

Statistics in focus

POPULATION AND SOCIAL CONDITIONS

THEME 3 – 7/1999

Contents

The level of statutory minimum wages range from 357 to 1162 euro per month in 1999 1

Statutory minimum wage represents between 28% and 55% of the average salary in 1997 2

Minimum wages are earned by more than 10% in France and Luxembourg 2

The systems differ from country to country 2

Main update of a Eurostat report entitled "Minimum Wages, 1997 – A comparative study"



Manuscript completed on: 04/1999
ISSN 1024-4352
Catalogue number: CA-NK-99-007-EN-I

MINIMUM WAGES IN THE EUROPEAN UNION, 1999

Now applied in 8 countries

Ana Nobre

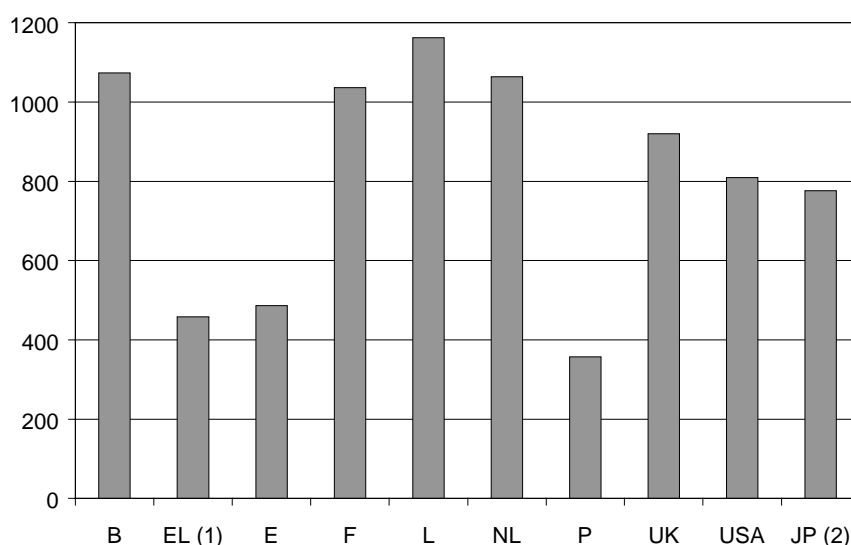
In 8 Member States of the European Union (Belgium, Spain, Greece, France, Luxembourg, the Netherlands, Portugal as well as the United Kingdom since 1st April 1999) collective bargaining is limited by a legal national minimum wage. In Ireland the government is committed, as a priority, to the introduction of a minimum wage in the year 2000.

The level of statutory minimum wages ranges from 357 to 1162 euro per month in 1999

In Luxembourg, Belgium, France, the Netherlands and the United Kingdom minimum wages expressed on a gross monthly basis are around 1000 euro per month in 1999 while in the remaining countries (Greece, Spain and Portugal) they are half or even less of this amount. The levels in United States and Japan (Figure 1 and Table 1) are 809 and 776 euro respectively.

The figures given here are gross, that is before deduction of income tax and social security. As the levies vary from one country to another, this therefore has an effect on the actual take home pay between Member States.

Figure 1: Monthly Minimum Wages in euro, 1999



(¹) Data are for non-manual workers
(²) 1998

Table 1: Monthly minimum wages, 1999

	National Currency	euro
Belgique/België	43 343	1 074
Elláda ⁽¹⁾	147 517	458
España	80 815	486
France	6 797	1 036
Luxembourg	46 878	1 162
Nederland	2 345	1 064
Portugal	71 517	357
United Kingdom	634	920
United States	906	809
Japan ⁽²⁾	113 674	776

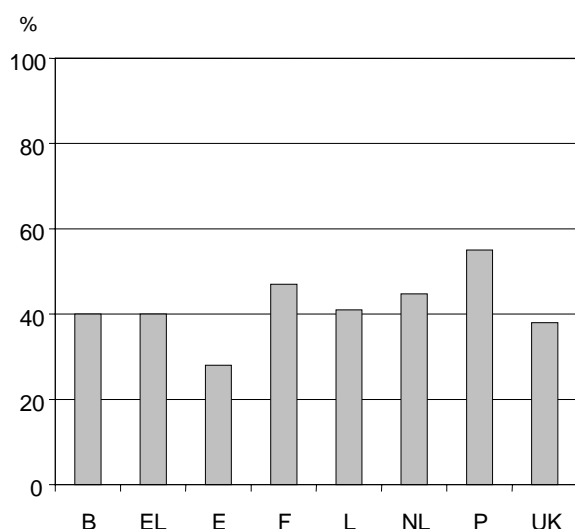
⁽¹⁾ Data are for non-manual workers

⁽²⁾ 1998

Statutory minimum wage represents between 28% and 55% of the average salary in 1997

In 1997, depending on the countries, the national minimum wage represents between 28% and 55% of the average gross earnings of an employee (manual and non-manual workers together) in manufacturing industry. This proportion was highest in Portugal and France where it stood at 55% and 47% respectively and the lowest in Spain at 28%. In both United States and Japan, the corresponding figure is around 34% of the average gross earnings of a manual worker in industry.

