


Minimum Wage & Collective Bargaining in Spain 2025

Latest update on 05/05/2025
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 Spain

Statutory Minimum Wage ✓

Monthly Min. Wage

1381.00€

Hourly Min. Wage

8.37€

52.00%

• MW as % of Median Wage

50.30%

• MW as % of Gross Average Wage

Gender pay gap

9.20%

91.00%

• Collective bargaining coverage

Process of transposition:

Discussion ongoing

↔ Compare with other countries



Minimum wage system in Spain

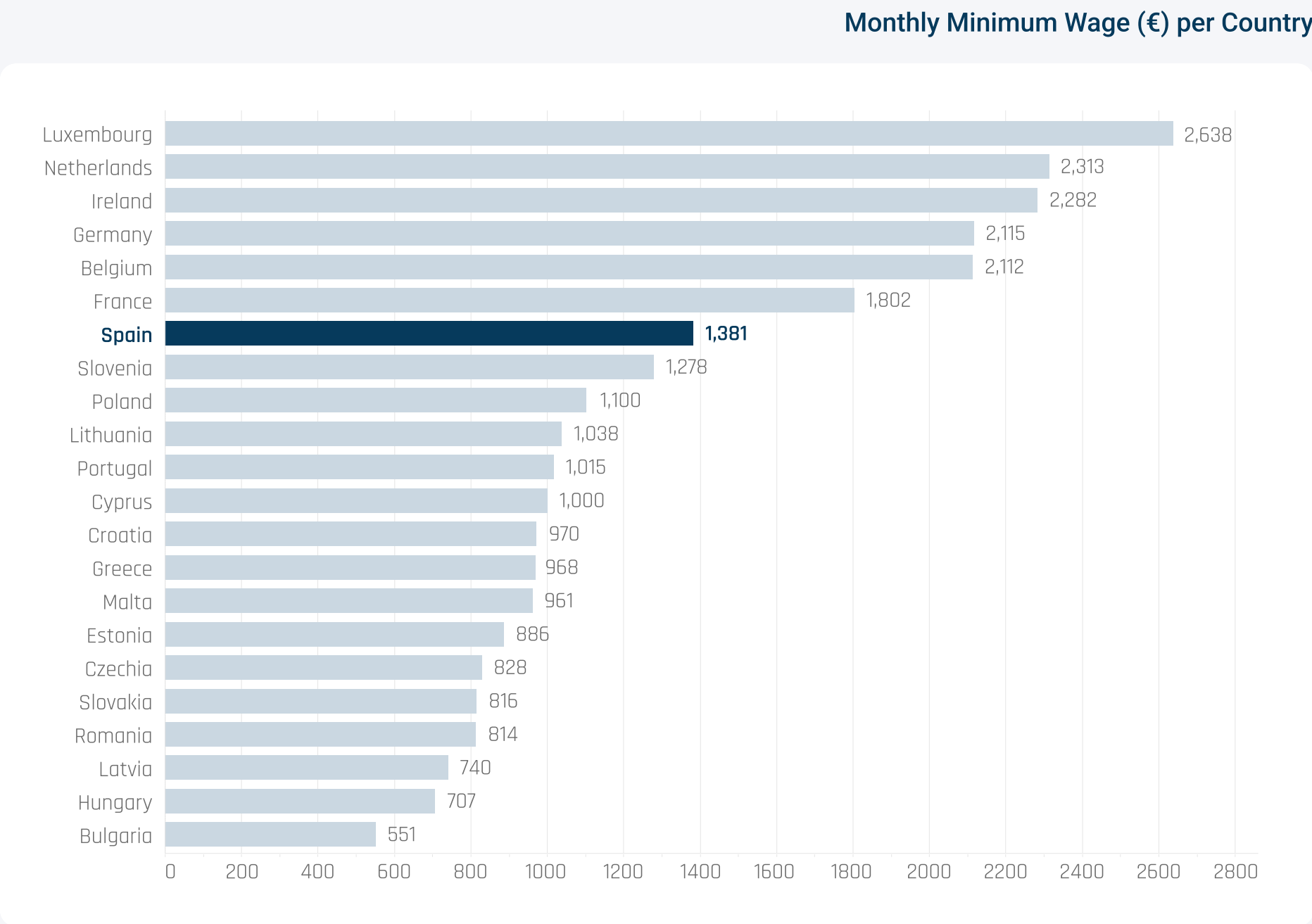
A general statutory minimum wage has existed in Spain since 1963, although its current regulation dates from the Estatuto de los Trabajadores (Workers' Statute). The Statute was provided for in the democratic Constitution of 1978 and approved in 1980 to regulate the rights and obligations of employees (the most recent version is the revised text approved by Royal Legislative Decree 2/2015). According to Article 27, the government shall set the minimum wage every year by Royal Decree.

