

Wages

In H1 2022, the nominal average wage per capita (SMPT) in the non-agricultural market branches is expected to accelerate: it increased by +0.8% in Q1 and looks set to grow by +1.2% in Q2. It will probably receive a boost when rising consumer prices and hiring difficulties are taken into account in wage negotiations in several branches, and as a result of the two increases in the minimum wage (SMIC) that were applied over the half-year (+0.9% on 1st January and +2.65% on 1st May). In addition, in Q2, the substantial reduction in the amount of sick leave taken due to the slowdown of the Covid-19 epidemic is likely to contribute to a rise in the SMPT, as sickness benefits paid by social security are not considered as wages. Conversely, the withdrawal of the extraordinary purchasing power bonus mechanism (PEPA) on 31 March (before a possible resumption in the summer) is likely to affect SMPT growth in Q2. Short-term working had already declined at the end of 2021, and is expected to fall back a little further, but this is unlikely to make anything but a modest contribution to changes in the SMPT.

In H2 2022, nominal wages should continue to accelerate, and should increase steadily (+1.4% in Q3 then +1.7% in Q4 for the SMPT). This dynamism is expected to be driven mainly by branch wage agreements as the inflationary context of 2022 could increase the possibility of renegotiations in the course of the year. It could also be driven by a further increase in the SMIC, either during the summer or at the beginning of autumn. Finally, the possible reintroduction and tripling of the extraordinary purchasing power bonus (PEPA) in H2 2022, which could be part of the purchasing power support measures voted in the summer, would also support the SMPT.

However, real wages have been eroded by the rise in consumer prices, and are expected to be much less buoyant than nominal wages in 2022: in real terms, the SMPT is likely to decline slightly in Q2 (-0.4%) and Q3 (-0.3%), having slipped back more sharply in Q1 (-0.5%). It looks set to rise again at the end of the year with the easing of the expected increase in consumer prices (+0.6% forecast for the real SMPT in Q4).

In general government, the nominal SMPT increased by 2.2% on average in 2021, after +2.6% in 2020. This was mainly driven by revisions to hospital civil service wages, planned in the “Ségur de la santé” agreements and in place since autumn 2020. Given the rise in prices, general government wages were less dynamic in real terms (+0.6% in 2021, after +1.7% in 2020). In 2022, the nominal general government SMPT is expected to bounce back (+3.8% as an annual average) mainly as a result of the increase in the wages of category C personnel and the probable revision of the index point value in the summer (assumed to be +3% in this scenario). All in all, however, the purchasing power of the general government SMPT in 2022 is likely to weaken (-0.9% forecast for the annual average). ●

► 1. Variation in the basic monthly wage and the average wage per capita

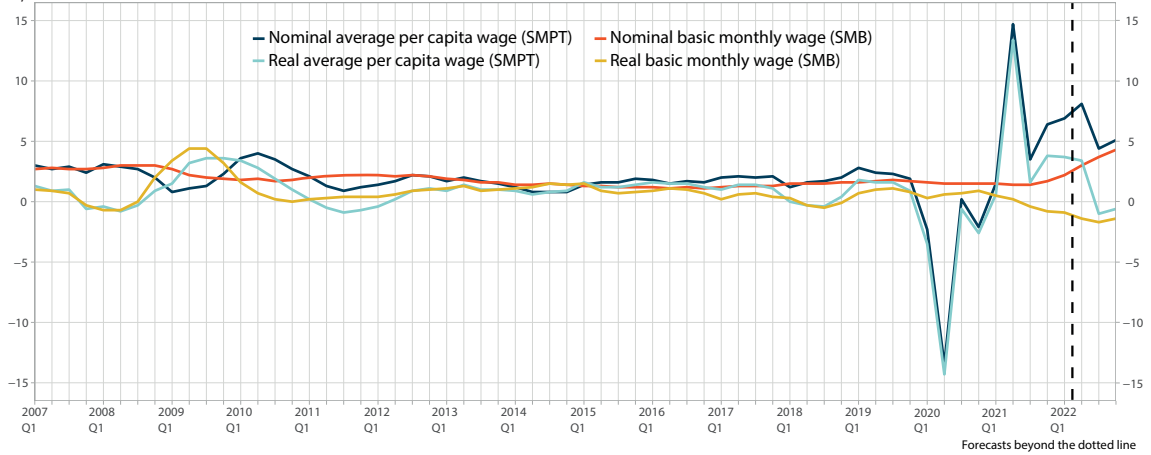
changes in %, seasonally adjusted data

	Quarterly growth rates								Average annual change			
	2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Average wage per capita (SMPT) in non-agricultural market branches	0.3	0.1	4.9	1.0	0.8	1.2	1.4	1.7	2.3	-4.4	6.3	6.1
Basic monthly wage (SMB)	0.3	0.3	0.4	0.7	0.8	1.1	1.1	1.2	1.7	1.5	1.5	3.3
SMPT in general government (GG)									1.4	2.6	2.2	3.8
Household consumer prices (national quarterly accounts)	0.7	0.2	0.7	0.8	1.3	1.6	1.7	1.1	0.8	0.9	1.6	4.7
Real WPS in the non-agricultural market branches	-0.4	-0.1	4.2	0.1	-0.5	-0.4	-0.3	0.6	1.5	-5.3	4.6	1.3
Real WPS	-0.4	0.0	-0.3	-0.1	-0.5	-0.5	-0.5	0.1	0.9	0.6	-0.1	-1.4
Real WPS in GG									0.5	1.7	0.6	-0.9

■ Forecast
Source: DARES, INSEE

► 2. Nominal and real changes in average wage per capita (SMPT) and basic monthly wage (SMB)

year-on-year, in %



Scope: non-agricultural market sector.
Source: INSEE