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European minimum wage policy proposed
Vorschlag für eine europäische Mindestlohnpolitik

In April 2005, researchers from Germany, France and Switzerland presented theses for a European minimum wage policy according to which every country in Europe should guarantee a national minimum wage. The researchers proposed a national minimum wage norm which corresponds to 60% of the average national wage. As a short-term target the researchers called for a norm of at least 50% of the national average wage in order to prevent the expansion of working poor.

Im April 2005 haben Wissenschaftler aus Deutschland, Frankreich und der Schweiz Thesen für eine europäische Mindestlohnpolitik vorgelegt, wonach jedes Land in Europa einen nationalen Mindestlohn garantieren soll. Die Wissenschaftler haben eine nationale Mindestlohnnorm vorgeschlagen, die 60% des nationalen Durchschnittslohns entspricht. Um die Ausbreitung von working poor zu verhindern fordern die Wissenschaftler als kurzfristiges Ziel eine Mindestlohnnorm von mindestens 50% des nationalen Durchschnittslohns.

On 21 and 22 April 2005 an international conference on minimum wages in Europe was held in Zurich (Switzerland) with participants from seven European countries including representatives from the European Commission, the European Trade Union Confederation (ETUC), several national trade union organisations and various industrial relations experts. During that conference researchers from the Wirtschafts- und Sozialwissenschaftliches Institut in der Hans-Böckler-Stiftung (WSI) in Germany, the Institut de Recherches Economiques et Sociales (IRES) in France and the Denknetz in Switzerland presented a joint paper entitled [Theses for a European minimum wage policy](#) which demand a coordination of national minimum wage policies at European level.

The paper argues that in recent years most European countries have been faced by an increasing wage dispersion and a significant extension low wage earners. Among the latter there is a growing number of working poor which receive a poverty wage that does not allow a normal participation in social life. Moreover, the low wage sector has a strong gender bias since the number of women working in that sector is more than twice as high as the number of men.

The existence of working poor is regarded to be in fundamental contradiction to the right to a fair or decent remuneration enshrined in many European and international agreements. The Community Charter of Fundamental Social Rights for Workers from 1989, for example, contains a provision that according to the situation in each country workers should be guaranteed a fair remuneration for work that is sufficient for a decent standard of living. Similar provisions are also to be found in the 1961 European Social Charter of the European Council as well as in the national Constitutions of many European countries (e.g. Belgium, Italy, Spain, Portugal and the Czech Republic).

In order to prevent a further expansion of working poor in Europe the researchers from France, Germany and Switzerland call for a European minimum wage policy. Referring to proposals made by the European Commission and the European Parliament already in 1993 the researchers demand that all European countries should guarantee a national minimum wage which corresponds to a certain percentage of the average national wage: As a target figure, all European countries should set their sights on a national minimum wage norm of at least 60% of the average national wage. As a short-term interim target, all countries should introduce a minimum norm corresponding to 50% of the average national wage.

For the implementation of a European minimum wage policy the researchers propose to use the well established open method of coordination: At European level the various countries have to agree on concrete objectives and timetables which would then be implemented at national level. Depending on national tradition and practice, the individual countries can choose between statutory minimum wages, collective agreements declared generally binding or combinations of both systems to fulfil the European targets. The European level would have the responsibility to supervise the implementation at national level and, by closely monitoring national minimum wage policies, helping to disseminate good national practices.

The authors of the theses argue that a European minimum wage policy would not only be an instrument to limit a further expansion of the low wage sector but would also help to fulfil other social and economic objectives. It would make an important contribution to limit cross-border wage dumping and to implement the principle of equal pay for equal work at the same place. Furthermore, a European minimum wage policy would help to narrow the gender pay gap and to improve the quality and productivity of work. It also would have a positive impact on macroeconomic developments since it would contribute to stabilise private demand and would serve as a buffer against deflationary tendencies. Finally, the French-German and Swiss group of researchers see a European minimum wage policy as an important tool to guarantee one of the fundamental principle of the European social model whereby the wage must enable every dependent worker to live their lives in dignity and financial independence.