



Response to 2nd Phase Consultation of Social Partners Possible EU Action related to fair minimum wages

The Confederation of European Security Services (CoESS) welcomes the opportunity to participate in the 2nd phase consultation of Social Partners on a possible EU action addressing challenges related to fair minimum wages.

Adequate minimum wages are an important component of ensuring a decent living for workers. They value the work of employees, enhance the attractiveness of our sector and contribute to the fight against unfair competition. It is important that Social Partners are closely involved in the set-up of minimum wages in order to ensure that they stand in relation to their national, sectoral, economic environment and their impact on employment, economic viability and competitiveness.

CoESS however objects any legally binding action on minimum wages at EU-level. This would undermine collective bargaining and interfere both in Member State competences and Social Partner autonomy.

Objectives of a possible EU action on minimum wages

CoESS fully agrees that well-functioning collective bargaining in wage-setting is important and should always be supported. It is a central component to ensure that minimum wages are adequate and reflect their national, sectoral, economic environment as well employment, competitiveness and productivity developments. For the same reasons, CoESS also strongly agrees that Social Partners should be effectively involved in statutory minimum wage setting, but also compliance control frameworks and monitoring mechanisms - in respect of existing industrial relations systems and the approach chosen by Social Partners at national level. Effective compliance mechanisms are crucial to ensure the enforcement of minimum wages and sanctioning of non-compliance in order to fight unfair competition.

Also, CoESS believes it to be important that national minimum wage frameworks are regularly updated and set according to clear criteria in order to guarantee adequateness. Such criteria must also consider economic and competitiveness aspects. The definition of such frameworks and criteria must remain a competence of Member States and/or Social Partners in order to take account of national, sectoral and socio-economic realities.



CoESS does not agree with EU action that might interfere in the definition of exemptions and generally eliminates or limits minimum wage variations. These depend on many different factors, such as labour market functioning and industrial relations at national level, and must be decided by Member States and/or Social Partners. It is not on the EU to assess whether exemptions are justified or proportionate.

Possible avenues for EU action

CoESS supports many of the proposed EU actions. These must however remain non-binding.

Collective bargaining

A list of possible actions that can support Member States in strengthening the role of collective bargaining in minimum wage setting could be useful. CoESS believes that it would be most effective, if social criteria were better respected in public procurement. This would improve compliance with minimum wages and provide an important incentive for participation in collective bargaining on wage-setting - hence enhance representativeness of Social Partners and effectively strengthen Social Dialogue. CoESS therefore highly welcomes the European Commission's proposal to map the implementation of the social clause contained in the Public Procurement Directive 2014/24/EU - focusing on aspects of the implementation of the clause related to minimum wages and collective bargaining. Non-compliance with minimum wage frameworks could be efficiently countered and collective bargaining strengthened, if public buyers consequently followed quality criteria and approaches in procurement processes. An exclusive focus on lower pricing incentivises unfair competition, undeclared work and non-compliance with minimum wage frameworks.

CoESS further strongly recommends the European Commission to promote existing guidelines on how to apply quality criteria and approaches in public procurement. CoESS and its Social Partner UNI Europa have defined social and quality procurement criteria and approaches based on the European public procurement legislation in their guide for "Buying Quality Private Security Services", which was co-funded by the European Commission and is available at www.securebestvalue.org.

Clear national frameworks to set and update statutory minimum wages

CoESS agrees that minimum wage frameworks should follow clear and stable criteria, be regularly updated and be assessed according to different indicators. If the European Commission specifies certain elements, they must remain non-prescriptive in order to respect national socio-economic realities, Member State competencies and industrial relations in each country. Recommendations

must consider the impact of minimum wages on economic viability and employment, and should be based on an in-depth analysis and a consultation of Social Partners and Member States.

Involvement of Social Partners in statutory minimum wage setting

CoESS agrees that Social Partners should be involved in an effective and timely manner in the setting of statutory minimum wages, in full respect of existing industrial relations systems and approaches chosen by Social Partners at national level. Best practices could be shared among Member States. In some countries, it could be useful that independent experts, who are nominated by national, inter-sectoral Social Partners, are associated with minimum wage setting and updating in an institutionalised framework. However, the specific approach taken strongly depends on national traditions and must be decided by Member States and Social Partners.

Exemptions and variations

CoESS stresses that exemptions and variations in the scope of minimum wages strongly depend on national labour markets, industrial relations and other factors. CoESS does therefore not agree with any EU action that may in any way define “proportionate and justified” exemptions and variations, as this is a clear Member State and/or Social Partner competency.

Compliance and monitoring

CoESS strongly supports the proposal of the European Commission to call on Member States to improve effective implementation and compliance with national minimum wage frameworks, and to ensure that non-respect is effectively sanctioned. CoESS supports the recommendation that Social Partners can take a key role in such efforts. Better enforcement frameworks and effective sanctioning are crucial to fight unfair competition. Enforcement bodies and monitoring frameworks should be strengthened, with support of EU funding.

Possible legal instruments

CoESS believes that the EU can play an important role in supporting Member States to establish adequate minimum wage frameworks against socio-economic realities, promoting collective bargaining in minimum wage setting, and strengthening Social Dialogue. The European Semester process provides already a very valuable tool to do so and CoESS has outlined in this paper many suitable recommendations to Member States, which could play a more prominent role in country-specific recommendations. Implementation could be supported by targeted EU funding schemes.

CoESS however strongly advises the European Commission against any legally binding EU action in form of a Directive and stresses that while the European Commission aims to base EU action on Article 153 (1) (b) TFEU, Article 153 (5) TFEU clearly states that “The provisions of this Article shall not apply to pay (...).” By adopting an EU Directive, CoESS believes that the European Commission would exceed its competences and overturn the balance of the division of competences between Member States and the EU in social policy, which could lead to numerous court cases.

CoESS adds that the European Commission must refrain from over-regulation on social affairs and instead strengthen Social Partners. An EU Directive on minimum wages would politicise wage issues and considerably undermine the role of Social Partners - setting a dangerous precedent. Such action would be particularly damaging to industrial relations in countries where Social Partners are responsible for wage setting or where statutory minimum wages are linked to collective bargaining.

If the European Commission considers, against these concerns, a legal instrument on minimum wages in Europe, CoESS could only support a Council Recommendation that (1) strictly respects Member State competencies, Social Partner autonomy, and the principles of subsidiarity and proportionality; (2) promotes collective bargaining in minimum wage setting; (3) attributes a role to Social Partners in minimum wage setting and compliance frameworks; and (4) recommends effective incentives for participation in collective bargaining on wage-setting as outlined in this paper.

About CoESS

CoESS acts as the voice of the private security industry, covering 23 countries in Europe and representing 2 million guards, over 45,000 companies and generating a turnover of over €40M. The private security services provide a wide range of services, both for private and public clients, ranging from Critical Infrastructure facilities to public spaces, national government and EU institutions buildings.

As per the most recent Representativeness Study, CoESS is the only European employers’ organisation representative of the private security services. Since 1992, the European Services Workers Union, UNI Europa, and CoESS are actively involved in the European Sectoral Social Dialogue for the private security services - a labour intensive sector with 2 million guards in Europe. CoESS and UNI Europa develop their joint Work Programme on a yearly basis and define their priorities and objectives. The current Work Programme for 2020/2021 can be found [here](#).

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