

*Data extracted in January 2021.
Planned article update: July 2021.*

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 [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

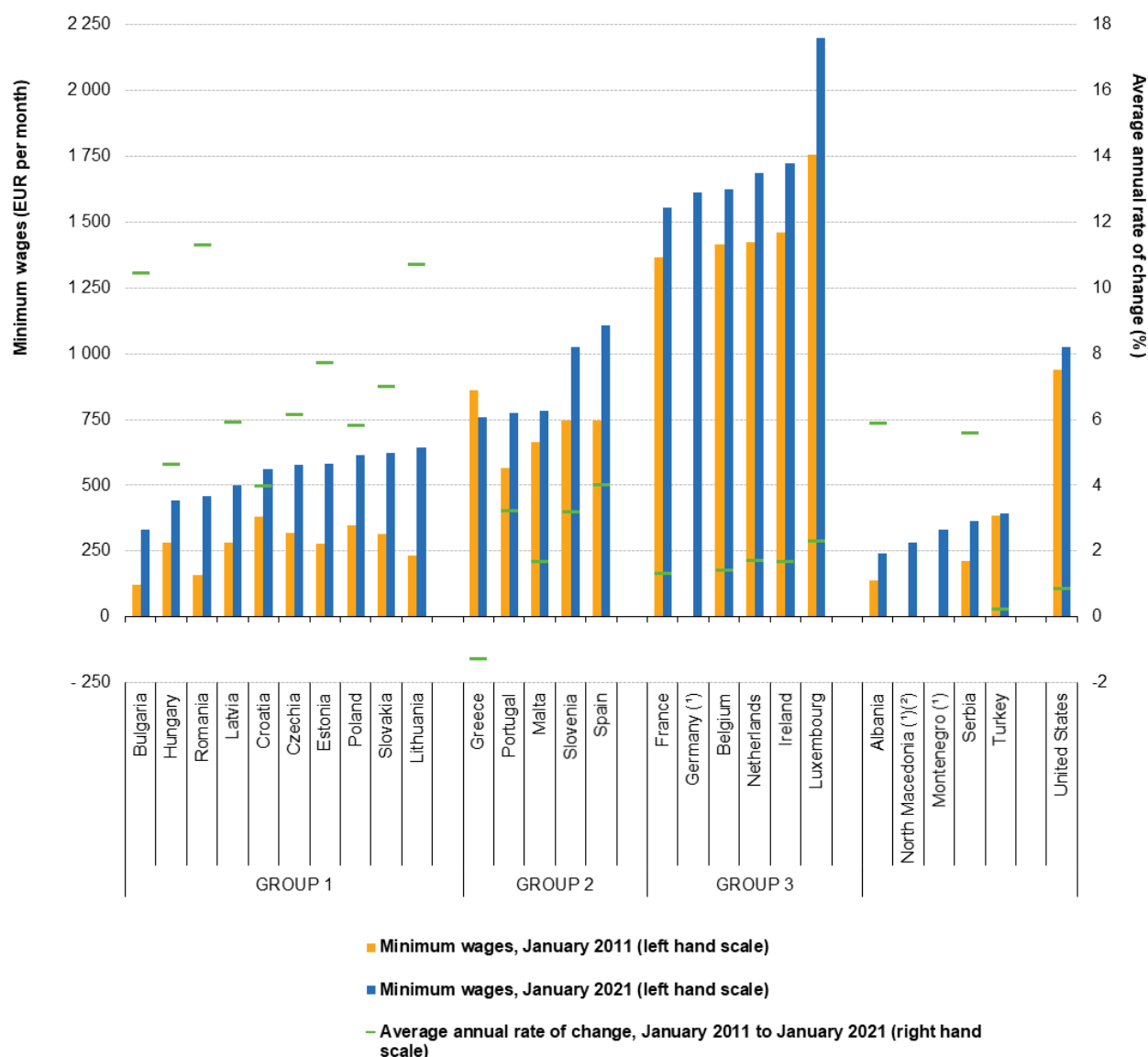
Minimum wages in the EU Member States ranged from EUR 332 per month in Bulgaria to EUR 2 202 per month in Luxembourg

On 1 January 2021, 21 out of the 27 EU Member States had a national minimum wage. EU countries without a national minimum wage were: Denmark, Italy, Cyprus, Austria, Finland and Sweden. Monthly minimum wages vary widely across the Member States, from EUR 332 in Bulgaria to EUR 2 202 in Luxembourg (see Figure 1).