Figure 2: Minimum monthly wages as a proportion of average earnings (¹), 1997



⁽¹⁾ Employees of manufacturing industries

Minimum wages are earned by more than 10% in France and Luxembourg

The number of employees earning the minimum wage is available for six of the eight European Union countries concerned. In 1998 about 14.5% of workers in Luxembourg received minimum wages, 7.9% in Portugal and 3.4% in Spain. In 1996, in France, the workers remunerated at hourly "SMIC" level represented 11% and in the Netherlands for 1997 the share of employees earning the minimum wage was 2.6%. Generally, twice as many women as men earned the minimum wage. Latest estimates carried out by the Office of National Statistics of UK suggest that around 1.9 million employees (8.3%) earned less than the minimum wage at 1998 prices. In the United States, workers paid hourly rates with earnings at or below the prevailing Federal minimum wage were accounting for 6.2% in 1998.

The systems differ from country to country

In Spain, France, Luxembourg, the Netherlands, Portugal and the United Kingdom, a national minimum wage is fixed at an hourly, weekly or monthly rate by legislation, in most cases after consultation with the social partners, and this minimum is enforced by law. Belgium uses a similar system whereby an average minimum monthly wage is fixed by a central collective agreement which is regarded as applicable to all industries. In Greece a general minimum wage is agreed by negotiation at national level and a distinction is made between manual and non-manual workers.

The statutory minimum wage usually applies to all employees in the economy and all occupations, but may be modified to take into account age, length of service, skills, the physical and mental capabilities of the employee or the economic conditions affecting the firm. The laws governing such systems also contain mechanisms to review the minima, often as a result of tripartite bargaining between government, unions and employers, in the light of changes in prices, wages and other economic conditions. Sometimes the minimum wage is the subject of automatic re-assessment - for example it may be increased in line with the consumer price index or economic growth or else it may be subject to discretionary increases - increased by legislation (see box summarising the different systems of national minimum wages in the European Union).

**Summary of statutory national minimum wages in the European Union
(Situation as on 30 April 1999)**

	B	EL	E	F	L	NL	P	UK
Date of introduction in current form	1975	1991	1980	1970	1973	1969	1974	1999
Coverage	Private sector employees aged 21 or over	All employees aged 19 or over for non-manual workers 18 or over for manual workers	All employees aged 18 or over	All employees aged 18 or over	All employees aged 18 or over	All employees aged 23 or over	All employees aged 18 or over	All employees
Method of fixing	Negotiation by social partners	Annual negotiation by social partners	Set by government	Set by government	Set by government	Set by government	Set by government	Set by government based on recommendations from social partners
Method of updating	i. automatic indexation ii. periodic review	Annually according to government forecasts of inflation	Annually according to government forecasts of inflation	i. automatic indexation ii. annual review	i. automatic indexation ii. periodic review	Twice annually	Annually according to government forecasts of inflation	No decision taken on future updating
Type of rate	Monthly	Monthly for non-manual workers; daily for manual workers;	Monthly and daily	Hourly	Monthly	Weekly	Monthly	Hourly
Present level in national currency	BEF 43 343 per month	GRD 147 517 per month 6610 per day	ESP 69 270 per month ⁽¹⁾ ESP 2 309 per day	FRF 40.22 per hour	LUF 46 878 per month	NLG 541.20 per week	PTE 61 300 per month ⁽¹⁾	GBP 3.60 per hour
In force since	1.10.97	1.01.99	1.01.99	1.07.98	1.01.99	1.01.99	1.01.99	1.04.99

⁽¹⁾ Paid 14 times a year.

➤ **ESSENTIAL INFORMATION – METHODOLOGICAL NOTES**

When the national minimum wage is fixed at an hourly, daily or weekly rate, the following factors were used to calculate a monthly rate:

for France: 169 hours per month,

for Japan: 22 working days per month,

for United Kingdom and United States: 22 working days at 8 hours,

for the Netherlands: 4.33 weeks per month.

