

DESTRICPTION OF MINIMAL WAGES IN SLOVAK REPUBLIC

Since year 2000, in Slovak republic assessed new border for minimal wage every year. Changes relevance of minimal wages getting validity on 1 th October every year. Government appointment assess minimal wages: hourly and monthly. Minimal wage for every worked hour is for employees, those working time is minimal 40-ty hours for a week.

In Slovakia, development of minimal wage since year 2000 (Chart 1) continuously increased. On 1th of January 2000 minimal monthly wage in Slovak republic was 4 000 Slovak Crowns (cca. 120 EUR), while in the year 2005 it was 6 900 Slovak Crowns (cca. 185 EUR). Currently, in Slovakia minimal wage is 7 600 Slovak Crowns (cca, 230 EUR), which is 90% increase from the year 2000.

Total inflation rate in Slovakia was in those time about 50%.

In a percentage rate of minimal wage toward average gross wage, was in Slovakia in the year 2006 - 41,5% from minimal wage. It is increase about 1,53 percentage point toward the year 2005 (Chart 2).

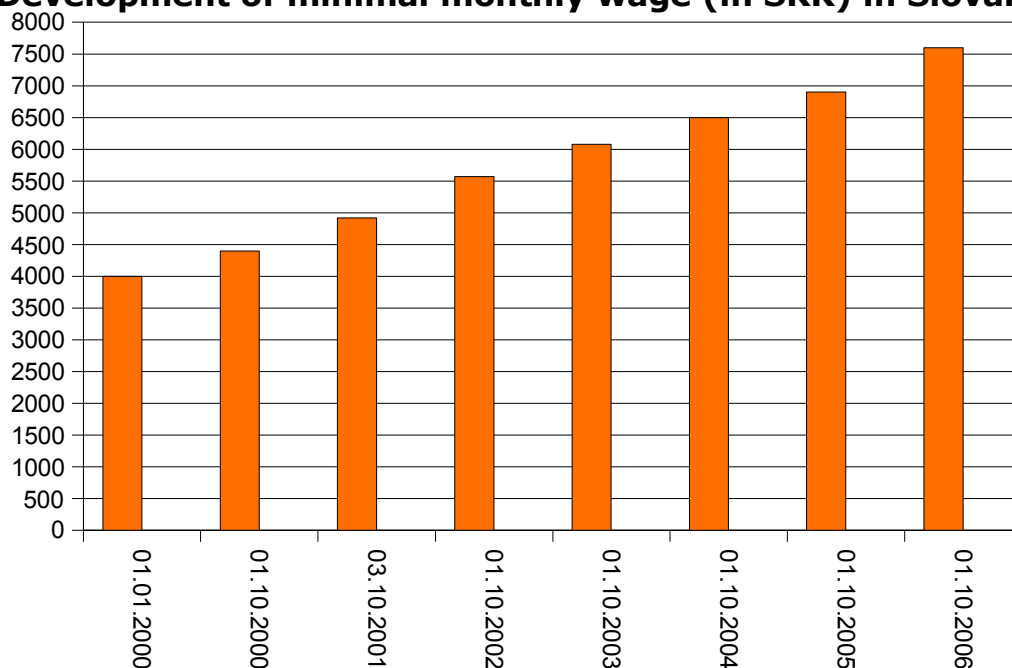
Table 1: Development of minimal hour and monthly wage in Slovak Crowns in Slovakia, since 2000 – 2006

Validity from	Minimal hour wage	Minimal monthly wage (SK)	Minimal monthly wage (EUR)
01.01.2000	21,6	4000	
01.10.2000	23,8	4400	
03.10.2001	26,6	4920	
01.10.2002	32	5570	
01.10.2003	35	6080	
01.10.2004	37,4	6500	
01.10.2005	39,7	6900	
01.10.2006		7600	

Resource: Infostat SR

Chart 1:

