

SMEunited disagrees with the EC proposal for a directive on minimum wage

Brussels, 28 October 2020 – SMEunited is strongly disappointed by the Commission's choice to adopt a Directive for tackling the issue of fair minimum wages in Europe. Establishing a binding framework at European level oversteps the EU competence. Moreover, it will unavoidably interfere with the autonomy of social partners and their collective bargaining freedom.

In a first reaction, SMEunited President Maggiar recalled that “pay is not a European competence, the level of wages must not be defined at EU level”. For him, binding national criteria to define the level of minimum wage is against the European Treaty. Even more worrying is to impose to Member States the use of indicative international reference values for the adequacy of minimum wage, namely 60% of the gross median wage and 50% of the gross average wage.

Mr. Maggiar further declared that “the Directive, a binding legal instrument, disrespects the role and autonomy of social partners for wage setting. Imposing a regulatory framework for collective bargaining where the coverage is considered insufficient encroaches collective bargaining freedom”.

“The proposed directive will have a clear negative economic impact on SMEs, creating higher minimum wages in the vast majority of Member States. This will increase labour costs at a delicate time when SMEs are struggling to survive and maintain jobs.” deplored SMEunited President Maggiar.

SMEunited declared it was open to negotiate a Recommendation concerning minimum wages after the second stage consultation of European Social Partners. SMEs now stand ready to cooperate with the Council and the European Parliament to reach an acceptable outcome for them and the future of the 100 million jobs they provide.

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EDITORS' NOTES: SMEunited is the association of Crafts and SMEs in Europe with 65-member organisations from over 30 European countries. SMEunited represents national cross-sectoral Craft and SME federations, European SME branch organisations and associate members. Combined, we represent more than 12 million enterprises with around 55 million employees across Europe. SMEunited is a recognised employers' organisation and European Social Partner. SMEunited was formerly known as UEAPME. www.SMEunited.eu | Twitter: @SMEunited