### **European Parliament**

2019-2024



Committee on Women's Rights and Gender Equality

2020/0310(COD)

11.10.2021

## **OPINION**

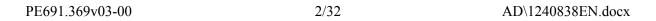
of the Committee on Women's Rights and Gender Equality

for the Committee on Employment and Social Affairs

on the proposal for a directive of the European Parliament and of the Council on adequate minimum wages in the European Union (COM(2020)0682 – C9-0337/2020 – 2020/0310(COD))

Rapporteur for opinion: Lina Gálvez Muñoz

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#### SHORT JUSTIFICATION

For the International Labour Organization (ILO), the purpose of minimum wages is to protect workers against unduly low pay, since they help to ensure a just and equitable share of the fruits of progress to all, and a minimum living wage to all who are employed and in need of such protection. Minimum wages can also be one element of a policy to overcome poverty and reduce inequality, including those between men and women.

This last point is especially relevant having in mind that some studies as Eurofound "Minimum wages in 2020: Annual review"<sup>1</sup>, show while women constitute 48% of employees at the European Union, they make up 59% of minimum wage earners. In fact, the majority of minimum wage earners in Europe are women. Women are too one of the main sub-minimum wage earners as well are young workers, workers with lower education, or rural workers with dependent children.

This is especially relevant in some sectors that have proved to be essential during the COVID19 pandemic, as the paid long-term care one. Figures show that around four-fifths (81%) of the EU's Long Term Care workforce was female, while one-fifth (19%) was male and the biggest impacts of the COVID-19 crisis have been experienced by women working in low-paid services sectors, as care one is<sup>2</sup>.

Care can be provided on unpaid and paid basis, and within paid basis, could be provided from the public sector or from the private one, within formal or informal work arrangement, making this sector extremely sensible to overcome minimum wages agreements especially when talking about domestic workers. Policy action to improve working conditions in Long Term Care and to improve access to high-quality jobs in this sector has a gender dimension, so why extending minimum wages to cover domestic workers can extensively contribute to reducing inequality.

In addition, the current crisis presents an opportunity to re-evaluate the adequacy of wages in some mostly female-dominated low-paid sectors, which have proved to be essential and of a great social value during the crisis<sup>3</sup>. In this sense, the European Framework Directive has to contribute to upward social and wage convergence and to fight against poverty, inequalities and the gender pay gap, especially to avoid undervaluing of work predominantly done by women.

The gender employment gap (11.4%), gender pay gap (14%) and gender pension gap (30%) remain unacceptably high and the close of the gender employment gap is a social and economic imperative also for reducing poverty and child poverty. The use of intersectional disaggregated data by gender and the periodical assessment are needed in order to check the advance of improving employment opportunities for women and different groups of women. Ensuring equal pay and facilitating a good work-life balance, also for men, are vital to sustainable economic growth and development, productivity, and long-term fiscal sustainability in the EU and their population well-being including children.

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<sup>&</sup>lt;sup>1</sup> Minimum wages in 2020: Annual review (europa.eu).

<sup>&</sup>lt;sup>2</sup> Public services - Long-term care workforce: Employment and working conditions (europa.eu).

Women and labour market equality: Has COVID-19 rolled back recent gains? (europa.eu).

#### **AMENDMENTS**

The Committee on Women's Rights and Gender Equality calls on the Committee on Employment and Social Affairs, as the committee responsible, to take into account the following amendments:

#### Amendment 1

## Proposal for a directive Recital 1

Text proposed by the Commission

(1) Pursuant to Article 3 of the Treaty on European Union, the aims of the Union are, inter alia, to promote the well-being of its peoples and to work for the sustainable development of Europe based on a highly competitive social market economy.

#### Amendment

(1) Pursuant to Article 3 of the Treaty on European Union, the aims of the Union are, inter alia, to promote *gender equality and social justice, and* the well-being of its peoples and to work for the sustainable development of Europe based on a highly competitive social market economy.

#### Amendment 2

## Proposal for a directive Recital 1 a (new)

Text proposed by the Commission

#### Amendment

(1a) Pursuant to Article 27 of the Charter of Fundamental Rights of the European Union, workers or their representatives have a right to be informed and consulted in good time in the cases and under the conditions provided for by Union law and national laws and practices.

#### Amendment 3

## Proposal for a directive Recital 2

Text proposed by the Commission

(2) Article 31 of the Charter of Fundamental Rights of the European

Amendment

(2) Article 31 of the Charter of Fundamental Rights of the European

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Union<sup>36</sup> provides for the right of every worker to working conditions which respect his or her health, safety and dignity.

Union<sup>36</sup> provides for the right of every worker to working conditions which respect his or her health, safety and dignity, and Article 23 thereof recognises that equality between women and men is to be ensured in all areas, including employment, work and pay.

#### Amendment 4

Proposal for a directive Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Article 23 of the Charter of Fundamental Rights of the European Union provides for the right to equality between women and men in all areas, including employment, work and pay;

#### Amendment 5

Proposal for a directive Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) Article 21 of the Charter of Fundamental Rights of the European Union provides for the right to non-discrimination on the basis of sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

#### Amendment 6

<sup>&</sup>lt;sup>36</sup> Charter of Fundamental Rights of the European Union, 2012/C 326/02 OJEU C326/391 of 26 10 2012

<sup>&</sup>lt;sup>36</sup> Charter of Fundamental Rights of the European Union, 2012/C 326/02 OJEU C326/391 of 26.10.2012.