In 2025, this wage, ‘for all activities in agriculture, industry, and services, without distinction of sex or age of the workers’, was set at 1,184 euros/month. Because the minimum wage in Spain is usually paid 14 times a year, for a full-time worker this amounts to 16,576 euros (€) per year. If for reasons of comparability, this figure is calculated for 12 payments the monthly minimum wage is €1,381.33. The minimum wage has grown considerably in recent years and is more than 60 per cent higher in 2025 than it was in 2018. The law also establishes how to apply the minimum wage to temporary and seasonal workers and the minimum wage per effective hour for domestic workers (€9.26). Minimum wage increases directly affect about 2.5 million people (14 per cent of employees), primarily women and young people.

The minimum wage is revised annually, taking the following criteria into consideration: the consumer price index, national average productivity, the labour share in national income, and the general economic situation. A mid-year review may occur if the price index forecasts are not met.

In 2020, the government decided that the net minimum wage should converge to 60 per cent of the average net wage in 2023, following the recommendations of Article 4 of the European Social Charter, ratified by Spain in 2021 in its revised version, and of the European Committee of Social Rights.

To this end, in 2021 the Ministry of Labour and Social Economy created an Advisory Commission for the Analysis of the Minimum Wage. Its main task was to propose the most appropriate development of the minimum wage to achieve this objective. This Commission comprises government representatives, academics and trade union representatives (employers' organisations were invited to participate but declined the offer). The Commission’s proposal is not binding. The government has the final power to set the minimum wage after consulting the social partners.



<div>Statutory Minimum Wage</div> <div>Yes</div>	<div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>2.80</div>	<div>Gender Pay Gap</div> <div>9.20%</div>
<div>Hourly Minimum Wage</div> <div>8.37€/hour</div>	<div>Nominal Growth rate of Wages</div> <div>4.40%</div>	<div>In-work poverty rate</div> <div>11.20%</div>
<div>Monthly Minimum Wage</div> <div>1381.00€/ month</div>	<div>Real Growth rate of wages</div> <div>1.50%</div>	<div>% of workers covered by minimum wage</div> <div>0.80%</div>



