

Resolution

For an efficient transposition of the Directive on Adequate Minimum Wages in all EU Member States

Brussels, 25 March 2024 | **Directive (EU) 2022/2041 on Adequate Minimum Wages in the European Union is one of the most important social and employment policy achievements of the 2019-2024 legislative term. It constitutes a major step in making the European Social Pillar part of the lived reality of workers in the EU. A timely, adequate and faithful transposition of the Directive across all Member States must be ensured.**

One of the centrepieces of the Directive (EU) 2022/2041 is Art 4(2): It contains an obligation for Member States “in which the collective bargaining coverage rate is less than a threshold of 80 %” to „provide for a framework of enabling conditions for collective bargaining” and „establish an action plan to promote” it. Capacity building for social partners and labour authorities should as much be part of such measures as legislation on labour law and public procurement.

In particular where collective bargaining coverage is below 80%, the Directive requires efficient involvement of social partners in the determination of minimum wage levels. Regrettably, the transposition of the Directive on Adequate Minimum Wages as well as the achievement of its stated goals is lagging behind or remains unsatisfactory in a number of EU Member States. The situation in Hungary, the Member State to hold the next presidency of the Council of the EU, may exemplify some of the current shortcomings in transposition. We call on decision-makers to:

- **Improve collective bargaining coverage.** In Hungary, the collective bargaining coverage has seen a steady decline and currently stands at around 20%. The Hungarian government must take adequate action to remedy this trend and extend collective bargaining coverage.
- **Ensure alignment with other provisions of the Directive.** The Hungarian legal system needs adaptation to conform with the Directive’s provisions on issues such as public procurement, labour authorities and an adequate forum for the national social dialogue. However, the government’s official proposal disseminated among social partners on 28 February 2024 and published on 1 March 2024 equals a complete refusal to commit to transposition. In fact, with the current proposal the Hungarian legislator would fall short of fulfilling even the minimum requirements of the Directive.
- **Clarify and strengthen social partner involvement in setting up the Tripartite Social Dialogue.** The proposed Hungarian provisions to establish a tripartite social dialogue body which would be consulted on minimum wages lacks clarity. While the government says it plans to create a forum for consultations, the text does not sufficiently specify whether the consultation body should be created by the government unilaterally or as a result of a wider agreement concluded between the social partners and the government.

The Central European Trade Union Network closely monitors the developments in relation to the Directive on Adequate Minimum Wages. Decision-makers at national and EU level must ensure a timely, adequate and faithful transposition of the Directive across all Member States – including Hungary.

The EU must deliver for working people. Failure to ensure an efficient and timely transposition of the Directive on Adequate Minimum Wages would set a dangerous precedent: It would undermine the European Social Pillar and could jeopardise the support of working people for the European project.

About

The Central European Trade Union Network (CETUN) assembles trade unions from Austria, Croatia, the Czech Republic, Hungary, Liechtenstein, Serbia, Slovakia, Slovenia and Switzerland. As a regional grouping of ETUC members, the network's goal is to foster trade union structures and social dialogue in the region. Through greater cooperation and coordination, participants aspire to promote common themes at European level.

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EU Transparency Register: 168069692041-64