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MINIMUM WAGES IN THE EU –
POSITIONS OF THE INSTITUTIONS ON
CORE ETUC DEMANDS**

ETUC Core Demand	COM proposal	EP Report	Council General Approach
Demand 1: Adequacy		 	
Demand 2: Deductions			
Demand 3: All workers		 	 
Demand 4: Collective Bargaining	 	  	 
Demand 5: Public Procurement		 	
Demand 6: Safeguards			

EP REPORT & COUNCIL GENERAL APPROACH

- **EP**

Radtke/Jongierius Report adopted in the EP EMPL Committee with a large majority on 11 November. All compromise amendments were adopted without changes. The Radtke/Jongierius Report and the decision to enter Triilogue negotiations was confirmed by the EP Plenary with a large majority on 25 November (443 votes in favour; 192 votes against; 58 abstentions).

- **COUNCIL**

The EPSCO Council meeting adopted the Council General Approach on 6 December 2021. Denmark and Hungary voted against. Austria and Germany abstained (Germany abstained because the new government was sworn in officially only on 8 December, but the coalition agreement expresses strong support for the Directive). All other governments supported the General Approach.

- **TRIALOGUE NEGOTIATIONS**

Following the adoption of the EP Report and of the Council General Approach, Triilogue negotiations between Council, EP and Commission will now start.

CORE DEMANDS

The ETUC responded to the proposal from the Commission for a Minimum Wage Directive with six core demands:

- a. ensure statutory minimum wages are adequate for the worker and their family and specifically to secure a threshold of decency of 60% of the median and 50% of the average wage;
- b. we aimed to prevent the use of sub-minimum rates that leave workers on wages below the statutory minimum wage and to end the practice of employer deductions from workers minimum wage;
- c. all categories of workers, in the private and public sectors, must be protected;
- d. our key and ultimate aim is to ensure adequate wages by promoting collectively bargained wages: Member States should have in place systems and laws that support trade unions, the right to collective bargaining and the right to organise;
- e. ensure that Member States public procurement rules no longer drive a race to the bottom on wages and conditions of employment but rather ensure the respect of the right to collective bargaining;
- f. we would seek to achieve these advances and at the same time safeguard against the Directive undermining any well-functioning systems.

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Ensure statutory minimum wages to be adequate and specifically secure the threshold of decency.	☹ Oblige MSs to promote adequacy of statutory minimum wages (non-exhaustive criteria) and guarantee involvement of social partners. Reference to threshold of decency in Recitals.	😊😊 SMWs to be adequate and fair and ensure a decent standard of living. Improved criteria. The ‘threshold of decency’ moved to the articles but it is not a mandatory requirement.	☹ Simple obligation to promote (not ensure) adequacy of SMWs. The relevance and relative weight of the criteria would be “decided by Member States in accordance with their prevailing national socio-economic conditions”.
Prevent the use of sub-minimum rates that leave workers on wages below the statutory minimum wage and end the practice of employer deductions from workers minimum wage.	☹ Specific conditions for subminimum rates or deductions (including time-limit, non-discrimination, proportionality, justification..).	☹ Article 6 was removed.	☹ Subminimum rates and deductions would be permitted, with the only checks of non-discrimination and proportionality. Social partners should be involved in case Member States set subminimum rates or allow for deductions.
All categories of workers, in the private and public sectors, to be protected.	😊 Directive applies to workers who have an employment contract or employment relationship.	😊😊 The Directive applies to all workers.	😊☹ Exclusion of seafarers from the Directive prevented, but negative reference added to minimum wage setting arrangement adopted in accordance with the Maritime Labour Convention as a “collective agreement”.

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Promote collectively bargained wages: Member States to have in place systems and laws that support trade unions, the right to collective bargaining and the right to organise.	😬😞 Oblige Member States to take action to promote collective bargaining and all Member States with less than 70% coverage must have a National Action Plan.	😬😬😬 Definition of collective bargaining refers to ‘trade unions’. Directive to increase collective bargaining coverage and to ensure the respect of the right to collective bargaining. Actions Plans to promote and progressively increase the coverage of collective bargaining to at least 80% of the workforce. Measures against union busting (access to workplaces, prohibition of all acts which undermine the right to join a union, protection against discrimination...).	😬😞 The threshold of 70% is not an objective but only a level below which the obligation to establish an action plan to promote collective bargaining is triggered.
Public procurement rules should no longer drive a race to the bottom but rather ensure the respect of the right to collective bargaining.	😬 Improves public procurement rules by requiring respect for the wages in collective agreements for the sector or region.	😬😬 Member States must make sure that companies recognise trade unions and the right of their workers to organise and participate in collective bargaining in the performance of public procurement contracts.	😬 Obligation for companies to respect “applicable collective agreements” in performance of public procurement contracts – without referring to the specific sector or region.

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To achieve these advances and at the same time safeguard against the Directive undermining any well-functioning systems.	<p>☹ Explicitly provides that nothing in the Directive can be read to mean that any Member State is required to introduce a Statutory Minimum Wage or extension mechanisms. This Directive without prejudice “to the right of social partners to negotiate, monitor and set wages through collective agreements”.</p> <p>The provisions in Articles 5-8 apply only to statutory minimum wages.</p>	<p>☹ In addition to COM proposal:</p> <ul style="list-style-type: none"> - obligations relating to statutory minimum wage or universally applicable collective agreements only apply in Member States “where they exist”; - possibility for Member States to give to social partners the responsibility to define and implement the action plan to promote collective bargaining; - Article 11(1) on the right to redress and the protection against adverse treatment applicable only to the Member States with statutory minimum wages; - Compliance with HR instruments and reinforced non-regression clause. 	<p>☹ In addition to COM proposal:</p> <ul style="list-style-type: none"> - Article 1 clarifies that the obligation relating to “enhancing effective access of workers to minimum wage protection” applies only where minimum wage protection exists; - Article 11 clarifies that the right to redress and protection against adverse treatment refers only to rights provided for in national law or collective agreements; - Article 13 now includes the possibility for Member States to give to social partners the responsibility to establish the action plan to promote collective bargaining in agreement between them, following a joint request.