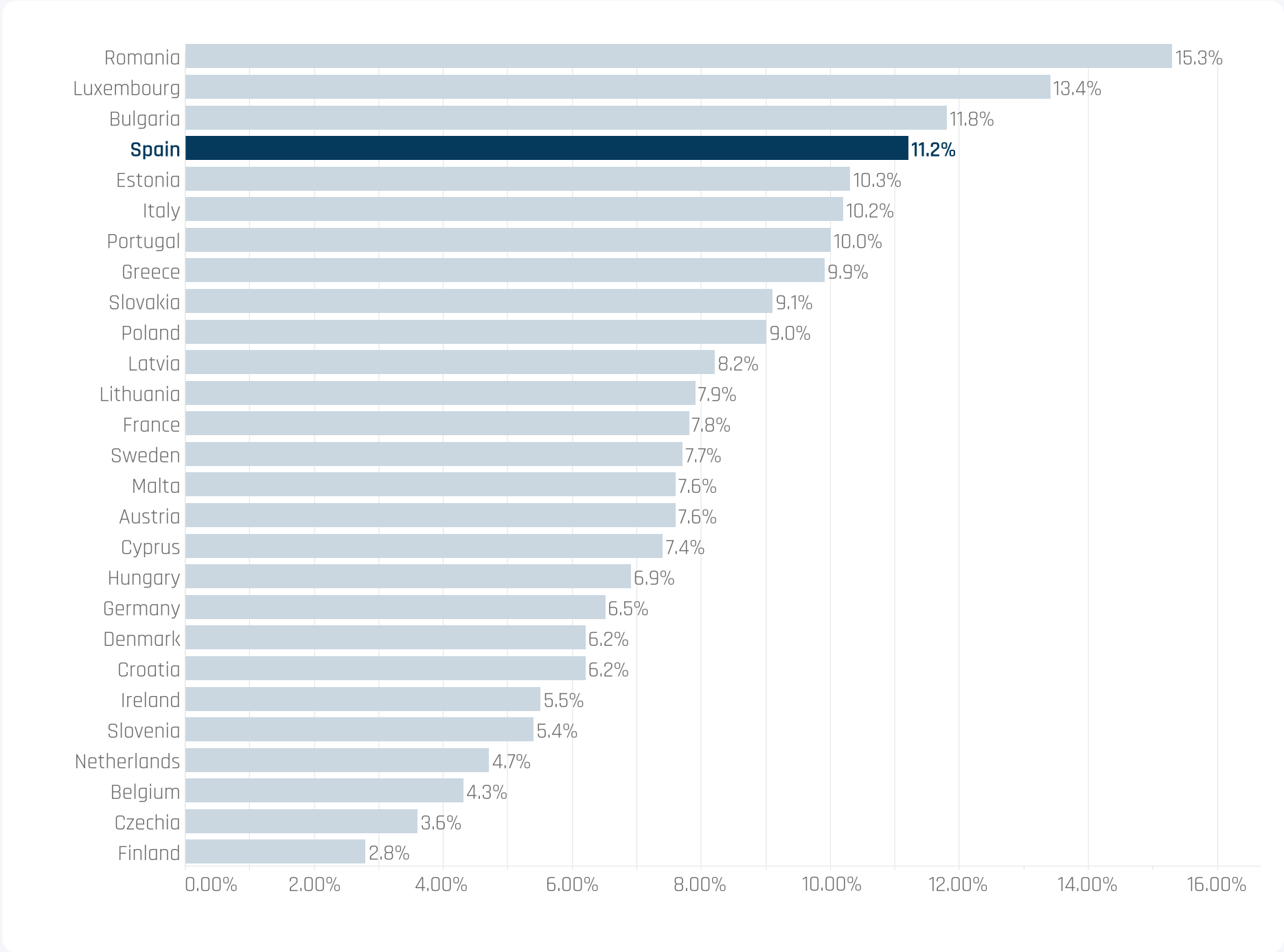
Minimum wage system in Spain

The minimum wage has seen a very substantial rise since 2019. It rose by 22 per cent that year, and after more moderate increases during the pandemic period, it rose again by 3.6 per cent in 2022, by 8 per cent in 2023, by 5 per cent in 2024 and by 4.4 per cent in 2025. This has made it possible not only to protect the purchasing power of minimum wage earners from the effects of the recent inflationary shock but also to meet the government's target set at the time.

