



EUROPEAN COMMISSION

*Brussels, 12.8.2021
C(2021) 6066 final*

Dear President,

The Commission would like to thank the Vouli ton Ellinon for its Opinion on the proposal for a Directive on adequate minimum wages in the European Union {COM(2020) 682}.

Ensuring that workers in the EU are protected by adequate minimum wages is a priority for the Commission, and part of its ambition for an economy that works for people. In proposing this Directive, the Commission delivers on the commitment of President Ursula von der Leyen in her Political Guidelines for 2019-2024, and takes an important step towards the implementation of the European Pillar of Social Rights, jointly proclaimed by the European Parliament, the Council and the Commission in November 2017.

The Commission appreciates that the Vouli ton Ellinon decided to analyse this proposal and welcomes its support for the proposal's general aim to ensure that the workers in the European Union are protected by adequate minimum wages allowing for a decent living wherever they work.

The Commission would like to refer to the attached Annex, in response to the more technical comments in the Opinion, notably as concerns the adoption of international adequacy ratios, the criterion of labour productivity and the protection of seafarers.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Vouli ton Ellinon and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Helena Dalli
Member of the Commission*

*Mr Konstantinos TASSOULAS
President of the Vouli ton Ellinon
11, Av. Vassilissis Sofias
GR – 10021 ATHENS*

The Commission has carefully considered each of the issues raised by the Vouli ton Ellinon in its Opinion on this important subject and would like to make the following comments:

The adoption of international adequacy ratios

The proposed Directive lies down provisions for statutory minimum wage setting frameworks in order to ensure that they deliver adequate minimum wages, i.e. minimum wages that are fair with respect to the wages of other workers in the same country and that provide workers with a decent standard of living in that country. To this end, the proposal asks Member States to use indicative reference values to guide the assessment of minimum wage adequacy, such as those commonly used at international level.

However, as concerns the adoption of international adequacy ratios, due to the limitations set by Art 153 (5) TFEU, it is not possible for the Commission to set any specific reference values to assess the adequacy of minimum wages in the Member States. The decision on the exact indicators and reference values that best serve this purpose in a given country is thus to be taken at national level, in line with the national competences and practice. Therefore, the two specific values (60% of the gross median wage and 50% of the gross average wage) referred to in Recital 21 can only serve to inform the choice of Member States.

The inclusion of labour productivity as a criterion to guide minimum wage setting

The adequacy of statutory minimum wages should be determined in view of the national socio-economic conditions. The criterion on labour productivity captures the economic dimension. This also reflects the spirit of Principle 6 of the European Pillar of Social Rights, which states that “adequate minimum wages shall be ensured, in a way that provide for the satisfaction of the needs of the worker and his or her family in the light of national economic and social conditions”. Higher labour productivity growth allows increasing minimum wage adequacy while not affecting firms’ competitiveness. Conversely, low (or negative) productivity growth constrains the increase in minimum wage adequacy.

Whereas in some Member States labour productivity may be already reflected in the levels and developments of gross wages, this may not be necessarily the case in all countries. Therefore, the Commission considers it preferable to explicitly list labour productivity as one of the criteria to guide the setting and updating of the minimum wage.

As regards the specific indicators to be used, the proposed Directive does not give an exact statistical definition of the four criteria listed in Article 5(2). In particular, on labour productivity, there are many commonly used indicators. It is up to Member States to decide the exact definition of these criteria and the methodology to determine and apply them according to their national practices, specificities and traditions.

On the protection of seafarers working on ships registered under the flag of an EU Member State but permanently residing in third countries

The Commission would like to draw your attention to the fact that the application of the Directive to such workers depends on whether they fulfil the conditions laid down in Article 2, according to which it applies to workers who have an employment contract or an employment relationship as defined by law, collective agreements or practice in force in each Member State, with consideration to the case law of the Court of Justice of the EU. It does not exclude specific groups of workers from its application, such as seafarers, as this would restrict its positive effects and would be contrary to its aim.

Furthermore, there is no conflict between the Maritime Labour Convention (MLC) of 2006 as amended, and this proposal. Both acts provide for minimum standards and in case of overlap between the two, the standard ensuring the higher protection of workers should prevail. Moreover, the guidance that the countries need to take into account to establish wages in compliance with the MLC is not binding, therefore it gives less certainty on the level of protection of seafarers as regards the minimum wage than the Directive would.