## Proposal for a directive Recital 2 c (new)

Text proposed by the Commission

#### Amendment

(2c) Article 7 of the International Covenant on Economic, Social and Cultural Rights recognises the right of everyone to fair wages and equal remuneration for work of equal value, and a decent living for themselves and their families.

#### Amendment 7

## Proposal for a directive Recital 3

Text proposed by the Commission

(3) The European Social Charter establishes that all workers have the right to just conditions of work. It recognises the right of all workers to a fair remuneration sufficient for a decent standard of living for themselves and their families. Article 4 of the Charter recognises the role of freely concluded collective agreements *as well as* of statutory minimum wage setting mechanisms, to ensure the effective exercise of this right.

#### Amendment

(3) The European Social Charter establishes that all workers, including among others young people, domestic workers and carers, have the right to just conditions of work. It recognises the right of all workers to a fair remuneration sufficient for a decent standard of living for themselves and their families, the right to equal pay for work of equal value and the right of workers to equal opportunities and equal treatment in matters of employment and occupation without discrimination. It establishes the right to protection against poverty and social exclusion, and it contributes to reducing the existing pay gap between men and women. Article 4 of the Charter recognises the role of freely concluded collective agreements and of statutory minimum wage setting mechanisms, to ensure the effective exercise of this right.

#### **Amendment 8**

Proposal for a directive Recital 4

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#### *Text proposed by the Commission*

**(4)** Chapter II of the European Pillar of Social Rights, proclaimed at Gothenburg on 17 November 2017, establishes a set of principles to serve as a guide towards ensuring fair working conditions. Principle No 6 of the European Pillar of Social Rights reaffirms the workers' right to fair wages that provide for a decent standard of living. It also provides that adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. Furthermore, it recalls that in-work poverty shall be prevented and that all wages shall be set in a transparent and predictable way and respecting the autonomy of the social partners.

#### Amendment

Chapter II of the European Pillar of **(4)** Social Rights, proclaimed at Gothenburg on 17 November 2017, establishes a set of principles to serve as a guide towards ensuring fair working conditions. Principles No 2 and No 3 provide for equality of treatment and opportunities between genders regarding participation in the labour market and terms and conditions of employment and career progression, regardless of racial or ethnic origin, religion or belief, disability, age or sexual orientation. Principle No 6 of the European Pillar of Social Rights reaffirms the workers' right to fair wages that provide for a decent standard of living. It also provides that adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. Furthermore, it recalls that in-work poverty shall be prevented and that all wages shall be set in a transparent and predictable way and respecting the autonomy of the social partners.

#### **Amendment 9**

Proposal for a directive Recital 5 a (new)

Text proposed by the Commission

#### Amendment

(5a) Equality between men and women is a fundamental principle of the Union. Pursuant to Article 3 of the Treaty on European Union, the promotion of equality between women and men is one of the Union's aims and pursuant to Article 8 of the Treaty on the Functioning of the European Union equality between men and women is to be promoted in all

#### activities of the Union.

#### Amendment 10

## Proposal for a directive Recital 5 b (new)

Text proposed by the Commission

#### Amendment

(5b) Under Article 21 of the Charter of Fundamental Rights of the European Union, any discrimination on any ground is prohibited, while Article 23 requires equality between women and men to be ensured in all areas, including employment, work and pay.

#### Amendment 11

## Proposal for a directive Recital 6

Text proposed by the Commission

(6) Better working and living conditions, including through adequate minimum wages, benefit both workers and businesses in the Union and are a prerequisite for achieving inclusive and sustainable growth. Addressing large differences in the coverage and adequacy of minimum wage protection contributes to improving the fairness of the EU labour market and promote economic, social progress and upward convergence. Competition in the Single Market should be based on high social standards, innovation and productivity improvements ensuring a level playing field.

#### Amendment

Better working and living (6) conditions, including through adequate minimum wages and pay transparency, benefit both workers, businesses, society and the economy in the Union and are a prerequisite for achieving inclusive and sustainable growth. Addressing large differences in the coverage and adequacy of minimum wage protection, as well as combating undeclared work, which is mostly performed by women, through job recognition incentive schemes and simplified declaration tools, contributes to improving the fairness of the EU labour market, and promote economic *and* social progress, upward convergence as well as gender equality. Competition in the Single Market should be based on high social standards, the creation of quality jobs, innovation and productivity improvements ensuring a level playing field.

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#### **Amendment 12**

## Proposal for a directive Recital 6 a (new)

Text proposed by the Commission

#### Amendment

(6a) According to the International Labour Organization (ILO), the purpose of minimum wages is to protect workers against unjustifiably low pay, which is predominant in the care sector. Policies to improve working conditions and access to high-quality jobs in the long-term care sector have a gender dimension, and extending minimum wages to cover care workers can extensively contribute to reducing inequality.

#### Amendment 13

## Proposal for a directive Recital 7

Text proposed by the Commission

(7) When set at adequate levels, minimum wages protect the income of disadvantaged workers, help ensure a decent living, and limit the fall in income during *bad* times, as recognised in Convention 131 of the International Labour Organisation on the establishment of a system of minimum wage fixing. Minimum wages contribute to sustaining domestic demand, strengthen incentives to work, reduce wage inequalities and inwork poverty.

