

The Country With The Highest Minimum Wage

Initially, it's essential to understand that a country's minimum legal wage, as detailed in government guidelines, is the lowest salary that organisations or companies are mandated to pay their employees. A country's [minimum legal wage](#) is the lowest salary that the organisation or company pays the employers per government guidelines. Furthermore, the calculation of minimum wage primarily hinges on the number of hours worked per week or month. However, for contract positions, the calculation deviates from the norm, as it is based on the number of hours dedicated to specific projects or tasks.

The Purpose of a Minimum Wage:

The [primary purpose](#) of minimum wage legislation is to protect workers, ensuring they are shielded from unduly low pay rates. Consequently, these regulations aim to establish a minimum living wage for all individuals in employment, regardless of their occupation or background. Moreover, a minimum wage aims to combat [poverty](#) effectively while simultaneously working to reduce the [gender pay gap](#).

Integration with Broader Policies:

In the grand scheme of employment and social policies, it is crucial to design minimum wage systems in a manner that strategically supplements and reinforces other initiatives aimed at fostering [better working conditions](#). By doing so, we create a cohesive framework that not only uplifts wage standards but also contributes to an improved overall work environment.



In countries with the highest minimum wage, the concept of a living wage takes precedence over that of a minimum wage.

Source: [Fairtrade International](#)

Countries with the lowest minimum wages for 2023 (in USD)

Country	Minimum Monthly Wage
Bangladesh	\$68 (clothing industry), \$19 (economic sector)
Venezuela	Under \$20 (unofficial data)
Guinea Bissau	\$30 + bag of rice per month
Georgia	\$48 (public employees), \$8 (private-sector workers)
Central African Republic	\$60
Uzbekistan	\$68.78
Indonesia	\$82 (Central Java), \$232 (Jakarta)
Cuba	Around \$87 (average) + government benefits
Ukraine	\$113.80

El Salvador	\$242.40 (retail sector), \$237.00 (industrial labour), \$202.80 (apparel assembly), \$113.70 (agricultural sector)
Pakistan	\$150
Colombia	\$175
Russia	\$180.45
North Macedonia	\$182.3
Panama	\$1.22 to \$2.36 per hour (varies by region and sector)
Nicaragua	\$88.53 to \$198.12 (depending on the sector)
Brazil	Around \$200
Albania	\$205.42
Bosnia and Herzegovina	\$236
Bulgaria	\$244.65
Argentina	\$264
Costa Rica	\$14.88 to \$19.44 (depending on the workforce)
Peru	\$294
Serbia	\$310.95
Romania	\$349.71 (full-time employee, 168-hour work week)
Hungary	\$353.40 (general workers), \$410.71 (specialised workforce)
Turkey	\$372.98
Latvia	\$419.87
Lithuania	\$425.23
Montenegro	Around \$511 (as of January 2022)
Czech Republic	\$458
Slovakia	\$460.19
Poland	\$497.01
Guatemala	Varies by sector: \$10.65 (agricultural sector), \$9.75 (factory workers)
Kyrgyzstan	\$14

Source: [World Population Review](#)

Countries with average minimum wages for 2022 (in USD)

Country	Minimum Wage
Estonia	\$533 per month
Taiwan	\$654 per month
Croatia	\$700
Malta	\$190 per week, with an annual bonus of \$306.56 and annual cost of living increase (\$274)
Greece	\$762 per month
Portugal	\$701.79 per month
South Korea	\$5.40 (6,470 South Korean won) per hour
Spain	\$867.62 per month
Slovenia	\$897.48 per month

Source: [World Population Review](#)

Countries with the highest minimum wages for 2022 (in USD)

Country	Minimum Wage	Additional Information
Andorra	\$1,107.32 (set twice a year)	As of early 2022
Ireland	\$10.38 per hour (ages 18 and older)	
	\$7.27 per hour (under 18)	
Germany	\$1,466 per month	
Belgium	\$1,480 per month	Varies by employee age
United Kingdom	\$9.75 per hour (ages 25 and over)	
	\$9.41 per hour (ages 21-24)	

	\$7.52 per hour (ages 18-20)	
	\$5.42 per hour (under 18)	
New Zealand	\$10.19 per hour (ages 18 and older)	
	\$8.17 per hour (ages 16, 17, or in training)	
France	\$1.664 per month	Government-mandated
Canada	\$1,696 (varies by province/territory)	
Netherlands	\$1,730.47 per month	National minimum wage
San Marino	\$11.07 per hour	For all workers
Australia	\$2,136 (ages 21 and older)	Set by Fair Work Australia Commission
Luxembourg	\$2,142.90 per month (ages 18 and older)	Varies by age and specialisation
Denmark	Average \$18 per hour	Determined through bargaining
Japan	\$6.18 - \$8.07 per hour	Additional pay for overtime, holidays, night work, and commuting costs
Switzerland	\$2,391.31 - \$4,564.18 per month	Varies by workforce type
Iceland	Determined through collective bargaining	Agreements by sector and occupation

Source: [World Population Review](#)

The Maximal nominal wage in 2022 (In USD)

Luxembourg accounts for the highest annual minimum wage earnings followed by Australia and New Zealand respectively.

