This article illustrates how minimum wage levels vary considerably across the European Union (EU) Member States; it also provides a comparison with the situation in the United Kingdom, the candidate countries and the United States.

**General overview**

Minimum wage statistics, as published by Eurostat, refer to national minimum wages. The national minimum wage usually applies to all employees, or at least to a large majority of employees in a country. It is enforced by law, often after consultation with social partners, or directly by a national intersectoral agreement.

Minimum wages are generally presented as monthly wage rates for gross earnings, that is, before the deduction of income tax and social security contributions payable by the employee; these deductions vary from country to country. National minimum wages are published by Eurostat bi-annually. They reflect the situation on 1 January and 1 July of each year. As a consequence, modifications to minimum wages introduced between these two dates are only shown for the following bi-annual release of data.

**Variations in national minimum wages**

Minimum wages in the EU Member States ranged from EUR 312 to EUR 2 142 per month in July 2020

In July 2020, 21 out of the 27 EU Member States (Denmark, Italy, Cyprus, Austria, Finland and Sweden were the exceptions) had a national minimum wage, as did the United Kingdom and all of the EU candidate countries (Montenegro, North Macedonia, Albania, Serbia and Turkey). As of 1 July 2020, monthly minimum wages varied widely across the Member States, from EUR 312 in Bulgaria to EUR 2 142 in Luxembourg (see Figure 1).
Compared with July 2010, minimum wages (expressed in euro) were higher in July 2020 in every EU Member State having a national minimum wage, except in Greece where they were 12% lower (cumulated over the 10 years, with average annual rate of change of -1.3%). Between July 2010 and July 2020, the average annual rate of change of minimum wages was highest in Romania (12.9%) followed by Lithuania (10.1%). In addition, Bulgaria (9.8%), Estonia (7.7%), Slovakia (6.5%) and Poland (6.2%) also recorded significant increases.

Based on the level of their national gross monthly minimum wages expressed in euro terms, EU Member States covered by this data collection may be classified into three different groups; non-member countries are shown in Figure 1 as a separate group.

- **Group 1**, where national minimum wages were **lower than EUR 500 per month** in July 2020. The EU Member States in this group included: Bulgaria, Latvia, Hungary and Romania; their national minimum wages ranged from EUR 312 in Bulgaria to EUR 461 in Romania.
• **Group 2**, where national minimum wages were **at least EUR 500 but lower than EUR 1 000 per month** in July 2020. The EU Member States in this group included: Croatia, Czechia, Slovakia, Poland, Estonia, Lithuania, Portugal, Greece, Malta and Slovenia; their national minimum wages ranged from EUR 537 in Croatia to EUR 941 in Slovenia.

• **Group 3**, where national minimum wages were **at least EUR 1 000 per month** in July 2020. The EU Member States in this group included: Spain, France, Germany, Belgium, the Netherlands, Ireland and Luxembourg; their national minimum wages ranged from EUR 1 108 in Spain to EUR 2 142 in Luxembourg.

• The national minimum wage in the United Kingdom in July 2020 was EUR 1 583.

• All of the EU candidate countries had minimum wages that were similar to those in group 1, ranging from EUR 209 in Albania to EUR 383 in Turkey. The level in the United States (with a national minimum wage of EUR 1 122 per month) fell within the range shown in group 3.

For those EU Member States with national minimum wages that are outside of the euro area (Bulgaria, Czechia, Croatia, Hungary, Poland, Romania), for the United Kingdom, as well as EU candidate countries and the United States, the level of minimum wages and the ranking expressed in euro terms are influenced by the exchange rates that are used to convert from national currencies to euro.

### Minimum wages expressed in purchasing power standards

The gap between countries in the level of minimum wages was considerably smaller once price level differences were taken into account.

Figure 2 compares gross minimum wages taking into account differences in price levels by applying **purchasing power parities (PPPs)** for **household final consumption expenditure**; as might be expected, adjusting for differences in price levels reduces the variation between countries. Based on the level of their national gross monthly minimum wages expressed in PPP terms, the EU Member States covered by this data collection may be classified into two different groups; again, non-member countries are shown separately in Figure 2.

