

Collective bargaining developments in the public services

(Updated July 2021) This overview aims to provide the latest information on collective bargaining in the public service in Europe. It is based on reports published in EPSU's fortnightly [collective bargaining newsletter](#).

The practice and structure of collective bargaining varies considerably from country to country as does the provision of public services, with the private and non-profit sectors playing a significant role in some countries. This means that collective bargaining can be quite fragmented. This overview focuses on the main negotiations in each country but the collective bargaining newsletter often includes details of bargaining in smaller sectors, sub-sectors, private companies and non-profit providers.

Below is a country-by-country summary where we indicate the state of play with information on recent agreements and/or the timing of upcoming negotiations. More countries will be added as we update this overview.

Eurozone

Germany

There are two main agreements covering the vast majority of public service workers. Both tend to be two-year plus agreements. The one covering 2.3 million **federal and municipal** workers runs from September 2020 to December 2022 and provides for two general pay increases over that period worth around 3.2% but with additional increases for staff in health and social care (see details below). The agreement covering **regional government** employees runs from January 2019 with a similar overall pay rise with the final stage due in January 2021.

The agreement covering **federal and municipal** workers delivers a 1.4% pay rise for all workers on 1 April 2021 with a further 1.8% increase in April 2022. The agreement runs until 21 December 2022. The pay increase in 2021 is backed with a 50 Euro a month minimum which means that the lowest paid workers will see pay increase by 2.59%. Meanwhile, nursing staff will get 70 Euros a month additional

payment from March 2021, rising to 120 Euros in 2022. Other payments for health and care workers include an increase in the intensive care allowance from 46.02 Euro to 100 Euro and a 45 Euro increase in the shift allowance taking it to 155 Euro. Care staff working in institutions like homes for the elderly will get a 25 Euro-a-month allowance while doctors are set to get an additional 300 Euro from March 2021. There will be a COVID-19 bonus payment for this year of 600 Euro for the lower pay groups (1-8), 400 Euro for middle earners (9-12) and 300 Euro for the top of the pay scale (13-15). Workers in the East will see their weekly working time reduced by 30 minutes in 2022 and by a further 30 minutes on 1 January 2023 finally bringing them in line with workers in Western regions. There is a similar change for hospital worker but with an extra 30-minute reduction in 2025 to bring them in line with the 38.5-hour week in the West.

Health and social care

There is significant private for-profit and non-profit health and social provision with a number of separate agreements.

Eldercare In 2021 ver.di negotiated the first agreement in eldercare with the BVAP employers that provides for an hourly minimum rate of EUR 12.30 from 1 August 2021. The three-year agreement will see minimum rates rise by 25% so that a trained nurse will have a monthly minimum of EUR 3180 by 2023.

Red Cross Two-year deal with 1.5% increase on 1 April 2021 (minimum increase of EUR 50) and 1.9% on 1 April 2022 plus EUR 600 COVID bonus.

Helios (21000 workers) two-year, three-stage agreement with increase of 1.4% on 1 May 2021, 2.0% on 1 April 2022 and 0.4% on 1 November 2022 plus EUR 400 COVID bonus

SRH clinics (8500 workers) two-year agreement to 31 December 2022 with 2.3% (minimum EUR 60) increases on 1 April 2021 and 1 April 2022 and 1.3% on 1 September 2022

Energy agreements

AVE (Hesse region - 6000 workers): 2.6% increase in two stages (2.1% in June 2021 and 0.5% in June 2022). Corona bonus of EUR 900 for those in pay scales 1-9 and EUR 700 for those in 10-14 while trainees will get EUR 350. The agreement runs until 30 September 2022.

RWE (20000 workers): 2% pay rise from 1 March 2021 and 1.7% from 1 April 2022;

25-month agreement; EUR 1000 lump sum for full-time workers and proportionate amount for part timers. Apprentices will get EUR 600. In addition, ver.di members only will get an extra two days' holiday a year.