In addition, when the minimum wage is paid more than 12 months per year (as in the case of Spain and Portugal where it is paid 14 months a year) data in Figure 1 and Table 1 have been adjusted to take into account these payments.

A Eurostat report entitled "Minimum Wages, 1997, A comparative study", provides background information on basic levels of remuneration for employees in the European Union (and European Free trade association (EFTA) countries as well as in the United States, Canada and Japan. It outlines the legal framework for minimum wages, the ways in which they are set, their scope of application, the means of enforcing them and the development in their levels.

Further information:

➤ Reference publications

Title Minimum Wages 1997 – A comparative study
 Catalogue No CA-12-98-627-EN-C Price EUR 7.50

➤ Databases

New Cronos
 Domaine: Minwages

To obtain information or to order publications, data bases and special sets of data, please contact the **Data Shop** network:

BELGIQUE/BELGIË	DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA – Roma
Eurostat Data Shop Bruxelles/Brussel Chaussée d'Etterbeek 13 Etterbeeksesteenweg 13 B-1049 BRUXELLES / BRUSSEL Tel. (32-2) 299 66 66 Fax (32-2) 295 01 25 E-Mail: datashop.brussels@eurostat.cec.be	DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrogade 11 DK-2100 KØBENHAVN Ø Tel. (45-39) 17 30 30 Fax (45-39) 17 30 03 E-Mail: bib@dst.dk	STATISTISCHES BUNDESAMT Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 D-10178 BERLIN Tel. (49-30) 23 24 64 27/28 Fax (49-30) 23 24 64 30 E-Mail: stba-berlin.datashop@t-online.de	INE Eurostat Data Shop Paseo de la Castellana, 183 Oficina 009 Entrada por Estébanez Calderón E-28046 MADRID Tel. (34-91) 583 91 67 Fax (34-91) 579 71 20 E-Mail: datashop.eurostat@ine.es	INSEE Info Service Eurostat Data Shop Tour Gamma A 195, rue de Bercy F-75582 PARIS CEDEX 12 Tel. (33-1) 53 17 88 44 Fax (33-1) 53 17 88 22 E-Mail: datashop@insee.fr	ISTAT Centro di Informazione Statistica Sede di Roma, Eurostat Data Shop Via Cesare Balbo, 11a I-00184 ROMA Tel. (39-06) 46 73 31 05/02 Fax (39-06) 46 73 31 07/01 E-Mail: dipdiff@istat.it
ITALIA – Milano	LUXEMBOURG	NEDERLAND	NORGE	PORTUGAL	SCHWEIZ/SUISSE/SVIZZERA
ISTAT Centro di Informazione Statistica – Sede di Milano, Eurostat Data Shop Piazza della Repubblica, 22 I-20124 MILANO Tel. (39-02) 65 95 133/134 Fax (39-02) 65 30 75 E-mail: mil euro@tin.it	Eurostat Data Shop Luxembourg BP 453 L-2014 LUXEMBOURG 4, rue A. Weicker L-2721 LUXEMBOURG Tel. (352) 43 35 22 51 Fax (352) 43 35 22 21 E-Mail: dslux@eurostat.datashop.lu	STATISTICS NETHERLANDS Eurostat Data Shop-Voorburg po box 4000 2270 JM VOORBURG Nederland Tel. (31-70) 337 49 00 Fax (31-70) 337 59 84 E-Mail: datashop@cbs.nl	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 P. b. 8131, dep. N-0033 OSLO Tel. (47-22) 86 46 43 Fax (47-22) 86 45 04 E-Mail: biblioteket@ssb.no	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351-1) 842 61 00 Fax (351-1) 842 63 64 E-Mail: data.shop@ine.pt	Statistisches Amt des Kantons Zürich, Eurostat Data Shop Bleicherweg 5 CH-8090 Zürich Tel. (41-1) 225 12 12 Fax (41-1) 225 12 99 E-Mail: datashop@zh.ch Internetadresse: http://www.zh.ch/statistik
SUOMI/FINLAND	SVERIGE	UNITED KINGDOM	UNITED KINGDOM	UNITED STATES OF AMERICA	
Eurostat Data Shop, Tilastokirjasto Postiosoite: PL 2B FIN-00022 Tilastokeskus Kayntiosoite: Työpajakatu 13 B, 2 krs Helsinki Tel. (358-9) 17 34 22 21 Fax (358-9) 17 34 22 79 S-posti datashop.tilastokeskus@tilastokeskus.fi Internetadresse: http://www.tilastokeskus.fi/tilastokeskus.html	STATISTICS SWEDEN Information service Eurostat Data Shop Karlvägen 100 Box 24 300 S-104 51 STOCKHOLM Tel. (46-8) 783 48 01 Fax (46-8) 783 48 99 E-Mail: infoservice@scb.se	Eurostat Data Shop Enquiries & advice and publications Office for National Statistics Customers & Electronic Services Unit 1 Drummond Gate - B1/05 UK-LONDON SW1V 2QQ Tel. (44-171) 533 56 76 Fax (44-171) 533 56 88 E-Mail: gloria.ryan@ons.gov.uk	Eurostat Data Shop Electronic Data Extractions, Enquiries & advice - R.CADE Unit 1L Mountjoy Research Centre University of Durham UK - DURHAM DH1 3SW Tel. (44-191) 374 7350 Fax: (44-191) 384 4971 E-Mail: r-CADE@dur.ac.uk URL: http://www.rcade.dur.ac.uk	HAVER ANALYTICS Eurostat Data Shop 60 East 42nd Street Suite 3310 USA-NEW YORK, NY 10165 Tel. (1-212) 986 93 00 Fax (1-212) 986 58 57 E-Mail: eurodata@haver.com	