#### Amendment

When set at adequate levels, **(7)** minimum wages protect the income of disadvantaged workers, help ensure a decent living, and limit the fall in income during times of crisis and through postcrisis periods, as recognised in Convention 131 of the International Labour Organisation on the establishment of a system of minimum wage fixing. Minimum wages contribute to sustaining domestic demand, strengthen incentives to work, reduce wage inequalities and help prevent and combat in-work poverty. Taking into account the overrepresentation of women in low-paying jobs, minimum wages can also make a significant contribution towards ensuring adequate pay for all and narrowing gender pay gaps.

#### **Amendment 14**

## Proposal for a directive Recital 7 a (new)

Text proposed by the Commission

#### Amendment

(7a) The COVID-19 crisis, during which some mostly female-dominated low-paid sectors such as care, cleaning, retail and education have proved to be essential and of high socio-economic value, highlights the need to reassess the adequacy of wages for occupations in those sectors which are often less valued and lower paid than in male-dominated sectors.

#### Amendment 15

## Proposal for a directive Recital 8

Text proposed by the Commission

(8) Women, young and low-skilled workers *and* persons with disabilities have a higher probability of being minimum wage or low wage earners than other groups. During economic downturns, such as the Covid-19 crisis, the role of minimum wages in protecting low-wage workers *becomes increasingly important and is* essential *to support* a sustainable and inclusive economic recovery. *Addressing* minimum wage contributes to gender equality, *closing* the gender pay and pension gap as well as elevating women out of poverty.

#### Amendment

Women, migrants, persons from different racial or ethnic origins, young and low-skilled workers, single parents, persons with disabilities, and those who suffer from multiple, structural and intersectional forms of discrimination, still have a higher probability of being minimum wage or low wage earners than other groups or of being excluded from any form of wage protection. During economic downturns, such as the Covid-19 crisis the role of minimum wages in protecting low-wage workers and preventing chronic skills shortages shows the essential need to support a sustainable and inclusive economic recovery underlined with strong social protection

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systems. Setting an adequate level of minimum wage contributes to gender equality and equal opportunities empowering women economically, helping to ensure equal treatment at work, to fight against the undervaluation of work performed by women and the unjustified low pay in female-dominated sectors, and to reduce the gender pay and pension gap as well as elevating women and their children out of poverty and mitigating gender-based poverty and social exclusion. Ensuring equal pay and facilitating a good work-life balance, including for men, are vital to social cohesion, sustainable economic growth and development, productivity, and longterm fiscal sustainability in the Union.

#### **Amendment 16**

Proposal for a directive Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Eurofound's report "Minimum wages in 2020: Annual review", shows that women make up 59% of minimum wage earners, the majority of minimum wage earners in the Union. Therefore, any modification related to minimum wages will affect them disproportionally. Women are also one of the main groups of sub-minimum wage earners, together with single parents, young workers, workers with a lower level of education, and rural workers with dependent children.

**Amendment 17** 

Proposal for a directive Recital 8 b (new)

Text proposed by the Commission

Amendment

(8b)During economic downturns, such as the COVID-19 crisis, minimum wages allow for people to have a decent living wherever they work. Protection of lowwage workers is particularly important for supporting a sustainable and inclusive economic recovery and reducing the gender pay and pension gap, as well as for elevating women out of poverty or social exclusion as the majority of minimum wage earners are women. The COVID-19 crisis presents an opportunity to increase efforts to secure sustainable and fair working conditions and decent wages, and to tackle gender stereotypes and reassess the adequacy of wages in some low-paid, mostly female-dominated, sectors and occupations.

#### **Amendment 18**

Proposal for a directive Recital 8 c (new)

Text proposed by the Commission

Amendment

(8c) Women's overrepresentation in lower paid sectors and occupations, such as hospitality, retail or personal services, healthcare, care and other essential sectors, made them particularly vulnerable to the labour and employment related impacts of the COVID-19 crisis, including the unprecedented rise in workload, health risks, and challenges to work-life balance.

#### Amendment 19

Proposal for a directive Recital 8 d (new)

Text proposed by the Commission

Amendment

(8d) This Directive should complement the EU Gender Equality Strategy 2020-2025 and contribute to the achievement of

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gender equality by promoting the participation of women in the labour market, on an equal basis, and helping to close gender gaps in earnings, pay and pension. It should take into account demographic changes including the effects of an ageing population.

Moreover, it should also contribute to tackling the stereotypes ascribed to gender roles.

