

In 2010, 17% of employees in the EU were low-wage earners

The proportion of low-wage earners in the EU was 21 % among women, 29 % among employees with a low level of education, 31 % among employees with a fixed duration working contract and 30 % among employees below 30 years of age.

This publication is based on the latest vintage of the four-yearly Structure of Earnings Survey (SES), which provides figures related to October 2010. The SES is a large enterprise survey providing detailed information on the structure and distribution of earnings in the EU.

Data refers to all employees (excluding apprentices) working in enterprises with 10 employees or more and which operate in all sectors of the economy except agriculture, forestry and fishing (NACE Rev. 2 section A) and public administration and defence; compulsory social security (NACE Rev. 2 section O).

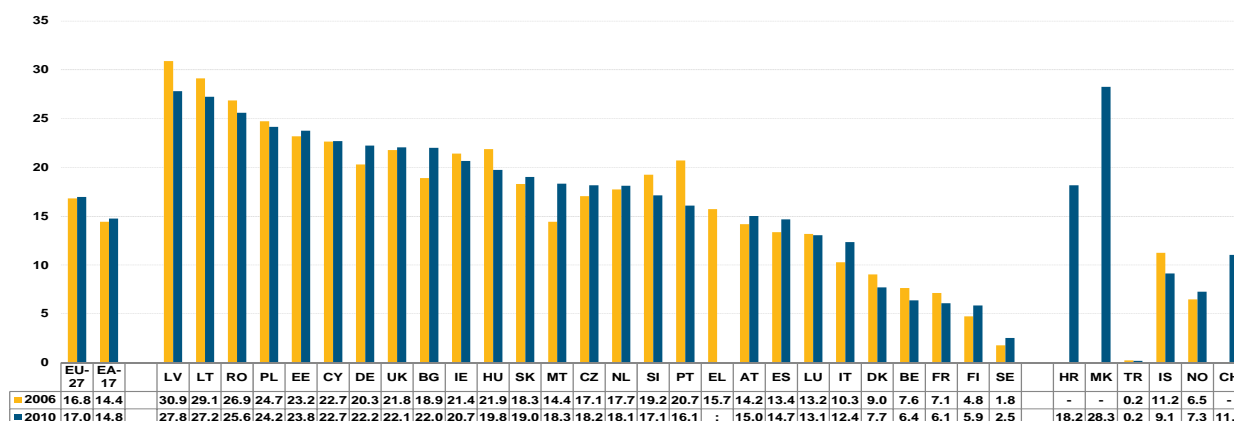
Low-wage earners are defined as those employees earning two thirds or less of the national median hourly earnings. The latter is defined so that half of the employees earn less than this value and half of them earn more. The threshold that determines low wages is specific to each country (see also Table 1).

A slight increase in low-wage earners in the EU compared with 2006

In 2010, in the EU, 17.0 % of employees were low-wage earners against 14.8 % in the euro area. The countries with the highest share of low-wage earners were Latvia (27.8 %) and Lithuania (27.2 %) while Sweden (2.5 %), Finland (5.9%), France (6.1 %) and Belgium (6.4 %) had the lowest proportions.

Compared to 2006, the last reference year available for the same data collection, the share of low-wage earners remained relatively stable, having gone up by just 0.2 percentage points (p.p.) in the EU and 0.4 p.p. in the euro area (Figure 1). The proportion of low-wage earners increased in 14 EU countries, especially in Malta (+3.9p.p.) and Bulgaria (+3.1p.p.). Eleven EU countries recorded a decrease, in particular Portugal (-4.6p.p.), Latvia (-3.1p.p.), Hungary and Slovenia (both -2.1p.p.).

Figure 1: Proportion of low-wage earners, %, 2006 and 2010



Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

Source: Eurostat, SES (online data code: [earn_ses_pub1s](#)).

