



Brussels, 05 July 2021

Statement on the Minimum Wage Directive – Keep the momentum

The pandemic has exacerbated the social divide within many EU countries and between them.

Today, we witnessed a demonstration of Romanian workers, carrying their claim for decent wages and decent living conditions from Bucharest to Brussels – a journey similar to those of many Romanian workers who had to leave their country in search for a better life.

Thus, Romania continues to lose important parts of its active population and to suffer a steady brain drain towards other European countries, although the country has caught up with its European neighbours, its GDP per capita reaching 72% of the EU average.

However, this growth has not reached the people.

The minimum wage is kept very low, its current net value (281 EUR) **covers only half of the cost of living** (572 EUR). Although a minimum wage exists, it fell behind the overall increases of the minimum wage in the EU in these last years, which is tantamount to a loss of convergence.

Furthermore, the deregulation and "flexibilisation" of the labour market following the financial crisis **weakened the social dialogue and collective bargaining** and made it more difficult for workers to join unions and defend their rights collectively. Nowadays there are only 800 collective agreements in Romania, whereas in 2010 there were 22,000.

More than four million Romanians have therefore left the country in search for a better life, but abroad they often find themselves exploited as a cheap labour force, the sadly well-known phenomenon of social dumping.

Several other European countries are experiencing similar situations, especially after the pandemic, where the bulk of the sanitary and economic cost is shouldered by the workers and the most vulnerable.

To remedy the situation, and following its commitments on implementing the European Pillar of Social Rights, the European Commission, in October 2020, proposed a Directive on adequate minimum wages in the European Union, which seeks to harmonise and to guarantee the criteria for fixing minimum salaries in order to ensure that minimum wages are set at a level which guarantees decent living conditions for all Europeans.

It also seeks to increase collective bargaining coverage, obliging Member States where the coverage of collective bargaining falls below the threshold of 70 % to develop action plans ensuring a larger coverage.



The EESC Workers' Group :

- Expresses its full solidarity with Romanian workers and their representatives and calls on the Romanian Government to stop undermining collective bargaining and to raise the national minimum wage to a level that allows people to have a dignified life.
- Welcomes the proposal of the European Commission and strongly hopes that it will lead to effective steps towards achieving adequate minimum wages and strengthening collective bargaining systems across the EU, making work pay, fighting poverty, and strengthening the role of social partners and social dialogue. This is the way forward to ensure a sustainable social, economic, and environmental future.
- Considers that collectively agreed wages and statutory minimum wages contribute to the protection of the individual's dignity, prevent a downward wage spiral, protect from wage dumping, strengthen the European economy sustainably because they help increase demand – especially in view of the COVID crisis – and lead to an upward convergence of wages across Europe, which will ensure Europe's cohesion in the future.
- Calls on all EU governments to support the Commission proposal, thus keeping the momentum of the social renewal linked to the recovery initiatives at European and national levels after the pandemic.

The future of Europe must be based on fair wages and social rights for all its citizens!