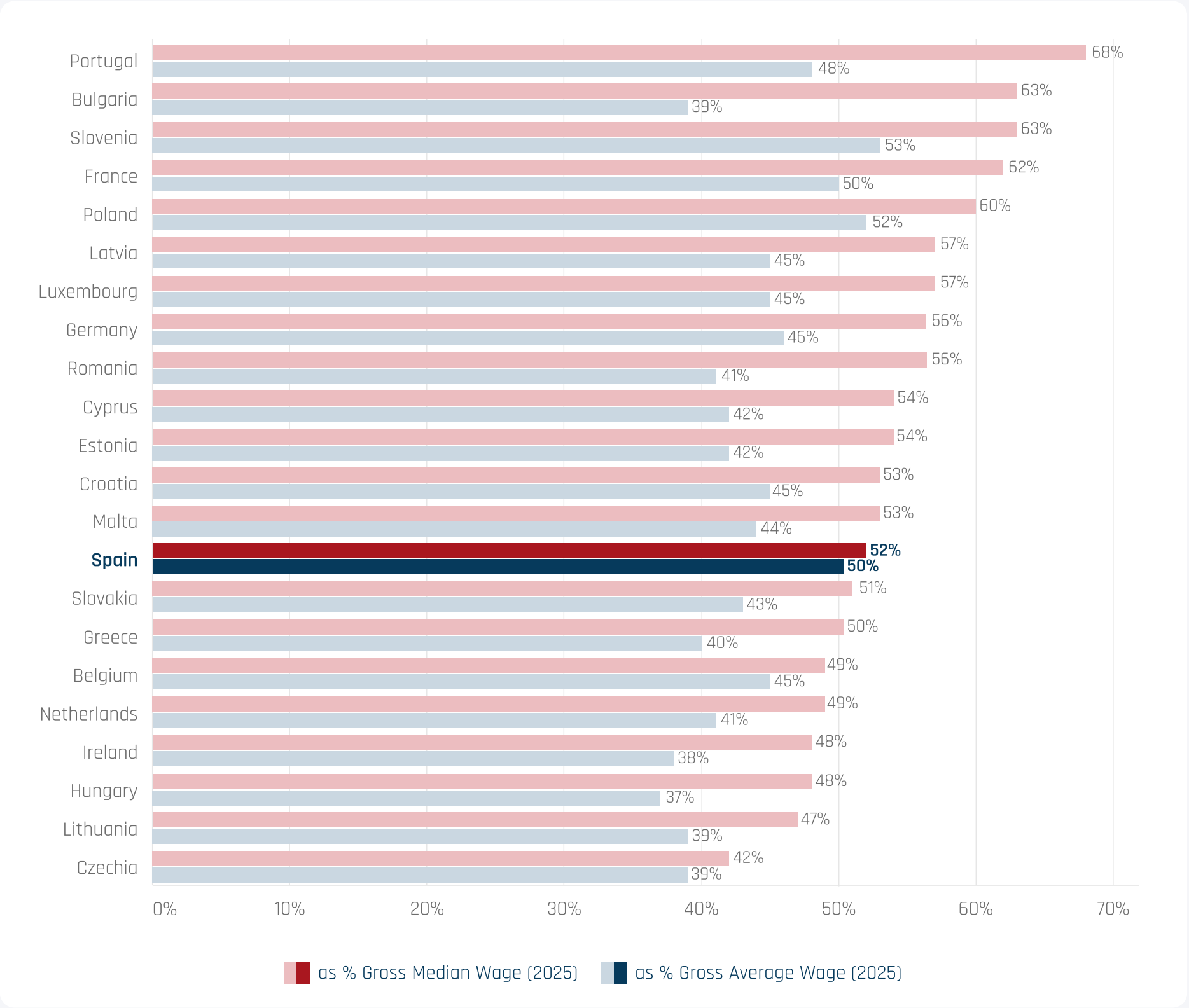
Because of the progressive nature of income tax, which means that most minimum wage earners do not have to pay tax on the minimum wage, this difference is significant in Spain. The update for 2025 would thus make it possible to reach the target of a minimum net wage of 60 per cent of the average net wage.

Indeed, in terms of the Kaitz index, which compares the minimum and average wage in gross terms, Spain has moved from one of the lowest positions in the EU to the top in 2023. While in 2018, according to OECD data, the Kaitz index was 34.3 per cent it rose to 43.7 per cent in 2023. However, given that the objective of the minimum wage is to guarantee a living wage sufficient to cover workers’ personal and social needs, the relevant figure is the net wage available for purchasing goods and services.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country





Collective Bargaining system in Spain

The right to collective bargaining is guaranteed by the Spanish Constitution. Article 37 states that 'the law shall guarantee the right to collective bargaining between workers' and employers' representatives, as well as the binding force of agreements'.

The Workers' Statute further develops this general precept. In principle, all employees have the right to be covered by a collective agreement except certain groups such as civil servants (although those with an ordinary employment contract do participate in collective bargaining), senior officials and members of boards of directors, employees of religious institutions, convicted persons engaging in work activities, members of cooperatives, training programmes or Members of Parliament in the Spanish, European and Autonomous Community Courts. Companies are obliged to participate in collective bargaining when workers' representatives who are entitled to do so request it.

Another important feature of the Spanish collective bargaining system is the 'erga omnes' principle, according to which collective agreements are binding for all employers and employees within the sectoral or regional scope of the agreement, regardless of their participation in the bargaining process or their membership of one of the contracting parties.

However, in case of proven economic, technical, organisational or production causes, some working conditions set out in the applicable collective agreement may be waived in the company after consultation and

by agreement between the company and the workers' representatives.

