

E U R O P E A N E C O N O M I C A R E A
FORUM OF LOCAL AND REGIONAL AUTHORITIES OF THE EEA EFTA STATES

Ref. 21-396

TWENTY-SECOND MEETING OF THE EEA EFTA FORUM

Teams

28 – 29 January 2021

Opinion on the Proposal for a Directive on adequate minimum wages in the European Union

Rapporteur: Lise Selnes

The EEA EFTA Forum on Local and Regional Authorities:

- A. Having regard to the European Commission's proposal COM (2020)682 final, for a directive on adequate minimum wages in the European Union;
 - B. Noting the role of the Forum as a body in the EFTA structure.
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- 1. Highlights the fact that there are significant differences between European Economic Area Member States in terms of both the wage level and wage setting systems;
 - 2. Notes that the systems used to set minimum wages in Europe can be divided into two broad categories: statutory systems and collective bargaining systems, i.e. systems with formal set rates of minimum wages and systems where minimum wages are determined through collective bargaining by social partners.
 - 3. Agrees with the overall objective of paying European workers adequate wages, making work pay, fighting poverty and strengthening the role of the social partners and social dialogue while respecting national labour market models;
 - 4. Questions the EEA relevance of the directive;
 - 5. Points to the fact that autonomous negotiations between social partners have proven to be successful in ensuring the priorities and security of both employers and workers and in contributing to a flexible working market;
 - 6. Disagrees on the choice of a directive as an instrument to obtain adequate minimum wages and strongly believes a Council Recommendation with systematic follow-up would be a better instrument to reach the objectives;
 - 7. Stresses the need for the European Commission to identify measures that do not influence the autonomy of social partners in countries with well-functioning collective bargaining systems;
 - 8. Strongly supports the fact that countries where wages are currently determined mainly through negotiations between the social partners, should be exempted from introducing statutory minimum wages or a mandatory extension of collective agreements;

9. Is of the opinion that the EU should aim at supporting the role of the social partners and the outcome of their decisions, and work to strengthen social partners and coverage of collective agreements, as the main tool to obtain adequate wage and working conditions;
10. Emphasises that collective bargaining systems to a greater extent than statutory minimum wage systems, appear to ensure minimum wages and/or wage level in line with strengthening of the economy;
11. Underlines that other labour and welfare policy instruments are just as important in ensuring liveable wages, including measures aiming at full-time positions and work-life balance, as laid out in the Social Pillar;
12. Questions the legal basis of the EU to put forward a directive on adequate minimum wages, and underlines that the Treaty protects the autonomy of social partners by explicitly exempting wages and social partner involvement from EU regulation and encourages instead social dialogue;
13. Encourages further strengthening of social dialogue in the EEA and Norway Grants.