

Towards a European Minimum Wage – Clusters of Coordination According to Countries or Sectors?

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transnational-working-relations](https://www.uni-bremen.de/places-and-motives-of-acts-of-solidarity-in-transnational-working-relations)

A proposal for a minimum wage directive

- Minimum wage as a paradigm shift regarding EU social and wage policies
 - Decent working and living conditions
 - Adequate wages → basket of goods or 60% gross median wage and 50% of the gross average wage.
- Differences in industrial systems & differences in expected impact
- Cleavages: countries with/without statutory minimum wage
 - sectors with high numbers of low wages employees
 - employers/employees interests
- *How are different national and sectoral interests of unions and employers expressed and coordinated in the multi-level governance system?*

The role of social partners in the EU multilevel governance

- Multilevel Governance
- Social partners have limited space to participate:
 - Lobbying and consultations → Not binding!
- Importance of umbrella organisations

Theoretical approach

- Actor-centred institutionalism (Mayntz & Scharpf 1995)
 - The institutional setting of the EU, respectively the Commission “define[s] occasions for the interaction of specific actors and create[s] arenas in which specific actors come together to deliberate or decide on specific issues, subject to certain decision rules” (P.48 our translation)
- Communication structures and interests in two levels of analysis
 - Delegation or coalition building in broader networks
 - Between organisations → Interests of ‘positive’ and ‘negative integration’ (Scharpf 1996)
Measures directed to common European police / Measures directed to increase market integration through the elimination of barriers on trade and competition
- Within organisations → Voice, exit & loyalty (Hirschman 1970)

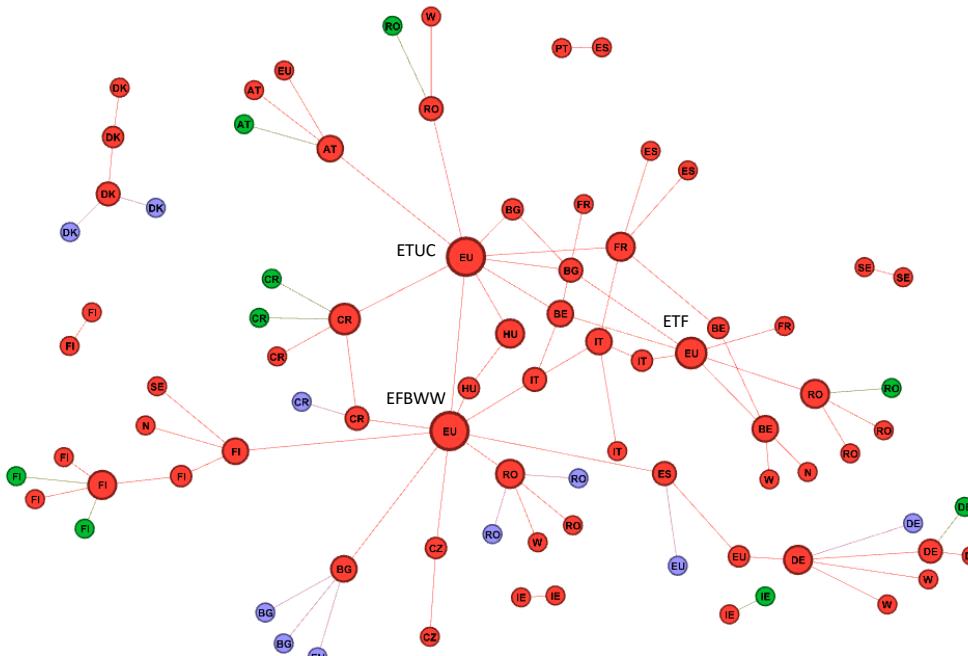
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- Hirschman, A. O. (1970). *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. ACLS Humanities E-Book. Harvard University Press.
- Scharpf, F. W (1996). A New Social Contract? Negative and Positive Integration in the Political Economy of European Welfare States (EUI Working Paper RSC No. 96/44).