The collective bargaining coverage rate is high: in 2023, 91.8 per cent of employees were covered by collective agreements, equivalent to more than 14 million contracts, according to [data](#) from the Ministry of Labour and Social Economy. This figure is significantly higher than the 80 per cent coverage cited by institutions such as the OECD. The difference is due to new information. Since the approval in 2015 of a Royal Decree on the affiliation of workers to Social Security, it has been compulsory for employers to communicate the collective agreement code applicable to their workers. In this way, precise information is available, also (from the same source) on the registration of workers covered by an agreement (numerator of the coverage rate) and those entitled to coverage (denominator). The coverage provided by other sources is the ratio between the estimate of workers with collective agreements collected from their registration with the Ministry of Labour and Social Economy and the estimate of private sector employees from the Labour Force Survey. The coverage rate is highest in construction and industry (around 98 per cent) and lowest in services (90 per cent), and there exists a significant gender gap, as the rate is 7 percentage points higher for men than for women (95 vs 88 per cent).

The only sector in which there is virtually no collective bargaining is that of domestic workers. Therefore, the Spanish coverage rate is far above the 80 per cent benchmark set by the Directive on adequate minimum wages, which would require an action plan to encourage collective bargaining.

The predominant scope of collective bargaining in Spain is sectoral, and it can take place at different geographical levels (national, regional, or provincial). In 2024, 93 per cent of the workers covered by collective bargaining had an agreement at a higher level than the company, and only 7 per cent had company-specific agreements.

This is a constant feature of the collective bargaining system in Spain, even though the labour reforms of 2011 and 2012 sought to promote company agreements, arguing that this would favour the adaptation of wages to labour market conditions and to the evolution of productivity and company results. Thus, company agreements came to take preference over sectoral agreements in wage matters, and it was permitted to negotiate company agreements before the sectoral agreement expired. These legal amendments were not agreed on with the social partners and, indeed, had a limited impact on the spread of company agreements. There may be two reasons for this. The first is the predominance of small and medium-sized enterprises, which makes it very costly for employers to negotiate agreements on a company-by-company basis.

The second is that these reforms also made it easier for companies to derogate temporarily from sectoral agreements through a procedure negotiated with the workers' representatives, or unilaterally to modify working conditions, if justified, provided they were above the minimum standards of the applicable collective agreement.