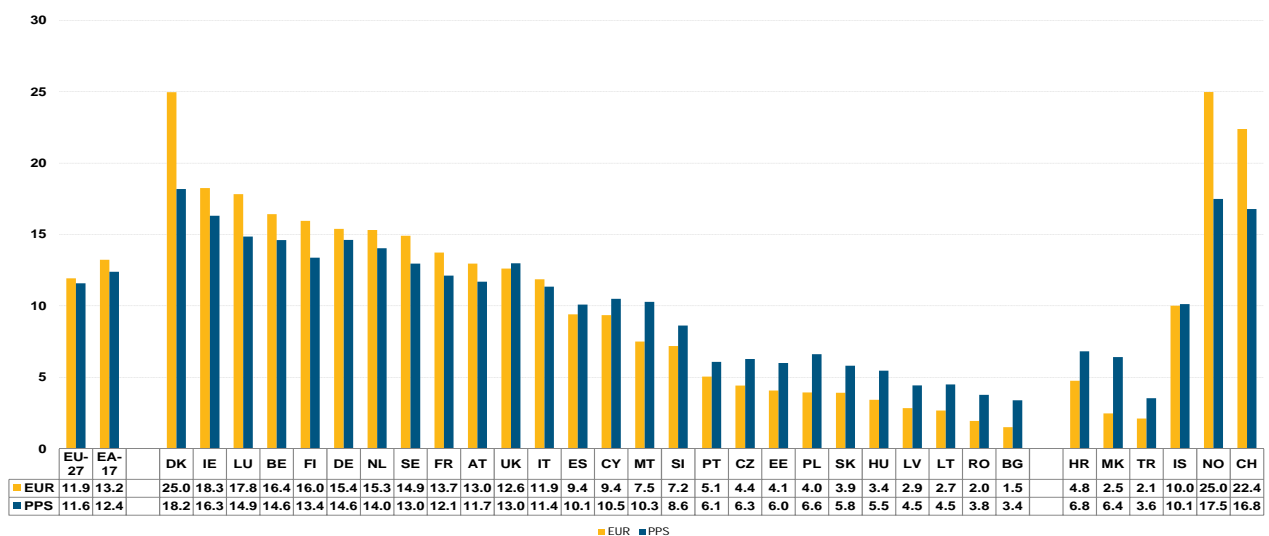
Median gross hourly earnings vary by 1 to 17 across the EU (1 to 5 in Purchasing Power Standards).

Low wages are defined relative to the national median hourly earnings. As a consequence, the relevant threshold (two thirds of the median) varies across countries in line with the respective earnings levels. For this reason, a look at the level of median hourly earnings and the differences between countries provides useful background information in the context of low wages.

Among EU countries, the highest median gross hourly earnings in October 2010 were recorded in Denmark (25.0 EUR), followed by Ireland (18.3 EUR) and Luxembourg (17.8 EUR) (Figure 2).

The lowest were recorded in Bulgaria (1.5 EUR), Romania (2.0 EUR), Lithuania (2.7 EUR) and Latvia (2.9 EUR). Within the EU, the median gross hourly earnings varied by 1 to 17 in euros and 1 to 5 in purchasing power standards (PPS), which account for price differentials between countries.

Figure 2: Median gross hourly earnings, EUR & PPS, 2010



Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

Source: Eurostat, SES (online data code: [earn_ses_pub2s](#)).

Women more likely to be low-wage earners

In the EU, the median gross hourly earnings were 12.8 EUR for men and 11.0 EUR for women (Table 1). Denmark recorded the highest figures for both men (26.7 EUR) and women (23.8 EUR) while Bulgaria recorded the lowest for both sexes, with only 0.1 EUR difference between men (1.6 EUR) and women (1.5 EUR). Luxembourg and Slovenia were the only two Member States in which the median gross hourly earnings of men (17.8 and 7.1 EUR respectively) were lower than those of women (18.0 and 7.3 EUR respectively).

The proportion of low-wage earners in the EU was 21.2 % among women and 13.3% among men. Bulgaria was the only country which recorded a higher proportion of low-wage earners among men (22.5 %) than among women (21.6 %). The countries with the highest proportion of low-wage earners among women were Cyprus (31.4 %) and Estonia (30.1 %), and the lowest Sweden (3.1 %), France (7.9 %), Finland (8.0 %) and Denmark (9.8 %). Among men, the highest proportions of low-wage earners were recorded in Latvia (26.7 %), Romania (25.5 %) and Lithuania (24.5 %), and the lowest in Sweden (1.9 %), Belgium and Finland (both 3.3 %) and France (4.5 %).

