

United in Diversity?

An inquiry into European trade unions' views on the
European Commission's minimum wage initiative



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Amalie Holst Madsen

Abstract

The idea for a European minimum wage has been debated since the 1990s, but now for the first time the Commission is considering legislative action on minimum wages in the European Union. The initiative on fair minimum wages presented by the Von der Leyen Commission has divided the European trade union movement. The purpose of this thesis is to explore why a European minimum wage policy is such a contentious issue in the European trade union movement and to understand the diverging views that European trade unions have on the Commission's initiative on a European minimum wage policy.

Using constructivist grounded theory this study provides an in-depth study of trade unions' views on a European minimum wage policy showcasing that the diverging perspectives unions have on European integration provide an understanding for their views on the Commission's initiative. Moreover, it demonstrates that the heterogeneity in the European trade union makes a European minimum wage policy a contentious issue. Furthermore, by investigating the difficulties for European trade unions to reach consensus on the Commission's initiative this study sheds some light on the ability for trade unions to shape the course of European integration.

Key words: European minimum wage, European trade union movement, European integration, heterogeneity, constructivist grounded theory

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1 Introduction

The idea of establishing a European minimum wage policy is back on the political agenda. In July 2019 the President of the European Commission, Ursula von der Leyen, presented her political guidelines in which she announced that she will “[...] propose a legal instrument to ensure that every worker in our Union has a fair minimum wage” (Von der Leyen, 2019:9). The discussion of a European minimum wage policy dates back to the 1990’s when the European Union (EU) discussed the implementation of the EU Charter of Fundamental Social Rights of Workers, according to which “[...] workers shall be assured of an equitable wage, that is, a wage sufficient to enable them to have a decent standard of living” (Schulten, 2008). In the long history of the debate on a European minimum wage the announced proposal from the European Commission¹ represents a watershed because for the first time the Commission is considering legislative action to ensure all workers in the EU receive a fair wage (Müller & Schulten, 2020).

The recognition that an initiative on minimum wages is needed at EU-level is a ‘paradigm shift’ according to the EU Commissioner for Jobs and Social Rights Nicolas Schmit; “In the past, EU officials have tended to ask Member States for cuts in salaries. Now that logic has been reversed” (Euractive, 2020). The European Trade Union Confederation (ETUC) also stated that the Commission’s initiative on fair minimum wages “[...] is needed not only to repair the damage caused by the EU economic policies following the 2008 economic crisis, but also to deal with the effects of the corona virus crisis” (ETUC, 2020b).

The announced initiative on minimum wages from the Commission has divided the European trade union movement. A majority of European trade unions welcomed the initiative because it can help raise minimum wages to a decent level, fight wage and social dumping, lead to upward wage convergence, and promote collective bargaining (Eurofound, 2020:8). The greatest resistance to the proposal stem from the Nordic trade unions that fear EU-intervention could undermine their well-functioning labor market models. Theresa Svanström, the president of the Swedish Confederation of Professional Employees, argues that “the need for a more social Europe cannot be met by legislation that runs the risk of destroying well-functioning national systems for industrial relations and collective bargaining” (Svanström, 2020).

Trade unions play an important role in the EU’s employment and social policy. The cooperation between trade unions in Europe has been institutionalized by the

¹ From here on Commission

Commission as an integrated part of the EU's multilevel governance structure (Furåker & Larsson, 2020:2). Moreover, the Commission has emphasized the importance of social partners participation in policy-making both on the European and national level (European Commission, 2020a). Trade unions play an important role in realizing a more social Europe because they "[...] take an active role in safeguarding and advancing measures in the intended direction" (Furåker & Larsson, 2020:3).

The Commission's initiative on minimum wages "[...] has the potential to open a new page in the long history of the debate about a European minimum wage policy" (Müller & Schulten, 2020). But the idea of a European minimum wage policy is a highly controversial issue in the European trade union movement and thus far they have not been able to establish a common position on the issue (Furåker & Larsson, 2020). The inability for European trade unions to formulate a common position on a European minimum wage policy illustrates the dilemma the ETUC faces in their representative work; while there is a greater need for European trade unions to strive for common political goals in light of European integration, establishing common positions is becoming more difficult as a result of the increasing heterogeneity due to EU enlargement (Seeliger, 2018:38).

Purpose of the study

It is against this background that this thesis investigates the following research questions. Firstly, **why is the idea of a European minimum wage policy a contentious issue in the European trade union movement?** Secondly, **how can we understand the diverging views European trade unions have on the Commission's initiative for a European minimum wage policy?**

European trade unions aim to formulate common policies in order to influence the course of European integration. But the polarized debate on the minimum wage initiative brings forth some of the difficulties trade unions face when establishing common policies and thus also their ability to influence European integration. For this reason, this study also sheds some light on the ability of trade unions to shape the trajectory of European integration.