Collective Bargaining Coverage

91.00%

Trade Union Density

12.50%

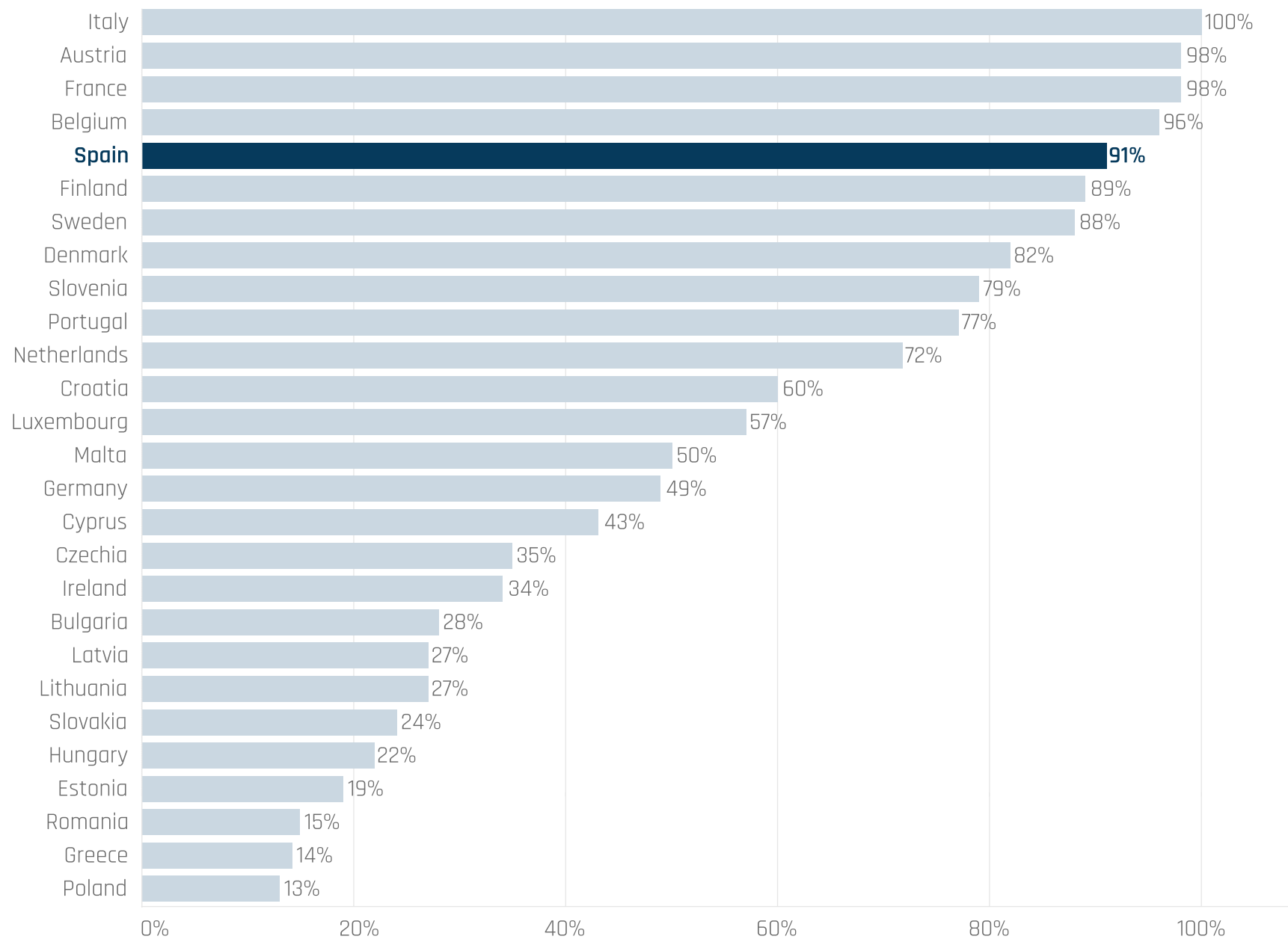
Financial incentives for union members

No

Valididy of Collective Agreements after expirations?

Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Spain

According to the [Annual Labour Survey](#) conducted by the Ministry of Labour and Social Economy, 27 per cent of enterprises, especially the larger ones, used some of these internal flexibility avenues in 2013 concerning wages, geographical or functional mobility, or working time. In particular, 7 per cent introduced measures modifying the remuneration system or the amount of pay. In other words, the fact that the relative importance of company-level agreements did not increase does not mean that these reforms did not reinforce employers’ decision-making power or that they did not contribute to the wage devaluation strategy.

The December 2021 labour reform strengthened collective bargaining and re-established the priority of sectoral agreements over company-level agreements. This means that company-level agreements can no longer deviate downwards from higher-order collective agreements in terms of pay and working hours, leaving more organisational aspects to company-level bargaining.

As already mentioned, however, the relative importance of these agreements is not very significant, and there remain ways of establishing exceptions to sectoral agreements, such as their temporary uncoupling and the modification of working conditions. At the same time, this reform promotes the use of other internal flexibility measures, particularly temporary working time adjustments, as an alternative to dismissals.

Two other issues of relevance to collective bargaining addressed in the 2021 reform are the situation of subcontracted workers and the effects of agreements after they have expired. As regards the former, the aim is to prevent the outsourcing of services through subcontracting from being used to deteriorate the working conditions of these workers, which would also violate the principle of non-discrimination. Compliance with this principle is ensured by guaranteeing that the collective agreement applicable to subcontractors is that of the relevant sector (that is, the same as that applicable to the employees of the contracting company). The 2021 reform, furthermore, restored the validity of a collective agreement once it has expired until a new one has been negotiated. This rule had been suspended by the 2012 reform.

In 2024, 35 per cent of workers covered by collective agreements were subject to an indexation clause or wage guarantee, usually linked to the general inflation rate. Most indexation clauses include caps, which limit the extent to which inflation directly translates into wage increases. Despite these clauses, increases in collectively agreed wages remained below the inflation rate in 2021 and 2022 and around this rate in 2023 and 2024.