#### Amendment 20

## Proposal for a directive Recital 9

Text proposed by the Commission

(9) The Covid-19 pandemic is having a significant impact on the services sector and small firms, which both have a high share of minimum wage earners. In addition, minimum wages are also important in view of the structural trends that are reshaping labour markets and which are increasingly characterised by high shares of non-standard and precarious work. These trends have led to an increased job polarisation resulting in an increasing share of low-paid and lowskilled occupations in most Member States, as well as to higher wage inequality in some of them

#### Amendment

(9) The Covid-19 pandemic *and other* crisis situations are having a significant and gender-related impact on the labour market, where women and femaledominated sectors are particularly hard hit, such as in the healthcare sector, care and other essential sectors, services sector and small firms, all of which have a high share of minimum wage or low wage earners. Taking into account the overrepresentation of women in those sectors, women have seen an unprecedented rise in workload, health risks and challenges to work-life balance due to the increase in unpaid care and household work during the pandemic. In addition, minimum wages are also important in view of the structural trends that are reshaping labour markets and which are increasingly characterised by high shares of nonstandard *employment* and precarious work such as platform workers and care and domestic workers. These trends have led to an increased job polarisation resulting in an increasing share of low-paid and lowskilled occupations in most Member States, as well as to higher wage inequality in

#### some of them.

#### Amendment 21

## Proposal for a directive Recital 9 a (new)

Text proposed by the Commission

#### Amendment

(9a) Gender segregation in the labour market, which is due to the uneven concentration of women and men in different sectors, is a persistent problem in the Union. 3 in 10 women work in education, health and social work (8 % of men), which are traditionally low-paid sectors.

#### Amendment 22

## Proposal for a directive Recital 10 a (new)

Text proposed by the Commission

#### Amendment

(10a) Wage setting through collective agreements have proven to be beneficial from a broad socio-economic perspective, contributing to a balanced development of wage formation and reducing in-work poverty.

#### Amendment 23

## Proposal for a directive Recital 12

Text proposed by the Commission

(12) Not all workers in the Union are protected by minimum wages. In some Member States some workers, even though they are covered, receive in practice a remuneration below the statutory minimum wage due to the non-respect of existing rules. In particular, such non-compliance

#### Amendment

(12) Not all workers in the Union are protected by minimum wages. In some Member States some workers, even though they are covered, receive in practice a remuneration below the statutory minimum wage due to the non-respect of existing rules. In particular, such non-compliance

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has been found to affect notably women, young workers, people with disabilities *and* agricultural workers. In Member States where minimum wage protection is provided only through collective agreements, the share of workers not covered is estimated to vary from 2% to 55% of all workers

has been found to affect notably women and female-dominated sectors, young workers, people with disabilities people facing direct, indirect or intersectional forms of discrimination, platform workers, care and domestic workers, agricultural seasonal, short-term workers and the self-employed. In Member States where minimum wage protection is provided only through collective agreements, the share of workers not covered is estimated to vary from 2% to 55% of all workers.

#### **Amendment 24**

## Proposal for a directive Recital 15

Text proposed by the Commission

(15) This Directive establishes minimum requirements at Union level to ensure both that minimum wages are set at adequate level and that workers have access to minimum wage protection, in the form of a statutory minimum wage or in the form of wages set under collective agreements as defined for the purpose of this Directive.

#### Amendment

(15) With a view to improving working conditions, upward social convergence and gender equality in the Union, this Directive establishes minimum requirements at Union level to ensure both that minimum wages are set at adequate level and that workers have equal access to minimum wage protection, in the form of a statutory minimum wage or in the form of wages set under collective agreements as defined for the purpose of this Directive.

#### **Amendment 25**

## Proposal for a directive Recital 17

Text proposed by the Commission

(17) This Directive should apply to workers who have an employment contract or employment relationship as defined by

#### Amendment

(17) This Directive should *equally* apply to workers who have an employment contract or employment relationship as

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the law, collective agreements or practice in force in each Member State, with consideration to the criteria established by the Court of Justice of the European Union for determining the status of a worker. Provided that they fulfil those criteria, domestic workers, on-demand workers, intermittent workers, voucher basedworkers, bogus self-employed, platform workers, trainees and apprentices could fall within the scope of this Directive. Genuinely self-employed persons do not fall within the scope of this Directive since they do not fulfil those criteria. The abuse of the status of self-employed persons, as defined in national law, either at national level or in cross-border situations, is a form of falsely declared work that is frequently associated with undeclared work. Bogus self-employment occurs when a person is declared to be self-employed while fulfilling the conditions characteristic of an employment relationship, in order to avoid certain legal or fiscal obligations. Such persons should fall within the scope of this Directive. The determination of the existence of an employment relationship should be guided by the facts relating to the actual performance of the work and not by the parties' description of the relationship.

defined by the law, collective agreements or practice in force in each Member State, with consideration to the criteria established by the Court of Justice of the European Union for determining the status of a worker. Provided that they fulfil those criteria, domestic workers, workers in the care sector, on-demand workers. intermittent workers, voucher basedworkers, bogus self-employed *persons*, platform workers, other non-standard workers, trainees and apprentices could fall within the scope of this Directive. Genuinely self-employed persons do not fall within the scope of this Directive since they do not fulfil those criteria. The abuse of the status of self-employed persons, as defined in national law, either at national level or in cross-border situations, is a form of falsely declared work that is frequently associated with undeclared work. Bogus self-employment occurs when a person is declared to be self-employed while fulfilling the conditions characteristic of an employment relationship, in order to avoid certain legal or fiscal obligations. Such persons should fall within the scope of this Directive. The determination of the existence of an employment relationship should be guided by the facts relating to the actual performance of the work and not by the parties' description of the relationship.