Structure of the thesis

This thesis is structured as follows: Section 1 lays out the context of the Commission's minimum wage initiative. Section 2 explains the methodological choices and methods of data collection, processing and analysis. Section 3 presents the categories established on the basis of data analysis. Section 4 provides an overview existing literature in the field. In Section 5 the analysis is conducted where

the categories are discussed in relation to the existing literature. Section 6 concludes the findings of the analysis.

Contextualization

In the following section I explain the debate in the ETUC on the idea for a European minimum wage policy and the context in which the Commission's initiative for a European minimum wage arose.

State of play

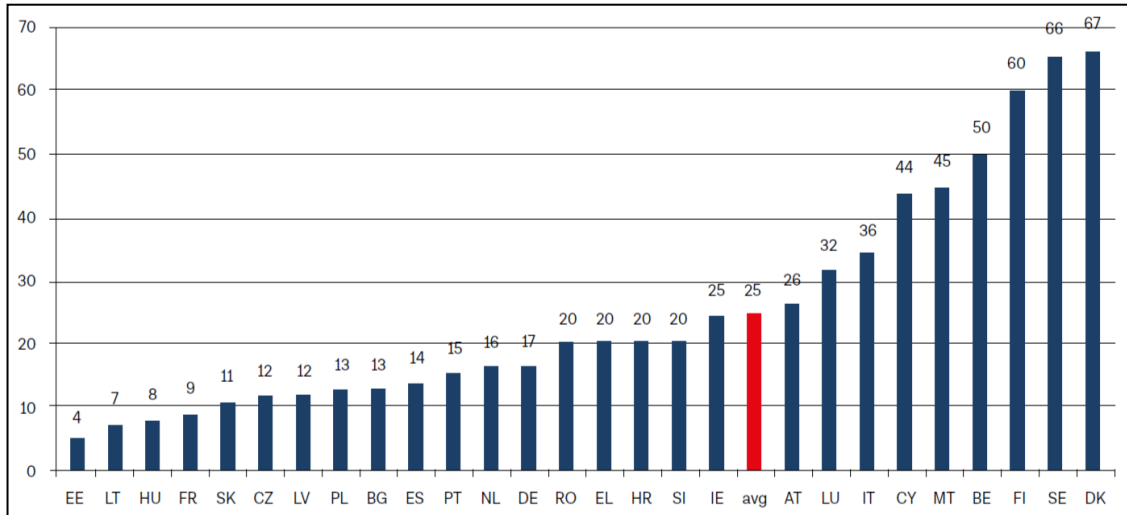
There are currently 21 EU Member States that have a statutory minimum wage and six² EU Member States that do not have a minimum wage determined by law; instead minimum wages are set through collective agreements. Italy and Cyprus are considering introducing a statutory minimum wage (Eurofound, 2019).

Hourly minimum wage rates in the EU range from €1.87 in Bulgaria to €12.08 in Luxembourg (Eurofound, 2020). Gross statutory minimum wage rates have increased in all EU Member States in 2020 compared to 2019. Despite this upward trend, minimum wage rates in most countries remain below 60% or even below 50% of national median wages, especially in Central and Eastern Europe (Ibid.).

The level of collective labor market representation also varies greatly across the EU. The number of employees who are members of trade unions (union density) range from 4% in Estonia to 67% in Denmark (Høgedahl, 2020). Moreover, collective bargaining coverage (the share of employees who are covered by a collective agreement) varies from 7% in Lithuania to 98% in Austria and France (Ibid.).

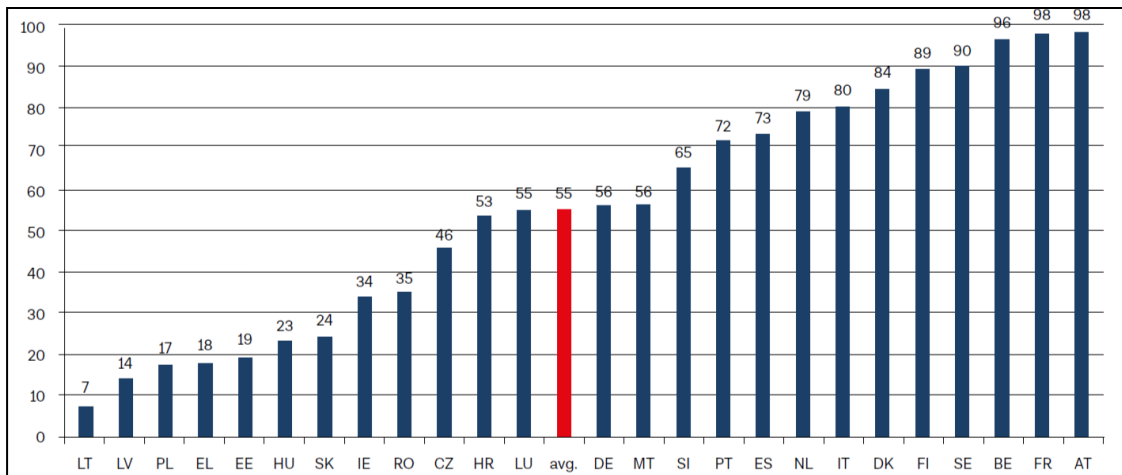
² Denmark, Finland, Sweden, Austria, Italy, and Cyprus.

