

Proposed EU Directive on Minimum Wage

BEERG Meeting Oct. 2021

Background

- **November 2017** – European Pillar of social rights : EU commitment to fair wages for workers, incl. adequate wages to allow them and their families to have a decent standard of living and safeguarding the employability of low skilled and young workers
- **October 2020** – Proposal for an EU Directive on adequate minimum wages
- **Next step** : EU Council and Parliament for approval
- French Presidency from January 2022 – high on their priority list
- When it takes effect, Member States will have 2 years to implement measures to comply with it

Proposal

Objective : tackle in wage poverty – *“by 2024, all EU workers should earn a fair and adequate wage, no matter where they live”*

1. Improve adequacy of statutory minimum wage in Member States that use them
2. Promote collective bargaining in all Member States, and particularly those where collective bargaining applies to less than 70% of workers
3. Put in place monitoring and enforcement mechanisms for ensuring compliance

It's not about....

- Measuring minimum wage levels across the EU
- Establishing uniform method for setting minimum wages in Member States

- The Directive will set minimum standards
- Member States will remain free to choose how they achieve an 'adequate minimum wage'

Some issues raised

- Collective Bargaining in scope of EU or part of national competency?
- ECJ will step in collective bargaining ?
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