• **Group 1**, where national minimum wages were **lower than PPS 1 000** in July 2020. The EU Member States in this group included: Latvia, Bulgaria, Estonia, Slovakia, Hungary, Czechia, Croatia, Portugal, Romania, Lithuania, Greece and Malta; their national minimum wages ranged from PPS 547 in Latvia to PPS 890 in Malta.

• **Group 2**, where national minimum wages were **at least PPS 1 000** in July 2020. The EU Member States in this group included: Poland, Slovenia, Spain, Ireland, France, Belgium, the Netherlands, Germany and Luxembourg; their national minimum wages ranged from PPS 1 008 in Poland to PPS 1 634 in Luxembourg.

• National minimum wage in the United Kingdom in July 2020 was PPS 1 358.

• All of the EU candidate countries had minimum wages expressed in PPP that were similar to those in group 1, ranging from PPS 372 in Albania to PPS 982 in Turkey. The United States (PPS 916) had minimum wage expressed in PPP that fell also within the range of group 1.

The EU Member States in **Group 1**, with relatively low minimum wages in euro terms, tended to have lower price levels and therefore relatively higher minimum wages when expressed in **purchasing power standard (PPS)**. On the other hand, Member States in **Group 2**, with relatively high minimum wages in euro terms, tended to have higher price levels and their minimum wages in PPP terms were therefore often lower. This adjustment for price levels has the effect of partly smoothing the distinct breaks between the three different groups of Member States that were identified when minimum wages were ranked in euro terms.
The disparities in minimum wage rates between the EU Member States were reduced from a ratio of 1 to 6.9 in euro (meaning that the highest minimum wage was 6.9 times as high as the lowest one, expressed in euro) to a ratio of 1 to 3.0 when expressed in PPS (meaning that the highest minimum wage was 3.0 times as high as the lowest one, expressed in PPS).

Minimum wage levels in relation to median gross earnings

Figure 3 provides information in relation to the share of the national minimum wage in median gross earnings. National minimum wages expressed in euro terms were taken as of 1 July 2014 and divided by the median gross earnings measured from the Structure of Earnings Survey (SES 2014). In July 2014, the proportion of minimum wages in median earnings across the EU Member States varied from 40 % to 66 %. For the purpose of this analysis, payments for overtime and shift work have been excluded from the calculation of median gross monthly earnings. In the case of Germany, France and Ireland, whose minimum wages are set on an hourly basis, the ratio was calculated as a proportion of the median hourly earnings. For the other 16 EU Member states that have national monthly minimum wages and for which data is available, the ratio was calculated as a proportion of the median monthly earnings.
The proportion of employees earning the minimum wage can vary considerably across countries. By linking microdata from the two latest four-yearly structure of earnings surveys (SES) with the level of minimum wages in force at the time (October 2010 and 2014), it is possible to derive an estimate of these proportions (as presented in Figure 4). For the sake of comparability, the scope has been restricted to full-time workers aged 21 years and over, working in enterprises with 10 employees and more, excluding public administration, defence and compulsory social security (NACE Rev. 2 Section O). Moreover, monthly earnings calculated from the SES exclude any earnings related to overtime and shift work.

In October 2014, the proportion of employees being paid less than 105 % of the national minimum wage was above 7.0 % in ten of the EU Member States that enforced a minimum wage, namely: Slovenia (19.1 %), Romania (15.7 %), Portugal (13.0 %), Poland (11.7 %), Bulgaria (8.8 %); France (8.4 %), Lithuania (8.1 %), Latvia (7.9 %), Greece (7.7 %) and Croatia (7.1 %). Belgium (0.4 %) recorded the lowest proportion of employees earning less than 105 % of the national minimum wage, while the proportion of employees in the remaining ten Member States earning less than this amount stood between 1.0 % (Spain) and 5.8 % (Luxembourg).
Proportion of employees earning less than 105% of the minimum wage, October 2010 and 2014 (%)

Between 2010 and 2014, the proportion of employees earning less than 105% of the national minimum wage increased by more than 2.0 percentage points in Romania (11.7 points), Bulgaria (5.4 points), Poland (3.6 points) and Hungary (2.3 points), while it decreased by more than 2.0 points in Lithuania (-5.6 points), Ireland (-5.1 points), Luxembourg (-4.1 points), Latvia (-4.0 points), Portugal (-3.8 points), Croatia (-2.6 points) and Slovakia (-2.2 points).

