

*To: Ursula von der Leyen*

*Copy: Valdis Dombrovskis, Executive Vice-President of the European Commission*

*Nicolas Schmit, Commissioner for Jobs and Social Rights*

*Stockholm, 25 February 2020*

[Letter sent by email]

Dear President von der Leyen,

dear Vice-President Dombrovskis and Commissioner Schmit

On the 14<sup>th</sup> of January, the Commission launched a first-stage consultation with the social partners on European level regarding an EU-initiative about minimum wages. The deadline for replies has now ended. On the trade union side, the European Trade Union Confederation has sent in a reply to the consultation, after having conducted a vote among its members. We, representatives of the undersigned trade union confederations in Sweden, Denmark, Norway and Iceland, are all members of the European Trade Union Confederation (ETUC) and were part of the affiliated members of the ETUC *not* in favour of the reply.

We would like to point out that we do share the same goal as the ETUC regarding an internal market without inequalities and social dumping, where nationwide collective agreements lead to increased wage shares and fairer wages. Therefore, it is with regret that we need to inform the Commission that the ETUC reply is not representative for the undersigned Nordic trade unions. The upcoming initiative concerns extremely sensitive questions for our trade union federations and our labour market models, and we would like to draw your attention to some crucial areas where our views differs from the ETUC.

The ETUC secretariat has tried to find a balance among the member organisations. We appreciate and acknowledge for example the distinction between statutory wages and collectively bargained wages. It is a distinction that is of fundamental importance in all European discussions concerning wage floors. However, the proposed formulations and wordings in the ETUC reply concerning both wages and collective bargaining (for example that Member States shall “*ensure*”, “*guarantee*” or be “*required to*”) are far reaching, and indicates solutions possible only through binding legislation such as a directive. The ETUC reply also for example lacks clarity concerning the protection of wage setting systems without any statutory rules and/or extension mechanisms and the national definition of the concept of worker.

The main problem is that in our firm opinion, the EU lacks competence in the area of pay according to Article 153 (5) TFEU. The intent of the article is not to decrease the autonomy of the social partners, but to protect their rights by the basic components for a functioning autonomous self-regulative labour market system: the right of association, the right to strike and the right to lockout and not the least the social partners’ regulation of pay. These limitations are insufficiently highlighted in the Commission’s consultation document, and in the ETUC reply. In order to build a social Europe on strong nationwide multiemployer collective bargaining, it is of essential importance that the treaty-based protection of the autonomy of social partners is rigorously defended. A directive in the field of wages and collective labour law would in our opinion be detrimental also to the Commissions’ own objectives of ensuring fair working conditions, and counteract the need for a more social Europe with good wages and decent living standards.

Against this background, we have always rejected proposals that are based on binding rules of wage floors on European level. Legally binding requirements would severely undermine the protection of collective bargaining in the Treaty, even if different types of safeguard clauses are added. It should also be mentioned that we are highly sceptical to the idea that safeguard clauses really will make any difference in the long run. Legally binding rules concerning wages and many of the ETUC proposals of binding EU rules concerning collective bargaining would have huge negative effects on our Nordic labour market models. Binding rules on EU level would entail a change in the balance of power between state/EU-level and the social partners and would undermine the foundation for the social partners self-regulation of the labour market. Of course, we would like to discuss and contribute to a more social Europe, through support for capacity building, via rules for collective agreements in public procurement, or in many other ways- but not through binding EU legislation on wages.

We hope that the Commission will acknowledge our concerns and abstain from presenting an initiative on binding EU legislation on wages.

Yours sincerely,

Karl-Petter Thorwaldsson  
President, the Swedish Trade Union Confederation (LO, Sweden)

Therese Guovelin  
First Vice-President, the Swedish Trade Union Confederation (LO, Sweden)

Therese Svanström  
President, the Swedish Confederation of Professional Employees (TCO, Sweden)

Peter Hellberg  
Vice-President, the Swedish Confederation of Professional Employees (TCO, Sweden)

Göran Arrius  
President, Swedish Confederation of Professional Associations (Saco, Sweden)

Lizette Risgaard  
President of the Danish Trade Union Confederation (FH, Denmark)

Bente Sorgenfrey  
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Hans-Christian Gabrielsen  
President of the Norwegian Trade Union Confederation (LO, Norway)

Ragnhild Lied  
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Erik Kollerud  
President, the Confederation of Vocational Unions (YS, Norway)

Drífa Snædal  
President, the Icelandic Confederation of Labour (ASI, Iceland)

Sonja Ýr Þorbergsdóttir  
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President, Icelandic Confederation of University Graduates (BHM, Iceland)