Malte Lübker and Thorsten Schulten

Real gains being made as a result of the transposition of the European Minimum Wage Directive*

Abstract

In most EU countries there were significant increases in minimum wages on 1 January 2024. Despite persistently high inflation rates in the majority of member states, these were sufficient to maintain or even expand the purchasing power of the minimum wage. The dynamics of minimum wages have also been advantaged by the European Minimum Wage Directive, passed in autumn 2022. In the course of transposing the Directive, many member states have been striving to achieve the reference values of 60% of the median wage or 50% of the average wage. However, the trend in Germany was different: the country's Mindestlohnkommission (Minimum Wage Commission), against the votes of trade union members, only advocated a small increase in the minimum wage, and one which fell behind the rise in prices. In their approach and conclusions, the authors focus on the German aspect but this version of their original report slightly expands on that (see also the surrounding discussion) with the aim of widening the coverage and the consideration of its themes to the countries of south-east Europe.

Keywords: *minimum wage, Minimum Wage Directive, adequate minimum wages, double threshold, Kaitz Index, public policymaking*

Introduction

Statutory minimum wages form a core institution for regulating the labour market in most countries. By setting a general statutory wage floor, the primary aim is to protect employee groups with little bargaining power. The effectiveness of statutory minimum wages depends crucially on two things: First, the minimum wage must have an appropriate starting level in order to ensure that employees have an independent basis for their existence within society. Second, the minimum wage must be regularly adjusted in accordance with general wage and price developments in order to maintain and expand the existing level of protection. Given high inflation rates,

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this is especially important at the moment since employees on low incomes are suffering in particular from high prices.

The 2024 version of the WSI Minimum Wage Report is the fifteenth that das Wirtschafts- und Sozialwissenschaftliches Institut (WSI; Institute of Economic and Social Research) has published, and contains current data and analysis on the trends in statutory minimum wages within and outside Europe.

The European Minimum Wage Directive, adopted in October 2022 (European Parliament/Council 2022), aims to ensure an appropriate minimum wage level and an adequate adjustment process in all EU states. This WSI Minimum Wage Report 2024 first discusses the status of implementation of the European Minimum Wage Directive, making clear that it is of increasing influence on national minimum wage policy, before turning to a discussion of currently available data on the level of minimum wages in euros and in terms of purchasing power standards.[1] It then turns to an analysis of the relative value of the minimum wage in relation to the respective national median and average wages (Kaitz index), before addressing the development of the minimum wage against the background of persistently high inflation rates, asking to what extent current minimum wage adjustments can secure or increase the purchasing power of the employees covered by it. Finally, the article offers an outlook on future developments, particularly addressing the challenges of minimum wage policy in Germany before broadening the perspective, as a result of the surrounding discussion in the context of this volume, to other countries within south-eastern Europe.

The European Minimum Wage Directive: status of implementation in national minimum wage policies

With the adoption in autumn 2022 of Directive 2022/2041 on adequate minimum wages in the European Union (European Parliament/Council 2022), a binding European framework for national minimum wage policies was established for the first time (Müller and Schulten 2022). The aim of the European Minimum Wage Directive is to prescribe certain common criteria and procedural rules that are intended to ensure an adequate minimum wage level, while maintaining extensive autonomy for national minimum wage policies.[2] In all member states with a statutory minimum wage, the 'setting and updating of statutory minimum wages' must be based on criteria:

1 The analysis is essentially based on an evaluation of the WSI minimum wage database, which contains minimum wage data from a total of 38 countries, including all 22 EU states with statutory minimum wages as well as numerous other countries within and outside Europe. The data can be downloaded at: https://www.wsi.de/de/wsi-mindestlohndatenbank-international-15339.htm.

2 In addition to statutory minimum wages, the European Minimum Wage Directive is also about strengthening collectively agreed minimum wages by increasing collective bargaining coverage. According to this, all EU states whose collective bargaining coverage is below 80% should submit a concrete action plan to strengthen their collective bargaining systems (Schulten 2023; Schulten and Dingildey 2024).

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> … that contribute to their adequacy with the aim of achieving a decent standard of living, reducing in-work poverty, as well as promoting social cohesion and upward social convergence, and reducing the gender pay gap. (European Parliament/Council 2022, Article 5(1))

The criteria must be 'defined in a clear way' and take into account at least the following four elements:

> (a) the purchasing power of statutory minimum wages, taking into account the cost of living
> (b) the general level of wages and their distribution
> (c) the growth rate of wages
> (d) long-term national productivity levels and developments. (European Parliament/Council 2022, Article 5(2))

In addition, the Directive stipulates in Article 5(4) that:

> Member States shall use indicative reference values to guide their assessment of adequacy of statutory minimum wages.

