

**From:** [REDACTED]  
**Sent:** Tuesday, June 30, 2020 9:32 AM  
**To:** KAUFFMANN Barbara (EMPL) <[Barbara.Kauffmann@ec.europa.eu](mailto:Barbara.Kauffmann@ec.europa.eu)>; [REDACTED]  
[REDACTED]

**Cc:** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Subject:** Flash report, EESC hearing and study group discussion on MW initiative, 25 June

### Flash report EESC hearing on “Decent minimum wages across Europe”, 25 June 2020

**Participants:** Nicolas Schmit, [REDACTED] (ETUC), [REDACTED] (Business Europe), [REDACTED] (Social Platform), Özlem Demirel (MEP, DE), Dennis Radtke (MEP DE), Agnes Jongerius (MEP, NL), [REDACTED] (Rapporteur, Employers group), [REDACTED] (Co-rapporteur, Workers group), [REDACTED] (Study group president)

#### Main conclusion of discussions

The **majority** view of the participants was that there is **need for EU action** on the issue of fair minimum wages, and the current crisis highlighted even more this need. The **opposing view** on this comes from **employers’** representatives who believe that the **timing is not right**, as this action may have negative repercussions at the economic level.

There is **general consensus** on the need to **preserve the systems that currently work**, and participants acknowledged the Commissioner’s reassurances. All participants mentioned the imperative role that **social partners** play in the wage setting process and the **importance of collective bargaining**. Its **promotion** has been highlighted as one of the **main aspects** that the **initiative** should encompass. On the **legal instrument** chosen, **workers** representatives may be in favour of a **directive**, while **employers** groups are **clearly against**, supporting a softer approach, i.e. **recommendation** monitored under the European Semester.

#### Main interventions points

**Nicolas Schmit** made a presentation whereby he highlighted the **timeliness** of this initiative especially as part of the **recovery plan**, but also acknowledging its **sensitiveness**. He went through the content of the **second stage consultation documents**, insisting on the **safeguarding** of the **systems that work**.

[REDACTED] (**ETUC**) explained that one of the main things ETUC will propose is a **framework directive** that will not set pay, but that will propose a **dual threshold** below which pay cannot go (60% of the median wage and 50% of the average wage). It will not say how much a MW should be or what is an adequate MW.

[REDACTED] (**Business Europe**) highlighted that the social dialogue culture should be further promoted. When discussing the instrument chosen for the initiative, Business Europe is **clearly against a directive** stating that it goes against the Treaty. What they will be open to is a **Council**

**Recommendation** that would be monitored under the **European Semester**. He also mentioned the importance of EU funds to strengthen the **capacity of social partners** and that this should become a **specific objective of the ESF+**.

██████████ (**Social Platform**) stated that a **minimum threshold** needs to be defined to at least 60% of the national median wage, in a non-discriminatory way. Reference of basket of goods is also important and the MW needs to guarantee that work pays. Social partners are and should remain very important, civil society should also be consulted, especially because of special target groups.

The **Members of Parliament** all **agreed** on the **timeliness** of this initiative, especially in the current crisis situation where workers who kept our societies afloat, are usually the ones that would be at the centre of this initiative. **Özlem Demirel** (MEP for European United Left, DE and Rapporteur on reducing inequalities with a special focus on in-work poverty) stated that the 60% poverty line should be taken as a **threshold** and that MW should not be lower than that, as this is the minimum to be done for in-work poverty. Collective bargaining should be promoted as it is not working everywhere as it should, as shown by coverage differences across the EU. **Dennis Radtke** (MEP for European People's Party, DE) argued that the solution is not a formula of the poverty line, but rather **coverage of collective agreements**, as fair minimum wages and wages more generally can only be reached through collective bargaining. **Agnes Jongerius** (MEP for Progressive Alliance of Socialists and Democrats, NL) underlined the need to talk about the MW proposal but also about **wage growth** and **precarious working conditions** and **collective bargaining**.

The **co-rapporteurs**, as representatives of the workers and employers group, had mostly **diverging** views. Both **agreed** on the **importance of collective bargaining** in wage setting. While the representative of the workers groups supports a proper intervention instrument, the representative of the employers group is proposing a much softer approach, i.e. exchange of best practices and capacity building of social partners.

#### Study group on the EESC Opinion on Decent minimum wages across Europe

The study group discussed the EESC Opinion point by point, and the main issues of disagreement remained the use of criteria for defining MW thresholds, or just proposing indicators and the legal instrument to be proposed.