#### **Amendment 26**

## Proposal for a directive Recital 21

Text proposed by the Commission

(21) Minimum wages are considered adequate if they *are* fair *in relation to the* wage distribution in the country and if they provide a decent standard of living. The adequacy of statutory minimum wages is determined in view of the national socioeconomic conditions, including

#### Amendment

(21) Minimum wages are considered to be adequate and fair if they improve wage distribution in the country and if they provide a decent standard of living for workers and their families on the basis of a full-time employment contract. The adequacy of statutory minimum wages is

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employment growth, competitiveness as well as regional and sectoral developments. Their adequacy should be assessed at least in relation to their purchasing power, to the productivity developments and to their relation to the gross wage levels, distribution and growth. The use of indicators commonly used at international level, such as 60 % of the gross median wage and 50 % of the gross average wage, can help guide the assessment of minimum wage adequacy in relation to the gross level of wages.

determined in view of the national socioeconomic conditions, including employment growth, competitiveness as well as regional and sectoral developments. Their adequacy should be assessed at least in relation to their purchasing power, their relation to the gross wage levels, distribution and growth. The *internationally recognised* level *of* 60 % of the gross median wage and 50 % of the gross average wage, can help guide the assessment of minimum wage adequacy in relation to the gross level of wages.

#### **Amendment 27**

Proposal for a directive Recital 21 a (new)

Text proposed by the Commission

#### Amendment

(21a) The establishment of minimum wages across the Union is a step in the right direction in the fight against in-work poverty but insufficient to eradicate poverty, especially female poverty, and ensure a decent living for all. Additional and complementary measures such as the adoption of minimum income schemes are therefore essential in order to achieve the goals and principles of the European Pillar of Social Rights and ensure that everyone has the right to a life in dignity at all stages of life, and effective access to enabling goods and services.

#### **Amendment 28**

Proposal for a directive Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) Given the over-representation of women in low-paying jobs, the establishment of minimum wages can make significant contributions towards

lowering the existing gender pay gaps provided that they are stablished at levels that promote equal opportunities for women to enter and stay in the labour market and that there is no discrimination among workers or exclusions that could perpetuate gender pay differences and the undervaluation of women's work, embedded in traditional differentials between sectors and occupations.

#### **Amendment 29**

## Proposal for a directive Recital 23

Text proposed by the Commission

(23)An effective enforcement system, including controls and field inspections, is necessary to ensure the functioning of national statutory minimum wage frameworks. To strengthen the effectiveness of enforcement authorities, a close cooperation with the social partners is also needed, including to address critical challenges such as those related to subcontracting, bogus self-employment or non-recorded overtime. Moreover, workers should have *easily* access to appropriate information on applicable statutory minimum wages to ensure an adequate degree of transparency and predictability as regards their working conditions.

#### Amendment

An effective enforcement system, (23)including *stepped-up* controls and field inspections, is necessary to ensure the functioning of, and compliance with, national statutory minimum wage frameworks, in particular in risk sectors, including in sectors with an overrepresentation of women. To strengthen the effectiveness of enforcement authorities, a close cooperation with the social partners is also needed, including to address critical challenges such as those related to sub-contracting, bogus selfemployment or non-recorded overtime; and surveying the salary levels, pay gap and average wages of women. Moreover, all workers should have equal and easy access to appropriate information on applicable statutory minimum wages to ensure an adequate degree of transparency and predictability as regards their working conditions and enforcement of their rights.

#### Amendment 30

## Proposal for a directive Recital 25

Text proposed by the Commission

Reliable monitoring and data collection are key to ensure the effective protection of minimum wages. The Commission should report every year to the European Parliament and to the Council its assessment of developments in the adequacy and coverage of minimum wages on the basis of annual data and information to be provided by Member States. In addition, progress should be monitored in the framework of the process of economic and employment policy coordination at Union level. In that context, the Employment Committee should examine every year the situation in the Member States on the basis of the reports produced by the Commission and other multilateral surveillance tools such as benchmarking.

#### Amendment

Reliable monitoring and *gender* and age disaggregated data collection within the labour force are key to ensure the effective protection of minimum wages and to monitor their gender dimension. The Commission should report every year to the European Parliament and to the Council its assessment of developments in the adequacy and coverage of minimum wages on the basis of annual data and information to be provided by Member States. Member States should submit a breakdown of the data and information provided by gender, age, disability, business size and sector. In addition, progress should be monitored in the framework of the process of economic and employment policy coordination at Union level. In that context, the Employment Committee should examine every year the situation in the Member States on the basis of the reports produced by the Commission and European Union agencies such as the European Institute for Gender Equality (EIGE), and other multilateral surveillance tools such as benchmarking.

#### **Amendment 31**

## Proposal for a directive Recital 28

Text proposed by the Commission

(28) The reforms and measures adopted by the Member States to promote adequate minimum wage protection of workers, while being steps in the right direction, have *not been comprehensive and systematic*. Moreover, individual countries may be little inclined to improve the

#### Amendment

(28) The reforms and measures adopted by the Member States to promote adequate minimum wage protection of workers, while being steps in the right direction, have *failed to address the gender employment and pay gap and in-work poverty*. Moreover, individual countries

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adequacy and coverage of minimum wages because of the perception that this could negatively affect their external cost competitiveness. Since the objectives of this Directive cannot be sufficiently achieved by the Member States, but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.

may be little inclined to improve the adequacy and coverage of minimum wages because of the perception that this could negatively affect their external cost competitiveness. Since the objectives of this Directive cannot be sufficiently achieved by the Member States, but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.