Among the seven candidate and potential candidate countries, five had a national minimum wage (Montenegro, North Macedonia, Albania, Serbia and Turkey) which was not the case of Bosnia & Herzegovina and Kosovo.

Minimum wages, January 2011 and January 2021

(EUR per month and %)



Note: Denmark, Italy, Cyprus, Austria, Finland and Sweden: no national minimum wage.

(*) January 2011 data and average annual rate of change not available.

(*) July 2018 instead of July 2020.

Source: Eurostat (online data code: earn_mw_cur)

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Figure 1: Minimum wages, January 2011 and January 2021 (EUR per month and %) Source: Eurostat (earn_mw_cur)

Based on the level of their national gross monthly minimum wages expressed in euro, on 1 January 2021, the EU Member States concerned may be classified into three different groups; (see Figure 1, non-EU countries are shown separately).

- **Group 1**, with a national minimum wage **below than EUR 700** per month. This group includes: Bulgaria, Hungary, Romania, Latvia, Croatia, Czechia, Estonia, Poland, Slovakia and Lithuania. Their national minimum wages ranged from EUR 332 in Bulgaria to EUR 642 in Lithuania.
- **Group 2**, with a national minimum wage **between EUR 700 but lower than EUR 1 500** per month. This group includes: Greece, Portugal, Malta, Slovenia and Spain. Their national minimum wages ranged from EUR 758 in Greece to EUR 1 108 in Spain.

- **Group 3** , with a national minimum wage **above EUR 1 500** per month. This group includes: France, Germany, Belgium, the Netherlands, Ireland and Luxembourg. Their national minimum wages ranged from EUR 1 555 in France to EUR 2 202 in Luxembourg.

All candidate and potential candidate countries with a national minimum wage belong to group 1, with minimum wage levels ranging from EUR 243 in Albania to EUR 393 in Turkey.

The United States fall within group 2 (EUR 1 024 per month).

The average annual rate of change between January 2011 and January 2021 was highest in Romania (+11.3 %) followed by Lithuania (+10.7 %) and Bulgaria (+10.4 %). In addition, Estonia (+7.7 %), Slovakia (+7.0 %) and Czechia (+6.1 %) also recorded significant increases. The lowest average annual rate of change among EU Member States was recorded in France (+1.3 %), Belgium (+1.4 %), followed by Malta, Ireland and the Netherlands (all + 1.7 %) . Greece was the only EU Member-State whose average annual rate of change was negative (-1.3 %).

Note: for EU Member States with a national minimum wage that are outside of the euro area (Bulgaria, Czechia, Croatia, Hungary, Poland, Romania), for candidate and potential candidate countries as well as the United States, the level of minimum wages in euros and the annual rates of change are influenced by exchange rates used to convert national currencies in euro.

Minimum wages expressed in purchasing power standards

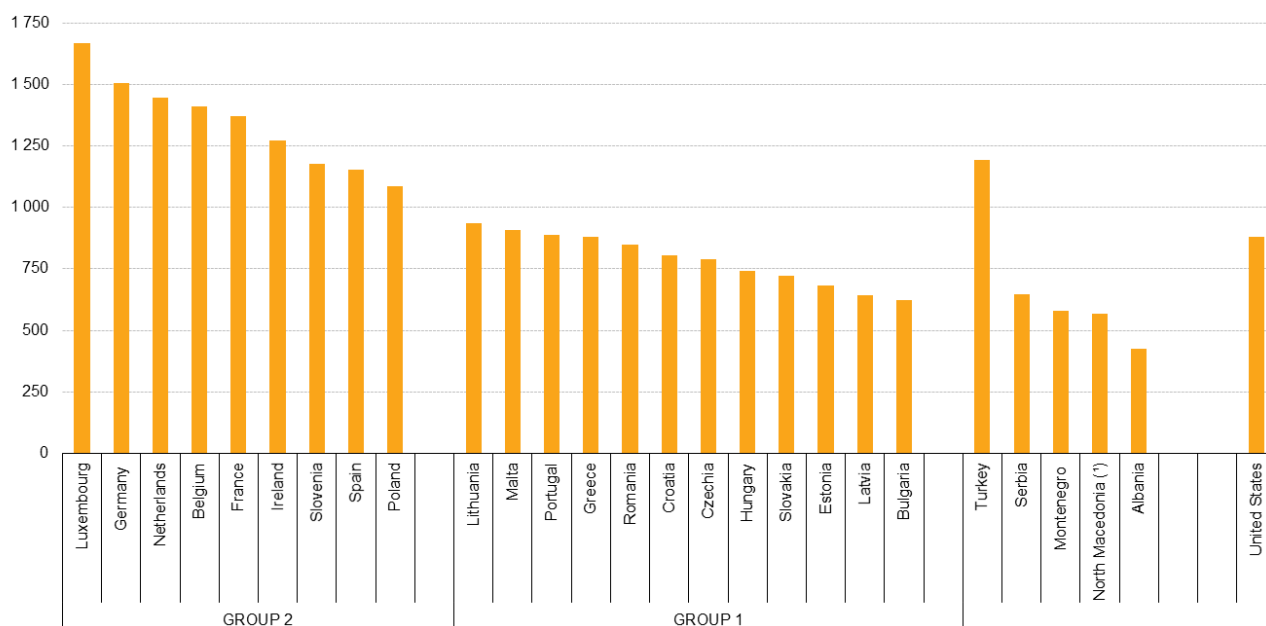
Variations in minimum wages are considerably smaller after adjusting for differences in price levels