EON/Tennet (35000 workers) 27 month agreement to 31.3.23 with 2.3% increase on 1 January 2021 and 1.5% on 1 June 2022 plus EUR 1000 COVID bonus

AVEU (30000 workers) agreement runs from 1 June 2021 to 31 August 2023, with 2.3% increase on 1 June 2021 and 1.5% on 1 November 2022 and EUR 600 COVID bonus

France

The vast majority of public service workers are organised in three main sectors – national government/ministries, local government/territories and hospitals and healthcare – but effectively covered by one pay system and are still covered by statutes rather than collective agreements. Pay levels are determined by an index point system. Negotiations do not take place in a regular and formal way and public service unions have been campaigning for some time against imposed pay freezes or below-inflation increases in the index point. Pay was frozen, for example, from 2010-15 with two small increases in 2016 and 2017 then another pay freeze followed in 2018.

Since mid-June, trade unions have been negotiating with the government specifically over pay and jobs in the **public and private health** sectors. While the €7.5 billion package did receive backing from some trade unions, even those that were positive about the main elements are concerned that it doesn't cover all health and social care workers across the public and private sectors while issues have been raised about the urgent need to tackle staff shortages and address excessive working hours. The package includes a €90 net increase a month for most health workers implemented in September 2020 with a further €93 increase from March 2021. On top of this a working group will be set up to look at revaluating pay for certain occupations which will be implemented in January 2022. The lowest paid workers in the sector, currently on the minimum wage should see their pay increase by 15%. Around 8000 jobs will be created and 7300 vacancies filled.

Italy

There are several agreements covering the public sector which trade unions negotiate with the ARAN agency which operates on behalf of the government. There was a long-term freezing of collective bargaining – that is no bargaining took place

rather than just a series of pay freezes – following the last economic and financial crisis with most of the main public sector agreements not updated for nine years or more. It was also common for negotiations to be extended and then implementation of agreements to be delayed as a result of waiting for government commitment to fund pay increases. The public sector framework agreement for 2016-18 was signed in November 2016 but it wasn't until late 2017 and early 2018 that the actual agreements for central and local government and health were finally negotiated. More recently the agreement covering managers in health and local government was finally signed in July leaving only the agreement for staff of the Presidency and Council of Ministers to be updated for 2016-18. Collective bargaining has continued throughout the current crisis on matters such as health and safety but the trade unions have not yet taken the initiative to get bargaining started again on the main public sector agreements.

There is a sector agreement covering **private healthcare** which was finally re-negotiated in June 2020 after 12 years. There was then a delay before the employers eventually ratified the agreement in October but only following campaigning and strike action by unions. The main pay increase of EUR 154 would be worth 4.2% plus a EUR 1000 lump sum paid in two stages. The unions say that the agreement will bring private sector workers in line with those in the public sector. There is a broad range of other improvements in the new agreement covering working time, leave, training with the employers paying into a special fund, social dialogue and measures to tackle precarious work and workplace violence.

Spain

Most public service workers are covered by pay arrangements negotiated centrally and implemented by statute rather than collective agreement. The most recent pay rise (2%) was implemented in January 2020 and negotiated as part of a three-year deal in 2018. Cuts to pay and benefits were imposed following the last economic crisis and while there has been some restoration, unions are still pushing for the reinstatement of certain allowances and benefits. There is also concern among unions, particularly in the state administration, that certain elements of earlier agreements on pay and working conditions have not been fully implemented.

Netherlands

The vast majority of public service workers are covered by a range of collective agreements including separately national government, regional government, local government and various agreements in the health sector. The **state sector** agreement ran to 1 July 2020 but negotiations were postponed and were due to restart in mid-January 2021. Unions have rejected an initial pay offer arguing that a 0.7% pay increase and € 225 lump sum payment are inadequate recognition of the services provided by workers, particularly in response to the COVID-19 crisis.