This explicitly refers to:

> … indicative reference values commonly used at international level such as 60% of the gross median wage and 50% of the gross average wage,

but also allows for different threshold values.[3] The Directive justifies this by saying that:

> Minimum wages are considered to be adequate if they are fair in relation to the wage distribution in the relevant Member State and if they provide a decent standard of living for workers based on a full-time employment relationship (European Parliament/Council 2022, recital 28).

The guideline text thus follows on from political debates that have pushed for a structural increase in national minimum wages in recent years towards a 'living wage' that allows independent sociocultural participation in social life (Schulten and Müller 2019, 2020). The criteria for an 'appropriate' minimum wage level are derived from an analysis of the basket of goods and services necessary for a minimum level of subsistence, while the relative position of the minimum wage in the overall economic wage structure is determined with the help of the Kaitz Index (see further below).

Member states have until 15 November 2024 to transpose the Directive into national law (European Parliament/Council 2022, Art. 17 (1)). It can, however, already be seen that it is having a significant influence on national minimum wage policies. This applies in particular to the reference values set down in the Directive of 60% of

3 The role of the double threshold has therefore become more important compared to earlier draft versions which only mentioned it in the recitals (cf. Lübker and Schulten 2022: 150).

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the gross median wage and 50% of the gross average wage, both of which have already been established as political reference norms for an appropriate minimum wage level in many countries in the course of the European legislative process (Appendix 1). In most EU countries, it is primarily the trade unions that are demanding a corresponding increase (Müller 2024). For example, trade unions in the Netherlands have been campaigning for a structural increase in the minimum wage to €16 per hour (originally €14) for several years now, under the motto "Voor een beter bestaan – 60% Mediaan" (For a better life – 60% of the median). This explicitly refers to the European Minimum Wage Directive (Koopmans 2023).[4]

In Germany, Ireland and Spain, unions are also demanding that the minimum wage be raised to 60% of the median. In Cyprus, where the debate about the European Minimum Wage Directive contributed to the introduction of a national statutory minimum wage for the first time in 2023, this was also based on the threshold of 60% of the Cypriot median wage (Mallis et al. 2022). In contrast, especially in central-eastern Europe, 50% of the average wage is frequently used as a reference value for an adequate minimum wage level: in a number of them, the median wage is at a relatively low level such that 60% of the median wage does not represent a living wage.

In some countries within the broader region, corresponding reference values for the minimum wage have already been incorporated into national legislation and have therefore become legally binding. Even before the adoption of the Directive, Slovakia reformed its national minimum wage legislation in 2021 and introduced a reference value of 57% of the average wage as a legal fallback option in the event that trade unions and employer associations are unable to agree on a minimum wage increase during the annual review (Slovak Republic 2007/2021). In Bulgaria, as part of the implementation of the Directive, it was decided that the minimum wage would be increased annually to 50% of the average wage. In Spain, too, calls have been made to enshrine the reference value of 60% of the median wage as the lowest minimum wage limit in law (Cassmi 2022). Finally, since the adoption of the Directive, the government in Croatia has explicitly decided to base its annual increases in the minimum wage on the reference values of 60% of the median wage and 50% of the average.

In Germany, the current Chancellor Olaf Scholz and Labour Minister Hubertus Heil (both SPD) have already called for the German minimum wage to be increased more quickly:

> … it is a question of social participation that employees who are employed at the minimum wage also participate in the general development of prosperity. We therefore want to develop the minimum wage in the direction of a real 'living wage' geared towards participation and thus counteract working poverty. (BMAS/BMF 2021: 2).

The federal government is not yet planning any concrete changes to the minimum wage law, but it can be assumed that the final implementation of the Directive will

4 Further information about the Dutch unions' campaign can be found on the campaign page: https://www.voor16.nl/ [accessed 25 January 2024].