Figure 2 compares gross minimum wages applicable on 1 January 2021, after adjusting them to price differences across countries. This is done by using [purchasing power parities \(PPPs\)](#) for [household final consumption expenditure](#) . As might be expected, this adjustment reduces differences across countries. In PPS terms, EU Member States with the national minimum wage may be classified into two different groups (see Figure 2, non-EU countries are shown separately).

- **Group 1** , with national minimum wages **below PPS 1 000** . This group includes: Bulgaria, Latvia, Estonia, Slovakia, Hungary, Czechia, Croatia, Romania, Greece, Portugal, Malta and Lithuania. Their national minimum wages ranged from PPS 623 in Bulgaria to PPS 936 in Lithuania.
- **Group 2** , with a national minimum wages **above PPS 1 000** . This group includes: Poland, Spain, Slovenia, Ireland, France, Belgium, the Netherlands, Germany and Luxembourg; Their national minimum wages ranged from PPS 1 084 in Poland to PPS 1 668 in Luxembourg.

All candidate and potential candidate countries with a minimum wage, except Turkey, belong to group 1, with minimum wage levels ranging from PPS 424 in Albania to PPS 646 in Serbia. Turkey, with a minimum wage level of PPS 1 191 falls within group 2. The United States (PPS 880) belong to group 1.

Minimum wages, January 2021 (PPS per month)



Note: Estimates. Denmark, Italy, Cyprus, Austria, Finland and Sweden: no national minimum wage.

(*) July 2018 instead of January 2021.

Source: Eurostat (online data code: earn_mw_cur)

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Figure 2: Minimum wages, January 2021 (PPS per month) (PPS per month) Source: Eurostat (earn_mw_cur)

On 1 January 2021, minimum wage levels in euros varied on a scale of 1 to 6.6 (meaning that the highest minimum wage was almost 7 times as high as the lowest one). When expressed in PPS, this ratio shrinks to 1 to 2.7 (meaning that the highest minimum wage was almost 3 times as high as the lowest one).

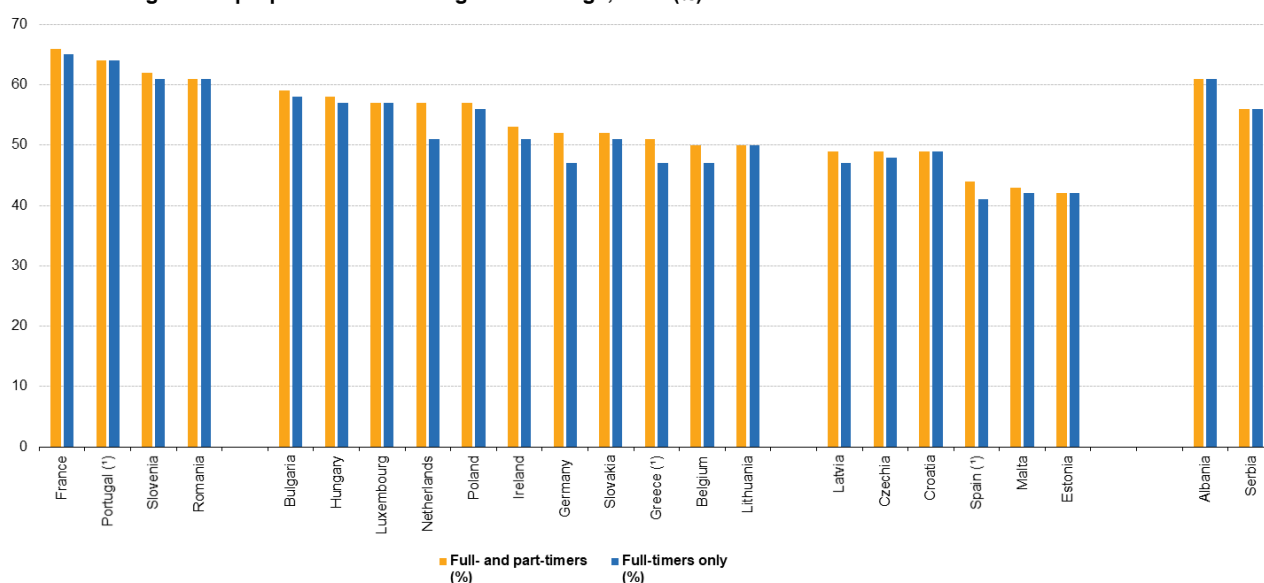
Minimum wage levels in relation to median gross earnings