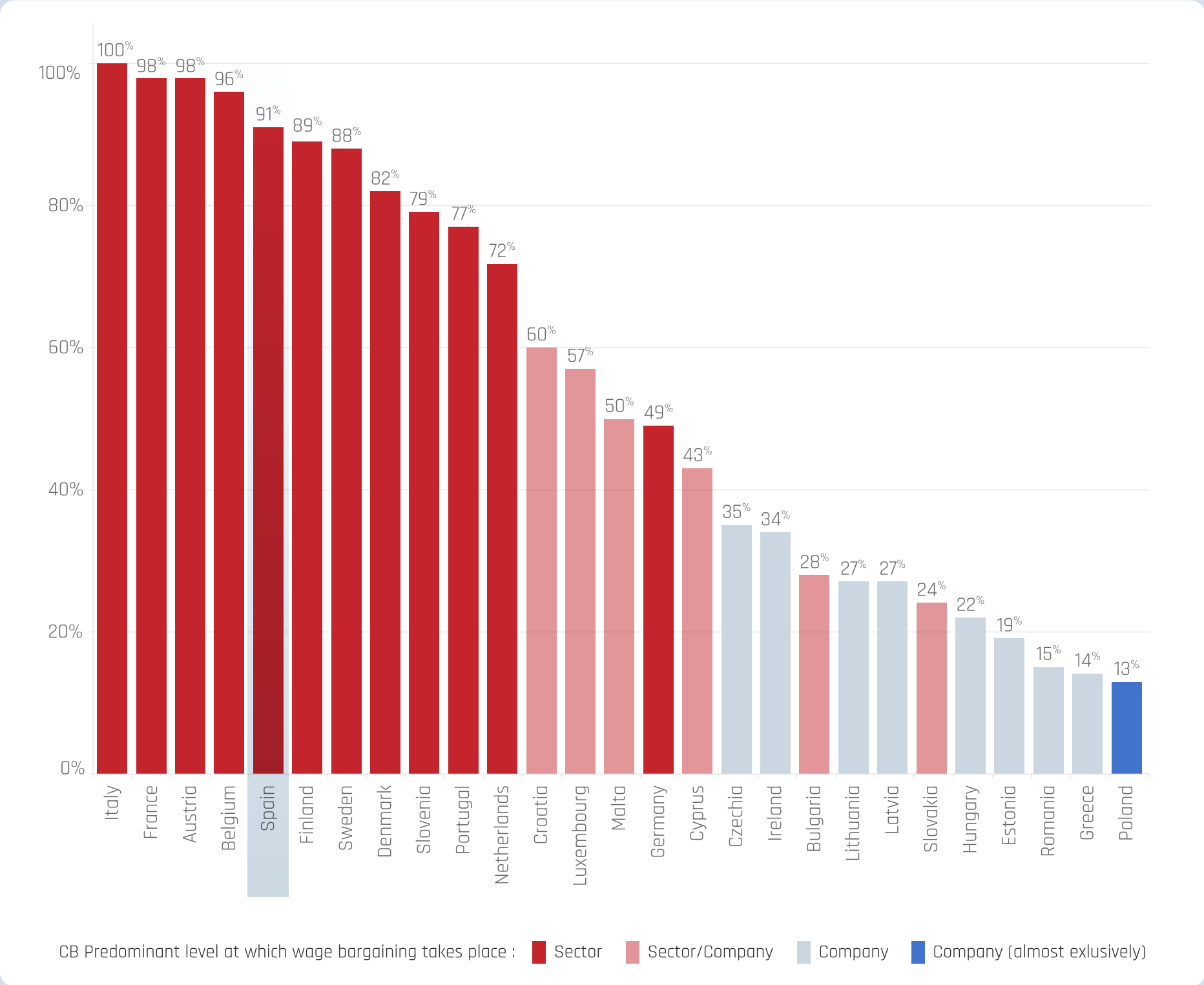
Alongside the predominance of sectoral bargaining, another feature of the collective bargaining system in Spain is the signing of bipartite agreements at the national level between the most representative employers and trade union organisations (Agreement for Employment and Collective Bargaining, AENC in Spanish). These agreements, which usually have a duration of three years, contain multi-annual guidelines for the different bargaining units. More specifically, these agreements deal with all aspects of working conditions, recommendations for wage increases and also contain revision clauses for times of particularly high inflation.