Figure 1: Union density in EU Member States 2018 (or latest year possible) as a percentage of the workforce



Source: Visser, 2019 in Høgedahl, 2020

Figure 2: Collective bargaining coverage in EU Member States, 2016 (or latest year available) as a percentage of the workforce



Source: ETUI, 2019 in Høgedahl, 2020

Note: no data available for Bulgaria and Cyprus

European trade unions and a European minimum wage policy

The increasing low-wage sector in EU Member States at the turn of the century and the Eastern enlargement, revived the idea of a European minimum wage policy (Seeliger, 2018). The idea of a European minimum wage policy originated from ‘Theses for a European minimum wage policy’ which has played a key role regarding the possible form and implementation of a European minimum wage

policy (Wilson, 2018:73; Seeliger, 2019:111; Eldring & Alsos, 2012:13). The paper was presented at an international conference in April 2005 on minimum wages in Europe by a group of German, Swiss, and French researchers who called for the coordination of national minimum wage policies at European level (Schulten et al., 2005). The researchers proposed a national minimum wage corresponding to “[...] 50% (in the short term) and 60% (in the long term) of the national average wage” so that in-work poverty is prevented and every employee is guaranteed a fair remuneration (Ibid.).

The ETUC³ has never explicitly advocated for a European minimum wage policy (Wilson, 2018:73). Nonetheless, it has expressed ambitions in that direction (Seeliger, 2019:111). The idea of a European minimum wage policy has caused a great deal of debate within the European trade union movement. Right from the beginning, Nordic trade unions opposed the idea; some other national trade unions e.g. Austrian and Italian unions have also taken a negative view on minimum wage legislation (see e.g. Schulten, 2008:434; Eldring & Alsos, 2012:84-87; Furåker & Bengtsson, 2013:172-173; Furåker & Lové Seldén, 2013; Seeliger, 2019b:54-61 155-172, 2019a:111; Furåker & Larsson, 2020:75-102). Due to this controversy amongst the ETUC members, the ETUC has faced difficulties to formulate a common policy on this matter (Furåker & Larsson, 2020:76).

The first ambitions in the direction of a European minimum wage is seen in the Sevilla Manifesto (ETUC congress in 2007). The declaration published by the ETUC executive committee, announced the ambition to

“[...] explore continually the scope for united campaigns at European level, led by the ETUC, for common standards on minimum pay and income and for collective bargaining strategies” (ETUC, 2007 cited in Seeliger, 2019a:111).

A European minimum wage policy was again discussed at the Athens Congress in 2011, which laid out a strategy stating that the ETUC will work

“[...] in pursuit of fair wages for all European workers, including supporting union campaigns for effective minimum wages in those countries where the unions consider them necessary” (ETUC, 2011 cited in Seeliger, 2019a:111).

The ETUC’s Paris congress in 2015 resulted in agreement that “[...] statutory minimum wages, where trade unions want them, should be set with the involvement of social partners” (ETUC, 2015 cited in Seeliger, 2019a:112). At the following ETUC Congress in 2019 it was decided that a key element in the ETUC’s strategy

³ The ETUC is the largest trade union at EU-level. The members of the ETUC are 89 national trade union confederations from 38 countries and ten European trade union federations. The ETUC is a recognized EU-level social partner.

to obtain wage increases and upward wage convergence would be the pursuit of a common ETUC minimum wage policy.

“On one hand, the ETUC will, therefore, continue to support its affiliates in their efforts to strengthen the role of collective bargaining in wage setting mechanisms and to set a statutory minimum wage, in countries where it exists and/or trade unions want it, of at least 60% of the national average/median wage and, on the other, to support the renewal of national cross-sectoral and sectoral agreements” (ETUC, 2019).

