Minimum wages in the EU

**Minimum wage**
1 in 10 workers in the EU earned around the minimum wage in 2017

- 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.

**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.

**October 2020**
The Commission proposes an EU Directive on adequate minimum wages.

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

**Minimum wage vs living wage**

A living wage is a related but distinct concept. 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 e-survey on Living, working and COVID-19 shows that nearly half of households are 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 contribute to the policy mix to stabilise incomes
  Could help counteract a downward spiral into recession or depression

**Minimum wage workers per sector and occupation in 2017**

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