

*Europe needs a pay rise – It's Time for Our Recovery*

# **Why Europe needs a pay rise**

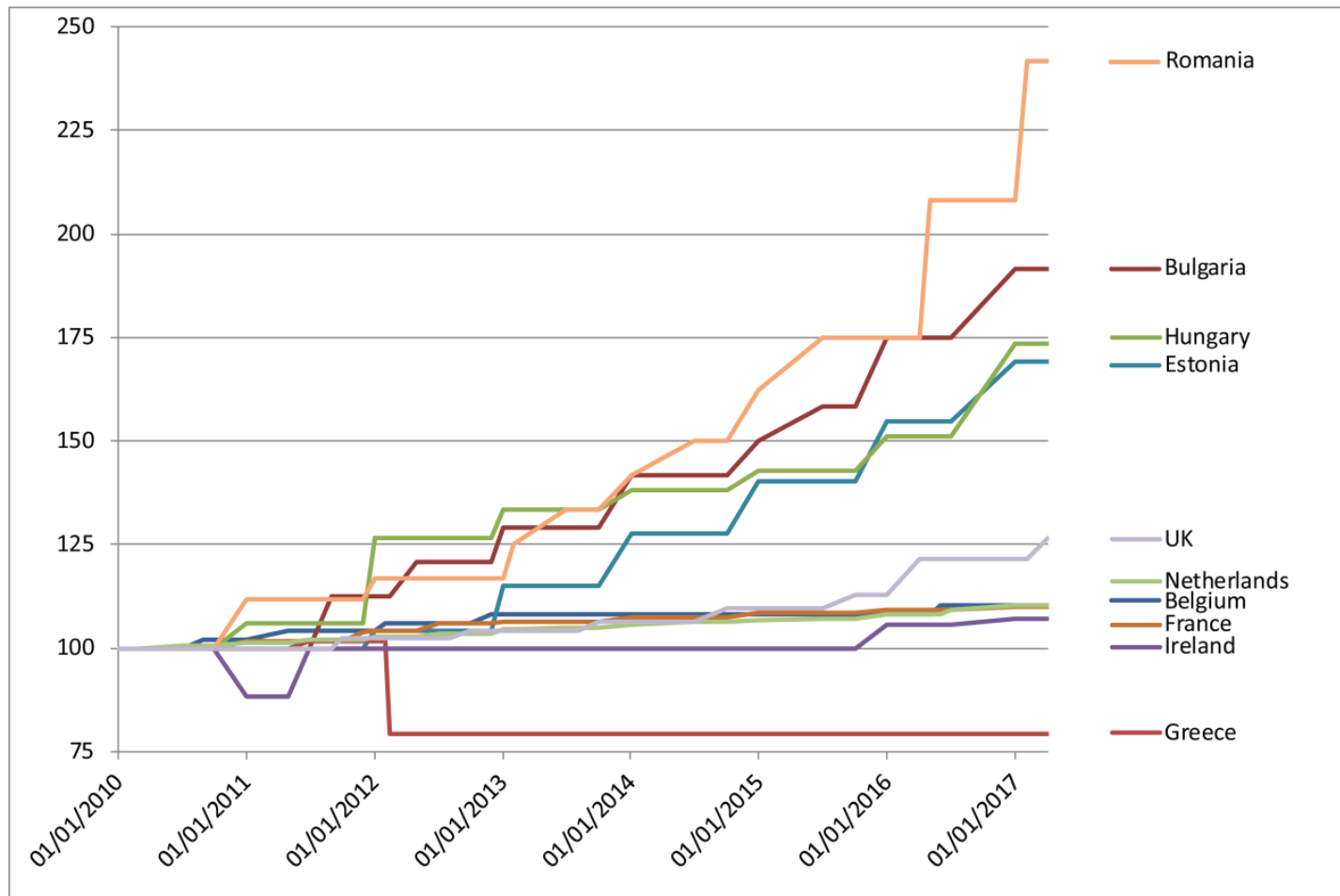
Plamen Dimitrov – President of  
CITUB

Brussels, 14.02.2017

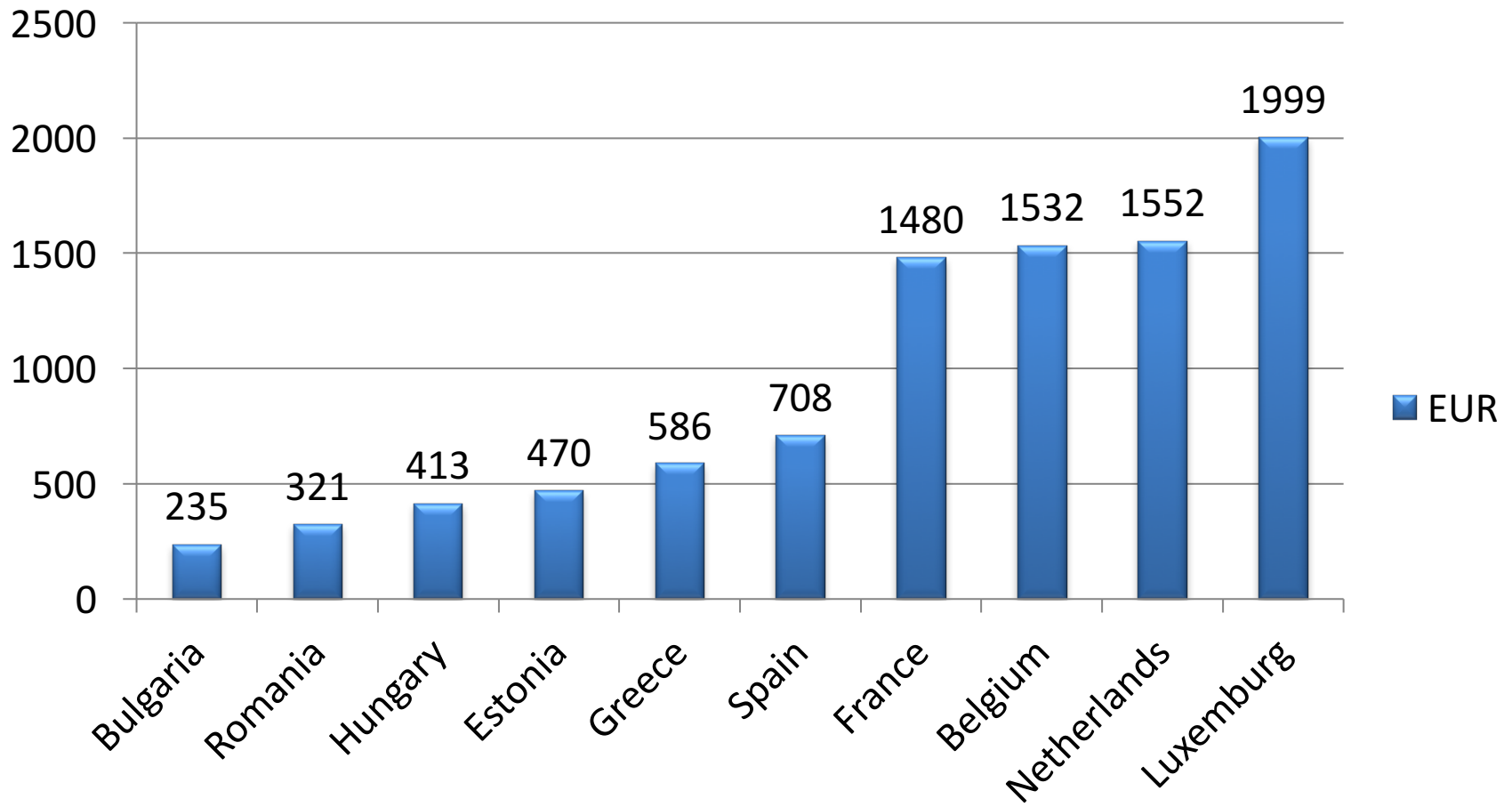
# **‘Upward wage convergence’ between EU countries is key point in our campaign**

- Many countries in the region (including Bulgaria) have in fact pursued active minimum wage policies and there is a considerable evidence about their positive effects.
- However, the salary levels are still too low, compared to the countries of Western Europe. This campaign will help these differences to reduce.
- The effects on developing economies need to be bigger in terms of the economic and political specifics of these countries.