Table 1: Median gross hourly earnings (EUR) and proportion of low-wage earners (%) by sex, 2010

	Low-wage threshold (EUR)	Median gross hourly earnings (EUR)			Proportion of low-wage earners (%)		
	2/3 of the median	Total	Men	Women	Total	Men	Women
EU-27	-	11.9	12.8	11.0	17.0	13.3	21.2
EA-17	-	13.2	14.1	12.3	14.8	11.0	19.2
BE	10.9	16.4	16.8	15.7	6.4	3.3	10.3
BG	1.0	1.5	1.6	1.5	22.0	22.5	21.6
CZ	3.0	4.4	4.8	4.0	18.2	12.9	24.5
DK	16.6	25.0	26.7	23.8	7.7	5.4	9.8
DE	10.2	15.4	16.9	13.8	22.2	17.0	28.7
EE	2.7	4.1	4.8	3.6	23.8	15.5	30.1
IE	12.2	18.3	19.3	17.3	20.7	17.6	23.6
ES	6.3	9.4	10.3	8.4	14.7	9.2	21.0
FR	9.2	13.7	14.5	13.0	6.1	4.5	7.9
IT	7.9	11.9	12.1	11.5	12.4	10.3	15.1
CY	6.2	9.4	10.6	8.0	22.7	14.9	31.4
LV	1.9	2.9	3.1	2.7	27.8	26.7	28.7
LT	1.8	2.7	2.8	2.6	27.2	24.5	29.4
LU	11.9	17.8	17.8	18.0	13.1	9.3	20.2
HU	2.3	3.4	3.6	3.3	19.8	18.1	21.5
MT	5.0	7.5	7.6	7.4	18.3	15.6	22.4
NL	10.2	15.3	16.4	14.3	18.1	15.3	21.2
AT	8.6	13.0	14.2	11.1	15.0	8.2	24.8
PL	2.6	4.0	4.1	3.8	24.2	21.8	26.8
PT	3.4	5.1	5.5	4.6	16.1	10.2	22.1
RO	1.3	2.0	2.0	1.9	25.6	25.5	25.8
SI	4.8	7.2	7.1	7.3	17.1	15.3	19.3
SK	2.6	3.9	4.2	3.6	19.0	14.6	23.7
FI	10.6	16.0	18.0	14.6	5.9	3.3	8.0
SE	9.9	14.9	15.8	14.1	2.5	1.9	3.1
UK	8.4	12.6	14.1	11.2	22.1	16.7	27.6
IS	6.7	10.0	10.7	9.5	9.1	5.7	12.0
NO	16.6	25.0	26.3	23.8	7.3	6.0	8.6
CH	14.9	22.4	24.0	20.4	11.0	6.1	16.9
HR	3.2	4.8	4.8	4.7	18.2	15.7	20.7
MK	1.7	2.5	2.5	2.5	28.3	26.4	30.3
TR	1.4	2.1	2.1	2.1	0.2	0.2	0.2

Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

Source: Eurostat, SES (online data codes: [earn ses pub1s](#), [earn ses pub2s](#).)

Higher level of education yields higher earnings

In the EU, the median gross hourly earnings of employees with a high level of education (16.3 EUR), i.e. those who have at least completed the first level of tertiary education or higher, was almost one half above the figure for those with a medium level of education (11.3 EUR), i.e. employees who have completed secondary education but not tertiary level. It was 1.7 times more than the level recorded for employees with a low level of education (9.6 EUR), those whose level of education is not beyond the second stage of basic education (Table 2).

Employees with a high level of education in Portugal (11.8 EUR) recorded median hourly earnings of almost three times above the value of those with a low level of education (4.1 EUR). Besides Portugal, the highest differences between the median hourly earnings of high-skilled and low-skilled employees were recorded in Germany and Romania (both by a factor of 1 to 2.5).

Conversely, the lowest gaps between the highest and lowest levels of education were found in Sweden, Finland and Denmark.

Employees with a medium level of education in Cyprus (7.6 EUR), Poland (3.4 EUR) and Portugal (5.3 EUR) earned slightly less than half of those with a high level of education (15.3, 6.9 and 11.8 EUR respectively).

