

**RESOLUTION ON ADVOCACY PRIORITIES CONCERNING THE  
EUROPEAN COMMISSION'S PROPOSAL OF OCTOBER 28 2020  
FOR A DIRECTIVE ON ADEQUATE MINIMUM WAGES IN THE EU**

**RESOLUTION OF THE PRESIDUM OF CESI**

*The European Confederation of Independent Trade Unions (CESI) is a confederation of more than 40 national and European trade union organisations from over 20 European countries, with a total of more than 5 million individual members. Founded in 1990, CESI advocates improved employment conditions for workers in Europe and a strong social dimension in the EU. CESI represents public and private sector workers.*

**CESI welcomes the initiative of the European Commission to close minimum wage loopholes and indecently low wages for many workers in Europe** and table a binding directive to ensure adequate minimum wages in the Member States.

CESI endorses the European Commission's choice to act within Article 153(1)(b) of the Treaty on the Functioning of the European Union (TFEU) which prescribes the EU to support and complement the activities of Member States in the field of working conditions.

In particular, CESI considers the initiative an important deliverable by the EU of the 6<sup>th</sup> principle of the European Pillar of Social Rights on fair wages. While the Single market is largely integrated in economic and financial affairs and in the free movement of capital, persons, goods and services, it has opened doors to exploitations of workers, social dumping, and social inequalities. For instance, concerning wages, workers can have a work contract based in a low-pay country but then be sent to work in a high-pay country. CESI stresses that an initiative for adequate minimum wages thus also serves to achieve some upward social convergence and more of a level-playing field among in the Member States, which re-balances the financially and economically single market with a social dimension.

**At the same time, CESI calls on the European Parliament and the Council to decidedly strengthen the European Commission's proposal.** To not stay abstract and make a real difference, the well-founded arguments and rationale of the initiative should be translated into articles with teeth and include concrete and quantifiable targets, benchmarks and sanctions.

1. Concerning article 2, CESI underlines that the scope of the directive must clearly cover bogus self-employed because they are de facto workers and should be considered as such in the meaning of that too. CESI highlights the vulnerability of certain groups of self-employed (the solo self-employed and dependent independent workers, most notably). These groups can also be better protected by ensuring adequate social protection, a right to collective bargaining and minimum income schemes.

2. Likewise, article 2 should clarify that the directive applies also to the public sector. At the same time the directive should specify that it does not apply to civil servants falling under the so-called alimentation principle. In countries such as Germany, the principle of alimentation imposes the obligation on the state (the ‘employer’) to appropriately support civil servants and their families as well as to grant them an appropriate maintenance according to the development of the economic and financial situation as well as the general standard of living. As such, in cases where the state ‘aliments’ civil servants already, providing a high level of protection in a separate legal system, it would be legally, systematically and conceptually pointless and void to apply minimum wage framework.
3. In article 3, a definition of “*worker organisation*” should be included, specifying that this relates to trade unions and thus ruling out the possibility for employers to establish their own agents as “representatives” to engage in fake collective bargaining to formally (but not practically) fulfil the obligations under his directive.
4. The provision in article 5 that Member States should set and update minimum wages “*to promote adequacy with the aim to achieve decent working and living conditions, social cohesion and upward convergence*” is insufficient because neither sets any objective benchmark to attain nor does it quantify and define in any measurable way what “adequate” wages are. The article should instead clearly oblige Member States to ensure wages which should be based on the commonly accepted ‘at-risk-of-poverty’ threshold rate, which is, according to Eurostat, 60% of the national [median](#) equivalised disposable income after [social transfers](#).
5. Article 6(1) on exemptions from minimum wages, stipulating that Member States “*may allow different rates of statutory minimum wage for specific groups of workers*” while keeping them “*to a minimum*” and ensuring that “*any variation is non-discriminatory, proportionate, limited in time if relevant, and objectively and reasonably justified by a legitimate aim*”, is too vague and open to interpretation to prevent Member States from applying wide exemptions at their discretion, including for young workers. No exemptions should be allowed for minimum wages. It should be noted that internships prescribed by education or degree curricula could be considered not as work but as part of the education or studies and thus no require a full minimum wage.
6. Article 8(1), which establishes that Member States shall “*strengthen*” the controls and field inspections conducted by labour inspectorates for the enforcement of statutory minimum wage in a “*proportionate and non-discriminatory manner*” is insufficient. Member States should be “*obliged to ensure that labour inspectorates are sufficiently staffed, resourced and equipped to run controls and inspections in frequencies that effectively deter risk-taking by employers to circumvent minimum wages.*”

On a general note, the EU should swiftly move to [bring EU competition law in line a right to collective bargaining for the vulnerable self-employed](#), who should then also be allowed to be covered by the directive and its provisions on collective bargaining.