The ETUC has since the first reference to the idea of a European minimum wage policy had to balance the disagreements within the organization (Furåker & Larsson, 2020:96). Stringent formulations such as “in those countries where they consider them necessary” and “in countries where it exists and/or trade unions want it” illustrate this balance that the ETUC has had to strike during the years. Thus, for the ETUC it has been “[...] necessary to arrive at a settlement on minimum wages according to which it is recognized that different solutions are relevant due to national traditions and circumstances” (Ibid.:101).

European Pillar of Social Rights

The European Pillar of Social Rights (EPSR) which was launched by the Commission in 2017 serves as the compass to achieve a more social Europe. “The Pillar is about delivering new and more effective rights for citizens” (Commission, 2020). It consists of 20 principles structured around three categories: equal opportunities and access to labor market, fair working conditions, and social protection and inclusion. The EPSR is not legally binding, but it provides guidelines for EU Member States and EU institutions to achieve better working and living conditions.

Principle six of the EPSR states that “workers have the right to fair wages that provide for a decent standard of living”. Furthermore, it declares that adequate minimum wages should be ensured in a way that provides for the needs of the worker and his/her family and that in-work poverty should be prevented. Lastly, “all wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners”(Commission, 2020).

The commitments presented in principle six of the EPSR “[...] picks up on central aspects of the trade unions’ demands as formulated for instance in the resolution on low and minimum wages adopted by the European Trade Union Confederation (ETUC) in March 2017” (Müller & Schulten, 2017).

Moreover, following the ETUC’s Vienna Congress in 2019, it declared that it

”[...] will continue to remind the European Commission and national governments of the commitment they made to ensure decent wages by endorsing the EPSR in autumn 2017” (ETUC, 2019).

Announcement of the initiative

In her Political Guidelines, Ursula von der Leyen, declared that within the first 100 days of her mandate she would

“[...] propose a legal instrument to ensure that every worker in our Union has a fair minimum wage. Minimum wages should be set according to national traditions, through collective agreements or legal provisions” (Von der Leyen, 2019).

Nicolas Schmit, the Commissioner for Jobs and Social Rights, has made it clear that it is not about setting one single wage in the EU but rather ensuring that minimum wages are set in a transparent and predictable manner. Moreover, he has assured that national systems where minimum wages are determined through collective bargaining will not be called into question; “We will not put this system in trouble by creating a European frame for minimum wages [...] this guarantee I can give you” (Politico, 2019).

First reactions

The announcement of the initiative to establish a European minimum wage policy immediately sparked reactions from European trade unions. The greatest concern and open resistance toward the initiative came from the Nordic trade unions (Eurofound, 2020:5). Therese Svanström, the President of the Swedish Confederation of Professional Employees, in an op-ed highlights that the EU does not have the competence in the area of wages. Moreover, accepting that the EU can legislate in the area of pay is a dangerous path “therefore, any attempt to legislate in this area must be resisted and in the end challenged in the Court of Justice” (Svanström, 2020). The Nordic trade unions, especially the Danish and Swedish trade unions have uttered concern that this initiative would threaten and undermine their well-functioning industrial relations systems (Aumayr-Pintar, 2020; Crespy, 2020b).

On the other hand, unions from Central and Eastern Europe regard the initiative as a means to gain more substantial pay (Aumayr-Pintar, 2020). The 24 largest trade union federations from Central and Eastern Europe sent a letter to the ETUC in November 2019 as a counterweight to the Nordic resistance where they urged the ETUC to make more intensive efforts to support the initiative for a European minimum wage policy (Eurofound, 2020:7).

First phase consultation

On January 14th 2020, the Commission launched its first phase consultation of social partners on possible action addressing the challenges related to fair minimum wages. The Commission has the ambition to fully implement the EPSR and the initiative on fair minimum wages for workers in the EU is a step towards implementing the EPSR.

In its consultation document the Commission states that “adequate wages are key for ensuring fair working conditions and decent living standards for European workers” and that they “[...] help to protect low-wage workers and prevent in-work poverty” (European Commission, 2020b). The purpose of the consultation was to determine if social partners believe EU action is needed.

BusinessEurope⁴ emphasized in their reply to the first phase consultation that wage setting is a national competence done by social partners at the national level. Moreover, they point out that the European Semester⁵ could be used as a means to strengthen wages and support the involvement of social partners in wage setting (BusinessEurope, 2020).