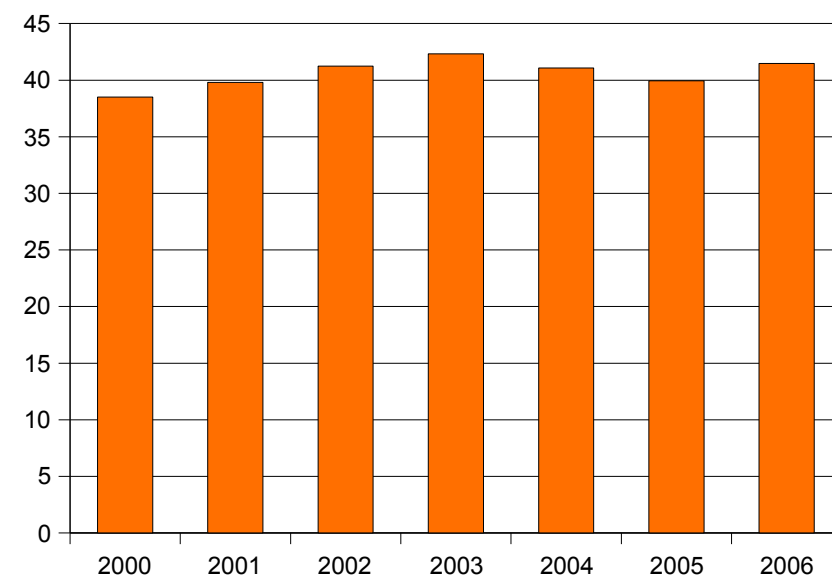
Development of minimal monthly wage (in SKK) in Slovakia



Resource: ŠÚ SR

Chart 2:

Percentage rate of minimal wage toward average gross wage in Slovakia



Resource: ŠÚ SR

Table 2: Percentage rate of minimal wage toward average gross wage in Slovakia.

Year	Minimal monthly wage	Average monthly wage	% rate minimal and average wage
2000	4400	11430	38,5
2001	4920	12365	39,79
2002	5570	13511	41,23
2003	6080	14365	42,33
2004	6500	15825	41,07
2005	6900	17274	39,94
2006	7600	18324	41,48

According to Eurostat, Slovak republic with minimal monthly wage 183 EUR, belongs to countries with the lowest minimal monthly wage.

Belongs to European countries with minimal monthly wages up to 200 EUR were: Bulgaria, Romania, Latvia, Lithuania and Estonia.

After 1th of October 2006 (minimal monthly wage increased at the level 6 700 SKK), Slovak republic would probably integrate with highest minimal monthly wage behind Estonia. In the PPS the differences between are softly decreased.

European countries with the highest minimal wage in January 2006 belongs: Luxemburg(1 503 EUR), Ireland (1 293 EUR), Holland (1 273 EUR), Great Britain (1 269 EUR), Belgium (1 234 EUR) and France (1 218 EUR).

The lowest minimal wage had according to expects the new entry counties in to the European Union (besides Malta and Slovenia). Between European countries, which had not exactly define minimal wage belong some typical left wing and social countries like: Italian, Sweden, Norway, Finland, Denmark and Germany.

Table 3: Minimal monthly wage in chosen countries in January 2006

Countries	Minimal wage in EUR
Bulgaria	82
Romania	90
Latvia	129
Lithuania	159
Slovak republic	183
Estonia	192
Poland	234
Hungary	247
Czech republic	261
Turkey	331
Portugal	437
Slovenia	512
Malta	580
Spain	631
Greece	668
USA	753
France	1218
Belgium	1234
Great Britain	1269
Holland	1273
Ireland	1293
Luxemburg	1503

Resource: Eurostat

Chart 3: Minimum monthly wage as a proportion of average monthly earnings in industry and services (%) in period 2002-2005.

	ŠTÁTŮ	2002	2003	2004	2005
<i>BE</i>	<i>Belgium</i>	46,39			
<i>CZ</i>	<i>Czech Republik</i>	34	35,8	38,81	
<i>EE</i>	<i>Estonia</i>	30,46	32,39	34,58	
<i>ES</i>	<i>Spain</i>	36,19	35,56	37,65	
<i>IE</i>	<i>Ireland</i>	50	47,73	50	
<i>LV</i>	<i>Latvia</i>	35,2	37,3	39,07	31,27
<i>LT</i>	<i>Lithuania</i>	36,87	36,18	38,46	
<i>LU</i>	<i>Luxemburg</i>	50,36	50,36	49,57	50,73
<i>HU</i>	<i>Hungaria</i>	42,1	38,55	40,7	38,15
<i>MT</i>	<i>Malt</i>	53,9	51,59	48,95	
<i>NL</i>	<i>Holland</i>	49,27	47,68	46,14	
<i>PL</i>	<i>Poland</i>	32,96	33,91	35,06	
<i>PT</i>	<i>Portugal</i>	43	40,68	40,7	
<i>SI</i>	<i>Slovenia</i>	45,3	46,31	44,13	
<i>SK</i>	<i>Slovak republic</i>	32,4	33,97	34,14	
<i>UK</i>	<i>Great Britain</i>	34,42	34,43	37,89	36,95
<i>BG</i>	<i>Bulgaria</i>	39,73	41,43	42,56	
<i>RO</i>	<i>Romania</i>	31,3	37,3	34,4	
<i>US</i>	<i>U.S.A</i>	34,45	33,55	32,87	

Resource: Eurostat