Methods

- Sectors: construction, transport, industrial cleaning
- Social network analysis of employers and trade unions (20 EU countries)
 - Trade union: 84 ties connecting 83 organisations
 - Employers: 52 ties connecting 59 organisations
- Expert interviews (8)
 - EU trade unions
 - EU employers' associations
 - ELA
 - Commission
- Documents analysis

Coordination between social partners

→ Trade Unions



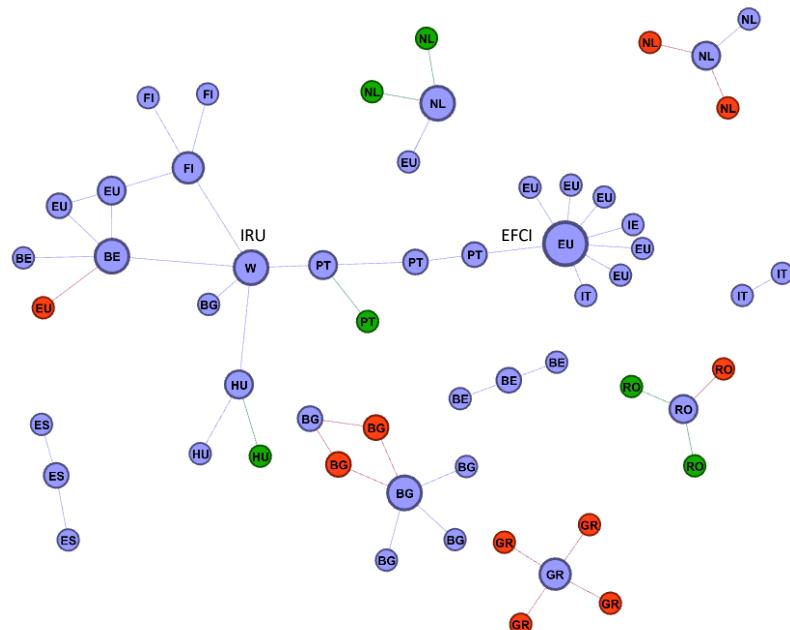
Red: trade unions; Blue: employer's organisations;
Green: national public organisations

- Centrality of the ETUC: “*To the first point related to the minimum wage (...) we do not have, let's say, our own position on that. It is rather ETUC, and we follow the ETUC discussions, but we have not worked on that as a European Confederation*” (Interview EFBWW)

-Positive integration: “*We think it's very important that there is European action on these issues on the promotion of collective bargaining on issue statutory minimum wages guaranteed the standard of living. So, we fully supported the initiative, so, and this is the trade union movement position*” (Interview ETUC)

Coordination between social partners

→ Employers' associations



Red: trade unions; Blue: employer's organisations;
Green: national public organisations

- Less centralization + direct lobbying:

“We certainly have reached out to the Commission, to the Parliament. We have had some interviews, for example, with DG Employment, Employment Committee at the Parliament (...) and contact social officials of the permanent representations of the member states” (Interview EFCI)

- Negative integration: the EU “has no competence to introduce a directive on minimum wages or on collective bargaining as these matters are, for good reasons, the competence of social partners and Member States”
(BusinessEurope response to first consultation round)

Coordination within the organisations

- Employers: united in opposition
 - **Loyalty** towards 'negative integration'
- Trade Unions (ETUC): internal conflict
 - Cleavage: industrial relation systems → Nordic countries
 - **First consultation round** → ETUC welcomed proposal, but it should not limit or undermine social partners' autonomy. Nordic countries agreed
 - **Second consultation round** → ETUC pushed for a directive. Nordic countries pushed for a recommendation and exercise 'voice'
"It is therefore with great disappointment that we see that the ETUC is demanding a European Framework Directive on minimum wages as well as collective bargaining, in doing so, the ETUC risks creating a splitting division in the European trade union movement"
 - ETUC tried to handle appealing to 'loyalty'. Sweden exercised 'exit' holding on to 'negative integration'

Conclusions

- **Cleavages:**
 - Industrial relation systems: **countries** with statutory minimum wage vs. Collective bargaining system
 - **Sector:** no relevance
 - **Employers / Employees:** not always
- Employers unite in '**negative integration**'
- Minimum wage directive looks for better conditions for workers BUT it brings **problems** to the **ETUC**
 - Commission's idea
 - ETUC cannot say no
 - Internal conflict: burden of harmonisation within ETUC comes out as crisis of unity of organisation



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