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## **Minimum wage. Progress in the EU. Schmit (Commission): “We are not imposing it on Italy”**

(Strasbourg) “Identifying ways to strengthen the collective bargaining system is the subject of extensive debate in Italy at the moment. On the other hand, it must be determined whether the time has come to establish a minimum wage, which we are not imposing on Italy”, explained EU Commissioner for Jobs and Social Rights Nicolas Schmit, during a press conference in Strasbourg for the presentation of the provisional agreement reached at the end of the Trialogue – Commission, Council and European Parliament – on the new directive on adequate minimum wages in EU member countries. Standing beside him was Dragos Pîslaru, Romanian MEP and Chair of the Employment and Social Affairs Commission, and the co-rapporteurs of the provision, Dennis Radtke from Germany and Agnes Jongerius from the Netherlands. Their faces bore signs of tiredness but also of satisfaction. In fact, the agreement was reached during the night. It was described as a “historic” step for European workers, although it will take at least a couple of years before it is implemented. The agreement will have to be confirmed by COREPER (Committee of the Permanent Representatives of the Governments of the EU Member States) prior to approval by both Council and the European Parliament. Thereafter, Member States will have two years to transpose the directive into national law. Once adopted, the new law will establish procedures for the adequacy of statutory minimum wages and will contribute to dignified working and living conditions for European workers by acknowledging, Pîslaru explained, “the diversity existing in each country and the good practices” already in place. After an exhausting round of talks, the MEPs pointed out that with this directive “the social pillar becomes a reality.” For Jongerius, “workers are the winners of this whole programme” as “the protection of collective bargaining is the best protection against occupational poverty”. The provisional agreement foresees a collective bargaining coverage rate of no less than 80%, “which is an extremely binding figure”, Radtke pointed out. Regarding wages, the German MEP clarified that under the new regulation “we are telling the Member States that

### **Minimum wages are adequate if they amount to 60% of the gross median wage” of the respective Countries**

An analysis of this indicator showed, Jongerius pointed out, that “in addition to the Netherlands, a further 22 Member States need to increase the minimum wage”, an effort that “altogether concerns 24 million workers in Europe.” For this reason, the decision-makers in Strasbourg and Brussels are confident that this Directive will “indeed make a difference.” Moreover, noted Schmit, it is an initial response to the outcome of the Conference on the Future of Europe where citizens requested minimum wages to be introduced, since “no one should have to live in poverty while in employment.” The measure is an important step at a difficult juncture. With high inflation, it was noted, low wages must not be affected by this increase. Moreover, the Commissioner insisted, “real wages must not be reduced because it will lead to stagflation.” The EU institutions are confident that they have found a good balance between workers’ needs - “even employers have a stake in there being minimum wages,” Schmit noted - and the realities of each country, where the debate on the subject occasionally flares up. From Sweden to Denmark, from Germany to Italy, criticism, fears and reservations abound. But MEPs and the Commissioner expressed optimism for a positive outcome of the directive. Regarding Italy, Schmit said he remained “very confident that the Italian government and the social partners, who play an important role, will ultimately reach a successful agreement to strengthen collective bargaining, especially for those workers lacking adequate protection.” He went on to conclude: “it could be important to implement the minimum wage system in Italy. However, its adoption is the responsibility of the Italian government and the social partners.”