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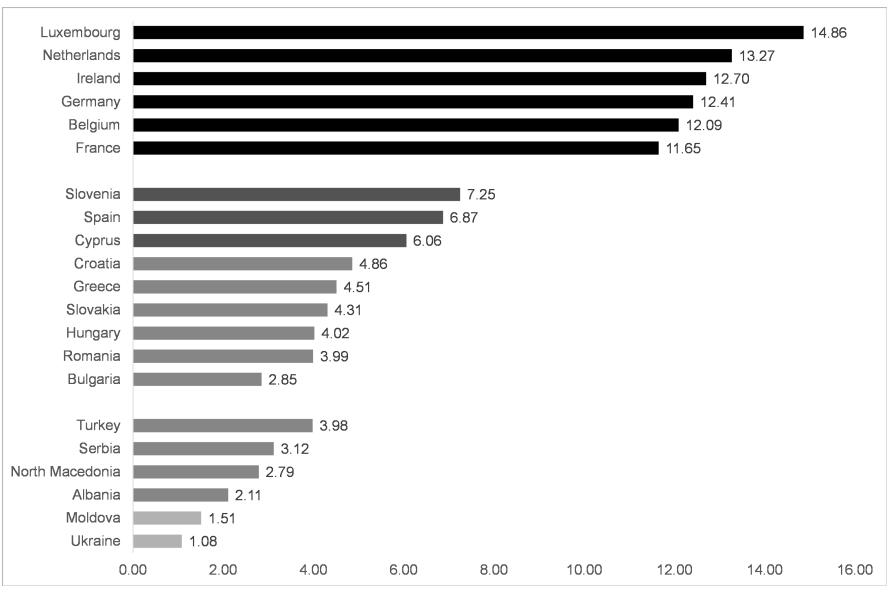
also lead to legal adjustments in other countries. The latter depends above all on whether there are influential actors at national level who can espouse the objectives of the Directive and give them even greater and more binding weight within the framework of national legislation.

Minimum wage (in euros) as of 1 January 2024

If the countries of the European Union are arranged according to the level of their respective legal minimum wage, there is a dichotomy between western European countries with comparatively high minimum wages and the remaining southern and eastern European ones (Figure 1). The ranking is led by Luxembourg, while Germany is now in fourth place (after the Netherlands and Ireland), thus having lost the second place it briefly held in 2023. Furthermore, Belgium and France, both of which raised their minimum wages during the year to compensate for losses in purchasing power (Lübker and Schulten 2023: 118ff.), could also catch up further with Germany over the course of 2024.

Figure 1 - Statutory minimum wages in selected countries as of 1 January 2024 (euros/hour)



Note: Countries are grouped on the chart in accordance with the following schema: €10 or more per hour; €5-9.99; €2-4.99; and below €2.

Due to the sometimes significant minimum wage increases in recent years in some central-eastern European countries, a clear geographical pattern can no longer be identified within the second group. The minimum wage in Slovenia, which heads the second group, Spain and Cyprus are within a fairly narrow range, followed in

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the third group by Croatia, Greece, Slovakia, Hungary and Romania. As in previous years, Bulgaria is at the bottom of the list within the European Union. Overall, however, the spread in the EU has narrowed significantly: While the Luxembourg minimum wage was almost ten times the Bulgarian minimum wage in 2015, the spread has currently fallen to a factor of 5.2.

Among the accession countries for which the WSI database has data, Turkey heads the ranking with a minimum wage higher than that of three EU member states, although it should be noted that the current figure is only a snapshot due to the high inflation rate and the rapid fall in the exchange rate. If the exchange rate of the Turkish lira at the turn of the year is used instead of the annual average exchange rate of the previous year, traditionally used in the WSI minimum wage database to compensate for short-term exchange rate fluctuations, the result is a significantly lower value of €3.18 (though still higher than in Bulgaria). In Serbia and North Macedonia, minimum wages are currently roughly at the level of their direct neighbour Bulgaria, while in Albania and Moldova they are significantly lower, as indeed is also the case in Ukraine.

Minimum wage as of 1 January 2024 (purchasing power parity)

The strong influence of exchange rate fluctuations in Türkiye highlights that minimum wages are only comparable to a limited extent even when converted into a common currency (such as the euro). In addition, the cost of living varies considerably within the euro area. According to calculations by Eurostat (2024b), the general price level in Luxembourg is currently more than twice as high as in Lithuania. The WSI minimum wage database therefore also shows national minimum wages at purchasing power parity (PPP) in order to compensate approximately for the differences in price levels. For this purpose, PPP conversion factors from the World Bank are used in Figure 2 and expressed in euros as these are available for the larger number of countries in the database across the globe compared to Eurostat data.