Country	Hourly Minimum Wage	Annual Minimum Wage Earnings	2022 Population
Luxembourg	\$13.78	\$28,603.91	642,371
Australia	\$12.14	\$23,975.61	26,068,792
France	\$11.66	\$20,903.33	65,584,518
New Zealand	\$11.20	\$20,932.45	4,898,203
Germany	\$10.87	\$22,097.86	83,883,596
Netherlands	\$10.44	\$23,520.56	17,211,447
Belgium	\$10.38	\$22,133.37	11,668,278
United Kingdom	\$10.34	\$20,053.09	68,497,907
Ireland	\$9.62	\$23,447.04	5,020,199
Canada	\$9.52	\$20,643.41	38,388,419
Israel	\$7.94	\$17,713.12	8,922,892
United States	\$7.25	\$15,080	334,805,269
South Korea	\$6.84	\$19,880.75	51,329,899
Spain	\$5.83	\$14,289.76	46,719,142
Portugal	\$5.76	\$9,584.72	10,140,570
Slovenia	\$5.72	\$15,269.87	2,078,034
Czech Republic	\$5.17	\$10,342.44	10,736,784
Greece	\$4.98	\$12,128	10,316,637
Lithuania	\$4.78	\$9,365.14	2,661,708
Latvia	\$4.30	\$8,969.79	1,848,837
Slovakia	\$3.43	\$10,518.39	5,460,193
Estonia	\$3.40	\$7,082.27	1,321,910
Costa Rica	\$3.37	\$9,132.30	5,182,354
Poland	\$3.35	\$13,214.88	37,739,785
Hungary	\$2.90	\$10,669.44	9,606,259
Colombia	\$2.66	\$7,768.45	51,512,762
Russia	\$2.27	\$4,734.24	145,805,947

Country	Hourly Minimum Wage	Annual Minimum Wage Earnings	2022 Population
Chile	\$2.25	\$7,319.53	19,250,195
Brazil	\$2.18	\$5,114.28	215,353,593
Turkey	\$1.93	\$4,516.20	85,561,976
Mexico	\$1.05	\$1,193.78	131,562,772

Source: [World Population Review](#)

Moving Forward

Conversely, as we delve into the topic of minimum wages globally, it becomes evident that there is a substantial disparity between countries. Luxembourg leads the way by providing its workers with the highest minimum wages, however, an exception to the highest minimum wage exists as some developing nations must catch up, especially from Asia and Africa. Unfortunately, this discrepancy affects the livelihoods of individuals and has broader implications for societies as a whole.

Addressing this issue is crucial for several reasons. Firstly, a higher minimum wage directly reduces poverty. This is explicitly seen when workers earn a wage that allows them to meet their basic needs. Secondly, they are less likely to fall below the poverty line. Consequently, this reduces the burden on social welfare systems and government subsidies ([Global Wage Report 2022-2023](#)).

Additionally, a robust minimum wage can empower individuals to improve their quality of life. To begin with, [economic](#) empowerment allows individuals to afford essential commodities such as [housing](#), appliances, and even personal vehicles. Furthermore, this empowerment has a cascading effect on various aspects of life, including [education](#), healthcare, and overall [well-being](#) ([Bishop, J. 2018](#)).

To conclude, in the broader context, focusing on the highest minimum wage aligns with the United Nations Sustainable Development Goals ([SDGs](#)). These global objectives aim to [eradicate poverty](#), promote [equality](#), and ensure decent work for all. By prioritising fair wages, countries can make significant progress toward achieving these goals.

Why is it essential that we focus on the highest minimum wage?

The importance of emphasising the highest minimum wage must be balanced. It is a matter of social justice, economic stability, and human dignity. Here are some key reasons why this issue deserves our attention:

1. **Poverty Alleviation:** Firstly, a higher minimum wage directly lifts people out of [poverty](#). It provides them with the means to cover their basic needs and improve their quality of life.
2. **Reducing Income Inequality:** Secondly, high wage disparities can lead to social unrest and instability. By narrowing the income gap, countries can foster a more [equitable society](#) ([Soares et al., 2023](#)).
3. **Health and Well-being:** Additionally, living wages enable individuals to have the financial means to access healthcare, nutritious [food](#), and safe [housing](#). This has a positive impact on their overall health and well-being.
4. **Education:** Moreover, adequate income enables families to invest in [education](#) for their children, breaking the cycle of poverty and opening up opportunities for future generations.
5. **Boosting Consumer Spending:** Furthermore, workers with more disposable income are more likely to spend, stimulating [economic growth](#) and benefiting businesses.
6. **Social Safety Nets:** In addition, a higher [minimum wage](#) reduces the strain on social safety nets and government assistance programs, freeing up resources for other essential services.
7. **Human Rights:** Lastly, fair wages are a fundamental human right. Ensuring that all workers are paid a living wage is a moral imperative. ([Chun, N., & Khor, N. 2010](#))

In conclusion, focusing on achieving the highest minimum wage is not just an economic decision; it's a moral obligation and a step toward a more just and sustainable future.