Source: Eurostat, Structure of Earnings Survey 2014 and Minimum wages; special calculation made for the purpose of this publication; data are not available in Eurostat’s online database.

Development of the proportion of minimum wage earners

Between 2010 and 2014, the proportion of employees earning less than 105% of the national minimum wage increased by more than 2.0 percentage points in Romania (11.7 points), Bulgaria (5.4 points), Poland (3.6 points) and Hungary (2.3 points), while it decreased by more than 2.0 points in Lithuania (-5.6 points), Ireland (-5.1 points), Luxembourg (-4.1 points), Latvia (-4.0 points), Portugal (-3.8 points), Croatia (-2.6 points) and Slovakia (-2.2 points).

Source data for tables and graphs

- Minimum wage statistics: tables and figures

Data sources

Monthly national minimum wages

Minimum wage statistics published by Eurostat refer to monthly national minimum wages. Data are published in relation to the minimum wages applied on 1 January and 1 July each year. The basic national minimum wage is fixed at an hourly, weekly or monthly rate, and this minimum wage is enforced by law (the government), often after consultation with social partners, or directly by a national intersectoral agreement.
The national minimum wage usually applies to all employees, or at least to a large majority of employees in the country; the information is reported in gross terms. A complete set of country-specific information on national minimum wages is available in an annex as part of the metadata.

For those countries where the national minimum wage is not fixed in gross terms, the net value is grossed up to cover the applicable taxes; this is the case for Montenegro and for Serbia.

For those countries where the national minimum wage is not fixed at a monthly rate (for example, where minimum wages are specified on an hourly or weekly basis) the level of the minimum wage is converted into a monthly rate according to conversion factors supplied by the countries concerned:

- **Germany**: \((\text{hourly rate} \times 39.1 \text{ hours per week} \times 52 \text{ weeks}) / 12 \text{ months}\) (the value of 39.1 hours relates to mean basic hours per week for full time employees in NACE Rev.2 sections B to S; this value is a result of quarterly earnings survey);

- **Ireland**: \((\text{hourly rate} \times 39 \text{ hours per week} \times 52 \text{ weeks}) / 12 \text{ months}\);

- **France**: data for January 1999–January 2005: \((\text{hourly rate} \times 39 \text{ hours per week} \times 52 \text{ weeks}) / 12 \text{ months}\); data from July 2005 onwards \((\text{hourly rate} \times 35 \text{ hours per week} \times 52 \text{ weeks}) / 12 \text{ months}\);

- **Malta**: \((\text{weekly rate} \times 52 \text{ weeks}) / 12 \text{ months}\);

- **United Kingdom**: \((\text{hourly rate} \times \text{mean basic paid hours per week for full-time employees in all sectors} \times 52.18 \text{ weeks}) / 12 \text{ months}\);

- **United States**: \((\text{hourly rate} \times 40 \text{ hours per week} \times 52 \text{ weeks}) / 12 \text{ months}\).

In Serbia, the national minimum wage is determined in net hourly terms. The following conversion is applied: \((\text{hourly net rate} \times 40 \text{ hours per week} \times 52.2 \text{ weeks}) / 12 \text{ months}\). This value is then grossed up to cover applicable taxes.

In addition, when the minimum wage is paid for more than 12 months per year (as in Greece, Spain and Portugal, where it is paid for 14 months a year), data have been adjusted to take these payments into account.