Media Support Eurostat (for professional journalists only).
 Bech Building Office A3/48 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 32649 • e-mail: media.support@eurostat.cec.be

For information on methodology

Ana Nobre, Eurostat/E1, L-2920 Luxembourg, Tel. (352) 4301 32730, Fax : (352) 4301 34415, E-mail: ana.nobre@eurostat.cec.be,
 ORIGINAL: English

Please visit our web site at <http://europa.eu.int/eurostat.html> for further information!

A list of worldwide sales outlets is available at the **Office for Official Publications of the European Communities**.

2 rue Mercier – L-2985 Luxembourg
 Tel. (352) 2929 42118 Fax (352) 2929 42709
 Internet Address <http://eur-op.eu.int/fr/generals-ad.htm>
 e-mail: info.info@opoce.cec.be

BELGIQUE/BELGIË – DANMARK – DEUTSCHLAND – GREECE/ELLADA – ESPAÑA – FRANCE – IRELAND – ITALIA – LUXEMBOURG – NEDERLAND – ÖSTERREICH
 PORTUGAL – SUOMI/FINLAND – SVERIGE – UNITED KINGDOM – ISLAND – NORGE – SCHWEIZ/SUISSE/SVIZZERA – BALGARIA – ČESKÁ REPUBLIKA – CYPRUS
 EESTI – HRVATSKA – MAGYARORSZÁG – MALTA – POLSKA – ROMÂNIA – RUSSIA – SLOVAKIA – SLOVENIA – TÜRKIYE – AUSTRALIA – CANADA – EGYPT – INDIA
 ISRAËL – JAPAN – MALAYSIA – PHILIPPINES – SOUTH KOREA – THAILAND – UNITED STATES OF AMERICA

Order form

I would like to subscribe to Statistics in focus (from 1.1.1999 to 31.12.1999):
 (for the Data Shop and sales office addresses see above)

- Formula 1:** All 9 themes (approximately 90 issues)
- Paper: 360 EUR
 - PDF: 264 EUR
 - Paper + PDF: 432 EUR
- Language required: DE EN FR

- Formula 2:** One or more of the following seven themes:
- Theme 1 'General statistics'
 - Paper: 42 EUR PDF: 30 EUR Combined: 54 EUR
 - Theme 2 'Economy and finance'
 - Theme 3 'Population and social conditions'
 - Theme 4 'Industry, trade and services'
 - Theme 5 'Agriculture and fisheries'
 - Theme 6 'External trade'
 - Theme 8 'Environment and energy'
 - Paper: 84 EUR PDF: 60 EUR Combined: 114 EUR
- Language required: DE EN FR

- Please send me a free copy of 'Eurostat Mini-Guide' (catalogue containing a selection of Eurostat products and services)
 Language required: DE EN FR
- I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
 Language required: DE EN FR
- Mr Mrs Ms
 (Please use block capitals)
- Name: _____ First name: _____
 Company: _____ Department: _____
 Function: _____
 Address: _____
 Post code: _____ Town: _____
 Country: _____
 Tel.: _____ Fax: _____
 E-mail: _____

Payment on receipt of invoice, preferably by:

- Bank transfer
 Visa Eurocard
- Card No: _____ Expires on: ____/____/____
- Please confirm your intra-Community VAT number:**
 If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.