIVE BARGAINING REPORT 2021/2022

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Collective Bargaining in Times of Crisis, War, and Inflation

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# From one crisis to the next

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From...

- **COVID-19 crisis**, signs of recovery in 2021, continuing bottlenecks in supply chains...

To...

- **Russian war against Ukraine**, unprecedented levels in inflation, mainly energy prices, food prices

# Growth and unemployment in the EU

	Gross Domestic Product				Unemployment Rate			
	2019	2020	2021	2022	2019	2020	2021	2022
<b>Northern Europe</b>								
Denmark	2.1	-2.1	4.7	2.6	5.0	5.6	5.1	4.8
Finland	1.2	-2.3	3.5	1.6	6.8	7.7	7.7	7.2
Sweden	2.0	-2.9	4.8	2.3	7.0	8.5	8.8	7.8
<b>Western Europe</b>								
Austria	1.5	-6.7	4.5	3.9	4.8	6.0	6.2	5.0
Belgium	2.1	-5.7	6.2	2.0	5.5	5.8	6.3	5.8
France	1.8	-7.9	7.0	3.1	8.4	8.0	7.9	7.6
Germany	1.1	-4.6	2.9	1.6	3.0	3.7	3.6	3.3
Ireland	4.9	5.9	13.5	5.4	5.0	5.9	6.2	4.6
Luxembourg	3.3	-1.8	6.9	2.2	5.6	6.8	5.3	5.2
Netherlands	2.0	-3.8	5.0	3.3	4.4	4.9	4.2	4.0
<b>Southern Europe</b>								
Cyprus	5.3	-5.0	5.5	2.3	7.1	7.6	7.5	7.8
Greece	1.8	-9.0	8.3	3.5	17.9	17.6	14.7	13.7
Italy	0.5	-9.0	6.6	2.4	9.9	9.3	9.5	9.5
Malta	5.9	-8.3	9.4	4.2	3.6	4.4	3.5	3.6
Portugal	2.7	-8.4	4.9	5.8	6.7	7.0	6.6	5.7
Spain	2.1	-10.8	5.1	4.0	14.1	15.5	14.8	13.4
<b>Eastern Europe</b>								
Bulgaria	4.0	-4.4	4.2	2.1	5.2	6.1	5.3	5.4
Croatia	3.5	-8.1	10.2	3.4	6.6	7.5	7.6	6.3
Czech Republic	3.0	-5.8	3.3	1.9	2.0	2.6	2.8	2.6
Estonia	4.1	-3.0	8.3	1.0	4.5	6.9	6.2	6.8
Hungary	4.6	-4.5	7.1	3.6	3.3	4.1	4.1	3.8
Latvia	2.5	-3.8	4.5	2.0	6.3	8.1	7.6	7.3
Lithuania	4.6	-0.1	5.0	1.7	6.3	8.5	7.1	7.2
Poland	4.7	-2.2	5.9	3.7	3.3	3.2	3.4	4.1
Romania	4.2	-3.7	5.9	2.6	4.9	6.1	5.6	5.5
Slovakia	2.6	-4.4	3.0	2.3	5.7	6.7	6.8	6.7
Slovenia	3.3	-4.2	8.1	3.7	4.4	5.0	4.8	4.8
<b>EU-27</b>	<b>1.8</b>	<b>-5.9</b>	<b>5.4</b>	<b>2.7</b>	<b>6.8</b>	<b>7.2</b>	<b>7.0</b>	<b>6.7</b>

Gross domestic product = GDP, change from prior year in %

Unemployment rate = unemployed persons (Eurostat definition), in % of the civilian labour force

\* Data for 2022 refer to a forecast by the European Commission

Source:  
European Commission, AMECO Database (May 16, 2022)

