**Adequate Minimum Wage Directive Monitoring Tool - Country scoring/colours methodology**



Countries **with** Statutory Minimum Wage

Countries **without** Statutory Minimum wage

*5 Categories based on a scoring points system: DARKER colours to the countries that are LESS performing*

The key objective of the Adequate Minimum Wage Directive (hereinafter AMWD)[[1]](#footnote-1) is to improve living and working conditions in the European Union by reducing in-work poverty and wage inequality. In order to achieve these overarching objectives the AMWD aims at ensuring adequate minimum wage levels and strong collective bargaining. The ETUC’s AMWD dashboard, therefore, consists of a range of parameters to assess the regimes of statutory minimum wage setting and the collective bargaining systems in all the 27 EU Member States. More specifically, the dashboard consists of four parts each of which is broken down into a set of specific parameters: the first part deals with the system of minimum wage setting and is comprised of five parameters; the second part comprises three parameters dealing with the overarching objective of the AMWD; the third part serves to assess collective bargaining systems based on a set of six parameters; and the fourth part assesses the process of transposing the AMWD into national law based on four parameters.

In the following we will outline the basic considerations on which the scoring system in the dashboard is based. The countries are scored for each parameter, except for those five countries which have no statutory minimum wage. This means that concerning statutory minimum wage systems no scores are calculated for Austria, Denmark, Finland, Italy and Sweden. Below we will describe in more detail the various indicators used to assess the systems of statutory minimum wage setting and collective bargaining in the 27 EU Member States. It should be emphasised that the overarching categories gender pay gap, in-work poverty and wage inequality have been assigned to the analysis of both – statutory minimum wage systems and collective bargaining systems – because as set out in the AMWD, adequate statutory minimum wages as well as strong collective bargaining systems are essential tools to reduce the gender pay gap, in-work poverty and wage inequality.

**Scores to asses statutory minimum wage systems**

(1)The first indicator – ***minimum wage as percentage of gross median wage*** – is based on the 2023 country data available from the OECD Earnings database[[2]](#footnote-2). For the assessment of the adequacy of minimum wages, the AMWD suggests to use 60% of full-time gross median wage and 50% of the full-time average wage as reference values.[[3]](#footnote-3) Thus, the first indicator for the scores dashboard is 60% of the full-time gross median wage. Countries are scored on a 15-point maximum with the full 15 points awarded to countries in which the relative value of the minimum wage is at least 60% of the gross median wage. For every two percentage points below 60%, one point is deducted (i.e. 14 points for scores between 60-58%, 13 points for scores between 57-56% and so on).

(2)The second indicator – ***minimum wage as percentage of gross average wage*** – is also based on the 2023 country data available from the OECD Earnings Database. Concerning this indicative reference value for the adequacy of statutory minimum wages, countries are scored on a 15-point maximum with the full 15 points awarded to countries in which the relative value of the statutory minimum wage is at least 50% of the gross average wage. For every two percentage points below 50%, one point is deducted (i.e. 14 points for scores between 50-48%, 13 points for scores between 47-46% and so on).

(3)The third indicator – ***variations from statutory minimum wages*** – is scored on a dichotomous scale (yes – no), with variations from statutory minimum wages being awarded zero points. If no variations are foreseen, the full 5-points score is awarded.

(4)The fourth indicator – ***consultative body on statutory minimum wages and social partner involvement foreseen*** – is scored on a dichotomous scale (yes – no), with a consultation body foreseen resulting in a 5-points score being awarded. Countries without such consultation body foreseen, are not awarded points.

(5) The fifth indicator – ***proportion of employees earning the minimum wage (in percent)*** – is scored on a 10-point scale. The median score for all EU countries is calculated (6.44%) and countries with a score below the median score are awarded full points (10). Countries exactly on the median score are awarded 8 points. Countries above the EU median score are awarded 1 point less for each 0.5% increment above the median.

(6) The sixth indicator – ***gender pay gap (in percent)*** – is based on the 2022 Eurostat country data available and scored on a 10-point scale. The EU average score was calculated for all countries (12%) and countries below the average score are awarded full points (10). Countries above the EU average score are awarded 2 points less for each 1% increment above the average score.

(7) The seventh indicator – ***in-work poverty rate (in percent)*** – is based on the 2023 Eurostat country data available and scored on a 10-point scale. The EU average score was calculated for all countries (8%) and countries below the average score are awarded full points (10). Countries on the EU-average score are awarded eight points. Countries above the EU average score are awarded 2 points less for each 1% increment above the average score.