The Challenges of Implementing Higher Minimum Wage Policies

Several factors come into play when addressing the challenges of implementing higher minimum wage policies.

1. **Inflation Concerns:** Firstly, critics argue that raising the minimum wage can lead to inflation. Businesses may pass on the increased labour costs to consumers through higher prices. Striking the right balance between wage hikes and inflation control is a challenge.
2. **Impact on Small Businesses:** Additionally, small businesses with limited profit margins may need help to absorb increased labour costs and this can lead to job cuts or even business closures. This could be achieved with the help of many economic players, but policymakers need to consider ways to support small enterprises during these transitions.
3. **Informal Economy:** Furthermore, in many [developing countries](#), a significant portion of the workforce operates in the informal sector, where minimum wage laws are challenging to enforce. Raising the minimum wage can inadvertently encourage more informal work arrangements.
4. **Regional Disparities:** Moreover, implementing a uniform minimum wage nationwide with vast regional economic disparities can be problematic. Living costs in urban areas may be significantly higher than in rural regions. This leads to making a one-size-fits-all approach less effective.
5. **Automation:** Lastly, in response to higher labour costs, some businesses may accelerate automation efforts, potentially leading to job displacement. Though automation can enhance productivity, it can also disrupt employment patterns ([Autor, D. H., 2019](#)).



Several factors come into play when addressing the challenges of implementing higher minimum wage policies.

Source: [Shift](#)

achieving the United Nations Sustainable Development Goals (SDGs) and how they link to the highest minimum wage

The United Nations Sustainable Development Goals (SDGs) encompass many global challenges, from poverty eradication to environmental sustainability. The issue of the highest minimum wage is intricately linked to several of these goals:

Goal 1: No Poverty: Firstly, a higher minimum wage directly reduces poverty rates, aligning with the first SDG's objective of ending poverty in all its forms.

Goal 5: Gender Equality: Moreover, fair wages are essential for achieving gender equality. Women benefit from wage equality, helping bridge the gender pay gap.

Goal 8: Decent Work and Economic Growth: Additionally, ensuring a fair minimum wage is critical to providing decent work. It promotes economic growth by increasing consumer spending and reducing income inequality.

Goal 10: Reduced Inequalities: Furthermore, A high minimum wage helps reduce social income inequalities, a central focus of the tenth SDG.

Goal 16: Peace, Justice, and Strong Institutions: Additionally, Fair wages and social justice go hand in hand. Achieving the highest minimum wage supports the goal of promoting peaceful and just societies.

Goal 17: Partnerships for the Goals: Lastly, collaboration between governments, businesses, and civil society is essential for [advancing the highest minimum wage](#) and, by extension, the SDGs.

Prioritising the highest minimum wage aligns with the overarching mission of the SDGs—to create a better world for all, where poverty is eradicated, [inequality](#) is reduced, and economic growth is sustainable. Pursuing the highest minimum wage is not merely an economic concern—it’s a foundational element that is used to build thriving communities, achieve the SDGs, and create a better future for all. Join us in this important journey towards a more just and equitable world.

A Thrivable Framework

At THRIVE, we believe that humanity can thrive by harnessing the knowledge and resources at our disposal. Our framework extends beyond sustainability to embrace the concept of “thrivability.” Here’s how it connects with the issue of the highest minimum wage:

Transition to Thrivability: THRIVE’s initial perspective is that we see the pursuit of fair wages as a crucial element in thriving societies. Ensuring that individuals have the means to thrive aligns with [our mission](#).

The Thrivable Zone: Our ciambella chart illustrates the delicate balance between human happiness and [environmental](#) well-being. Adequate wages

contribute to this equilibrium by fostering contentment and reducing societal strains-enter [THRIVE Framework](#).

THRIVE Project: We are committed to researching, educating, and advocating for fair wages and their impact on human well-being. Our work extends beyond [sustainability](#) to create thriving communities.

Diverse Content: Explore our [blog](#) and [podcast series](#) to understand how fair wages contribute to thriving societies. We regularly host [webinars](#) featuring experts in the sustainability field to delve deeper into this critical issue.

Newsletter: [Sign up for our newsletter](#) to stay updated on our research and initiatives on the highest minimum wage and its connection to thriving.