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European Union

How low can you go?

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Across the European Union, the minimum wage varies from 121 EUR in Latvia to 1,403 EUR in Luxemburg.

There is a core group of northern and western states with minimum wages above 1,070 EUR, followed by a "southern" group (Greece, Spain, Portugal and Malta) where the minimum wage is 500-600 EUR. Slovenia, the east European country with the strongest trade unions and best labour legislation, is approaching this level, with a 2003 minimum wage of 471 EUR.

Everywhere else in the former Stalinist states, the minimum wage varies from 121 to 207 EUR. Conditions are even worse in the next wave of EU candidates, such as Rumania (69 EUR) and Bulgaria (61 EUR). The minimum wage in Turkey is 240 EUR.

The gap is somewhat narrower if we adjust for the different buying power (price of goods and services) in each country. Whereas in monetary terms a Luxemburger on the minimum wage receives 12 times more than a Latvian, the money received can "only" buy four times as much.

The percentage of full time workers who earn the minimum wage varies from 0.8% (Spain) to 15.4% (Latvia). Everywhere except Hungary and Poland, there are more women than men earning the minimum wage.

Netherlands - 1,265 EUR	Greece - 605 EUR	Czech Republic - 207 EUR
Belgium - 1,186 EUR	Malta - 543 EUR	Hungary - 191 EUR
France - 1,173 EUR	Spain - 537 EUR	Poland - 177 EUR
Britain- 1,083 EUR	Portugal - 498 EUR	Estonia - 159 EUR
Ireland - 1,073 EUR	Slovenia - 471 EUR	Slovakia - 148 EUR
		Lithuania - 125 EUR
		Latvia - 121 EUR

Source: Eurostat survey of minimum wages on 1. January 2004. By comparison, the minimum in the USA is 725 EUR.

Structural Funds

At the end of June, the European Commission confirmed that 24bn EUR will be distributed to the ten new member states from EU structural and cohesion funds in 2004-06. Structural funds are for those regions where GDP per capita is less than 75% of the EU average, for stimulating investment, and human resources projects, for development and training initiatives that link the new member states with the "new neighbours" like Russia, Ukraine and Serbia, and for programmes to promote equal opportunities for women and ethnic-linguistic minorities. Cohesion funds are for large infrastructure and environmental projects. Slovakia should receive up to 1.76bn EUR. Everywhere outside the capital, Bratislava, GDP is less than 75% of the EU average.