#### **Amendment 32**

Proposal for a directive Recital 31 a (new)

Text proposed by the Commission

#### Amendment

(31a) The process towards convergence on adequate and fairer minimum wages should go hand-in-hand with the Commission's legislative proposal for pay transparency measures. The Pay Transparency Directive is an important step needed for closing the gender pay gap,

#### Amendment 33

Proposal for a directive Article 1 – paragraph 1 – introductory part

Text proposed by the Commission

1. With a view to improving working and living conditions in the Union, this Directive establishes a framework for

#### Amendment

1. With a view to improving working and living conditions in the Union, *upward social convergence and gender equality,* this Directive establishes a framework for:

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#### Amendment 34

#### Proposal for a directive Article 1 – paragraph 1 – point a

Text proposed by the Commission

(a) setting adequate levels of minimum wages;

#### Amendment

(a) setting adequate levels of minimum wages that provide for a decent standard of living and contribute to reducing wage inequality and the gender pay gap;

#### Amendment 35

#### Proposal for a directive Article 1 – paragraph 1 – point b

Text proposed by the Commission

(b) access of workers to minimum wage protection, in the form of wages set out by collective agreements or in the form of a statutory minimum wage where it exists

#### Amendment

(b) access of *all* workers to minimum wage protection *without discrimination*, in the form of wages set out by collective agreements or in the form of a statutory minimum wage where it exists.

#### Amendment 36

## Proposal for a directive Article 2 – paragraph 1

Text proposed by the Commission

This Directive applies to workers in the Union who have an employment contract or employment relationship as defined by law, collective agreements or practice in force in each Member State, with consideration to the case-law of the Court of Justice of the European Union.

#### Amendment

This Directive applies to *all* workers *equally and without discrimination* in the Union who have an employment contract or employment relationship as defined by law, collective agreements or practice in force in each Member State, with consideration to the case-law of the Court of Justice of the European Union.

#### Amendment 37

#### Proposal for a directive

#### Article 4 – paragraph 1 – point a a (new)

Text proposed by the Commission

#### Amendment

(aa) encourage the social partners to create specific measures to improve gender equality in collective bargaining;

#### **Amendment 38**

## Proposal for a directive Article 4 – paragraph 2

Text proposed by the Commission

2. Member States where collective bargaining coverage is less than 70% of the workers defined within the meaning of Article 2 shall in addition provide for a framework of enabling conditions for collective bargaining, either by law after consultation of the social partners or by agreement with them, and shall establish an action plan to promote collective bargaining. The action plan shall be made public and shall be notified to the European Commission.

#### Amendment

Member States where collective bargaining coverage is less than 70% of the workers defined within the meaning of Article 2 shall in addition provide for a framework of enabling conditions for collective bargaining, either by law after consultation of the social partners or by agreement with them, and shall establish a *national* action plan to promote collective bargaining. Those national action plans shall strengthen upward wage convergence and establish most appropriate measures and mechanisms for wage setting and increasing coverage at national level, in order to close the gender pay gap and to reduce inequalities and discrimination. The action plan shall be made public and shall be notified to the European Commission.

#### **Amendment 39**

## Proposal for a directive Article 5 – paragraph 1

Text proposed by the Commission

1. Member States with statutory minimum wages shall take the necessary measures to ensure that the setting and

#### Amendment

1. Member States with statutory minimum wages shall take the necessary measures to ensure that the setting and

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updating of statutory minimum wages are guided by criteria *set to promote* adequacy with the aim *to achieve* decent working and living conditions, social cohesion and upward convergence. Member States shall define those criteria in accordance with their national practices, either in relevant national legislation, in decisions of the competent bodies or in tripartite agreements. The criteria shall be defined in a *stable and* clear way.

updating of statutory minimum wages are guided by criteria to guarantee adequacy and fairness with the aim of achieving decent working and living conditions, equal opportunities, social protection, social cohesion, reducing wage and gender inequalities and upward convergence, as well as preventing and reducing poverty, including among others child poverty and in-work poverty. Member States shall define those criteria in accordance with their national practices. either in relevant national legislation, in decisions of the competent bodies or in tripartite agreements. The criteria shall be defined in a clear way.

#### Amendment 40

Proposal for a directive Article 5 – paragraph 2 – point b

*Text proposed by the Commission* 

(b) the general level of gross wages and their distribution;

#### Amendment

(b) the general level of gross wages and their distribution with the objective of reducing social and gender inequalities;

#### Amendment 41

Proposal for a directive Article 5 – paragraph 2 – point c

Text proposed by the Commission

(c) the growth rate of gross wages;

#### Amendment

(c) the growth rate of gross wages with the objective of reducing wage inequalities;

#### **Amendment 42**

Proposal for a directive Article 5 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

## (da) the gender pay gap, with the objective of eradicating it.

#### **Amendment 43**

## Proposal for a directive Article 5 – paragraph 4

Text proposed by the Commission

4. Member States shall take the necessary measures to ensure the regular and timely updates of statutory minimum wages in order to *preserve* their adequacy.

#### Amendment

4. Member States shall take the necessary measures to ensure the regular and timely updates of statutory minimum wages in order to *continue promoting* their adequacy.