However, compared to foreign exchange rates, PPP figures are only available with a delay: current data from Eurostat and the World Bank refer to 2022. This is not a problem in that structural differences in the cost of living – for example within the euro area – only change very gradually. However, in emerging markets with high inflation rates, the delay can result in PPP prices being based on a price level that has since become outdated. Therefore, no PPP calculation is shown for Türkiye (where the rate of inflation rate in 2023 was 54%).

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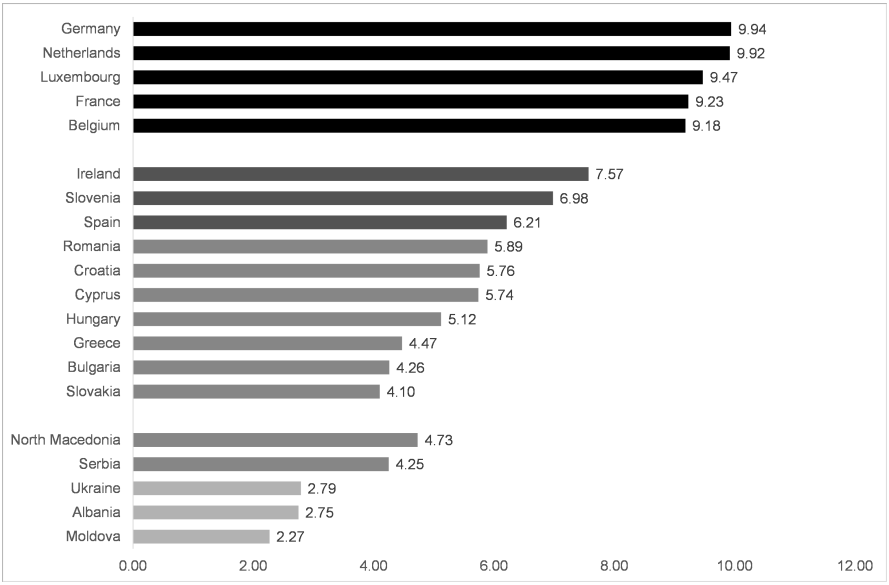
Figure 2 – Purchasing power of statutory minimum wages in selected countries as of 1 January 2024 (euros/hour)



Note: Conversion into purchasing power standards on a euro basis is based on PPP for private consumption as reported by the World Bank for 2022. Countries are grouped on the chart in accordance with the following schema: €9 or more per hour; €65-8.99; €3-5.99; and below €3.

On a PPP basis, the minimum wages of the Benelux countries, Germany and France are closer together. Due to the high price level in the Grand Duchy, the minimum wage in Luxembourg drops it below Germany, while the differences in levels between Germany and the Netherlands, now in second place, are marginal, while France and Belgium follow closely behind Luxembourg. As explained above, the conversion is based on information for 2022 and therefore does not take into account the sharp rise in the cost of living in 2023 in Germany, where the increase in the Harmonised Index of Consumer Prices (HICP) was 6.1%, a much higher figure than in Belgium, for example (2.3%).

Ireland, which has the second highest cost of living in the EU after Luxembourg, falls significantly behind other western EU countries after adjusting for purchasing power, whereas in central-eastern European countries such as Slovenia and Bulgaria the opposite occurs due to living costs being lower than the EU average: minimum wages on a PPP basis are higher. While the range between the highest and lowest minimum wages within the EU is nominally a factor of 5.2 (see above), the relative gap between bottom-placed Slovakia and Germany, after adjusting for purchasing power, is 2.4. The different costs of living within the EU put the differences in minimum wage levels into perspective, but they do not completely eliminate them.

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Similar effects can be observed in the south-east European accession countries, where the minimum wages in North Macedonia and Ukraine are correspondingly higher. In the former case, the minimum wage is higher than in EU members Slovakia, Bulgaria and Greece; while it is also higher in Serbia than in Slovakia and on a par with Bulgaria. Indeed, in both countries the grouping puts them alongside other EU countries, although the position is still relatively poorer in Ukraine, Albania and Moldova.

The Kaitz Index as a rough guide to an adequate minimum wage

The level of minimum wages can also be determined by where they are located within the national wage structure. For this purpose, the Kaitz Index has been established, expressing the minimum wage as a percentage of the respective median or average wage (Kaitz 1970). Since minimum wage increases usually also change the average wage, which is, to a certain extent endogenous, the comparison with the median wage has become widely accepted among research scientists. The median wage can also change in response to increases in the minimum wage, however, especially where there are spillover effects. The impact of a higher minimum on wages among higher-paid groups could be observed in Germany, for example, when the minimum wage was increased to €12.00 (Bispinck et al. 2023). Even so, these did not come close to the median wage, so this is a comparatively robust measure which can, in the German context, be viewed as exogenous and over which the discussion has, as a result, become relatively settled.