Table 2: Median gross hourly earnings by level of educational attainment, EUR, 2010

	Total	Low	Medium	High
EU-27	11.9	9.6	11.3	16.3
EA-17	13.2	9.8	13.3	18.6
BE	16.4	14.0	15.1	23.2
BG	1.5	1.1	1.3	2.3
CZ	4.4	3.2	4.3	6.6
DK	25.0	21.0	23.5	28.6
DE	15.4	9.8	15.1	25.0
EE	4.1	2.9	3.5	5.5
IE	18.3	15.0	16.5	22.9
ES	9.4	7.8	9.1	13.5
FR	13.7	11.4	12.6	17.6
IT	11.9	10.0	12.7	19.5
CY	9.4	8.0	7.6	15.3
LV	2.9	2.1	2.4	4.3
LT	2.7	1.9	2.0	3.8
LU	17.8	13.5	16.9	26.9
HU	3.4	2.5	3.2	5.5
MT	7.5	6.1	7.7	10.9
NL	15.3	11.5	14.9	21.4
AT	13.0	9.8	13.0	19.2
PL	4.0	2.8	3.4	6.9
PT	5.1	4.1	5.3	11.8
RO	2.0	1.3	1.7	3.3
SI	7.2	5.2	6.6	12.3
SK	3.9	2.6	3.7	5.6
FI	16.0	14.1	14.3	19.0
SE	14.9	13.7	14.3	15.9
UK	12.6	9.9	10.5	16.4
IS	10.0	8.4	10.1	11.9
NO	25.0	20.4	24.2	29.2
CH	22.4	16.4	21.1	32.4
HR	4.8	3.5	4.4	7.5
MK	2.5	1.6	2.0	3.3
TR	2.1	1.9	2.2	4.5

Notes: Data refer to enterprises with 10 employees or more and NACE Rev. 2 sections B to S excluding O.

Source: Eurostat, SES (online data code: [earn_ses_pub2i](#)).

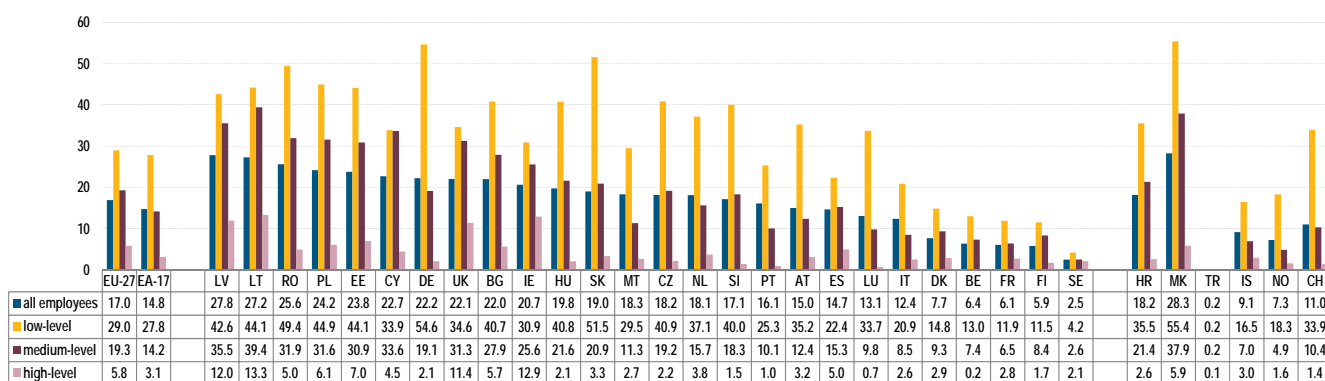
Employees with low level of education almost five times more likely to be low-wage earners than those with high level

In the EU, the proportion of low-wage earners among employees with a high level of education was 5.8 %. This proportion increases to 19.3 % for a medium level of education and to 29.0 % for a low level (Figure 3).

In 2010, more than half of employees with a low level of education in Germany (54.6 %) and Slovakia (51.5 %) were low-wage earners. The smallest proportion of low-wage earners among this category was recorded in Sweden (4.2 %).

Among employees with a high level of education, the proportion of low-wage earners was lowest in Belgium (0.2 %) and Luxembourg (0.7 %), and highest in Lithuania (13.3%), Ireland (12.9 %) and Latvia (12.0 %). In Sweden, employees with a medium level of education had a similar likelihood of being low-wage earners (2.6 %) as those with a high level (2.1 %). Similarly, in Cyprus, employees with low (33.9 %) and medium (33.6 %) level of education both recorded almost the same proportion of low-wage earners.