#### Amendment 44

Proposal for a directive Article 5 – paragraph 4 a (new)

Text proposed by the Commission

#### Amendment

4a. Updates to statutory minimum wages shall be without prejudice to any other income support mechanisms, such as state aid for disadvantaged workers and for workers with disabilities as defined in Commission Regulation (EU) No 651/2014<sup>1a</sup>, or disability entitlements.

**Amendment 45** 

Proposal for a directive Article 5 – paragraph 5

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<sup>&</sup>lt;sup>1a</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

#### Text proposed by the Commission

# 5. Member States shall establish consultative bodies to advise the competent authorities on issues related to statutory minimum wages.

#### Amendment

- 5. Member States shall establish consultative bodies to advise the competent authorities on issues related to statutory minimum wages, including the gender pay and pension gaps. Those consultative bodies shall be sufficiently resourced and shall:
- aim to achieve gender parity in their composition;
- apply a gender perspective in all their analyses;
- provide gender-sensitive evaluation on a regular basis.

#### **Amendment 46**

Proposal for a directive Article 5 – paragraph 5 a (new)

Text proposed by the Commission

#### Amendment

5a. Gender-neutral job evaluation tools and classification criteria shall be developed in close cooperation with social partners, taking into account factors such as working conditions, the degree of responsibility conferred on the worker, and the physical or mental requirements of the work, in order to apply the principle of equal pay for work of equal value between men and women across different occupational sectors.

#### Amendment 47

Proposal for a directive Article 6 – title

Text proposed by the Commission

Variations and deductions

Amendment

**Equal treatment** and deductions

#### **Amendment 48**

## Proposal for a directive Article 6 – paragraph 1

Text proposed by the Commission

1. Member States may allow different rates of statutory minimum wage for specific groups of workers. Member States shall keep these variations to a minimum, and ensure that any variation is non-discriminatory, proportionate, limited in time if relevant, and objectively and reasonably justified by a legitimate aim.

#### Amendment

1. Member States shall ensure equal opportunities and equal treatment of workers in the application of statutory minimum wage protection. Member States may allow different rates of statutory minimum wage for specific groups of workers. Member States shall keep these variations to a minimum, and ensure that any variation is non-discriminatory, proportionate, limited in time if relevant, and objectively and reasonably justified by a legitimate aim.

#### Amendment 49

#### Proposal for a directive Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

Member States shall take the necessary measures to ensure that the social partners are involved in a timely and effective manner in statutory minimum wage setting and updating, including through participation in consultative bodies referred to in Article 5(5) and notably as concerns:

#### Amendment

Member States shall take the necessary measures to ensure that the social partners are involved in a timely and effective manner in statutory minimum wage setting and updating, including through participation in consultative bodies referred to in Article 5(5), guaranteeing anti-discrimination and gender equality trainings for social partners and competent authorities and notably as concerns:

#### Amendment 50

Proposal for a directive Article 7 – paragraph 1 – point d

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#### *Text proposed by the Commission*

# (d) the collection of data and the carrying out of studies for the information of statutory minimum wage setting authorities;

#### Amendment

(d) the collection of data *disaggregated by gender*, and the carrying out of studies for the information of statutory minimum wage setting authorities;

#### **Amendment 51**

## Proposal for a directive Article 8 – title

Text proposed by the Commission

8 Effective access of workers to statutory minimum wages

#### Amendment

8 **Equal and** effective access of workers to statutory minimum wages

#### **Amendment 52**

#### Proposal for a directive Article 8 – paragraph 1 – point 1

Text proposed by the Commission

(1) strengthen the controls and field inspections conducted by labour inspectorates or the bodies responsible for the enforcement of statutory minimum wages. The controls and inspections shall be proportionate and non-discriminatory;

#### Amendment

(1) strengthen the controls and field inspections conducted by labour inspectorates or the bodies responsible for the enforcement of statutory minimum wages, and ensure that they are sufficiently resourced. The controls and inspections shall be proportionate and non-discriminatory and shall focus on sectors with an over-representation of women;

#### **Amendment 53**

#### Proposal for a directive Article 8 – paragraph 1 – point 3

Text proposed by the Commission

(3) ensure that information on statutory minimum wages is made publicly available in a clear, comprehensive and easily accessible way.

#### Amendment

(3) ensure that information on statutory minimum wages is made publicly available in a clear, comprehensive and easily accessible way, *including accessibility for workers with disabilities*.

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#### Amendment 54

## Proposal for a directive Article 10 – paragraph 1

Text proposed by the Commission

1. Member States shall task their competent authorities with *developing* effective data collection tools to monitor the coverage and adequacy of minimum wages.

#### Amendment

1. Member States shall task their competent authorities, in collaboration with social partners, with the development of effective data collection tools to monitor the coverage and adequacy of minimum wages. The data collection shall be disaggregated at least by gender, age group, type of employment contract (part time or full time), and sector and include an intersectional approach.

#### **Amendment 55**

#### Proposal for a directive Article 10 – paragraph 2 – point a – point iv

Text proposed by the Commission

(iv) the rate of collective bargaining coverage.

#### Amendment

(iv) the rate of collective bargaining coverage and progress made to increase coverage, in particular for vulnerable workers.

#### **Amendment 56**

#### Proposal for a directive Article 10 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Member States shall provide the statistics and information referred to in this paragraph disaggregated by gender, age, disability, company size and sector.