Data on national minimum wages are submitted to Eurostat in national currency terms. For the non-euro area countries, minimum wages in national currencies are converted into euro by applying the monthly exchange rate as recorded at the end of the previous month (for example, the rate at the end of June 2020 was used for calculating minimum wages in euro terms as of 1 July 2020). To remove the effect of differences in price levels between the countries, special conversion rates called purchasing power parities (PPPs) are used. PPPs for household final consumption expenditure in each country are used to convert the monthly minimum wages expressed in euro or national currencies to an artificial common unit called the purchasing power standard (PPS). If PPPs for the latest reference period are not yet available, they are replaced by the PPP of the previous year, and the series are updated once the latest PPPs are available.

**Countries not covered by minimum wage statistics**

As of 1 July 2020, there was no national minimum wage in Denmark, Italy, Cyprus, Austria, Finland and Sweden; this was also the case in the EFTA countries of Iceland, Norway and Switzerland. In Cyprus, minimum wages are set by the government for specific occupations. In Denmark, Italy, Austria, Finland and Sweden, as well as in Iceland, Norway and Switzerland, minimum wages are laid down by collective agreements for a range of specific sectors.

**Median gross monthly earnings**

Data on median gross monthly earnings are based on the latest data collected from the structure of earnings survey (SES) in 2014 (this survey is conducted once every four years). Data on median gross monthly earnings refer 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). Median earnings is the level of earnings which divides all employees into two equal groups: half earn less than the
median and half earn more. **Gross monthly earnings** refer to the wages and salaries earned by full-time and part-time employees in the reference month (generally October 2014) before any tax and social security contributions are deducted. Wages and salaries include any overtime pay, shift premiums, allowances, bonuses, commission, etc. The gross monthly earnings of part-time employees have been converted into full-time units before being included in the average with the same weight as full-time employees. Excluding part-time employees from the calculation of median gross monthly earnings impacts the ratio of minimum wages/median earnings by 7 percentage points in the Netherlands (49 % instead of 56 %).

Average exchange rates for 2014 were used to convert data for non-euro area countries into euro. The country-specific activity coverage for national minimum wages as a proportion of average monthly earnings is available in an annex that forms part of the [metadata](#).

### Context

Several of the founding EU Member States have a lengthy tradition of ensuring a national minimum wage for those at the lower-paid end of the workforce. By contrast, a number of Member States, including Germany, Ireland and many of the countries that joined the EU in 2004 or later, have only recently introduced minimum wage legislation, while six of the EU-27 Member States had no national minimum wage as of 1 July 2020.

In recent years there has been a pattern of relatively low wage increases (wage moderation) in most European countries, and many groups representing workers have argued that purchasing power and overall standards of living have fallen. Some politicians, worker representatives, pressure groups and commentators promote the idea of a 'European minimum wage' or national minimum wages set in all EU Member States.

National minimum wage levels are not necessarily changed every year, nor does the adjustment always result in a minimum wage increase — for example, the level of minimum wages in Greece decreased in 2012 as part of the austerity measures introduced by the government. The National Collective Agreement was suspended in Greece that year and the national minimum wage is now fixed by government decision.

### Other articles

- [Earnings statistics](#)
- [Gender pay gap statistics](#)
- [Labour market and household statistics](#)
- [Labour market statistics at regional level](#)
- [Wages and labour costs](#)

### Tables

- [Earnings](#), see:
  - Minimum wages (tps00155)

### Database

- [Earnings](#), see:
  - Minimum wages (earn_minw)
    - Monthly minimum wages - bi-annual data (earn_mw_cur)
Monthly minimum wage as a proportion of average monthly earnings (%) — NACE Rev. 2 (from 2008 onwards) (earn_mw_avgr2)

Monthly minimum wage as a proportion of average monthly earnings (%) — NACE Rev. 1.1 (1999-2009) (earn_mw_avgr1)

Dedicated section

- Earnings

Methodology

- Minimum wages (ESMS metadata file — earn_minw_esms)

External links

- Eurofound — European Industrial Relations Observatory (EIRO)
- International Labour Organisation (ILO)