Details of other agreements include:

- **municipalities:** runs from January 2020 to January 2021, with pay increases of 3.25% (October 2019), and three of 1% in January, July and October 2020
- **hospitals:** covers 200000 workers and runs for 27 months from January 2020 with a 5% pay increase this year and 3% due in January 2021
- **care sector:** (mainly for- and non-profit) runs from January 2019 to the end of August 2021 and includes pay rises totalling 6.5%
- **mental health:** covers 89000 workers and runs from June 2019 to December 2021 with pay increases of 3.0% (October 2019), 3.0% (August 2020) and 2.1% in June 2021
- **public libraries:** agreement runs 1 July 2020 to 1 July 2021 with a 3% pay rise will be backdated to 1 January and a further 2% increase in January 2020
- **maternity care:** 3% pay increase backdated to 1 January 2020 in a 12-month agreement – negotiations delayed. Also includes a 1.5% increase on the end-of-year bonus taking from 6.2% to 7.7% of salary and there is a one-off lump sum of EUR 105.
- **provincial government:** agreement runs from 1 January to 31 December 2021 with a EUR 50 increase on 1 January and 1.2% of 1 July, with a EUR 750 COVID bonus.
- **energy:** agreement runs from 1 October 2020 to 30 April 2022 with a 2.0% increase on 1 May 2021 and a EUR 400 lump sum.
- **water authorities:** EUR 50 increase on 1 January 2021 - overall 2.05% increase including additions to personal budget
- **health general practice:** 2% increase plus lump sum and increase to end-of-year bonus, agreement runs from 1 January to 31 December 2021

Austria

Most **public sector** workers are still covered by statute rather than collective

agreements but there are annual negotiations on pay that are implemented by statute. Negotiations normally being in the autumn with pay increases implemented in January or February the following year. Last year's bargaining was finalised in November and an increase of 2.25% (3.05% for lowest paid) paid from 1 January 2020.

There is a substantial **private health and social care** sector with a collective agreement covering around 125,000 workers. Negotiations were already underway when COVID-19 struck and were resolved earlier than anticipated. The unions were pushing strongly for cuts in working time and have achieved a 37-hour week from 2022 but 35 hours remains the target. There was a pay rise of 2.7% in 2020 and 2.08% in January 2021 based on inflation plus 0.6%.

There are also negotiations at **regional** level and the end of July 2020 saw negotiations finalised by public and private sector health unions on a special package of measures that included pay increases ranging from €97 to €194 a month for qualified nurses, midwives and clinical social workers. The pay rises will be implemented on 1 February 2021 .

Childcare: private childcare institutions not covered by collective agreements - January 2021: 1.95% for teachers and staff; 2% for assistants; 2.5% for childminders

Belgium

There are multi-layered negotiations across the different levels of government - local, regional and federal. The most recent developments have been in the **health** sector with a deal at federal level that also covers the private sector. Out of an extra €1 billion in funding from the federal government, €500 million will go towards the implementation of a new pay system and harmonisation of pay in the private and public sectors. Unions estimate this will mean pay increases of 5%-6%. €400 million will cover additional staff to ensure a better staff/patient ratio and 10% of this amount will contribute to improved training. €100 million is allocated to improving working conditions, including in particular more permanent contracts and more hours for part-time workers. There will also be new rights to take three consecutive weeks of annual leave, a right to training in general but also for workers' reps and other measures covering pensions and action to reduce burnout.

The two-yearly, cross-sector negotiations covering the private sector are relevant to many public services. In the latest negotiations, the employers wouldn't budge on

the 0.4% in addition to compensation for inflation. However, there was an increase in the national minimum wage which will rise from EUR 1625.72 to EUR 1702 in April 2022 with further increases set for 2024 and 2026.

Finland

There are two main public sector agreements – one covering the state sector and the other covering local and regional government which includes healthcare. The latest **state sector** agreement runs from 1 April 2020 to 28 February 2022. The 3.07% pay increase was in line with the going rate in industry. The much larger **local and regional government** agreement covers the 23-month period 1.4.2020-28.2.2022 and included a first pay rise of 1.22% (or at least 26 Euro) on 1 August 2020. Another pay rise of 1% will follow on 1 April 2021. There is also a sum of 0.8 per cent to be agreed at local level, valid from 1 April 2021. A key element in finalising the agreement was confirmation that healthcare workers will be covered by a separate agreement from September 2021.

Ireland

New two-year public sector agreement from 1 January 2021 to 31 December 2022 with a general pay increase of 1% or EUR 500, whichever is higher, in October of both years. In February 2022, an additional 1% will be available in sector bargaining funds. The agreement also provides for progress in addressing issues that have arisen in earlier collective agreements, for example, around the increase in working hours introduced as part of austerity measures following the last crisis. The agreement also retains the important safeguard regulating any proposal to outsource services.

