



For the EPSU Finance Working Group meeting

Revised, 24 January 2024

Indexation Grid for European trade unions.

The **EPSU Finance Working Group** was asked to consider the indexation grid on the basis of which unions in some countries contribute as % of the affiliation fees. It has been the same for several years. It should possibly be updated.

The first discussions (10 November) underlined the importance of ensuring fairness (countries in a similar situation being treated in the same way). The Finance working group commented on a first version of the revised grid 16 January. It asked the Secretariat to take into account various remarks and proposals. These have been integrated in the below. It is recognised any classification has arbitrary elements.

Any adjustments will come in small steps and will need time.

The countries below 100% receive financial assistance from EPSU for participation in our meetings (travel and accommodation)

The proposals presented are a draft and need to be discussed further. The aim is to agree them in the Executive Committee.

A. Original Grid

The original grid was based on the **Human Development Index** (a mix of different indicators) and used by the PSI. "The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone". <https://hdr.undp.org/data-center/documentation-and-downloads>

For some countries adjustments were made based on the economic developments in the countries.

The HDI has the following European countries in the **Very high human development** category (in order of ranking: Switzerland (1), Serbia (63)

Switzerland, Norway, Iceland, Denmark, Sweden, Ireland, Germany, Netherlands, Finland, Belgium, Luxembourg, UK, Israel, Malta, Slovenia, Austria, Spain, France, Cyprus, Italy, Estonia, Czechia, Greece, Poland, Lithuania, Portugal, Latvia, Croatia, Slovakia, Hungary, Türkiye, Montenegro, Russian Federation, Romania, Kazakhstan, Belarus, Georgia, Serbia

High Human Development

Albania (67), Bulgaria, Bosnia-Herzegovina, Ukraine, North Macedonia, Moldova, Armenia, Azerbaijan, Uzbekistan (101).

Medium Human Development

Kyrgyzstan (118) Tajikistan (122)

For **comparisons** sake:

- European/Central Asia average is 0.796 (comparable with Albania/ Bulgaria)
- Average for developing countries is 0.685 (comparable ranking of Tajikistan),
- and for the world it is 0,732 (comparable with Uzbekistan)

We add this as the same grid is used by PSI. There needs to be some consistency. We will also need some discussion with PSI as adaptation of the grid has implications for the PSI affiliation fees as well.

B. The current EPSU (PSI) Grid

100%

Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK

75%

Slovenia, Turkey

50%

Croatia, Czechia, Hungary, Poland, Slovakia

25%

Belarus, Bulgaria, Estonia, Kazakhstan, Latvia, Lithuania, North Macedonia, Romania, Russia

15%

Uzbekistan

10%

Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Georgia, Kosovo, Kyrgyzstan, Moldova, Montenegro, Serbia, Tajikistan, Ukraine

A first comparison with the HDI shows there are discrepancies. For example: Slovenia, Estonia, Czechia, Poland, Lithuania, Latvia, Croatia, Slovakia, Hungary, Türkiye, Montenegro, Russian Federation, Romania, Kazakhstan, Belarus, Georgia, Serbia are in the same category as Greece and Portugal of *very high human development*, but not in the 100% grid.

The Finance Working Group stressed that the HDI **needs to be balanced with an understanding of the wages of workers**. A country can do well on indexes for health, education etc. and hence get a higher ranking, but wages might not be high. Trade union fees of individual unions (affiliates) will link with wages for their members, not with the HDI.

C. Wages

Following some research there is an index that is helpful and regularly updated. This is the list of **average wages produced by the UN Economic Commission for Europe**.

UNECE statistics

The gross average monthly wage estimates for 2022 are computed by converting national currency figures from the [UNECE](#) (United Nations Economic Commission for Europe) Statistical Database, compiled from national and international (OECD, [Eurostat](#), CIS) official sources. Wages in US dollars are computed by the UNECE Secretariat using purchasing-power-parity dollars.

Gross average monthly wages cover total wages and salaries in cash and in kind, before any tax deduction and before social security contributions. They include wages and salaries, remuneration for time not worked, bonuses and gratuities paid by the employer to the employee. Wages cover the total economy and are expressed per [full-time equivalent](#) employee.^[3]

https://en.wikipedia.org/wiki/List_of_countries_by_average_wage (scroll to UN ECE)

Comparable with EPSU 100% e.g.

Switzerland, Luxembourg, Iceland, Norway, Denmark, Ireland, Netherlands, Belgium, Austria, United Kingdom, Finland, Germany, Sweden, France, Israel, Italy, **Slovenia**, Spain, Cyprus, Malta, Portugal, **Estonia**, **Czechia**, **Croatia**, **Lithuania**, **Slovakia** report higher average wages than Greece (EPSU 100%; 1417 USD) with **Poland** (1416), **Romania** (1306) , **Latvia** (1303) at a similar level.

