

## Commission disappoints with its “fair wage” consultation paper



(14 January 2020) The European Commission today published its much anticipated consultation paper on “possible action addressing the challenges related to fair minimum wages” but its key proposals prove to be disappointing for trade unions.

The Commission notes that “collective bargaining is an essential element of the social market economy and a strong foundation for good wage setting.” At the same time, it acknowledges that statutory minimum wages do not allow for a decent living, with many workers on inadequate wages. They do not benefit from productivity gains in the economy nor share in the profits of their companies. The paper also recognizes that wage inequalities have grown and that groups of workers have little or no bargaining power while not all EU governments respect collective bargaining.

EPSU shares much of this analysis and therefore finds it deeply disappointing that the Commission's paper is short of proposals to deal with this problems. It falls short

of what workers expect from the Commission as it does not challenge the asymmetries in power between workers and the employers.

The new Commission President Ursula Von der Leyen made it a priority “to ensure that every worker in our Union has a fair minimum wage.” The consultation paper analyses why minimum wages matter, that the situation for low wage workers has worsened and that wage inequalities have increased. Workers on part-time work, on-call work and other non-standard forms of work are vulnerable and exposed to the risk of in-work poverty. With more women than men working in sectors with wages around the minimum wage, action to increase pay will contribute to address inequalities. A recent OECD paper underlined the importance of collective bargaining to address such wage and gender pay inequalities.

The paper is a consultation under article 154 of the Treaty and social partners now have six weeks to respond. This allows the social partners to indicate if they would like to open a dialogue and negotiations on issues covered in the consultation based on article 155 of the Treaty. The European Commission does not clarify how it will deal with the results of such negotiations. It has argued in the court case of EPSU vs the European Commission that it can do whatever it wants with the results of these negotiations. The Commission further believes that past practice, as codified in its social dialogue Communications since 1993, has no value. The Commission has thus undermined the Treaty and the autonomy of the social partners.

After the first phase consultation there will be a second phase consultation foreseen for March or April this year. EPSU will argue that all workers independent of their employer (public, non-profit, private) need a fair wage. EPSU’s collective bargaining group will meet on 30 January and contribute to the formulation of an EPSU position and input into the ETUC position.

[For the reaction of ETUC](#)

[For the Court case of EPSU vs the European Commission](#)

For the consultation paper of the European Commission ([EN](#) - [FR](#) - [DE](#) )

For [the OECD report – Negotiating Our Way Up](#)

[For the EPSU Collective Bargaining Newsletter](#). It reports regularly on minimum wage developments.

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