# Statutory minimum wage developments since 2010 in selected Member States nominal - % (*Eurofound*)

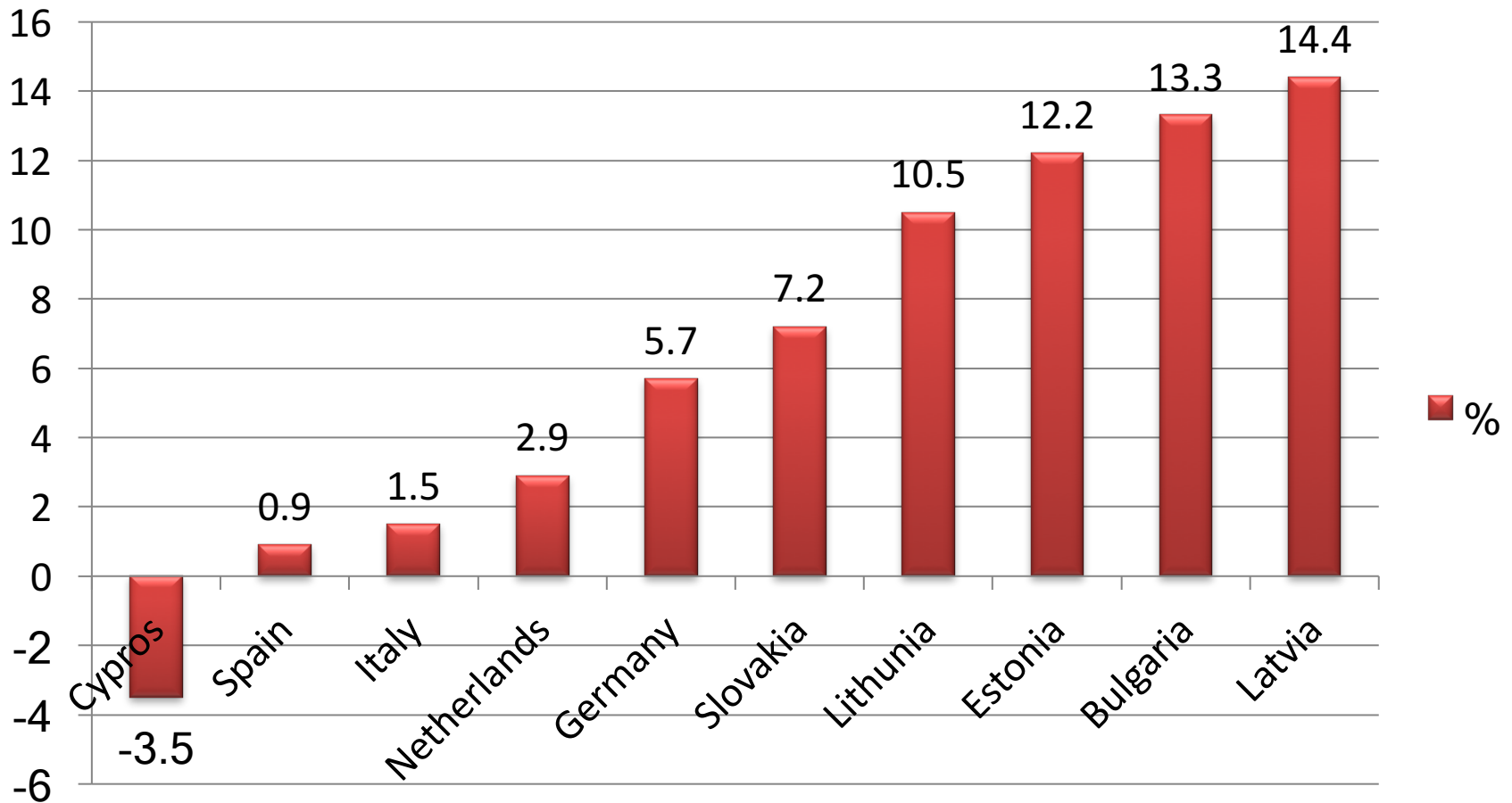


# Nominal levels of statutory