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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF
THE COUNCIL on adequate minimum wages in the European Union
- *Policy debate*

Delegations will find attached the Presidency steering note on the above subject, with a view to the EPSCO Council on 14 June 2021.

The European Pillar of Social Rights, proclaimed at Gothenburg on 17 November 2017, establishes in chapter II a set of principles that provides guidance on ensuring fair working conditions.

Principle No 6 reaffirms the right of workers to fair wages that provide for a decent standard of living. It also provides that adequate minimum wages should be ensured, in a way that provides for the satisfaction of the needs of the workers and his/her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work.

Furthermore, it recalls that in-work poverty should be prevented and that all wages should be set in a transparent and predictable way and respect the autonomy of the social partners.

However, in 2019, 9 out of 100 workers in the Union still have a disposable income below the risk-of-poverty threshold¹. Even among the workers with a minimum wage protection, in 2020, 7 out of 10 reported at least some difficulty in making ends meet, with figures varying greatly across countries².

In order to improve the protection of workers in the Union through adequate minimum wages, in October 2020 the Commission adopted a proposal for a Directive on adequate minimum wages in the European Union. The proposal aims to establish a framework at Union level to ensure that minimum wages are set at adequate level and that workers have access to minimum wage protection in the form of a statutory minimum wage or of wages set by collective agreements.

Following the wish of some delegations and in order to give a further impulse to the political work, the Presidency considers it would be helpful for the Council to exchange views on the following aspects:

- 1. Which are the most important improvements of the minimum wage protection across the Union that you expect the Directive to deliver?*
- 2. Which are the most critical elements in the proposal to ensure the adequacy of minimum wages within the common framework that the Directive aims to set?*

¹ Eurostat, SDG_01_41.

² Eurofound, Minimum Wages in 2020, Annual review.