

## MINIMUM WAGE CAMPAIGN IN SWITZERLAND

### 'No wages under 3,000 francs' campaign has been running since 1998

As long ago as 1998, Swiss trade unions launched a minimum wage campaign under the heading 'No wages under 3,000 francs!'. The starting point for this was a self-critical review of the situation. Switzerland had just come through seven years of economic crisis, resulting in unprecedentedly high levels of unemployment and massive pressure on wages and on existing tariff agreements. In view of the crisis and the tertiarisation of the economy, the trade unions were in a weak position generally speaking. In the service sector at the end of the nineties, binding wage agreements did not even reach a level of 40 percent. **Only a minority of the workforce was protected by collective bargaining agreements guaranteeing a minimum wage.** And on closer inspection it appeared that some wages were actually no better than starvation wages. **The main reason for low wages was not the dearth of value creation, but rather had to do with the unsatisfactory balance of power in firms and in society.** The traditional strategy of the trade unions had always been to take one industry or sector at a time, to press for binding wage agreements in this area and on that basis establish higher minimum wages. At the end of the nineties it had become clear that this approach was no longer working.

The conclusions that were drawn from this resulted in a strategic reorientation. An important element here, in connection with low wage earners, was the transition from an industrial to a social balance of power, in other words **the politicisation of the wages issue**. This was not an easy undertaking in a country like Switzerland, where wage levels were practically a taboo subject. The trade unions fixed on 3,000 francs, as a catchy figure that was easily memorable. In 1998 this amounted to about 60% of the national median wage. By branding anything below this level as shameless and socially objectionable, they put the ball and the burden of proof in the employers' court. In concrete terms, the trade unions aimed to enforce a minimum wage level on the basis of **generally binding collective contracts of employment**, or, where none such were in existence, by the promulgation of a **statutory minimum wage**.

### Conclusions

The minimum wage campaign met with **wide support from the general public**, attracted a lot of sympathy to the trade unions and improved their public image. In the various industries on which the campaign focused, **significant improvements in contractual minimum wages** were brought about (see table 1). In the mind of the population, the 3,000 francs became an established reference. **Between 1998 and 2006 the proportion of wages less than 3,000 francs in the whole of Switzerland fell from 8.9 to 3.7 percent** (see diagram 1). Moreover, this meant that wage disparities were reduced in industries where wages were traditionally low.

Table 1: Development of minimum wages under collective bargaining agreements for employees (not including apprenticeships), in Swiss francs

Industry	1998	2000	2002	2004	2008
Book trade	2890	3000	3200	3270	3450
Retail trade, Coop	2400 -2700*	2400 – 2700*	3200	3300	3600
Retail trade, Migros	2500 - 2800	2600 – 2900	3150	3300	3300 - 3600*
Printing industry	2800	2900	3000	3000	3300
Hotel industry	2350	2410	3000	3120	3300
Textiles industry	2365	2390	2750	3050	3420**
*Regional variation in minimum wages			**low qualified		