minimum wage in selected EU Member States, 2017 *(Eurofound)*



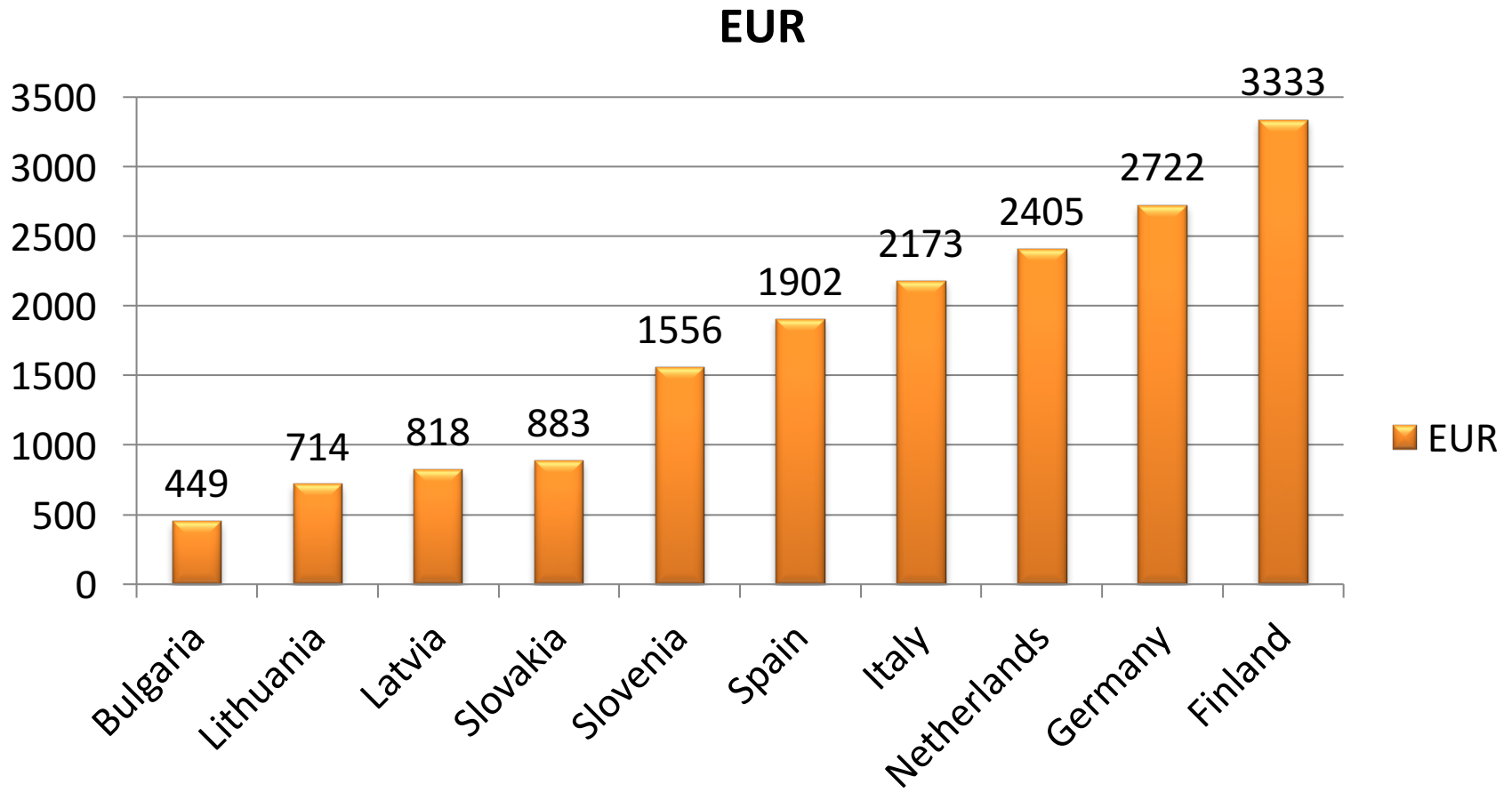
# Average wage trends 2013-2015 in selected EU Member States

