

The background of the slide features a blurred array of colorful human figures in various colors (blue, yellow, green, red, black) standing on a light surface. The figures are slightly out of focus, creating a sense of depth and representing a diverse group of people.

# Beyond the Minimum Wage Directive

- some Nordic perspectives

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NOFS meeting in Copenhagen



# Mission

Prepare/lay the ground for an internal discussion within the Nordic public service trade unions following the minimum wage directive (MWD)

# A disaccord with a long history

- Debates/discussions on a European minimum wage policy has a long history, already in 1993 the Commission urged MS to take appropriate measures to increase MW. The EP called for an EU legislative initiative same year.
- Debates/compromises on minimum wages at ETUCs Congresses – Seville, Athens, Paris, Vienna... And so on...
- So, not a lighting out of the blue when the MWD initiative was presented by Ursula von der Leyen in July 2019

# Two additional political root systems

Two important EU-dimension social conflicts last couple of decades:

1 – **The Laval conflict**, northern conflict with Southern (and Eastern) trade union solidarity.

2 – **Eurocrises and TU rights**, primarily southern conflict with weak Northern TU solidarity

Laval – addressed by the Enforcement directive and the revision of the PWD, new case law

Eurocrises and TU rights, intention: resolve and address by the social pillar and in particular the MWD

So, great expectations among TU colleagues when the MWD was presented (the core of the social pillar).

# The inner trade union disaccord

– it's identity, institutional, ideological and practical

## Employers main interlocutor vs State main interlocutor

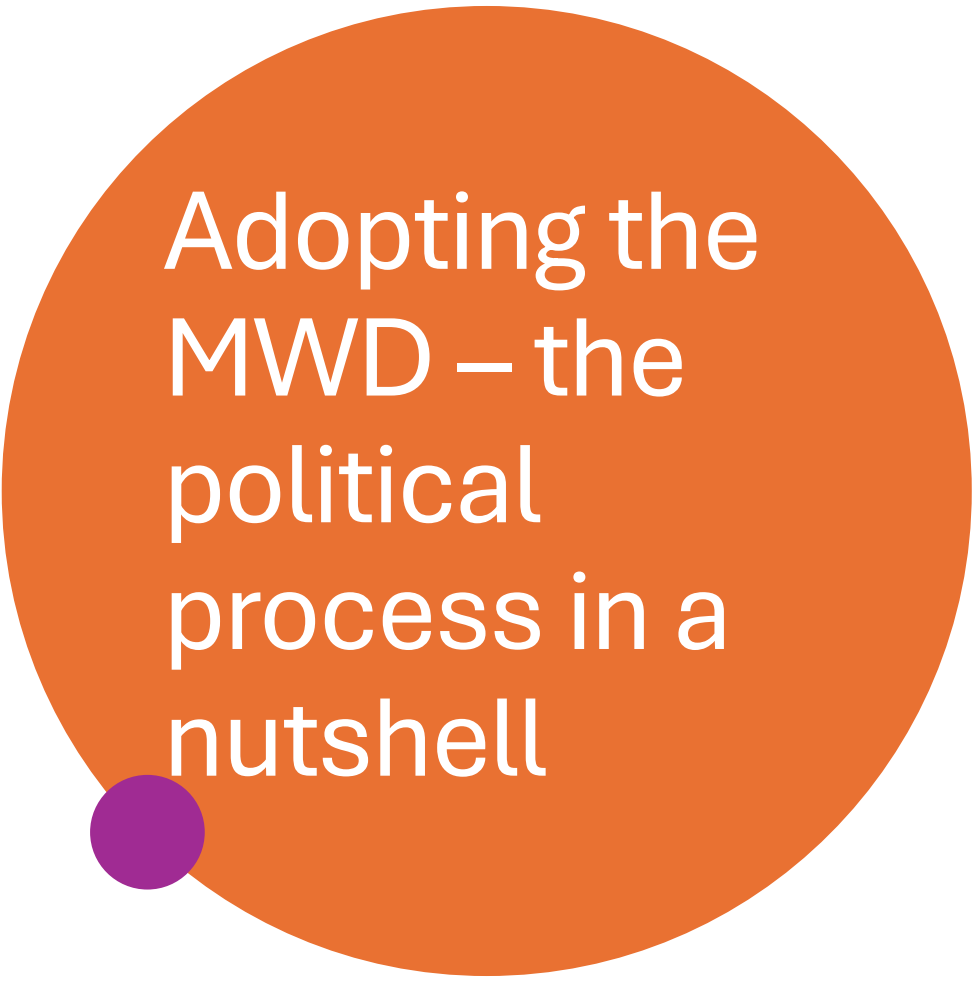

- Different TU traditions, with whom do you address wage issues? Identity perspective, what is it that trade unions do?

## Collective self regulation on wages vs. State involvement

- Different balances depending on TU strength, employer strength, institutional background – strong path dependency

## National competence vs. European competence

- Different views on the European competence, but also in the view of what EU should be, loose cooperation or strong federation?



# Adopting the MWD – the political process in a nutshell

- Initiative for MW announced by VDL July 2019
- Proposal for a MW Directive October 2020
- MWD adopted by the Council October 2022
- Implementation date for MWD November 2024
- Lots of exchanges... From DK/SE, strong demands for derogations and reservations

# MWD in the European Court of Justice (ECJ)

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- Possible for MS to challenge EU laws in the ECJ
- DK government initiated an infringement procedure January 2023, argument, MWD violates article 153(5) of the Treaty, limited competences on "pay". SE joined the claim.
- Hearing in the ECJ September 2024
- Opinion by General Advocate Emiliou January 2025

# The opinion by General Advocate Emiliou

- Sided with DK/SE: MWD is incompatible with EU law and should be annuled
- GA opinions: Not binding, offers a perspective for the ECJ
- Consequences: lots of speculations and emotions
- Now: waiting for the ECJ judgement, 3 **scenarios**:
  - Follow the General Advocate – annulment of the MWD
  - Partially follow the General Advocate – partial annulment of the MWD
  - Distance itself from the General Advocate – no annulment of the MWD
- ECJ judgement expected in May 2025 – but potentially later



# Looking forward – a Nordic perspective

- Most likely scenario? Partial annulment – but CB or MW part of the MWD?
- Frustration with the Nordics? Depending... Probably yes... But more than politics...
- Important institutional differences remains
  - Upskilling/training
  - Adapting to changes in economy, from goods to services
  - How to address change? Safety of the shell versus safety of the wings

# Role for EU on our labour markets?

- No Nordic unity – or European unity, as to the role EU should play on the labour market. Range of ideas: total EU competence to limited competence.
- Institutional variety across EU (North/South/East/German etc)
  - Challenge 1: larger number of MS in EU today, and more on the way, risk, both capacity to expand / restrict TU rights/freedoms.
  - Challenge 2: the future of the social pillar? the political landscape in Europe, conservative/far-right, little appetite for a more social Europe
  - Challenge 3: Risk for oversell of the MWD/social pillar? Will it make the difference? Also used to decrease/hold back wages in Czech republic/Hungary?  
In the long run, potentially a two edged sword

# Future challenge for the European trade union movement - unity

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- Back to the Barosso years in EU? Defence/fighting back, rather than going forward – strong moves towards deregulation and simplification. Far-right/right wing populism on the rise...
- How to stay united? Easier with common enemy?
- Nordic perspective – what do we want the EU to do?
- Start bonfires? What should the EU do on the labour market – according to the Nordics? Try to reform EU on basis of our Nordic models?
- No matter outcome in the ECJ – moderation and restraint, not as bad, not as good as one might think...