(8) The eighth indicator – ***wage inequality (by P90/P10 interdecile ratio)*** – is based on the 2022 OECD statistical data available and scored on a 10-point scale. The EU average score was calculated for all countries (3.4) and countries below the average score are awarded full points (10). Countries on the EU-average score are awarded eight points. Countries above the EU average score are awarded 2 points less for each 0.3 increment above the average score.

(9) The ninth indicator is the ***legislative*** ***implementation progress*** of Member States on the minimum wage obligations (15a) arising from the AMWD. Member States have to transpose and implement the AMWD by 15 November 2024. The scoring of the transposition process is divided into five different stages of the transposition process. A maximum score of 10 points is awarded to those countries which completed the whole process of transposing the AMWD’s provision on statutory minimum wages. 10 points are also awarded to those countries in which a legal assessment led to the conclusion that no legal action is needed. For countries in the process of transposing the provisions on statutory minimum wages, two points are awarded for each of the following stages: (1) ‘initial discussion/debate ongoing’, (2) ‘pending draft legislation, (3) ‘parliamentary debate of the draft legislation, (4) partial transposition.

**Scores to asses collective bargaining systems**

(10) The tenth indicator – ***collective bargaining coverage (in percent)*** – is based on national data available from the OECD-AIAS ICTWSS Database for 2021 or the most recent year available.[[4]](#footnote-4) Since, according to Article 4(2) of the AMWD, every Member State with a collective bargaining coverage below 80% is obliged to establish an action plan with a view to increase bargaining coverage[[5]](#footnote-5), all countries are scored on a 20-point scale with the full 20 points being awarded to countries with a coverage of at least 80%. For every three percentage points below 80%, one point is deducted (i.e. 19 points for scores between 80-77%, 18 points for scores between 76-74% and so on).

(11) The eleventh indicator – ***involvement in action plan drafting*** – is scored on a dichotomous scale (yes – no), with no involvement of social partners foreseen being scored zero points. If such involvement is foreseen, the full 5-points score is awarded.[[6]](#footnote-6)

(12) The twelfth indicator – ***collective bargaining clauses in public procurement*** – is scored on a dichotomous scale (yes – no), with the absence of appropriate measures in public procurement procedures being scored zero points. If such measures are foreseen, the full 5-points score is awarded.[[7]](#footnote-7)

(13) The thirteenth indicator – ***workers’ representatives*** ***right of access to a workplace (also digitally)*** – is scored on a dichotomous scale (yes – no), with the absence of such a right of access being scored zero points. If access is possible, the full 10-points score is awarded.

(14) The fourteenth indicator – ***protection of workers and trade union representatives against discrimination*** – is scored on a dichotomous scale (yes – no), with the absence of such protections being scored zero points. If anti-discrimination legislation is in place, the full 5-points score is awarded.

(15) Finally, **the legislative implementation progress** of Member States of the AMWD’s provisions on collective bargaining (15b). The scoring of the transposition process is divided into five different stages of the transposition process. A maximum score of 10 points is awarded to those countries which completed the whole process of transposing the AMWD’s provision on collective bargaining. 10 points are also awarded to those countries in which a legal assessment led to the conclusion that no legal action is needed. For countries in the process of transposing the provisions on collective bargaining, two points are awarded for each of the following stages: (1) ‘initial discussion/debate ongoing’, (2) ‘pending draft legislation, (3) ‘parliamentary debate of the draft legislation, (4) partial transposition.

(16) In addition, a ***qualitative assessment of the overall development*** is made of each Member State on both minimum wage and collective bargaining. A maximum of 10 points are awarded for positive developments in each of the two areas to account for progress being made by the countries even though an attainment of the target values has not yet been reached. This reflects whether the goals and spirit of the AMWD to ensure adequate minimum wages and strong collective bargaining has been taken into account in the overall transposition process.

1. Directive (EU) 2022/2041 of 19 October 2022 on adequate minimum wages in the European Union, OJ L 275/33 (2022). [↑](#footnote-ref-1)
2. https://www.oecd-ilibrary.org/employment/data/earnings/minimum-wages-relative-to-median-wages\_data-00313-en?parent=http%3A%2F%2Finstance.metastore.ingenta.com%2Fcontent%2Fcollection%2Flfs-data-en [↑](#footnote-ref-2)
3. Recital 28 and article 5(4) of the AMW Directive. [↑](#footnote-ref-3)
4. OECD-AIAS ICTWSS Database, <https://www.oecd.org/en/data/datasets/oecdaias-ictwss-database.html> (2024). [↑](#footnote-ref-4)
5. See also recital 25 of the AMWD. [↑](#footnote-ref-5)
6. Cf. article 4(2) of the AMW Directive. [↑](#footnote-ref-6)
7. Cf. article 9 of the AMW Directive. [↑](#footnote-ref-7)