The Kaitz Index has recently become more relevant due to the requirement of the European Minimum Wage Directive to use reference values when assessing the adequacy of statutory minimum wages (see above). The double threshold of 60% of the gross median wage and 50% of the gross average wage, to which the Directive also refers, prevents those cases in which a high proportion of employees receive the minimum wage and where the median and minimum are, therefore, close to each other.

The WSI Minimum Wage Report traditionally uses Kaitz Index information from the OECD database because, unlike the data published by Eurostat, these are also available for some non-European countries (Figure 3). Since the calculation of the Kaitz Index requires data on effective wages in addition to information on the minimum wage, data from both sources is only available with some delay. Based on 2022 data, only Portugal, Slovenia and France reach the threshold of 60% of the median wage (see panel (a)). Slovenia is also the only EU country to exceed the threshold of 50% of the average wage, although France missed it only narrowly (panel (b)).

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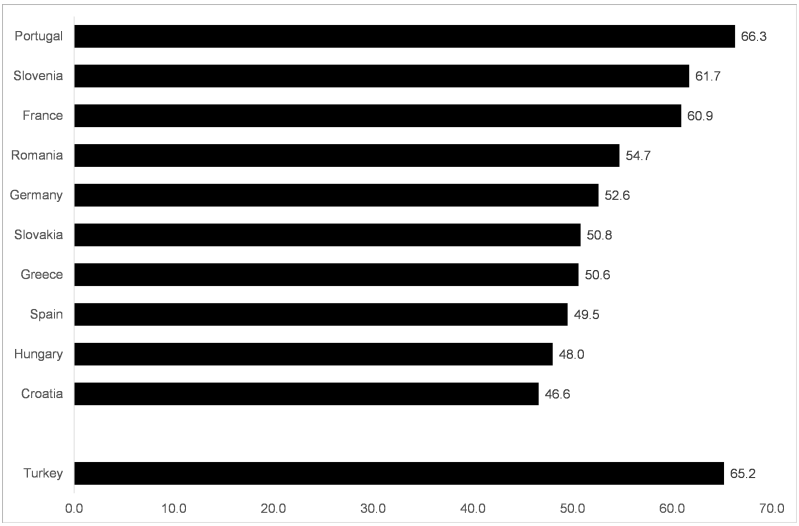
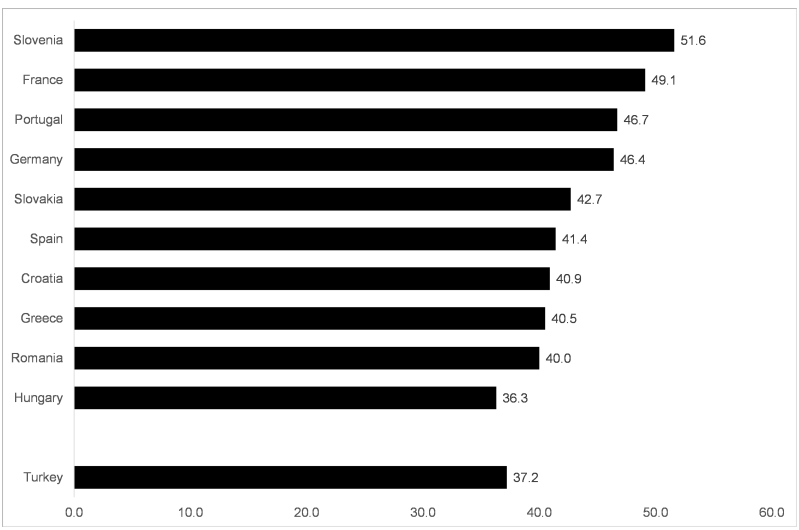
Figure 3 – Relative value of the minimum wage in selected countries (Kaitz Index), 2022 (%)

(a) Minimum wage as % of median



(b) Minimum wage as % of average



Note: The OECD calculates the Kaitz Index based on the median or average wage of full-time employees. Data not available for Albania, Bulgaria, Moldova, North Macedonia, Serbia and Ukraine All values rounded to one decimal place.