Figure 3: Proportion of low-wage earners by level of educational attainment of employees, %, 2010



Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

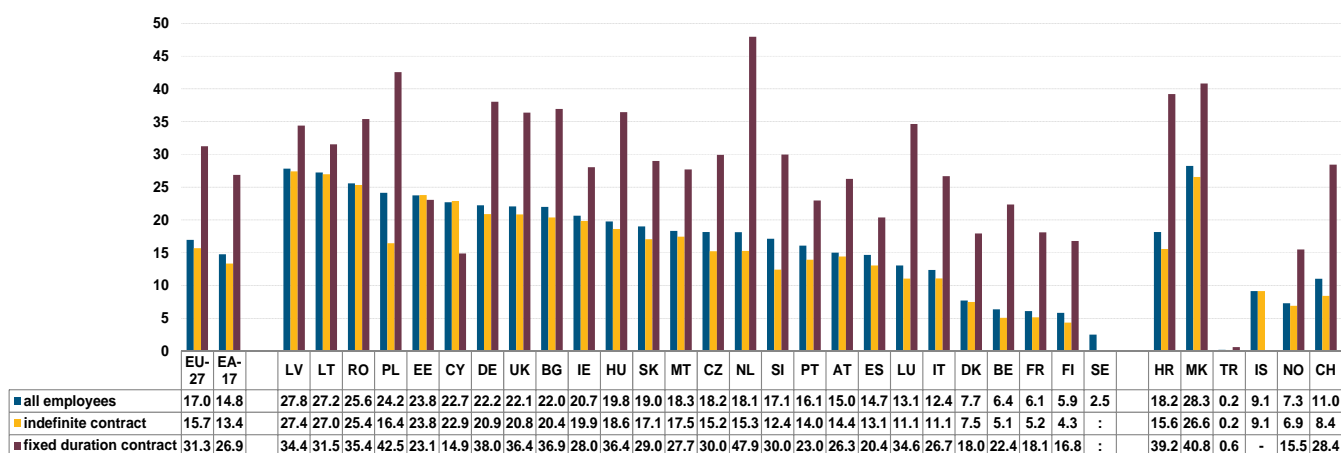
Source: Eurostat, SES (online data code: [earn_ses_pub1i](#)).

Almost one in every three employees on a fixed duration contract is a low-wage earner

In the EU, 31.3 % of employees holding fixed duration contracts were low-wage earners compared with 15.7 % of employees employed on indefinite contracts (Figure 4). The former had a higher rate of low-wage earners in all EU countries except Cyprus (14.9 % and 22.9 % respectively) and Estonia (23.1 % and 23.8 %). Latvia (27.4 %), Lithuania (27.0 %) and Romania (25.4 %) had the highest proportions of low-wage earners among employees with indefinite

contracts while the Netherlands (47.9 %) and Poland (42.5 %) recorded the highest proportions among employees with fixed duration contracts. While an employee on a fixed duration contract in Finland has almost four times the probability of being low-wage earner (16.8 %) than one on an indefinite contract (4.3 %), this gap is almost negligible for employees in Estonia (0.7p.p. difference).

Figure 4: Proportion of low-wage earners by type of employment contract, %, 2010 (1)



Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

(1) EU/EA (indefinite / fixed duration contract) aggregates excluding Sweden.

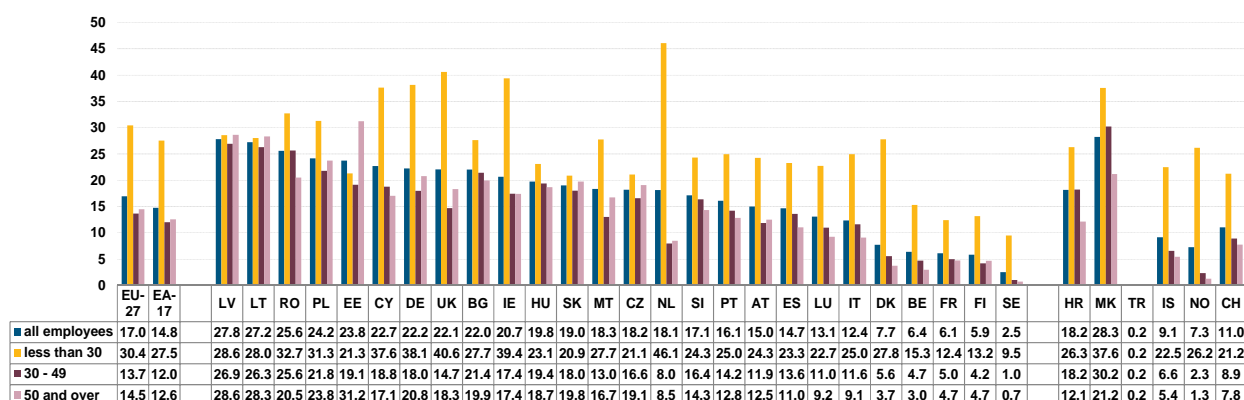
Source: Eurostat, SES (online data code: [earn_ses_pub1i](#)).

