

New rules for fair minimum wages in the EU

- A minimum wage should ensure a decent standard of living
- Collective bargaining should be strengthened in countries where it covers fewer than 80% of workers
- The powers of national authorities and social partners' autonomy to determine wages must be fully respected

A new draft EU law will ensure a minimum level of wage protection in all member states, in order to guarantee decent living standards for workers and their families.

In a vote on Thursday, MEPs on the Employment and Social Affairs Committee backed laying down minimum requirements to protect wages across the EU, either by establishing a statutory wage (the lowest wage permitted by law), or by allowing workers to negotiate their wages with their employers. The new legislation should apply to all workers in the EU who have an employment contract or employment relationship.

According to the draft law, member states have to assess and report on whether statutory minimum wages are sufficient by using criteria to put in place decent working and living conditions and include elements such as purchasing power and the poverty rate. Member states in which the minimum wage is protected exclusively via collective agreements will not be obliged to introduce statutory wages or to make these agreements universally applicable.

Promoting collective bargaining

The draft directive explicitly aims to strengthen and extend the coverage of collective bargaining and protect workers by providing them with a minimum wage via these negotiations. Member states in which collective bargaining is available to less than 80% of the workforce, should take active steps to promote this tool. To design the best strategy for this purpose, they should consult social partners and inform the European Commission of the adopted measures.

Moreover, it will be explicitly forbidden to undermine collective bargaining or collective agreements on wage setting. Workers must be able to join a trade union and cannot be obstructed from doing so.

Redress

National authorities should ensure that workers have a right to redress, if their rights are infringed. Workers must be adequately compensated and be able to recover any remuneration due. National authorities must also take the necessary measures to protect workers and trade union representatives from being treated unfairly by their employer because of a complaint that they have lodged or any other proceeding initiated to enforce their rights.

Next steps

The draft-negotiating mandate was adopted with 37 votes to 10, with 7 abstentions. It should be endorsed by plenary (during the 22-25 November session in Strasbourg) before negotiations with the Council on the final form of the legislation can begin.

Quotes

After the vote, co-rapporteur [Dennis Radtke](#) (EPP, DE) said: “With today’s vote in the Employment Committee, we have taken a major step and moved from words to action on the dignity of work across the EU. This directive is a game changer in the fight for a stronger Social Europe.”

“This legislation is a break with the past. During the previous crisis, lowering minimum wages and dismantling sectoral collective bargaining was the harsh medicine prescribed to many member states. Now, we are fighting to increase statutory minimum wages and to strengthen collective bargaining in Europe”, co-rapporteur [Agnes Jongerius](#) (S&D, NL) added.

Background

The right to an adequate minimum wage is mentioned in Principle 6 of the [European Pillar of Social Rights](#), which was jointly agreed by the European Parliament, the Council on behalf of all member states, and the European Commission in November 2017. [The European Parliament has repeatedly asked for legislative action on this topic](#). In October 2020, the Commission tabled a proposal for a directive to improve the adequacy of minimum wages in the EU.

In the EU, [21 out of 27 countries have a statutory minimum wage](#), while in the other six (Austria, Cyprus, Denmark, Finland, Italy and Sweden) wage levels are determined through collective bargaining. Expressed in euro, monthly minimum wages vary widely across the EU, ranging from €332 in Bulgaria to €2 202 in Luxembourg ([2021 data from Eurostat](#)).

Further information

[Committee on Employment and Social Affairs](#)

[Profile of o-rapporteur Dennis Radtke \(EPP, DE\)](#)

[Profile of co-rapporteur Agnes Jongerius \(S&D, NL\)](#)

[Procedure file](#)

[European Parliament Policy Department for Economic, Scientific and Quality of Life Policies, June 2021: "Fighting poverty and social exclusion. Including through minimum income schemes"](#)

[EP Research Service: Minimum wage in the EU \(October 2020\)](#)

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