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For Germany, the OECD uses a minimum wage of €10.52 for 2022, corresponding to the weighted average over the course of the year. The increase in the legal minimum wage to €12.00 on 1 October 2022 is therefore not yet fully reflected in these statistics and data from Eurostat (2024b), which shows a median-based Kaitz Index of 52.9 for 2023, is more current.[5] Prior calculations that assumed Germany could achieve the 60% criterion by increasing the minimum wage to €12.00 have thus been overtaken by the general trends in nominal wages (Weinkopf and Kalina 2020). Using Eurostat data, a minimum wage of €13.61 would have been necessary as early as 2023 to implement the 60% criterion.[6] If this value is then extrapolated based on forecast wages in 2024, the threshold of 60% of the median corresponds to a 2024 minimum wage above €14.00.[7]

Overseas, the example of New Zealand (where the minimum wage sits at 70.5% of the median) shows that a significantly higher minimum wage within the national wage structure is also possible. This country has structurally increased its minimum wage in recent years leading to an increase in its Kaitz Index of more than 10 percentage points since 2015. Regularly conducted evaluation studies show no significant negative effects on employment and inflation (most recently Ministry of Business, Innovation & Employment 2022).

Increases are strengthening the purchasing power of the minimum wage – but not in all countries

In view of continued high inflation rates, we argued in the WSI Minimum Wage Report in 2023 that securing purchasing power is a central task of minimum wage policy in the current context (Lübker and Schulten 2023). The figures now available from Eurostat (2024c) show that rising prices have continued with the Harmonised Index of Consumer Prices in the EU27 increasing by 6.4% in 2023.[8] It should be noted that prices have risen particularly sharply for some product groups that account for a high proportion of consumption by low-wage earners: food prices again rose sharply, by 12.7% across the EU in 2023 and, while prices for electricity, gas and other fuels increased only moderately in 2023 (1.4%), they were still 44.4% higher than in 2021 due to the price shock of the previous year (Eurostat 2024c). For Germany, the IMK Inflationsmonitor[9] has shown in particular that low-income

5 The source for the salary data is the New Earnings Survey from Destatis.

6 Calculation method: 0.6 × (12/0.529) = €13.61. At the beginning of 2023, Destatis assumed that the minimum wage of €12.00 in 2023 would correspond to a Kaitz Index of 53.2 (see Herzog-Stein et al. 2023).

7 In its current economic forecast for 2024, das Institut für Makroökonomie und Konjunkturforschung IMK; Macroeconomic Policy Institute) of the Hans-Böckler-Stiftung predicts a growth in effective hourly earnings of 3.6% (Dullien et al. 2023: 3). Calculation method: €13.61 × 1.036 = €14.10.

8 In 2022, the annual inflation rate in the EU27 was still 9.2% (Eurostat 2024a).

9 A regular publication of Institut für Makroökonomie und Konjunkturforschung of the Hans-Böckler-Stiftung; see for details at: https://www.imk-boeckler.de/de/imk-inflationsmonitor-51365.htm [last accessed 24 May 2024].

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households are exposed to significantly higher inflation rates than those revealed by the general consumer price index (see, most recently, Dullien and Tober 2024).

Table 1 – Trends in 2024 statutory minimum wages in selected countries (change on 1 January 2024 compared to 1 January 2023 and 2015, %)

Country	Change compared to Jan. 2023		Change compared to Jan. 2015		Review date
	Nominal	Real	Nominal	Real	
Croatia	20.0	10.7	111.0	66.6	1/1/24
Bulgaria	18.2	8.9	153.6	91.1	1/1/24
Hungary	15.0	-1.7	154.1	58.1	1/12/23
Romania	10.0	0.2	238.5	139.9	1/10/23
Greece	9.4	5.0	33.1	16.2	1/4/23
Slovakia	7.1	-3.5	97.7	42.9	1/1/24
Spain	5.0	1.5	74.8	46.8	1/1/24
Slovenia	4.2	-2.8	58.9	27.7	1/1/24
Germany	3.4	-2.5	46.0	15.2	1/1/24
France	3.4	-2.2	21.2	0.5	1/1/24
Türkiye	99.9	29.8	1,470.7	155.3	1/1/24
Moldova	25.0	10.3	203.0	41.4	1/1/24
Serbia	17.8	5.2	121.6	51.4	1/1/24
Albania	17.6	12.3	81.8	44.0	1/4/23
North Macedonia	12.6	3.3	126.3	64.8	1/3/24
Ukraine	6.0	-9.9	482.9	58.1	1/1/24

