



European Commission



ADEQUATE MINIMUM WAGES

28 October 2020
#EUMinimumWages



“Minimum wages work – and it is time that work paid”.

Ursula von der Leyen, State of the Union address, 16 September 2020

Why do we need adequate minimum wages?



The proportion of people who work but still face poverty **increased from 8.3% in 2007 to 9.4% in 2018** of the total workforce in the EU.

Many COVID-19 frontline workers earn the minimum wage



Carers



Health workers

Minimum wage workers find it difficult to make ends meet (%)

39 with some difficulty

20 with difficulty

fairly easily 21

easily 7

very easily 2



Cleaners



Agricultural workers

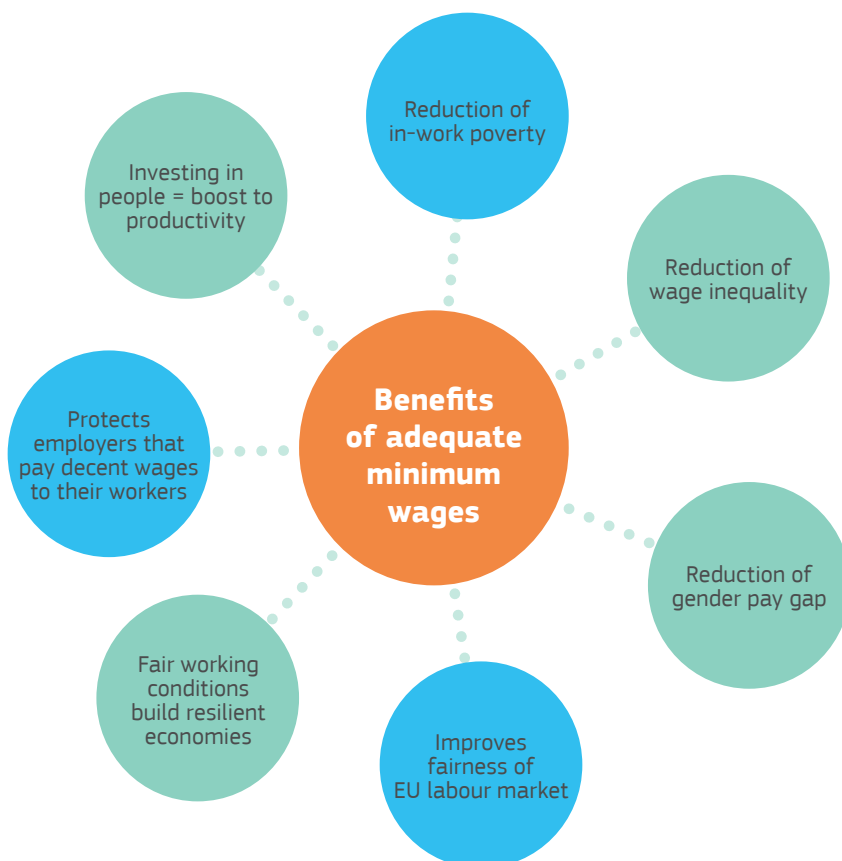


11 with great difficulty

What do we want to achieve?

- The proposal for a Directive on Adequate Minimum Wages seeks to ensure that minimum wages are set at an adequate level, and **workers can earn a decent living**. Workers should have access to minimum wage protection, either in the form of a statutory minimum wage or of wages set by collective agreements.

- This proposal fully respects national competences and social partners' contractual freedom. **It does not oblige Member States to set minimum wages by law**. It does not set the level of minimum wages.



Principle 6 of the European Pillar of Social Rights, endorsed by all EU leaders

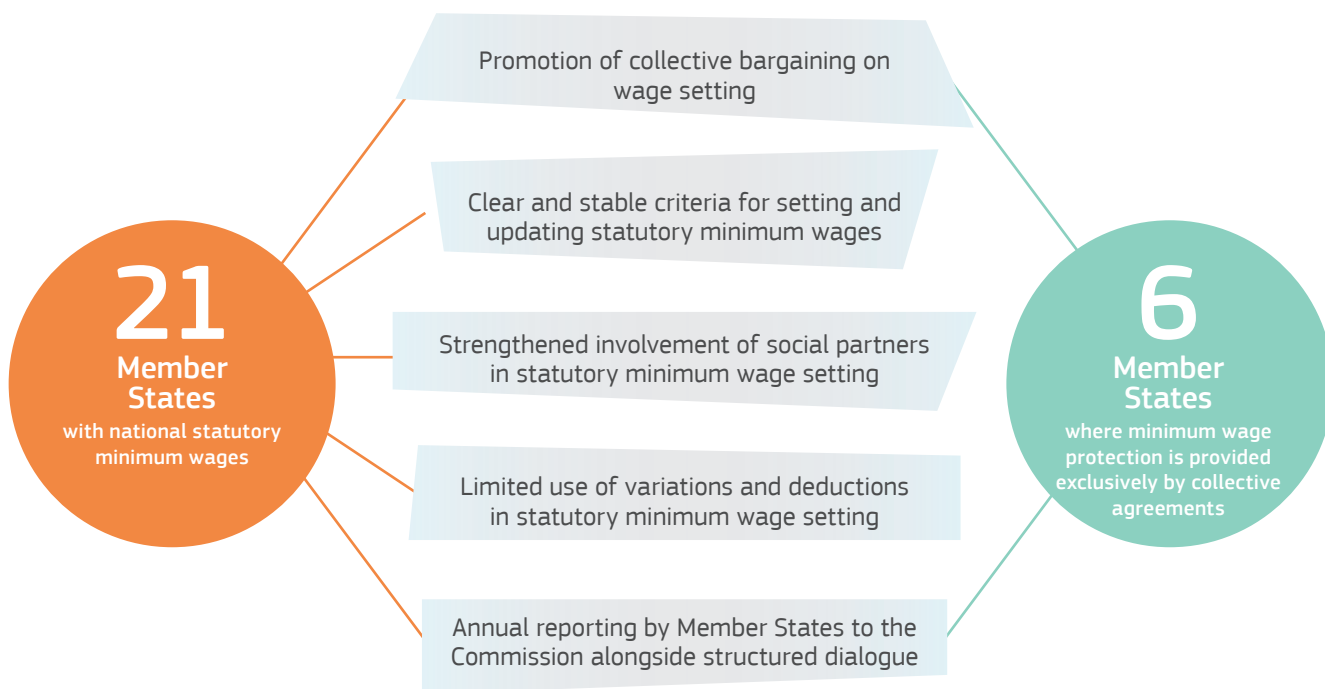
“Workers have the right to fair wages that provide for a decent standard of living. Adequate minimum wages shall be ensured... In-work poverty shall be prevented. Wages shall be set in a transparent and predictable way... according to national practices and respecting the autonomy of the social partners.”

Collective bargaining on wage setting should be encouraged in all Member States



What is the Commission proposing?

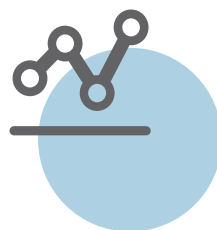
We want to ensure that workers are protected



Suggested criteria for adequate minimum wages set by law for Member States to take into account



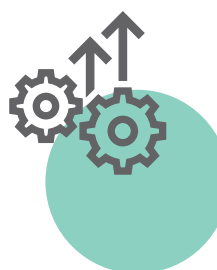
Purchasing power also taking into account taxes and social benefits



General level of gross wages and their distribution



Growth rate of gross wages



Labour productivity developments

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