

POSITION ON

“FAIR MINIMUM WAGES” REGULATION IN THE EUROPEAN UNION

We consider the European Pillar of Social Rights to be a basic, common set of the social policies’ directions accepted by the member countries. It consists of 20 general rules which ought to be respected by the member countries establishing their regulations on the social and working conditions. Having that in mind, we do not support any legislation at the EU level, aimed at restricting the free movement of people by unification of social security systems that do not reflect capabilities of individual countries.

Monthly minimum wages vary significantly around the EU. In 2015 it was 184 EUR in Bulgaria, but at the same time 1,500 EUR in Belgium or in the Netherlands. One may say that the minimum wage rate reflects the level of economic development of a given country, but it should be remembered that some highly developed countries do not have any national regulation establishing a minimum wage rate at all (e.g. Norway). Furthermore, the countries viewed as less economically developed tend to increase the minimum wage rates much faster and more efficiently than the wealthiest countries of the EU. Bulgaria, which was mentioned before, increased their minimum wage by 100% between 2007 and 2015. Meanwhile, Lithuania increased their minimum wage by 73%. In the same period, minimum wage in Belgium rose by approximately only 20%. In Ireland, the minimum wage rate didn’t change at all between 2008 and 2015. On the other hand, in Poland the minimum wage is about to reach the point of 950 EUR, while in 2015 it was 409 EUR.

All of the given data seems to confirm that the group of countries which are “catching up”, consistently makes their social and labour regulations approach more and more ambitious. Therefore, we believe that any regulation of the minimum wages imposed at the EU level is not needed.

Moreover, we find the practice of imposing EU laws based on the European Pillar of Social Rights hard to accept. The intention behind the Pillar is to be soft law, establishing the main directions of development for the member countries’ social and labour policies. Meanwhile, it seems like it is used to unify the standards of social protection and labour regulations across the EU. Eventually, this scheme leads to limiting the competition within the member

countries. The revision of the posted workers Directive may serve as a great example of a dangerous precedent, fueled by misleading and untrue narrative about so-called “social dumping”.

The strength of the EU is in its diversity. Some EU member countries have developed high social protection standards whilst building their economies and accumulating capital. It’s crucial to give the other countries time to reach those standards at their own pace.

What’s more, labour markets vary not only at country level, but also from region to region, or even at city level. Setting up a common minimum wage level for the whole country would be faulty policy. Therefore, establishing regulation for the whole EU to this end would be a hazardous project.