Within the European Union, all 22 countries with a statutory minimum wage increased it compared to the previous year, with 17 increasing it as of 1 January (Table 1). There were particularly high nominal increases in some south-east European countries including Croatia (20.0% up on 1 January 2023) and Bulgaria (18.2%). But several countries in western Europe also recorded double-digit nominal growth rates year-on-year, although Germany and France, and Belgium, saw the lowest increases in EU-wide comparison. It should be noted that, in the previous year, there were significant increases of 22.2% and 15.6% in Germany (through legislative intervention) and in Belgium (through use of the index clause), respectively (see Lübker and Schulten 2023: 118).

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Increases in minimum wages are put into perspective when they are adjusted for the rise in prices. In order to ensure the highest possible level of comparability, the WSI Minimum Wage Database uses the HICP inflation rate for the previous year, as determined by Eurostat (2024c). This may result in deviations from calculations that are based on respective national, non-harmonised consumer price indices. Minimum wages have increased in real terms by 1% or more in 14 EU countries compared to the same period last year, and in seven of them (including, in south-eastern Europe, Croatia and Bulgaria) by 5% and more. The comment above – that HICP-based price adjustments may underestimate the actual household-specific inflation rates relevant to minimum wage earners – also applies here. Real minimum wages remained almost stable in Romania and fell in others, with the price-adjusted declines being notably high in Slovenia and Slovakia.

In western Europe, the purchasing power of minimum wages has improved since 2015, particularly in Spain, as well as in Portugal and Ireland (not shown in Table 1), in all three of which the structural increase in the minimum wage is an explicit political goal formulated in part with reference to the European Minimum Wage Directive. For Germany there has been a real growth in the minimum wage of a cumulative 15.2% since 2015. This corresponds almost exactly to the extraordinary increase in the minimum wage on 1 October 2022 (from €10.45 to €12.00, or by 14.8%). Conversely, it can be concluded that the regular adjustments to the minimum wage by the Minimum Wage Commission since 2015 have not, on balance, led to any real increase in the minimum wage.

At the EU median, nominal minimum wages rose by 9.7% year-on-year as of 1 January 2024, the second highest value since 2000 after the 12.0% increase only the year before (Figure 4). However, due to the gradual decline in inflation, there remains a moderate, real increase of 2.5% this year, in contrast to the stagnation of the previous year. This follows the steady real gains in the minimum wage between 2015 and 2022. In many European countries, these have cumulatively led to a significant increase in purchasing power since 2015, although this varies considerably between countries (Table 1, 4th column). Real minimum wages rose particularly strongly over this period in south-east European countries such as Romania (139.9%), Bulgaria (91.1%) and Croatia (66.6%), albeit from a very low initial level. In Türkiye (an increase of a nominal 1,471% since 2015), the real rate of increase is only partially reliable due to untrustworthy or incomplete information on the trends in consumer prices.

Outlook: real gains in the minimum wage as a result of the transposition of the European Minimum Wage Directive

With the minimum wage increases implemented on 1 January 2024, the majority of countries within and outside Europe have succeeded in securing the purchasing power of the minimum wage. In the European Union, in 14 of the 22 states with a statutory minimum wage, this also rose in real terms, i.e. adjusted for inflation, by 1% or more compared to 2023 and by at least 5% in seven countries. This is, not least, due to some countries aiming for the European Minimum Wage Directive's targets of 60% of the median wage and/or 50% of the average wage, implying

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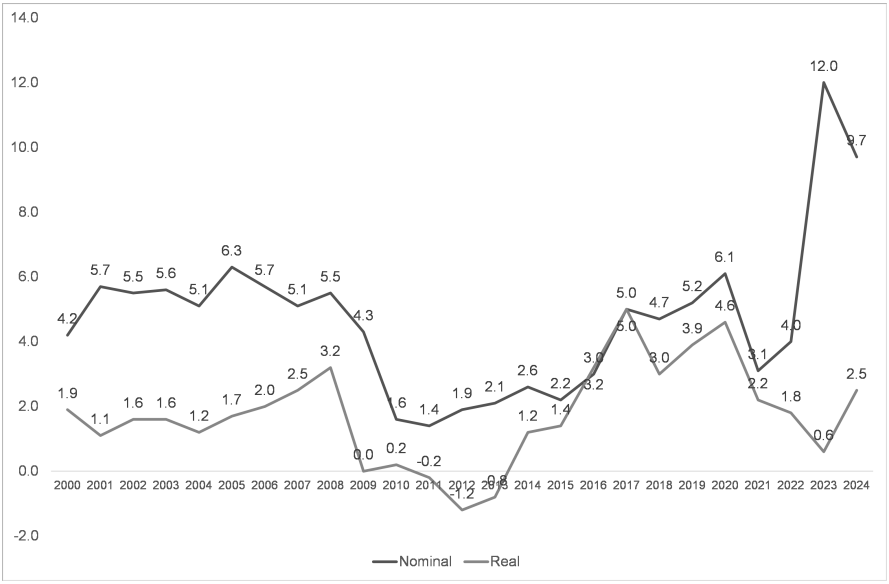
Figure 4 – Trends in minimum wages in the European Union, 2000-2024 (compared to 1 January the previous year (%, median values)