# Prices, labour productivity, distributionally-neutral margin for wage growth (HICP)

	Consumer Prices (HICP)				Labour Productivity				Distributionally-neutral margin for wage growth (HICP)			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
<b>Northern Europe</b>												
Denmark	0.7	0.3	1.9	5.1	0.8	-1.4	2.0	0.7	1.5	-1.0	4.0	5.9
Finland	1.1	0.4	2.1	4.5	-0.6	-0.4	1.4	0.6	0.5	0.0	3.5	5.1
Sweden	1.7	0.7	2.7	5.3	1.4	-1.7	3.5	0.1	3.1	-1.0	6.2	5.5
<b>Western Europe</b>												
Austria	1.5	1.4	2.6	6.0	0.3	-5.2	2.4	1.0	1.8	-3.9	5.2	7.0
Belgium	1.2	0.4	3.2	7.8	0.5	-5.7	4.4	1.0	1.8	-5.3	7.8	8.8
France	1.3	0.5	2.1	4.9	0.6	-7.0	5.1	2.0	1.9	-6.5	7.2	7.0
Germany	1.4	0.4	3.2	6.5	0.1	-3.8	2.8	0.8	1.5	-3.4	6.1	7.4
Ireland	0.9	-0.5	2.4	6.1	2.0	7.5	9.2	2.6	2.9	7.0	11.9	8.8
Luxembourg	1.6	0.0	3.5	6.8	-0.2	-3.6	3.7	-0.3	1.5	-3.6	7.3	6.4
Netherlands	2.7	1.1	2.8	7.4	0.0	-3.3	3.2	1.2	2.7	-2.2	6.1	8.8
<b>Southern Europe</b>												
Cyprus	0.5	-1.1	2.3	5.2	1.4	-4.5	4.3	1.4	2.0	-5.5	6.6	6.6
Greece	0.5	-1.3	0.6	6.3	0.9	-7.9	7.8	2.2	1.4	-9.0	8.5	8.6
Italy	0.6	-0.1	1.9	5.9	0.0	-7.1	6.0	1.8	0.6	-7.2	8.1	7.7
Malta	1.5	0.8	0.7	4.5	0.2	-10.8	7.7	2.0	1.7	-10.1	8.5	6.6
Portugal	0.3	-0.1	0.9	4.4	1.9	-6.7	2.8	4.8	2.2	-6.8	3.7	9.4
Spain	0.8	-0.3	3.0	6.3	-0.7	-7.0	2.7	1.2	0.1	-7.3	5.8	7.6
<b>Eastern Europe</b>												
Bulgaria	2.5	1.2	2.8	11.9	3.7	-2.1	4.0	1.9	6.2	-0.9	6.9	14.0
Croatia	0.8	0.0	2.7	6.1	0.4	-7.0	8.9	1.8	1.2	-7.0	11.9	8.0
Czech Republic	2.6	3.3	3.3	11.7	2.8	-4.2	3.2	-0.3	5.4	-1.1	6.6	11.3
Estonia	2.3	-0.6	4.5	11.2	2.8	-0.3	8.2	0.3	5.1	-0.9	13.1	11.5
Hungary	3.4	3.4	5.2	9.0	3.4	-3.4	5.0	1.9	6.9	-0.2	10.5	11.1
Latvia	2.7	0.1	3.2	9.4	2.6	-1.5	7.2	1.3	5.4	-1.4	10.7	10.8
Lithuania	2.2	1.1	4.6	12.5	4.0	1.5	3.8	1.6	6.3	2.5	8.6	14.3
Poland	2.1	3.7	5.2	11.6	4.8	-2.1	4.4	3.3	7.0	1.4	9.9	15.3
Romania	3.9	2.3	4.1	8.9	4.1	-2.0	16.2	1.7	8.1	0.3	21.0	10.8
Slovakia	2.8	2.0	2.8	9.8	1.5	-2.5	3.6	0.4	4.4	-0.6	6.5	10.3
Slovenia	1.7	-0.3	2.0	6.1	0.8	-3.7	6.6	2.8	2.5	-3.9	8.8	9.1
<b>EU-27</b>	<b>1.4</b>	<b>0.7</b>	<b>2.9</b>	<b>6.8</b>	<b>0.7</b>	<b>-4.6</b>	<b>4.6</b>	<b>1.5</b>	<b>2.2</b>	<b>-3.9</b>	<b>7.6</b>	<b>8.4</b>

Consumer prices = Harmonised index of consumer prices (HICP), change on prior year in %.  
 Labour productivity = Real GDP per person employed, change on prior year in % (person concept, not adjusted for changes in working time).