Countries in bold currently are in a different EPSU grid.

Hungary (1189) is a bit in between that group and a next group of countries - Bulgaria (947), Montenegro, Bosnia-Herzegovina, Serbia, North Macedonia (813) , Russian Federation (729) Source: CEIC Kosovo (693) Source: CEIC Kazakhstan (673) Belarus (621),

To compare: most of these countries would be seen as having a very high human development level (HDI) e.g. Hungary, Türkiye, Montenegro, Russian Federation, Romania, Kazakhstan, Belarus, Georgia, Serbia

Another group is around Armenia (541) Georgia (529), Moldova (508), Ukraine (430) Türkiye (405), Albania (364), Uzbekistan (351)

This compares with the *high human development group* (HDI): Albania (67), Bulgaria, Bosnia-Herzegovina, Ukraine, North Macedonia, Moldova, Armenia, Azerbaijan, Uzbekistan (101).

The lowest average monthly wages are in Kyrgyzstan (228) Tajikistan (197) reflecting those countries position in the HDI (*Medium Human Development*) HDI

D. Adapting the EPSU Indexation Grid

Starting points for the new grid are

- 1) to take countries at a comparable level of HDI (very high) and average wages as Greece for the 100%
- 2) to take countries at a comparable level of HDI (medium) and average wages as Kyrgyzstan as the 10%
- 3) to construct levels that are comparable with the average wages in between.
- 4) Propose a time scale for any adjustments that need to be made.

It is recognised any categorisation is arbitrary but there is a solid basis.

100%

It is suggested the following countries should be in the 100% based on the HDI and the average wages index (but see step 4) Countries in bold would then be re-classified.

Switzerland, Luxembourg, Iceland, Norway, Denmark, Ireland, Netherlands, Belgium, Austria, United Kingdom, Finland, Germany, Sweden, France, Israel, Italy, **Slovenia**, Spain, Cyprus, Malta, Portugal, **Estonia, Czechia, Croatia, Lithuania, Slovakia** report higher average wages than Greece (EPSU 100%; 1417 USD) with **Poland** (1416), **Romania** (1306) , **Latvia** (1303) at a similar level.

Some of the countries in bold come from a different grid in EPSU, either 50 or even 25%. So to bring those of 100% is not realistic. Members of the Finance working group commented in particular on the steep increases for some countries coming from 25%. This required adjustment.

Slovenia is currently at 75%

It is therefore suggested:

- **To include Slovenia in the 100% at the end of the Congress period.**
- Following steps
 - 2025 80%
 - 2026 85%
 - 2027 90%
 - 2028 95%
 - 2029 100%
- **To bring Greece and Portugal to the 75% category as of 2025**
- **To include Croatia, Czechia, Hungary, Poland and Slovakia in 75% over the Congress period.** These countries come from the EPSU 50%
- Following steps
 - 2025 55 %
 - 2026 60 %
 - 2027 65 %
 - 2028 70 %
 - 2029 75 %

- **To include Estonia, Lithuania, Latvia, Romania at 50%** As these countries come from 25% bring them to 75 % in one Congress period is not realistic and in the following steps
 - 2025 30 %
 - 2026 35 %
 - 2027 40 %
 - 2028 45 %
 - 2029 50 %
- To include **Belarus, Bulgaria, Kazakhstan, North Macedonia, Russian Federation** in a 40% category over the Congress period. These countries come from the 25% EPSU grid.
- Following steps
 - 2025 25 %
 - 2026 30 %
 - 2027 30 %
 - 2028 35 %
 - 2029 40%
- To include **Bosnia-Herzegovina, Montenegro, Serbia** in a 35% grid over the Congress period. These countries come from the 10% EPSU grid
- Following steps
 - 2025 15 %
 - 2026 20 %
 - 2027 20 %
 - 2028 30 %
 - 2029 35 %
- To include **Turkey** in the 25% grid immediately (2025). It comes from 75%
- To include **Albania, Armenia, Azerbaijan, Georgia, Kosovo, Moldova, Ukraine, Uzbekistan** in the 25% grid over the Congress period. These countries come from 10%
- Following steps
 - 2025 15 %
 - 2026 20 %
 - 2027 20 %
 - 2028 20 %
 - 2029 25 %
- To leave **Kyrgyzstan, Tajikistan** in the 10% grid

This is a significant adjustment for most countries and the unions in those countries. This shows amongst others that the review of the grid was long overdue. The Finance Working Group recognises that these adjustments can not be made quickly. It is suggested that the EPSU Finance Working Group would look at the grid again in 2027 and make adjustment if needed.