particularly strong increases in the minimum wage. The Directive, which must be transposed into national law in all EU states over the course of 2024, is already having the intended effect in many countries and is contributing to the dynamic development of minimum wages. However, since minimum wage in many countries is still below the reference values for an adequate minimum wage level, further adjustments will be necessary in the coming years.

Developments in Germany partly go against this trend. The federal government had explicitly justified its extraordinary increase in the minimum wage to €12.00 on 1 October 2022 with reference to the Directive. However, it was only this that ensured that, from a long-term perspective, the development of the minimum wage since its introduction in 2015 is above the rate of increase in prices (and also above the trend in collective wages (see above; see also Börschlein et al. 2023). At the same time, the planned structural increase in the minimum wage to 60% of the median has been largely wiped out by high inflation and has become a distant reality again due to high nominal wage increases (Herzog-Stein et al. 2023). The increase in the minimum wage to €12.41 on 1 January 2024 also failed to compensate for the price development of the previous year, so that those earning the minimum wage in Germany, unlike most European countries, had to accept a loss in purchasing power.

According to conservative observers:

> … an approach to the 60% target is likely to be ruled out in the foreseeable future. (Thüsing and Hütter-Brungs 2021: 172).

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It is therefore clear that the expectation that the Minimum Wage Commission will come to a new interpretation of its mandate on its own initiative that complies with European law is unrealistic. It is urgently necessary to include the parameters determined by Union law in the minimum wage law in order to ensure that the Commission does not ignore the requirements of European law and that Germany also correctly transposes the binding elements of the Directive into national law. Moreover, to ensure that an adequate minimum wage level also exists in Germany in the future, the reference value of 60% of the median wage should be explicitly included in the Minimum Wage Act as a lower limit – as has now been suggested many times in the political arena (Schulten and Dingeldey 2024).

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Appendix 1 – Impact of the European Minimum Wage Directive on national minimum wage policies and legislation (selected examples)

Bulgaria	In order to implement the European Minimum Wage Directive, the Bulgarian government decided in 2023 that the minimum wage should no longer be below 50% of the average wage. To this end, the statutory adjustment mechanism was changed so that, from 2024, the minimum wage for the following year is calculated on 1 September. The first two quarters of the current year and the last two quarters of the previous year are used to calculate the average wage. This means that the adjustment of the Bulgarian minimum wage will in future follow a quasi-automatic process of indexation
Germany	The unions have been calling for the statutory minimum wage to be raised to at least 60% of the median wage. Representatives of the SPD, Alliance 90/The Greens, die Linke and the trade union arm of the CDU are calling for the target of 60% of the median wage to be included as a lower limit in the minimum wage law.
Croatia	Since 2022, the government has explicitly justified its annual increase in the minimum wage with the aim of achieving the reference values of 60% of the median wage and 50% of the average wage.
Slovakia	The Minimum Wage Act was adjusted in 2021 even before the European Minimum Wage Directive was adopted. If trade unions and employer associations do not agree on an increase in the minimum wage, this wage will be adjusted by law to 57% of the average wage.
Spain	The trade unions have long been calling for an increase in the minimum wage to 60% of the average. Recently, the Spanish left-wing government has also committed itself to this goal, with a focus on 60% of the median wage now being discussed in accordance with the European Minimum Wage Directive. Spanish Prime Minister Sanchez has proposed that this target be set as a lower limit in Spanish labour law.
Cyprus	The debate about the European Minimum Wage Directive contributed significantly to the introduction of a national statutory minimum wage for the first time in 2023, with an entry level of approximately 60% of the median wage.

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