Distributionally-neutral margin for wage growth (HICP) = product of changes in the GDP deflator and labour productivity.

\* Data for 2022 refer to a forecast by the European Commission.

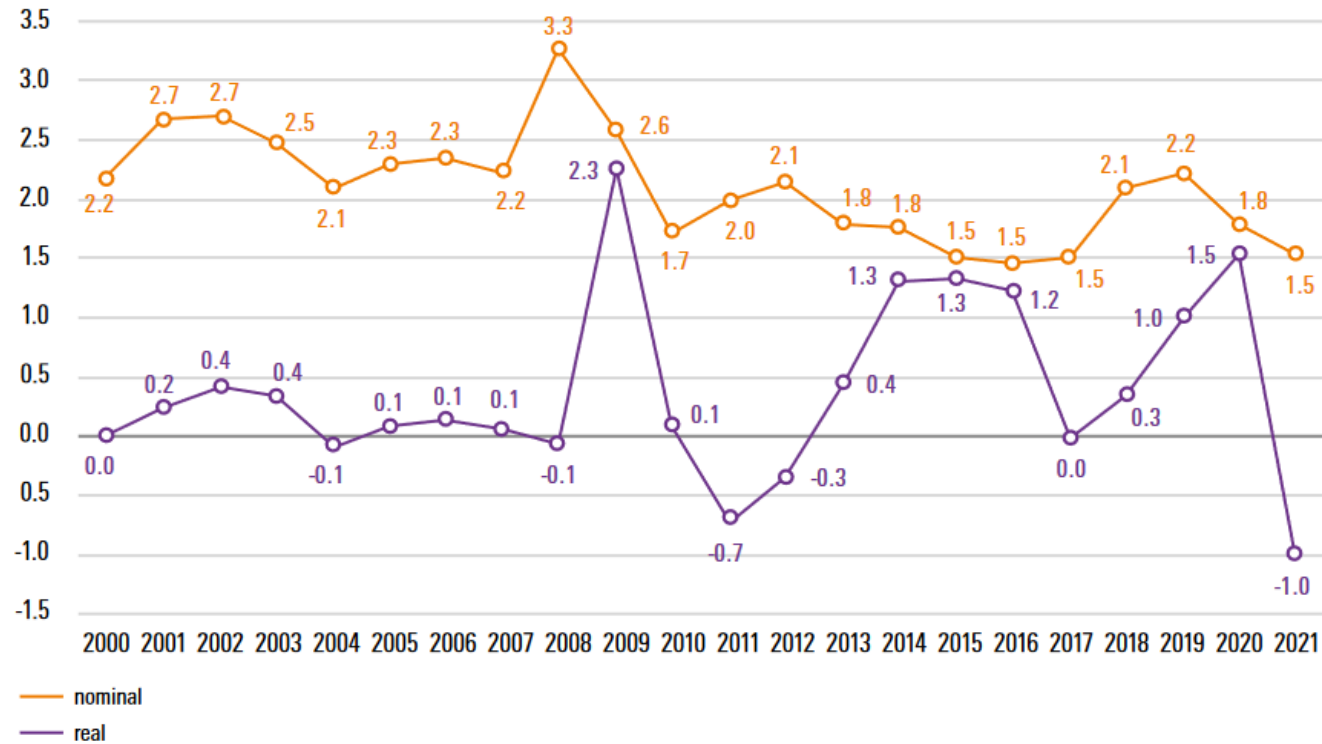
Note: All data are based on the person concept.

Source:  
 European Commission, AMECO Database (May 16, 2022), authors' calculations