The ETUC reply to the first phase consultation welcomed the initiative; “[...] it is time that the EU takes action to uphold a threshold of decency” (ETUC, 2020a). The reply mainly focuses on strengthening collective bargaining because the best tool to achieve fair wages is collective bargaining negotiated by autonomous social partners. The reply is quite ambiguous as it states that EU action “needs to fully respect and safeguard systems of collective bargaining which work well” and that “[...] any specific criteria and wage setting mechanism must only apply to statutory minimum wages [...] not to wages set through collective agreements” (Crespy, 2020a). The reply, again, illustrates the balance the ETUC has to strike between the divergent views of its members on a European minimum wage policy.

There was a large majority of members of the ETUC (80%) that voted in favor of the ETUC reply to the first phase consultation. Despite a large majority supporting the reply, Nordic trade unions from Denmark, Sweden, Iceland and Norway sent a letter directly to the Commission to make it clear that they did not agree with the ETUC reply and to express their concerns regarding the initiative.

Second stage consultation

Based on the replies the Commission received in the first stage consultation it concluded that there was a need for EU action and therefore on June 3rd 2020 it

⁴ BusinessEurope is an employers federation on EU-level representing enterprises in 35 European countries. BusinessEurope is a recognized EU-level social partner.

⁵ A component of the Economic and Monetary Union that coordinates economic and fiscal policies.

launched the second stage consultation of social partners on how to ensure fair wages for every worker in the EU. Against the background of the Covid-19 crisis “ensuring that all workers in the EU earn a decent living is essential for the recovery as well as for building fair and resilient economies, and minimum wages have an important role to play” (European Commission, 2020c).

The second stage consultation presents two possible avenues for EU action: an EU directive and a Council Recommendation. A directive would set legally binding minimum requirements that EU Member States must comply with but leaves room for EU Member States to decide how they will implement them. A recommendation is a non-legislative instrument which will give guidance to EU Member States and provide a common set of principles to achieve fair wages across the EU (European Commission, 2020c).

At the current moment of writing social partners are still in the process of formulating their responses to the second stage consultation which ends on September 4th 2020. After the second stage consultation the social partners must either negotiate an agreement between themselves or the Commission will present a proposal if the social partners do not express willingness to negotiate.

The ETUC underlined that the initiative is even more needed after the Covid-19 crisis. As a response to the second stage consultation Deputy General Secretary of the ETUC, Esther Lynch, stated

“This is about righting the mistakes of the past and making sure they are not repeated following today’s crisis. An ambitious and bold initiative from the European Commission is needed even more after the coronavirus to deliver their promise of fair minimum wages and to boost collective bargaining. Today’s announcement gives me hope we are moving in the right direction, but a lot more work and clarity are needed” (ETUC, 2020b).

2 Methodology

It is against the abovementioned context and background that this thesis analyzes why a European minimum wage policy is a contentious issue and the diverging views that European trade unions have on the Commission's minimum wage initiative. In the following section I explain my methodological choices, the method for data collection, processing, and analysis, and finally I discuss reflexivity, validity, and transferability.

The constructivist paradigm

This thesis is situated within the constructivist paradigm. The constructivist paradigm assumes a relativist ontology (there are multiple realities), meaning that knowledge is constructed “[...] through our lived experiences and through our interactions with other members of society” (Lincoln et al., 2018:115). Also, it assumes a subjectivist epistemology whereby knowledge is shaped by our lived experience and “the investigator and the object of investigation are linked in such that who we are and how we understand the world is a central part of how we understand ourselves, others, and the world” (Ibid.:116).

A constructivist approach has enabled me to study how European trade unions construct meanings and actions (Charmaz, 2006:130) and thereby helped me understand the views of European trade unions on the minimum wage proposal. Moreover, a constructivist approach let me illustrate “[...] the complexities of particular worlds, views, and actions” (Ibid.:132) present in the contentious debate on a European minimum wage policy.

Constructivist grounded theory

“Grounded theory serves as a way to learn about the worlds we study and a method for developing theories to understand them” (Charmaz, 2006:10). It is an inductive, comparative, iterative and interactive method that presents no standardized approach (Kvale & Brinkmann, 2015:262); it provides principles and practices (Charmaz, 2006:9).

I followed Kathy Charmaz's constructivist version of grounded theory which "[...] assumes that any theoretical rendering offers an interpretive portrayal of the studied world, not an exact picture of it" (Charmaz, 2006:10). In other words, constructivist grounded theory can contribute with a plausible account of why a European minimum wage is a controversial matter in the European trade union movement and how the views of European trade unions on the minimum wage initiative can be understood. In consonance with constructivist grounded theory, data and theory are not discovered, rather we as researchers are a part of the world we study and the data we collect (Ibid.:10). For this reason, it underscores engaging in reflexivity (Charmaz et al., 2018:416).