Other structural features of the Spanish collective bargaining regime include:

Right of access to workplace for trade unions

Article 64 of the Workers’ Statute recognises the right of trade union representatives to obtain necessary information, and Article 9 of the Organic Law on Trade Union Freedom establishes their right to enter workplaces to carry out the activities proper to their function. This allows them to maintain direct contact with workers, inform and advise them on their rights and working conditions, monitor compliance with labour regulations and collective agreements, and participate in collective bargaining and in the resolution of labour disputes.

CB Predominant level at which wage bargaining takes place per Country



Collective Bargaining system in Spain

Protection of workers and trade union representatives against dismissal/discrimination

Trade union representatives enjoy special protection against dismissal and other forms of discrimination. Its most important elements are the following: they cannot be dismissed or sanctioned for actions related to their representation function, and for any dismissal or sanction on other grounds there is a procedure with special guarantees; protection against unfair dismissal – if the dismissal of a trade union representative is declared unfair, this worker has the right to opt for reinstatement instead of receiving compensation; non-discrimination – they must be treated equally in terms of working conditions and remuneration; time credits – they are entitled to some paid hours per month to devote to their representative functions, without affecting their salary and working conditions; and in case of collective dismissals, trade union representatives have priority in keeping their jobs.

Collective bargaining clauses in public procurement

Law 9/2017 on Public Sector Contracts establishes that public administrations must respect environmental, social, labour and equality standards. These standards can also be improved and extended when they are linked to the contract object. The social and labour aspects of public procurement can be established in three ways.

First, there are some mandatory issues, such as the prohibition on contracting companies sanctioned for a severe labour law or social security infringement, such as not being up to date with their social security obligations or not complying with the requirements on hiring a minimum quota of people with disabilities or implementing a Gender Equality Plan. Furthermore, public administration bodies should reject abnormally low bids if this may entail non-compliance by the bidding company – they need to consider the wage costs entailed by any applicable collective agreement. Tender specifications must include the labour conditions that will apply in relation to the services provided during the lifetime of the contract, and the contractor must comply with all conditions set out in the pertinent collective agreement. The contract may also include social and labour provisions exceeding the legal minimum. Finally, the law allows the inclusion of additional ‘social clauses’. These may be used as an allocation criterion (conferring more points on tenders that undertake to comply with them) or as a special condition (a mandatory requirement related, for example, to the percentage of permanent contracts in the workforce).



Transposition of the European Directive on Adequate Minimum Wages in the EU

The decision to raise the minimum wage by 22 per cent in 2019 and to continue raising it until it reaches 60 per cent of the average (net) wage generated heated debate at the time. Some institutions, such as the Bank of Spain, claimed that this might have adverse effects on employment. Employers' organisations supported this position, while trade unions favoured the government's minimum wage hike strategy. However, the evolution of employment in these years and the positive assessments of the effects of minimum wage increases made by various international organisations gave rise to widespread support for maintaining this minimum wage target. This, and the fact that the Directive will not require significant changes in Spanish legislation, explain why there has been little resistance to its transposition so far.

At the time of writing (February 2025), however, the Ministry of Labour and Social Economy is still working on it. The three central issues on which it could focus are as follows.

First, as regards the criteria for minimum wage setting, those currently laid down in the Workers' Statute are consistent with the provisions of the Directive.

Nevertheless, the new regulation could include other criteria related to the evolution of poverty and inequality to reinforce its effectiveness as a tool to strengthen social cohesion. A legal principle could also be established to ensure that the (net) minimum wage is not set below 60 per cent of the estimated average net wage. Second, regarding the procedure for setting the annual minimum wage level, the current rules require only that the government have 'prior consultation' with the social partners (although the custom of developing more formal negotiations has been established in recent years). This should be strengthened, and the current Advisory Commission should be formalised to make it permanent and ensure the legal status granted to it by the Directive.

Finally, Article 64 of the Workers' Statute establishes works councils' rights to information and consultation within the framework of negotiations on collective agreements. However, transposition of the Directive could also specify the sources, procedures and responsibilities needed to ensure sufficient information is available for the development of bargaining units above enterprise level.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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