# Trends in negotiated wages in the eurozone

Trends in negotiated wage rates in the eurozone, 2000–2021

Change from prior year, in per cent



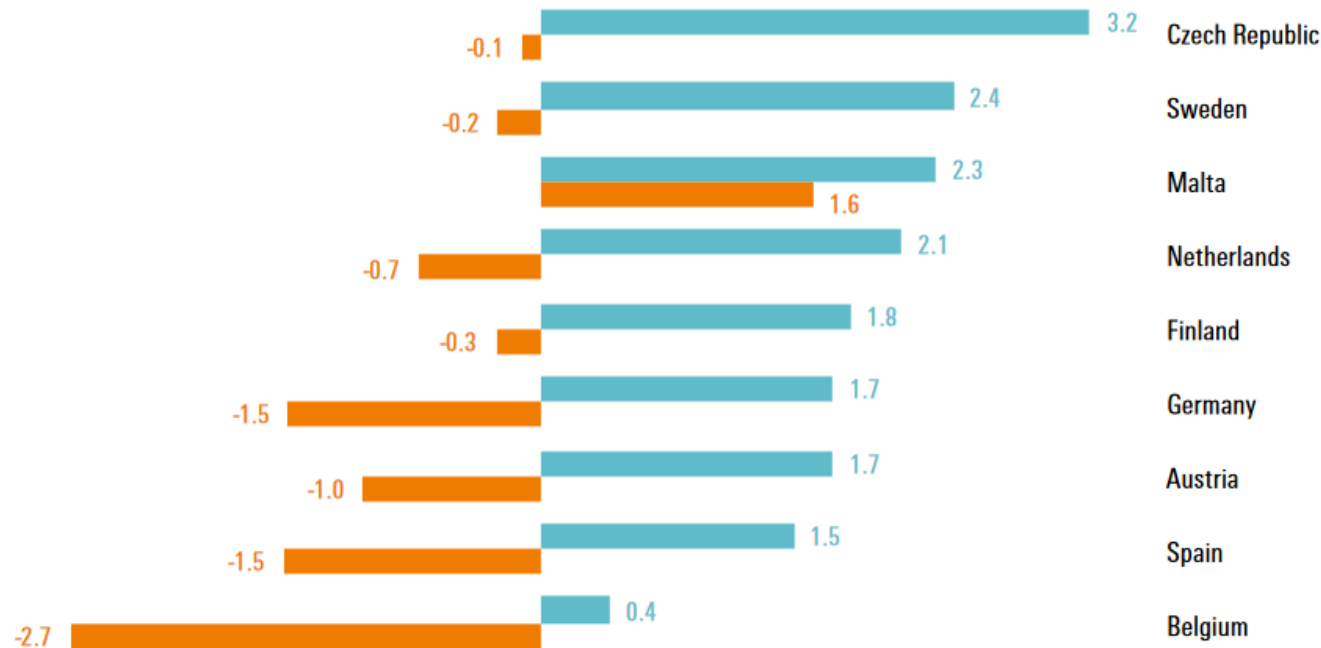
Note: Real changes are inflation adjusted, based on the Harmonised Index of Consumer Prices (HICP).

Source: European Central Bank (Indicator of negotiated wage rates) and European Commission, AMECO Database (current as of May 16, 2022); authors' calculations.

# Trends in negotiated wage rates, selected MS 2021

## Trends in negotiated wage rates in selected EU Member States, 2021\*

Change from prior year, in per cent



\* Real-terms changes in negotiated wage rates are based on inflation as measured by the Harmonised Index of Consumer Prices (HICP); some data are still preliminary.

Source: Eurofound (2022), EurWORK's database on wages, working time and collective disputes; European Commission, AMECO Database (May 16, 2022); authors' calculations