Constructivist grounded theory enters "[...] the studied phenomenon and attempts to see it from the inside" (Charmaz et al., 2018:418), thus it helped me gain an in-depth understanding of the phenomenon. Moreover, constructivist grounded theory provides tools to tease out implicit meanings, actions, and larger social processes (Ibid.:411) hereby, allowing me to go beneath the surface and uncover variations of the controversies and divergences between European trade unions. Consequently, constructivist grounded theory allowed me to bring forward nuances to the existing literature.

Constructivist grounded theory emphasizes approaching data with an open mind and recognizing preconceptions rather than denying them (Charmaz et al., 2018:414). While I did aim to approach data with an open mind, I also engaged with literature during the process as it is able to "[...] add possible sources of inspirations, ideas, 'aha' experiences, creative connections, critical reflections, and multiple lenses" (Ibid.:419).

Interviews

Interview design

I wanted to gain an extensive understanding of the views of European trade unions on the minimum wage initiative and therefore I conducted qualitative interviews because they seek to understand experiences from the interviewees' perspective and unfold the meaning of their experiences (Kvale & Brinkmann, 2015:19). Moreover, qualitative interviews fit particularly well with grounded theory as they are both "[...] open-ended yet directed, shaped yet emergent, and paced yet unrestricted" (Charmaz, 2006:28).

I used a constructivist interview form which advocates a "[...] view of the subject as locally produced in and through the social practice of interviewing" (Brinkmann, 2018:586). A constructivist interview perceives the interviewer as a traveler "[...]

whose journey is delineated by the local context of the interview” (Ibid.:586). The journey encourages a reflection process which will lead to new forms of self-awareness and uncover values and practices which the traveler previously took for granted (Kvale & Brinkmann, 2015:78).

The constructivist interview does not aim to capture accurate reports from interviews as the interview is “[...] a site for a specific kind of situated action” (Brinkmann, 2018:587). Consequently, interview data is constructed through the interaction between the interviewer and the interviewee (Kvale & Brinkmann, 2015:83). I used the constructivist interview form with the recognition that it was within the meeting with my interview participants that knowledge is constructed.

As noted earlier the purpose of conducting interviews was to get an in-depth understanding of the views of European trade unions, and therefore it was important that the interviews were structured in a manner that provided flexibility to pursue the directions that the interviewee takes during the interview. For this reason, I chose to conduct semi-structured interviews.

A semi-structured interview has the purpose “[...] of obtaining descriptions of the life world of the interviewee in order to interpret the meaning of the described phenomena” (Brinkmann & Kvale cited in Brinkmann, 2018:580). Semi-structured interviews are both able to provide leeway to pursue perspectives that the interviewee deem important and focus on the issues which are essential in relation to the research project (Brinkmann, 2018:579). A semi-structured interview allowed me to change the order of questions and follow up with questions to the answers that the interviewee provided.

Interview guide

When I conducted the interviews the interview guide was used with the purpose of outlining the main topics which should be covered but was flexible in terms of how questions are phrased, the order of questions and provided leeway for the interviewee to lead the interaction in unforeseen directions (King et al., 2019:63). Using a constructivist interview form I wanted to tease out “[...] the participant’s definitions of terms, situations, and events and try to tap into his or her assumptions, implicit meanings and tacit rules” (Charmaz, 2006:32). This meant that when designing the interview guide it was important to ensure that it allowed for an interview structure that was flexible enough to let the interviewees raise questions and concerns in their own words and from their own viewpoint (Brinkmann, 2018:579).

In order to get rich descriptions and draw out the interviewee’s assumptions, implicit meanings, and tacit rules, it is paramount that the researcher does not force the interview data into predetermined categories (Brinkmann, 2018:579; King et al., 2019:32; Kvale & Brinkmann, 2015:51-52) because this “results in trivial and

predictable research that tells us nothing new” (Brinkmann, 2018:579). It was thus important to shape questions in a manner that allowed me to get beneath the surface, in order to get the interviewees concrete descriptions of how they view the minimum wage proposal and the reasoning behind their viewpoints.

In order to gain the interviewee’s descriptions of how they viewed the minimum wage initiative, the majority of the questions I asked were open-ended so that they invited the interviewee to describe how they experience their world (Brinkmann, 2018:580). For example, I asked ‘The Commission launched the second stage consultation last week, can you tell me about your thoughts on this?’. While open-ended questions allowed me to engage in the interpretations of experiences and actions described by the interviewee, it is also important to be aware that interviewee’s stories often are “[...] ambiguous and full of cracks” (Brinkmann, 2018:581). Hence it is important to be open to multiple interpretations of the interviewee’s descriptions (Ibid.).

