



OPINION

On the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL on adequate minimum wages in the European
Union

COM (2020) 682/final/ 28.10.2020

The members of the Special Standing Committee on European Affairs and the Standing Committee on Social Affairs, at a joint meeting (22.3.2021),

Taking into consideration:

- Articles 2 and 3 of the Treaty on European Union, on the purpose and values of the EU,

- Articles 5 on national social policies' coordination, 9 on ensuring social protection, 175 on strengthening economic, social and territorial cohesion, and 153 on achieving social policy objectives of the Treaty on the Functioning of the European Union (TFEU),

- Articles 28 and 31 of the EU Charter of Fundamental Rights, on the right of collective bargaining and action, as well as on fair and favorable working conditions,

- Articles 4 and 6 of the revised European Social Charter on the right of all workers to a remuneration such as will give them and their families a decent standard of living, as well as the right to collective bargaining,

- Principle 6 of the European Pillar of Social Rights, on the right of workers to a fair wage allowing for decent living standards,

- the eighth objective (Decent Work and Economic Development) of the United Nations Agenda 2030 for Sustainable Development (70th United Nations General Assembly, September 2015),

- the European Commission Communication "A Strong Europe for Fair Transitions COM (2020) 14 final" /14.1.2020
- the Opinion of the European Economic and Social Committee (SOC / 632 / 18.9.2020), titled "Decent minimum wages throughout Europe",
- the European Parliament Resolution no. 2020/2084 (INI) /17.12.2020 on "a strong social Europe for just transitions",
- the document No. 44314/2445/2.11.2020 of the Ministry of Labor and Social Affairs, according to which there are no obstacles to the transposition of the proposed Directive's articles into national law, also the same Ministry's document of 19.3.2021, as well as the Ministry's for Maritime Affairs and Insular Policy position note regarding the exclusion of seafarers from the scope of the Directive.

Considering that:

- For enabling adequate employment and living conditions, but also in order to build fair and sustainable economies and societies, it is necessary to ensure adequate and fair remuneration for workers.
- Setting a minimum wage that ensures decent living standards boosts labor productivity, innovative entrepreneurship and employment.
- Social dialogue and collective bargaining are key tools for social partners in order to set fair and adequate minimum wage and ensure decent and fair working conditions.
- Countries with well-organized social partners and wide collective agreements coverage, present, on an average, higher quality of work, higher minimum wage and lower percentage of low-wage workers. Given that collective bargaining coverage, as well as trade union coverage density, have significantly narrowed down since 2000 in 22 of the 27 EU Member States, according to OECD data, the proposed Directive also aims to

promote collective bargaining for setting wages applicable in all Member States.

- Ensuring adequate and fair minimum wages is important, as it supports sustainable and inclusive economic recovery, increases demand, reduces employee poverty and promotes (gender) equality at work, as mostly those paid the minimum wage are women
- Fixed-term work, work contracts or flexible/informal employment, as well as teleworking, which became widespread in times of crisis, are insufficiently covered by national social security and labor protection systems.
- The COVID-19 pandemic has shown that many low-skilled workers are essential for economy's base function, as front-line workers, yet receiving low wages and accepting precarious working conditions.
- The goal of eradicating poverty, as set out in the Europe 2020 Strategy, seems to be fading, especially under the circumstances caused by the pandemic that has severely affected European economies, household incomes and vulnerable social groups, thus making the protection of low-wage workers a key condition for sustainable and inclusive economic recovery.
- Minimum wage adequacy protects workers not covered by collective labor agreements, as well as vulnerable groups of workers, such as migrants and people with disabilities, thus contributing to wage inequalities reduction, and supporting equal opportunities and healthy competition, through the protection of employers who pay adequate wages.
- In the case of imposing disproportionate deductions, such as benefits in kind, or tax burdens on labor, wages are reduced to a level below the statutory minimum wage, adversely affecting workers' living standards

- Maritime shipping is a productive sector with special characteristics and a significant part of its seafaring manpower consists of seafarers permanently residing in third countries (labor supplying countries) and working under the terms of the International Convention on Maritime Labor (MLC 2006), ratified by both Greece, and the European Union.

Deem that:

- The purpose of the proposed Directive is to ensure a decent living standard for workers throughout the Union, by establishing a framework and minimum standards towards adequate and just minimum wage –setting to enable decent living conditions, whether established by law or collective bargaining, and taking into account national systems’, specificities, national competences and social partners’ autonomy and contractual freedom, but also in promoting collective wage-setting bargaining/negotiations in all Member States.
- It is Member States’ responsibility to strengthen the social model, as being shaped in the European Union, to ensure decent working conditions and adequate minimum wages for all workers, without exceptions or differentiations, regardless of form and type of work provided, (regardless of) gender, age or social inclusion, in accordance with criteria linked to national, social and economic conditions, such as, at least, the purchasing power of the statutory minimum wage, also taking into account living costs and tax and deductions impact, gross wages’ general level and distribution, as well as gross wages’ growth rate.
- The European standard of decent living can also be strengthened via adoption of international adequacy ratios, in which the minimum wage is no less than 60% of the median

wage and than 50% of the average wage. Labor productivity especially, cannot be safely determined, as depending on various factors, such as, primarily, the economic context and its impact on economic competitiveness, investments, bank lending, technology, and is already taken into account in gross wages' level setting, on basis of which minimum wage is calculated.

- Further to the relevant international convention, yet lacking special provisions, the protection of seafarers working on ships registered under the flag of an EU Member State but permanently residing in third countries is bound to create complications at the expense of the European shipping industry's competitiveness.

Address the Presidents of the European Parliament, the Council and the Commission with the present opinion delivered in the context of the political dialogue with the European institutions.

Call on the Government to advance the aforementioned positions to ongoing negotiations within the Council of the European Union.