Figure 3 provides information in relation to the share of the national minimum wage in median gross earnings, calculated with and without part-time employees.

National minimum wages expressed in euro, applicable on 1 July 2018, were divided by the median gross earnings measured from the Structure of Earnings Survey (SES 2018). Within the EU, the resulting ratio ranged from 42 % (in Estonia) to 66 % (in France), part-time employees included.

In 2018 minimum wages represented over 60 % of the median gross earnings in only four Member States: France (66 %), Portugal (64 %), Slovenia (62 %) and Romania (61 %). The minimum wages ranged between 50 % and 60 % of the median gross earnings in eleven Member States: Belgium and Lithuania (both 50 %), Greece (51 %), Germany and Slovakia (both 52 %), Ireland (53 %), Luxembourg, the Netherlands and Poland (all 57 %) followed by Hungary (58 %) and Bulgaria (59 %). In six Member States: Czechia, Croatia and Latvia (all 49 %), Spain (44 %), Malta (43 %) and Estonia (42 %) the minimum wages were less than half of the median earnings.

Minimum wages as a proportion of median gross earnings, 2018 (%)



Median earnings refer to the level of earnings, which divides the employees into two equal groups: half earn less than the median and half earn more. Data refer to the gross monthly earnings covering the wages and salaries earned by full-time and part-time employees in the reference month (October 2018 in most countries) before any tax and social security contributions are deducted.

(*) The levels mentioned in the table are calculated excluding 13th and 14th month to be consistent with the monthly earnings based on SES 2018

Source: Eurostat, Structure of Earnings Survey 2018 and Minimum wages; special calculation made for the purpose of this publication; data are not available in Eurostat's online database

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Figure 3: Minimum wages as a proportion of median gross earnings, 2018 (%) (%) Source: Eurostat (earn_mw_cur) and Structure of Earnings Survey 2018; special calculation made for the purpose of this publication; these special calculations are not available in Eurostat's online database

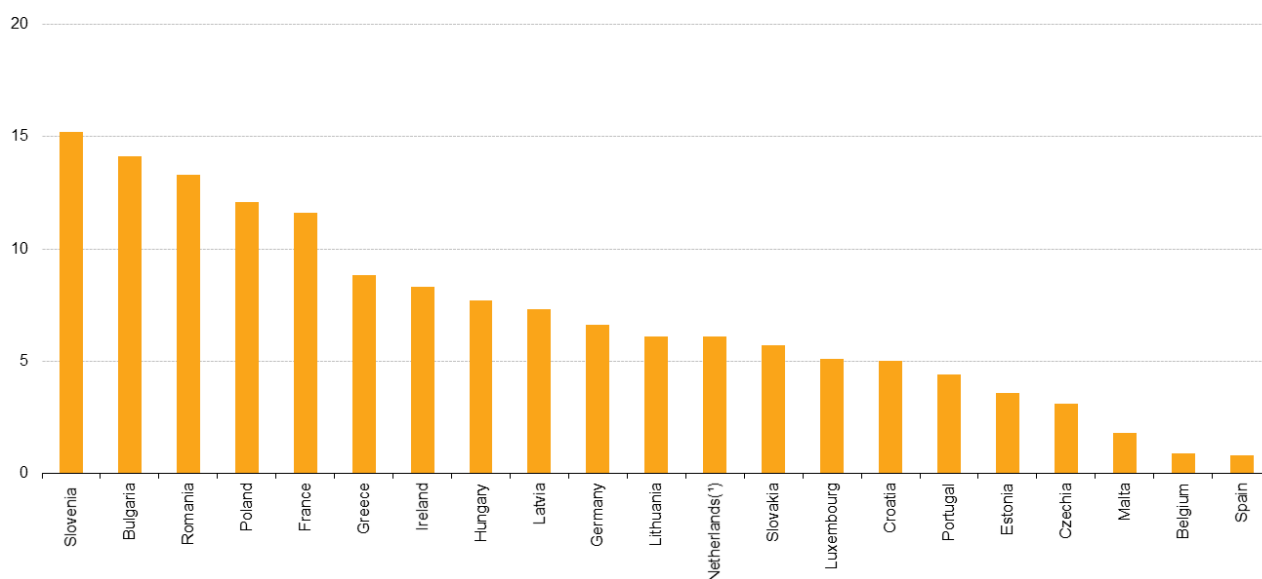
Note: For the purpose of this analysis, payments for overtime and shift work have been excluded from the calculation of median gross earnings. In the case of Germany, France and Ireland, whose minimum wages are set on an hourly basis, the ratio was calculated as a proportion of the median hourly earnings. For the other 18 EU Member states that have a national monthly minimum wage and for which data are available, the ratio was calculated as a proportion of the median *monthly* earnings. Median earnings were calculated with and without part-time workers (see figure 3). When part-time workers are included in the calculation, their earnings are first converted into full-time equivalents. Including part-time workers had the largest impact on the minimum wage to median earnings ratios of: the Netherlands (+6 %), Germany (+5 %) and Greece (+4 %).