When constructing my interview guide, I carefully considered which topics should be covered. I deemed the topics listed below were essential to answer my research questions. In all the interviews I conducted I covered the same topics, but I adjusted the interview guide for each interview to make sure that it fit each individual interviewee. I covered the following topics in all of my interviews:

- The Commission’s second stage consultation on possible action addressing the challenges relating to fair minimum wages
- The definition of fair minimum wages
- What role the EU should have in the field of minimum wages and collective bargaining
- The importance of consensus among European trade unions
- The European Pillar of Social Rights
- The EU’s social dimension (Social Europe)

To adapt the interview guide to the trade union officials I was interviewing, I looked at press statements, position papers and resolutions relating to a European minimum wage, EPSR, and the EU’s social dimension published by the trade unions. I then constructed some questions where I asked the participant to elaborate on and clarify the meaning of some of the statements in these documents. I based questions on the trade unions own publications not to interrogate them, but rather to explore their perspectives (Charmaz, 2006:29). An example of an interview guide can be found in Appendix 1.

Albeit those topics helped to guide the direction of the interview, I was conscious of the fact that the interview guide had to remain flexible enough to follow up on the answers provided by the interviewees. In the interview guide I used a mix of ‘what’ questions to trigger spontaneous descriptions from the interviewee and ‘how’ questions to gain insight into the reasons for their actions (Kvale &

Brinkmann, 2015:188). Moreover, I included probes (follow-up questions) which encouraged the interviewee to elaborate on their answers. Recording the interviews allowed me to be concentrate on listening carefully to the answers the interviewees provided. I also took notes during the interviews to remind me to return to earlier points and follow up (Charmaz, 2006:32).

The interviews were initiated with a briefing (Kvale & Brinkmann, 2015:183) where I introduced myself, described the purpose of the interview, explained that I viewed the participant as a representative of their trade union and made it clear to the participant that I was recording the interview. I then asked the interviewee if they had any questions before we moved on. This briefing also served the purpose of ensuring that the interviewee was fully informed of the research procedure and gave consent to participate (King et al., 2019:33).

Remote interviewing

All of the interviews were conducted through remote interview forms: telephone and video-conference. King et al. (2019) argue that remote interviewing has a lot to offer qualitative researchers. Remote interviews have the advantage of making it possible to interview participants who are far away. Moreover, participants may be more willing to participate if they are able to schedule a telephone or video interview when it suits them (King et al., 2019:115). A large majority of the interview participants were geographically distant from me and had busy schedules making remote interviewing a suitable and pragmatic method.

Five of the interviews were conducted using remote video interviewing either in the form of Skype or Zoom, and three interviews were conducted via telephone. Both remote video interviews and telephone interviews allow for both the researcher and the participant to remain in “[...] ‘safe locations’ without imposing on each other’s personal space” (Hanna, 2012:241).

Telephone interviews are more often task-focused than face-to-face interviews largely “[...] due to the lack of visual cues, which provide much of the richness and nuance that is possible in face-to-face interaction” (King et al., 2019:119). Even though, telephone interviewing can allow for greater focus on the research topic (Ibid.:119) it does not provide access to non-verbal information in the form of gestures and facial expression that a ‘face-to-face’ interview does (Kvale & Brinkmann, 2015:204).

In contrast to telephone interviews remote video interviews have the advantage of being able to see the interview participant. Thereby it provides the visual cues that telephone interviews lack to a certain extent (Hanna, 2012:241). Ensuring a good connection (both audio and video) is important when conducting remote video interviews (King et al., 2019:121). During one interview I experienced a bad

connection, which forced me to ask the interviewee to repeat some answers and rendered me unable to hear some minor parts of the answers given. Thus, problems with securing a reliable connection means the video interviews are not yet able to offer “[...] a ‘face-to-face’ experience while retaining the practical advantages relating to the flexibility and privacy offered by telephone interviews” (Ibid.:122).

Interviewees

The interview participants for this study were trade union officials from both national trade union confederations and European trade union federations (ETUFs). In the process of selecting trade unions I wanted to ensure that they represented “[...] a variety of positions in relation to the research topic, of kind that might be expected to shed light on meaningful differences in experience” (King et al., 2019:56).

Regarding the choice of national trade unions, I chose one national trade union from each of the five industrial relations regimes in Europe (Furåker & Larsson, 2020). Due to the large diversity that exists within each industrial relations regime (Ibid.), I merely used the regimes as a criterion to get a sample of national trade unions that represent the heterogeneity of industrial relations systems in the EU. I therefore do not regard the national trade union officials that I interviewed as representing an industrial relations regime, but rather as representing the views of their respective national trade union.