Higher proportion of low-wage earners among employees below 30 years of age

In the EU, three in every ten employees (excluding apprentices) below the age of 30 were low-wage earners (30.4 %) in 2010. The proportion in the euro area was slightly less (27.5 %). The highest proportions of low-wage earners among employees below 30 years were observed in the Netherlands (46.1 %) and the United Kingdom (40.6 %), and the lowest in Sweden (9.5 %). While the proportion of low-wage earners among employees between 30 and 49 years of age (13.7 %) is slightly lower than for

those aged 50 and over (14.5 %) at EU level, different patterns are observed at country level. Thirteen countries registered a higher proportion of low-wage earners among the 30-49 age category, while 12 countries recorded the opposite. The countries with the highest proportion of low-wage earners among the 30 to 49 were Latvia (26.9 %) and Lithuania (26.3 %) while for those 50 years and over, the highest proportion was observed in Estonia (31.2 %). (Figure 5).

Figure 5: Proportion of low-wage earners by age category, %, 2010



Notes: Data refer to enterprises with 10 employees or more and to NACE Rev. 2 sections B to S excluding O.

Source: Eurostat, SES (online data code: [earn_ses_pub1a](#)).

Financial and Insurance Activities remains the highest paying sector in the EU

Table 3: Median hourly earnings (EUR) and proportion of low-wage earners (%) by economic activity, 2010

NACE (Rev. 2)	Median hourly earnings (EUR)	Proportion of low-wage earners (%)
Total	11.9	17.0
B	7.7	3.6
C	11.9	13.9
D	16.1	1.9
E	10.9	11.7
F	11.6	14.2
G	10.1	24.7
H	11.8	12.7
I	8.2	42.9
J	17.0	6.5
K	18.0	3.0
L	11.9	14.0
M	15.7	8.9
N	9.0	40.4
P	14.6	9.9
Q	13.1	13.1
R	10.3	23.9
S	12.2	23.2

Notes: Data refer to all employees (excl. apprentices) working in enterprises with 10 employees or more.

Source: Eurostat, SES (online data codes: [earn_ses_pub1n](#), [earn_ses_pub2n](#)).

In the EU, the median gross hourly earnings vary by a factor of 2 across all sectors of the economy (Table 3). In 2010, the highest value (18.0 EUR) was observed in "Financial and insurance activities" (NACE K), followed by "Information and communication activities" (NACE J) and "Electricity, gas, steam and air conditioning supply" (NACE D) at 17.0 EUR and 16.1 EUR respectively.

"Electricity, gas, steam and air conditioning supply" registered the lowest proportion of low-wage earners (1.9 %) followed by "Financial and insurance activities" (3.0 %).

"Mining and quarrying" (NACE B) recorded the lowest median hourly earnings (7.7 EUR) but a relatively small proportion of low-wage earners (3.6 %). "Accommodation and food services" (NACE I) and "Administrative and support service" (NACE N) which had the second (8.2 EUR) and third (9.0 EUR) lowest median earnings also recorded the highest proportion of low-wage earners, 42.9 % and 40.4 % respectively.

METHODOLOGICAL NOTES

The source of the data presented in this publication is Eurostat's Structure of Earnings Survey 2010 (SES 2010) covering enterprises with at least 10 employees in all economic activities except agriculture, forestry, fishing, public administration and defence, private households and extra-territorial organisations (NACE Rev. 2 classification: sections B to S (excluding O)). Reference is also made to SES 2006 data covering enterprises with at least 10 employees and in all economic activities except agriculture, hunting and forestry, fishing, public administration and defence, private households and extra-territorial organisations (NACE Rev. 1.1 classification: sections C to O (excluding L)).