#### Amendment

Member States shall provide the statistics and information referred to in this paragraph *anonymised and* disaggregated by gender, age, disability, company size and sector *and where possible by racial and ethnic background*. *Member States shall conduct a gender impact analysis with respect to coverage and adequacy on* 

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#### this basis.

#### Amendment 57

## Proposal for a directive Article 10 – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that information regarding minimum wage protection, including collective agreements and wage provisions therein, is transparent and publicly accessible.

#### Amendment

3. Member States shall ensure that information regarding minimum wage protection, including collective agreements and wage provisions therein, is transparent and publicly *and easily* accessible *and in line with pay transparency principles*.

#### **Amendment 58**

## Proposal for a directive Article 10 – paragraph 4

Text proposed by the Commission

4. The Commission shall assess the data transmitted by the Member States in the reports referred to in paragraph 2, and shall report *annually* to the European Parliament and to the Council.

#### Amendment

4. The Commission shall assess the data transmitted by the Member States in the reports referred to in paragraph 2, and shall *submit an annual* report to the European Parliament and to the Council. The European Parliament and the Council may submit observations on that report. The report shall take into account a gender perspective with an intersectional focus, and assess to what extent the development of minimum wages contribute to eliminating the gender pay gap.

#### **Amendment 59**

Proposal for a directive Article 10 – paragraph 5

#### Text proposed by the Commission

# 5. On the basis of the report issued by the Commission, the Employment Committee set up in accordance with Article 150 TFEU shall carry out every year an examination of the promotion of collective bargaining on wage setting and of the adequacy of minimum wages in the Member States

#### Amendment

5. On the basis of the report issued by the Commission, the Employment Committee set up in accordance with Article 150 TFEU shall carry out every year an examination of the promotion of collective bargaining on wage setting and of the adequacy of minimum wages *and their gender dimension* in the Member States.

#### Amendment 60

## Proposal for a directive Article 15 – paragraph 1

Text proposed by the Commission

The Commission shall conduct an evaluation of the Directive by [five years after the date of transposition]. The Commission shall submit thereafter a report to the European Parliament and the Council reviewing the implementation of the Directive and propose, where appropriate, legislative amendments.

#### Amendment

The Commission shall conduct an evaluation of the Directive by [three years after the date of transposition]. The Commission shall submit thereafter a report to the European Parliament and the Council reviewing the implementation of the Directive and propose, where appropriate, legislative amendments. Both the evaluation and the report shall include a gender-responsive approach.

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#### PROCEDURE - COMMITTEE ASKED FOR OPINION

Title	Adequate minimum wages in the European Union	
References	COM(2020)0682 - C9-0337/2020 - 2020/0310(COD)	
Committee responsible Date announced in plenary	EMPL 11.11.2020	
Opinion by Date announced in plenary	FEMM 11.11.2020	
Rapporteur for the opinion Date appointed	Lina Gálvez Muñoz 11.2.2021	
Discussed in committee	10.5.2021 15.6.2021 30.9.2021	
Date adopted	30.9.2021	
Result of final vote	+: 25 -: 3 0: 4	
Members present for the final vote	Isabella Adinolfi, Simona Baldassarre, Vilija Blinkevičiūtė, Annika Bruna, Margarita de la Pisa Carrión, Frances Fitzgerald, Cindy Franssen, Heléne Fritzon, Lina Gálvez Muñoz, Elżbieta Katarzyna Łukacijewska, Karen Melchior, Andżelika Anna Możdżanowska, Sandra Pereira, Pina Picierno, Sirpa Pietikäinen, Samira Rafaela, Evelyn Regner, Diana Riba i Giner, Eugenia Rodríguez Palop, María Soraya Rodríguez Ramos, Christine Schneider, Sylwia Spurek, Jessica Stegrud, Ernest Urtasun, Elissavet Vozemberg-Vrionidi, Chrysoula Zacharopoulou, Marco Zullo	
Substitutes present for the final vote	Sylvie Brunet, Aušra Maldeikienė, Predrag Fred Matić, Monika Vana	
Substitutes under Rule 209(7) present for the final vote	Łukasz Kohut	

#### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

25	+
ID	Simona Baldassarre
PPE	Isabella Adinolfi,Frances Fitzgerald,Cindy Franssen,Aušra Maldeikienė,Sirpa Pietikäinen,Elissavet Vozemberg-Vrionidi,Elżbieta Katarzyna Łukacijewska
Renew	Sylvie Brunet,Karen Melchior,Samira Rafaela,María Soraya Rodríguez Ramos,Chrysoula Zacharopoulou,Marco Zullo
S&D	Vilija Blinkevičiūtė,Lina Gálvez Muñoz,Łukasz Kohut,Predrag Fred Matić,Pina Picierno,Evelyn Regner
The Left	Eugenia Rodríguez Palop
Verts/ALE	Diana Riba i Giner,Sylwia Spurek,Ernest Urtasun,Monika Vana

3	-
ECR	Jessica Stegrud, Margarita de la Pisa Carrión
S&D	Heléne Fritzon

4	0
ECR	Andżelika Anna Możdżanowska
ID	Annika Bruna
PPE	Christine Schneider
The Left	Sandra Pereira

Key to symbols: + : in favour - : against 0 : abstention