Proportion of minimum wage earners

The proportion of employees earning the minimum wage can vary considerably across countries. By linking microdata from the Structure of earnings Survey (SES2018) with the level of minimum wages in force at the time (reference date: 1 July 2018), 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 timers + part-timers (converted into full time units), aged 21 years and over, working in enterprises with 10 employees and more, excluding public administration, defense and compulsory social security (NACE Rev. 2 Section O). Moreover, monthly earnings calculated from the SES 2018 exclude any earnings related to overtime and shift work.

In October 2018, the proportion of employees being paid less than 105 % of the national minimum wage was above 10 % in five Member States with a minimum wage, namely: Slovenia (15.2 %), Bulgaria (14.1 %), Romania (13.3 %), Poland (12.1 %), and France (11.6 %). The lowest proportion of employees earning less than 105 % of the national minimum wage were recorded in Spain (0.8 %), Belgium (0.9 %) and Malta (1.8 %).

Proportion of employees earning less than 105 % of the minimum wage, October 2018 (%)



(*) In October 2018 the national minimum wage applies to employees aged 22 years or older.

Source: Eurostat, Structure of Earnings Survey 2018 and Minimum wages; special calculation made for the purpose of this publication; data are not available in Eurostat's online database

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Figure 4: Proportion of employees earning less than 105 % of the minimum wage, October 2018 (%) Source: Eurostat (earn_mw_cur) and Structure of Earnings Survey 2018; special calculation made for the purpose of this publication; these special calculations are not available in Eurostat's online database

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: (hourly rate x 39.1 hours x 52 weeks) / 12 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: (hourly rate x 39 hours x 52 weeks) / 12 months;

France: data for January 1999–January 2005: (hourly rate x 39 hours x 52 weeks) / 12 months; data from

July 2005 onwards (hourly rate x 35 hours x 52 weeks) / 12 months;

Malta: (weekly rate x 52 weeks) / 12 months;

United States: (hourly rate x 40 hours x 52 weeks) / 12 months.

In Serbia, the national minimum wage is determined in net hourly terms. The following conversion is applied: (hourly net rate x 40 hours x 52.2 weeks) / 12 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 December 2020 was used for calculating minimum wages in euro terms as of 1 January 2021).

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 January 2021, 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 2018 (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 2018) before any tax and social security contributions are deducted. Monthly earnings calculated from the SES 2018 exclude any earnings related to overtime payments, shift premiums, allowances, bonuses, commission, etc. The gross monthly earnings were calculated for full-time employees with part-time employees and with full-time employees only. 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. Average exchange rates for 2018 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

In November 2017, the European Parliament, the Council and the Commission proclaimed the European Pillar of Social Rights (hereafter the Pillar) to deliver on Europe's promise of prosperity, progress and convergence, and make social Europe a reality for all. Principle 6 of the Pillar on 'Wages' calls for adequate minimum wages as well as for transparent and predictable wage setting to be put in place, according to national practices and respecting the autonomy of the social partners. The Strategic Agenda for 2019-2024, agreed at the European Council in June 2019, called on the implementation of the Pillar at EU and national level. Lately, on 28 October 2020, the European Commission has adopted a proposal for a [directive of the European Parliament and of the](#)