# Wage trends and distributional outcomes – HICP

	Nominal wages				Real wages				Distributional outcome (HICP)			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
<b>Northern Europe</b>												
Denmark	1.9	2.3	3.2	3.6	1.2	2.0	1.2	-1.4	0.5	3.4	-0.6	-2.3
Finland	1.2	0.4	4.4	3.3	0.1	0.0	2.3	-1.1	0.7	0.5	0.9	-1.8
Sweden	3.0	2.5	4.3	2.7	1.2	1.9	1.6	-2.4	-0.2	3.6	-1.9	-2.7
<b>Western Europe</b>												
Austria	2.8	1.7	3.4	1.5	1.3	0.3	0.7	-4.2	1.0	5.6	-1.6	-5.5
Belgium	2.0	-1.5	4.2	6.0	0.8	-1.9	1.0	-1.7	0.3	3.8	-3.6	-2.9
France	0.0	-2.9	4.9	3.8	-1.3	-3.4	2.8	-1.0	-2.0	3.6	-2.3	-3.1
Germany	3.4	0.4	3.4	3.4	2.0	0.0	0.2	-2.9	1.9	3.8	-2.7	-3.9
Ireland	3.4	2.4	3.6	3.8	2.5	2.9	1.1	-2.1	0.5	-4.6	-8.3	-5.0
Luxembourg	1.9	0.4	5.1	4.8	0.3	0.4	1.6	-1.9	0.5	4.0	-2.2	-1.6
Netherlands	2.9	4.7	2.1	3.1	0.3	3.6	-0.7	-4.0	0.3	6.9	-4.0	-5.7
<b>Southern Europe</b>												
Cyprus	4.4	-3.2	4.7	4.1	3.9	-2.1	2.4	-1.0	2.4	2.4	-1.9	-2.6
Greece	0.6	-0.7	1.4	3.5	0.1	0.5	0.9	-2.6	-0.8	6.3	-7.0	-5.1
Italy	1.3	-5.1	6.0	3.6	0.6	-5.0	3.9	-2.1	0.6	2.1	-2.1	-4.1
Malta	3.8	-0.7	5.5	3.8	2.2	-1.4	4.7	-0.6	2.1	9.5	-3.0	-2.8
Portugal	4.8	2.0	3.8	4.2	4.5	2.1	2.8	-0.2	2.6	6.8	0.1	-5.2
Spain	2.3	-1.4	2.9	3.3	1.5	-1.0	-0.1	-2.8	2.2	5.9	-2.9	-4.3
<b>Eastern Europe</b>												
Bulgaria	6.9	7.2	9.5	9.7	4.4	5.9	6.5	-2.0	0.7	8.1	2.6	-4.4
Croatia	0.4	2.1	5.6	3.0	-0.4	2.1	2.9	-2.9	-0.8	9.1	-6.2	-5.0
Czech Republic	7.2	3.2	5.7	2.4	4.5	-0.1	2.3	-8.3	1.6	4.3	-0.9	-8.9
Estonia	6.4	5.3	7.6	7.0	6.0	5.9	3.0	-3.8	3.3	6.2	-5.5	-4.6
Hungary	6.9	3.0	9.2	8.7	3.4	-0.4	3.8	-0.3	0.0	3.1	-1.2	-2.4
Latvia	7.8	5.5	11.0	5.6	4.9	5.4	7.5	-3.5	2.4	6.9	0.3	-5.3
Lithuania	10.6	7.3	11.4	8.7	8.2	6.1	6.5	-3.4	4.3	4.7	2.6	-5.6
Poland	7.3	5.6	5.0	9.5	5.1	1.9	-0.2	-1.9	0.3	4.2	-4.8	-5.8
Romania	10.9	2.6	5.7	8.3	6.7	0.3	1.6	-0.6	2.8	2.4	-15.3	-2.6
Slovakia	6.8	3.6	5.9	7.8	3.9	1.5	3.0	-1.8	2.5	4.1	-0.6	-2.5
Slovenia	5.0	3.5	5.4	3.6	3.2	3.8	3.3	-2.4	2.5	7.4	-3.4	-5.5
<b>EU-27</b>	2.4	-0.3	4.2	3.7	1.0	-1.0	1.3	-2.9	0.3	3.6	-3.4	-4.7

Nominal wages = nominal compensation of employees per person employed, change from prior year in % (not adjusted for changes in working time).

Real wages = inflation adjusted based on HICP, change from prior year in % (not adjusted for changes in working time).

Distributional outcome = balance of nominal wage growth and the distributionally-neutral margin for wage growth, in %.

\* Data for 2022 refer to a forecast by the European Commission.