*(ILO – Global Wage Report 2016/2017)*



# Nominal levels of average wage in selected EU Member States, 2015

*(ILO – Global Wage Report 2016/2017)*

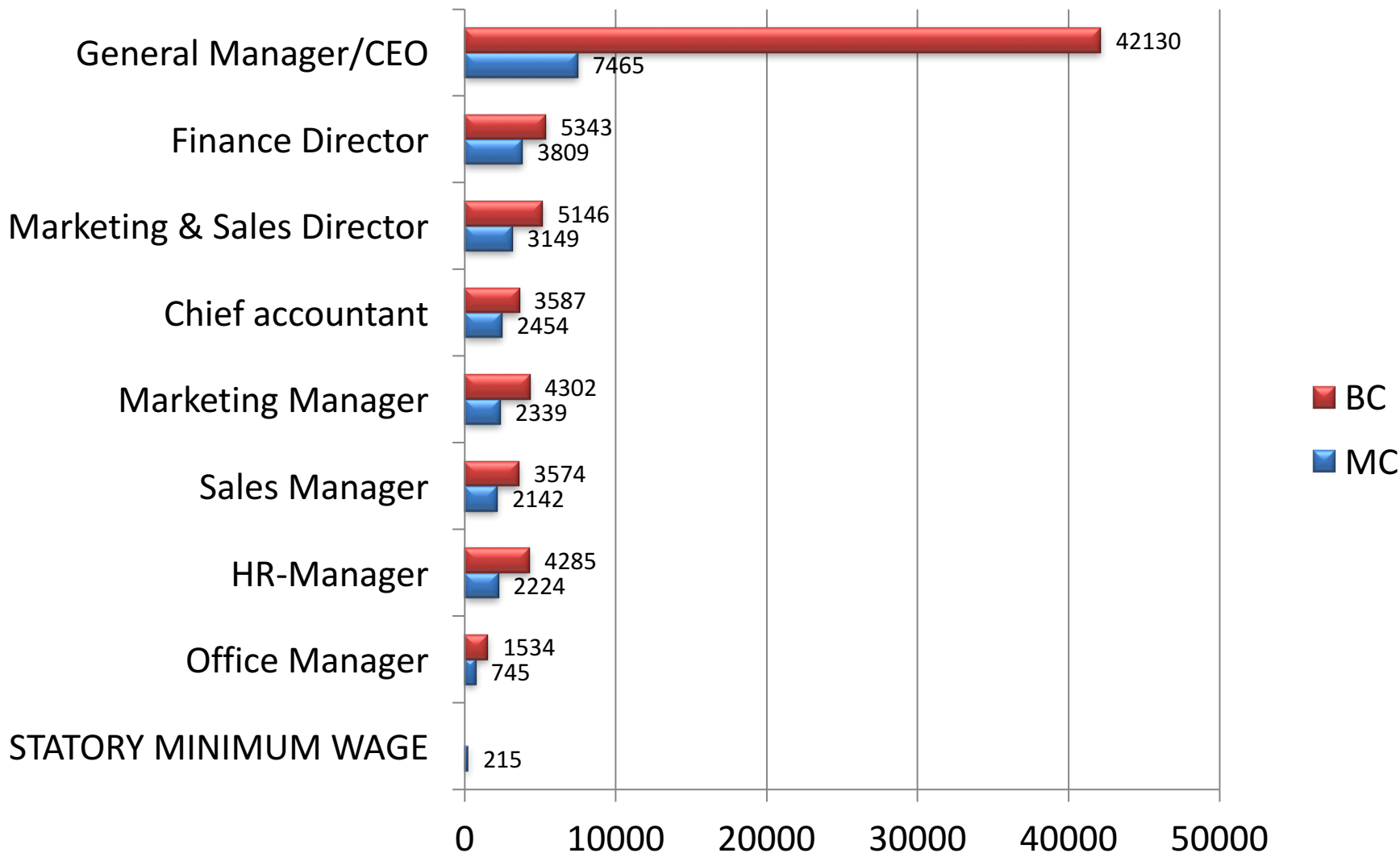


# **“Pay rise campaign” to tackle rising wage inequality and unfair income distribution**

- Companies keep an excessive high share of profits instead of sharing it with workers through higher wages
- There is an excessive gap between the pay of those at the top and the lower paid workers
- We can observe however some differences between the European countries
- Compared to the wages of the bottom 1 per cent (*ILO-Data*), the wages of the top 1 per cent are:
  - highest in Luxembourg (50 times higher) and the United Kingdom (33 times higher),
  - lowest in Norway (11 times higher) and Spain (13 times higher),
  - with average values in France and Hungary (22 times).

# Average salary levels - CEOs and managers in medium and big size companies in Bulgaria, 2016 – EUR

*(Manager-Survey, VM Finance Group)*



# Main findings on wage inequalities

*(Structure of earnings survey in Bulgaria 2014)*

- The highest relative frequency (21%) have employees with gross monthly earnings between 180 and 230 EUR
- The gap between the ninth and the first deciles by the annual earnings is 4.5 times
- 70% of employees have received annual earnings below the national average 5243 EUR
- 50% of employees receive 24% of total earnings and the highest paid 10% of employees receive a bit more than 30% of total earnings

# Last but not least

- For employees covered by collective pay agreement the gross hourly earnings are 12% higher than earnings of those not covered
- Therefore, promoting collective bargaining and increasing the number of workers covered by a collective agreement is our main objective
- There is one fundamental message in the campaign, which is very important to be realized: **Europe Needs a Pay Rise**
- It is implicit (and will be made explicit appropriately) that not only individual workers will benefit, but all of Europe – economically and socially