INFOGRAPHIC

Minimum wage

- Various regulatory restrictions of the lowest rate payable by employers to workers

Statutory minimum wages: Regulated by formal laws or statutes
Collectively agreed minima: Stipulated within collective agreements between trade unions and employers

European context

Most EU Member States have a statutory minimum wage. But its level, adjustment mechanisms and coverage vary.

- Finland, Sweden, Denmark, Austria, Italy: Minimum wages set within collective agreements
- Cyprus: Statutory rates for different occupations

November 2017
The European Pillar of Social Rights, sets out the EU’s commitment to fair wages for workers.

January 2020
The Commission launches a first-stage consultation of the social partners on fair minimum wages in the EU.

By 2024
All workers in the EU should earn a fair and adequate wage.

December 2019
The new European Commission plans a reform initiative for an EU minimum wage.

June 2020
The Commission launches a second-stage consultation of the social partners.

Minimum wage vs living wage

A living wage is a related but distinct concept. But what is the difference?

Minimum wage
The lowest wage payable by employers to workers

Living wage
A wage that will secure a basic but acceptable standard of living for its earner – and, in some cases, household dependents

COVID-19 impact for low-wage earners

Eurofound’s survey on Living, working and COVID-19 shows that nearly half of households are already struggling to make ends meet.

What are governments doing?
Income stabilisation measures for those most affected

Where is the strongest impact of COVID-19?
Sectors and occupations with larger shares of minimum wage workers

What role for minimum wages?
Could play a role in the policy mix to stabilise incomes
Could help counteract a downward spiral into recession or depression

Minimum wage workers per sector

- 15% Agriculture
- 13% Retail
- 25% Cleaners & helpers
- 14% Personal services
- 14% Arts, entertainment, recreation, working in domestic households
- 16% Accommodation and hospitality