Source:  
European Commission, AMECO Database (May 16, 2022), authors' calculations

# Distributionally-neutral margin for wage growth / Distributional outcome - GDP deflator

	Distributionally-neutral margin for wage growth (GDP deflator)				Distributional outcome (GDP deflator)			
	2019	2020	2021	2022	2019	2020	2021	2022
<b>Northern Europe</b>								
Denmark	1.5	1.2	4.4	4.1	0.4	1.1	-1.3	-0.5
Finland	0.9	1.1	4.2	4.4	0.4	-0.7	0.3	-1.1
Sweden	4.0	0.1	6.5	4.5	-1.0	2.5	-2.2	-1.7
<b>Western Europe</b>								
Austria	2.0	-3.0	4.2	4.4	0.8	4.7	-0.8	-2.9
Belgium	2.3	-4.5	9.1	5.6	-0.3	3.0	-4.9	0.4
France	1.9	-4.6	5.9	4.3	-2.0	1.8	-1.0	-0.4
Germany	2.2	-2.2	6.0	6.2	1.2	2.6	-2.6	-2.7
Ireland	6.3	6.2	8.8	7.4	-2.9	-3.8	-5.3	-3.6
Luxembourg	0.4	0.5	10.8	3.7	1.5	-0.2	-5.6	1.1
Netherlands	3.0	-1.1	5.7	5.1	-0.1	5.8	-3.5	-1.9
<b>Southern Europe</b>								
Cyprus	2.6	-5.6	7.1	6.0	1.8	2.4	-2.5	-1.9
Greece	1.2	-8.7	10.1	7.1	-0.5	7.9	-8.7	-3.6
Italy	0.9	-5.8	6.5	4.9	0.4	0.7	-0.6	-1.3
Malta	2.5	-9.5	9.6	4.9	1.3	8.8	-4.1	-1.1
Portugal	3.7	-4.9	3.5	7.8	1.1	6.9	0.3	-3.6
Spain	0.6	-6.0	4.9	4.9	1.7	4.6	-2.0	-1.6
<b>Eastern Europe</b>								
Bulgaria	9.1	2.0	10.5	11.5	-2.2	5.2	-0.9	-1.9
Croatia	2.3	-7.1	12.5	5.7	-2.0	9.3	-6.9	-2.7
Czech Republic	6.8	0.0	7.5	7.0	0.4	3.2	-1.7	-4.6
Estonia	6.1	-0.6	14.1	8.4	2.3	5.8	-6.5	-1.4
Hungary	8.3	2.7	12.2	7.6	-1.4	0.3	-3.0	1.1
Latvia	5.2	-1.6	14.5	8.6	2.6	7.1	-3.5	-3.0
Lithuania	6.7	2.9	10.6	9.1	3.8	4.3	0.8	-0.3
Poland	8.1	2.0	10.5	13.7	-0.8	3.6	-5.5	-4.2
Romania	11.1	1.8	22.5	11.4	-0.2	0.8	-16.8	-3.1
Slovakia	4.1	-0.2	6.1	7.0	2.8	3.8	-0.2	0.8
Slovenia	3.0	-2.5	9.3	6.2	2.0	6.0	-3.9	-2.6
<b>EU-27</b>	<b>2.7</b>	<b>-2.8</b>	<b>7.0</b>	<b>5.9</b>	<b>-0.3</b>	<b>2.4</b>	<b>-2.8</b>	<b>-2.2</b>

GDP deflator = implicit price index, derived from the difference in changes in nominal and real GDP.

Distributionally-neutral margin for wage growth (GDP deflator) = product of changes in the GDP deflator and labour productivity.

Distributional outcome (GDP deflator) = balance of nominal wage growth and the distributionally-neutral margin for wage growth (based on the GDP deflator), in percentage points.

\* Data for 2022 refer to a forecast by the European Commission.

Note: All data are based on the person concept

Source:  
European Commission, AMECO Database (May 16, 2022),  
authors' calculations



## Distributary effects

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- Anticipated fall in real wages in all states is unprecedented, 2.9 % on average
- No signs of “overheating” wages
- Anticipated distributional outcome -2.2 % for 2022
- 5.9 % average ***distributionally-neutral margin*** (labour productivity, GDP deflator) for wage growth → *i.e. without eroding the profit share*

→ ***Falling wage share = rising profit share***

## Some conclusions

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- High wage demands in sectors with good profits are justified
- Collective bargaining parties know their sectors best – but steering capacity is limited by CBA coverage
- Particular responsibility of the governments to cushion social and distributional effects of inflation
- ***High degree of uncertainty remains***