Portugal

Public sector unions were already facing difficult negotiations with the government earlier in 2020 and suspended protests and strike action in March in response to impact of COVID-19. The unions reacted angrily to the government's offer of what would be in effect a 0.6% pay rise. They have been campaigning and negotiating for several years over a range of measures including pay, working time and career development, including action on pay to compensate for several years of pay freezes and low pay increases since the last crisis.

Croatia

The government initiated negotiations with public sector unions in 2020 with a view to not implementing a 4% pay increase (part of a total 6% rise, following a 2% increase in January) that was part of an earlier agreement. It also wanted to block increases in other allowances including the Christmas bonus. Following negotiations, the unions were able to secure a postponement of the increase and so the 4% was due in January 2021 and the other allowances remain to be negotiated.

Other EU

Sweden

The biggest public sector agreement covers around 350000 workers in local government, health and social care was negotiated at the end of 2020, The 41-month agreement will run until 31 March 2024 and includes general pay rises of 2% in 2020 (worth on average SEK 520 (EUR 50), a further 2% (SEK 530 (EUR 51)) in 2021 and 1.4% (SEK 380 (EUR 37)) in 2022. There will be an additional 0.6% in each of the three years for vocationally trained occupations and a lump sum of SEK 5,500 (EUR 535) in the first year for all employees. The pay increase in 2023 will be negotiated later. Improvements in conditions include shorter night work hours down from 36.2 hours a week to 34.2; an offer of permanent employment to those on temporary contracts after 18 months rather than 24; and extra holiday entitlement linked to leave arranged at employer's request.

Denmark

The two main public sector agreements cover the state sector and local and regional government, including healthcare. The current three-year deals run from 1 April 2021 to 31 March 2024. The overall packages for both state and municipal sectors are worth around 6.75% but are distributed differently. In the municipal sector the pay element involves a general increase over the three years of 5.02% but with additional payments for the lower paid and to address the gender pay gap. In the state sector the pay element is a 4.42% pay rise that will be paid in six stages over the three years in April and October of each year.

Czech Republic

Health: 10% for 2021 following 7% increase in January 2020. .

Non-EU

UK

Negotiations covering **local government** workers in England, Wales and Northern Ireland were effectively ended in 2020 when the employers said that they couldn't afford to offer more than 2.75% but were willing to go to the government to call for increased funding for 2021.

National Health Service workers were due a pay increase in April 2021 but the government was slow to come up with an offer having met widespread criticism for suggesting a pay rise of only 1%. In July 2021 it came forward with a proposal for a 3% increase which was seen as too low by most health unions and would fail to compensate for recent below-inflation increases or for the extra efforts workers have made during the pandemic.

In 2020 the PCS **civil service** union launched a petition on pay, highlighting the long-term fall in purchasing power as a result of pay freezes and below-inflation increases. Around 900000 of the 4.4 million public sector workers are covered by pay review bodies. At the end of July 2020 the government confirmed that they would get pay rises of between 2% and 3.1%. These include the **armed forces, judiciary and senior civil servants** (2%), **police and prison staff** in England and Wales (2.5%), **doctors and dentists** (2.8%) and **teachers** in England (3.1%).

Central government pay negotiations are decentralised to ministries and agencies. HMRC, the third largest department with around 60000 workers is responsible for revenue and customs. In 2021 a new three-year deal was negotiated (backdated to June 2020) worth 13% with a 3% increase in March 2021 and then two increase of 5% in June 2021 and 2022.

Norway

In August 2020 trade unions coordinated by the LO confederation secured a NOK 975 (EUR 93) increase on monthly pay for all workers covered by the negotiations with the Spekter employers' organisation. Spekter covers major companies providing public services, particularly in **health, culture and transport/infrastructure**

. On top of this general rise local negotiations should deliver further increases. LO Stat, the coordinating body, emphasised that the local negotiations should take account of the low pay, gender equality and the situation of skilled workers and graduates. Low pay in this context is anyone getting 90% of the average industrial wage or less. There are also initiatives focusing on sustainability and proposals to collect examples of how unions and employers are dealing with digitalisation and artificial intelligence.

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