The results of the four-yearly SES provide comparable EU-level information on relationships between the level of earnings; individual characteristics of employees (sex, age, occupation, educational level, etc.) and their employer (economic activity, size of the enterprise, etc.). The data collection is based on [Council Regulation No 530/99 of 9 March 1999](#) concerning structural statistics on earnings and on labour costs and the [Commission Regulation 1738/2005](#).

Definitions

Categories of persons covered

All persons employed at the observation unit and with an employment contract (indefinite or not) are covered, except e.g. family workers; home workers; occasional workers; persons wholly remunerated by way of fees or commission; Board of Director members; directors/managers paid by way of profit share or by fee; self-employed persons.

If not otherwise stated, earnings cover full-time and part-time workers, excluding apprentices. However apprentices are still included for: CZ, EE, ES, CY, HU, PL, PT, RO, SE, SI, SK, UK and CH as these countries have not transmitted separate data for this category of employees.

Gross hourly earnings

Gross hourly earnings refer to the remuneration earned by employees before any tax and social security contributions are deducted, per hour worked in the reference month of October. These exclude any overtime pay, shift premiums, allowances, bonuses, commission, etc.

The 2010 annual averages of the exchange rate were used in converting national (non-euro) currencies into euro.

Median earnings

Median earnings is defined so that half of the population earns less than this value and the other half earns more.

Low-wage earners

These are defined as those employees earning two-thirds or less of the national median gross hourly earnings in that particular country.

Purchasing Power Standards (PPS)

PPS are an artificial currency that account for price differentials as measured for the Gross Domestic Product. For further details, please refer to table "prc_ppp_ind" on Eurostat's database; http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database

Classifications

ISCED – International Standard Classification of Education

Educational attainment is classified according to ISCED-97. In this publication the following ISCED level groupings are used:

Low level: ISCED 0, 1 and 2 (Pre-primary, primary education or first stage of basic education; Lower secondary or second stage of basic education);

Medium level: ISCED 3 and 4 (Upper secondary and post-secondary non-tertiary education);

High level: ISCED 5a, 5b and 6 (Tertiary programmes with academic orientation; Second stage of tertiary education leading to an advanced research qualification).

NACE – Statistical Classification of Economic Activities in the European Community

The economic activities mentioned in this publication refer to NACE Rev. 2 and these include all branches of the economy except agriculture, forestry and fishing, public administration and defence; compulsory social security, private households and extra-territorial organizations (B to S excluding O); Mining and quarrying (B), Manufacturing (C), Electricity, gas, steam and air-conditioning supply (D), Water supply; sewerage, waste management and remediation activities (E), Construction (F), Wholesale and retail trade; repair of motor vehicles and motorcycles (G), Transportation and storage (H), Accommodation and food service activities (I), Information and communication (J), Financial and insurance activities (K), Real estate activities (L), Professional, scientific and technical activities (M), Administrative and support services (N), Education (P), Human health and social work activities (Q), Arts, entertainment and recreation (R), Other service activities (S).

Abbreviations and symbols

European aggregates

The European Union (EU-27): Belgium (BE), Bulgaria (BG), Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK).

The Euro Area (EA-17): BE, DE, EE, IE, ES, FR, IT, CY, LU, MT, NL, AT, PT, SI, SK and FI.

EU and euro area aggregates are compiled as the sum of all member countries except Greece.

Candidate Countries (as at October 2010): Croatia (HR), the Former Yugoslav Republic of Macedonia (MK) and Turkey (TR).

European Free Trade Association (EFTA) countries: Iceland (IS), Norway (NO) and Switzerland (CH).

Symbols

'-' not applicable; ':' not available

Further information

Eurostat website: <http://ec.europa.eu/eurostat>

Data on 'Labour market statistics, earnings'

http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/earnings/database

Further information about 'Labour market statistics, earnings'

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Manuscript completed on: 11.12.2012

Data extracted on: 16.11.2012

ISSN 1977-0316

Catalogue number: KS-SF-12-048-EN-N

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