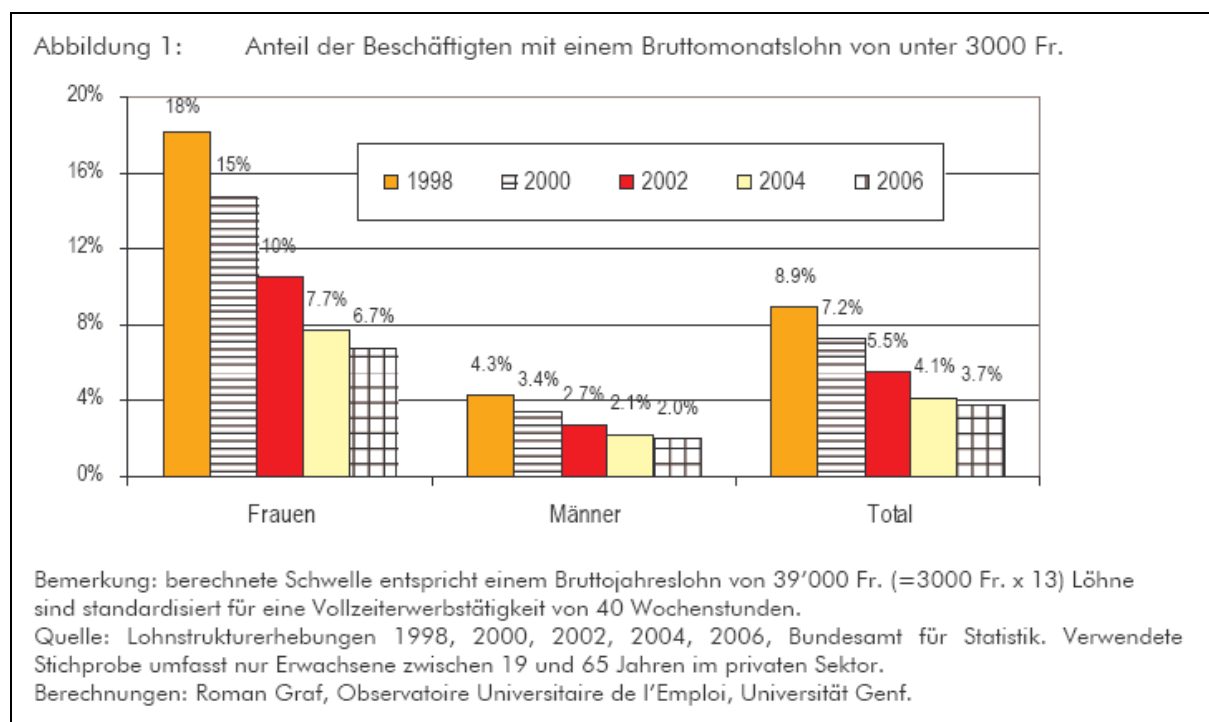


Diagram 1: Proportion of the workforce with a gross monthly wage less than 3,000 Swiss francs

1998 2000 2002 2004 2006

Women Men Total

NB: the calculated threshold corresponds to a gross annual wage of 39,000 francs (= 3,000 francs x 13). Wages have been standardised on the basis of full time employment of 40 hours a week.

Source: wage structure surveys 1998, 2000, 2002, 2004 by the Bundesamt für Statistik [Federal Statistics Office]. The random sampling was restricted to adults between 19 and 65 years of age in the private sector.

Calculations: Roman Graf, Observatoire Universitaire de l'Emploi [University Employment Observatory], University of Geneva

NB: the table does not take inflation into account.

## The second minimum wage campaign, 2008

In April 2008 the Schweizerischer Gewerkschaftsbund [Swiss Trade Unions Association] launched a second minimum wage campaign. Its demands were adjusted, and this time there was also a minimum wage level set for workers with a training qualification.

- 3,500 francs 13 times a year (= 60% of the national median wage)
- Or 20 francs per hour, with the addition of holidays (= 60% of the national median wage)
- 4,500 francs 13 times a year for experienced workers and workers with a training qualification.

Unia aims in its turn to proceed pragmatically in working to implement these targets, having regard to the concrete situation prevailing in the various industries.

### **Activities up to now**

- The campaign was launched with the ETUC (European Trade Union Confederation) wage demonstration in Ljubljana and a media conference in April.
- Some days later a national conference was held on the subject of 'The minimum wage campaign in Switzerland and Europe', with ETUC and DGB (Deutscher Gewerkschaftsbund - German Trade Unions Confederation) taking part, in order to create links between the Swiss campaign and the ETUC wage campaign.
- Mobilisation plans have been worked out in the industrial sectors most affected, including the services sector.
- In addition, the minimum wage issue has been linked with the campaign against wage dumping – this in connection with political discussion on continuation of the agreement between Switzerland and the EU on free movement of persons.

### **Links**

[http://unia.ch/news\\_aktionen.9.0.html?&no\\_cache=1&tx\\_ttnews\[tt\\_news\]=3599&tx\\_ttnews\[backPid\]=279&cHash=3cd3d57e98](http://unia.ch/news_aktionen.9.0.html?&no_cache=1&tx_ttnews[tt_news]=3599&tx_ttnews[backPid]=279&cHash=3cd3d57e98)

<http://unia.ch/Mindestloehne.2966.0.html?&L=0%2Fd%2Findex.php>

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