I also interviewed trade union officials from three ETUFs in order to gain insight into the debate on the minimum wage proposal on the European level. ETUFs are sector-based trade unions on the European level which are responsible for European social dialogue at the sectoral level. ETUFs are members of the ETUC. The three ETUFs chosen are all some of the main ETUFs (Furåker & Larsson, 2020:16-17) and are closely involved in transnational policy-making (Seeliger, 2019b:121).

When selecting trade unions, it was also a condition that they are members of the ETUC to ensure that they were taking part in the process within the ETUC to answer the Commission’s consultation. Furthermore, I ensured that the trade union officials I interviewed were working with the minimum wage dossier.

I conducted eight interviews: five interviews with trade union officials from national trade union confederations and three interviews with trade union officials from ETUFs. This small sample size was sufficient enough to provide each individual case “[...] to have a locatable voice within the study, and for an intensive analysis of each case to be conducted”, making it possible to generate cross-case generalities (Robinson, 2014:29).

In the following section I present the trade unions from which I interviewed trade union officials. The interviewees’ data can be found in Appendix 2.

National trade union confederations

Trade Union Confederation of Workers' Commissions (CC.OO.)

CC.OO. is a Spanish trade union confederation belonging to the polarized/state-centered industrial relations regime which is based on traditions of conflict between employer organizations and trade unions. It is a fragmented movement where unions are divided depending on political and religious orientation (Furåker & Larsson, 2020:12).

CC.OO. brings together workers from various political and ideological tendencies, mainly Christian, Socialist and Communist. CC.OO. is the largest trade union confederation in Spain (Eurofound, 2003).

Spain has a statutory minimum wage of €6.43 per hour (Eurofound, 2020:16). CC.OO.'s first reaction to the announced initiative on fair wages from the Commission was supportive (Ibid.:6).

German Confederation of Trade Unions (DGB)

DGB is a German trade union confederation belonging to the social partnership industrial relations system. Within this regime there are developed tripartite and corporatist relations between trade unions, employers and the state (Furåker & Larsson, 2020:11).

DGB is the umbrella organization for eight German trade unions and represents 5.9 million workers making it the largest trade union confederation in Germany and one of the biggest national trade union confederations worldwide (DGB, 2020).

Germany is the latest EU Member State to introduce a statutory minimum wage; it was introduced in 2015. The German statutory minimum wage is €9.35 per hour (Eurofound, 2020:16). DGB's first reaction to the announced initiative on fair wages from the Commission was supportive (Ibid.:6).

Danish Trade Union Confederation (FH)⁶

FH is a Danish trade union confederation belonging to the organized corporatism industrial relations regime which is characterized by strong, autonomous trade unions and employer organizations. The national confederations in the Nordic industrial relations system are largely organized on the basis of social class, as opposed to ideological and religious divisions (Furåker & Larsson, 2020:12).

FH is an umbrella organization for 64 Danish trade unions and is the largest national trade union confederation in Denmark representing 1.4 million workers (FH, 2020).

⁶ This interview was conducted in Danish and all quotes presented in this thesis are my own translation

Denmark does not have a statutory minimum wage or any erga omnes rules⁷. FH's first reaction to the announced initiative on fair wages from the Commission was unsupportive (Eurofound, 2020:6).

Irish Congress of Trade Unions (ICTU)

ICTU is an Irish trade union confederation belonging to the liberal pluralism industrial relations regime which is characterized by low levels of state intervention and legally established standard provisions (Furåker & Larsson, 2020:13).

ICTU is an umbrella organization for 44 trade unions and represents 800,000 workers on the island of Ireland (ICTU, 2020).

Ireland has a statutory minimum wage of €10.10 per hour (Eurofound, 2020:16).⁸

Independent and Self-Governing Trade Union Solidarność (Solidarność)

Solidarność is a Polish trade union confederation belonging to the transitional or fragmented industrial relations system. The countries in this industrial relation system have experienced transition from state socialist systems to liberal markets and the social partners have a low degree of organization and coordination (Furåker & Larsson, 2020:11).

Solidarność has a territorial-branch structure where 8105 enterprise union organizations are associated in 34 regions. Enterprise union organizations are also associated in 16 national branch secretariats. Solidarność represents 722,000 workers (Solidarność, 2020).

Poland has a statutory minimum wage of €3.99 per hour (Eurofound, 2020:16). Solidarność first reaction to the announced initiative on fair wages from the Commission was supportive (Ibid.:6).

European Trade Union Federations

European Federation of Building and Woodworkers (EFBWW)

EFBWW is the ETUF for the following sectors: building, woodworking, forestry, and allied industries and trades. EFBWW has 76 affiliated national trade unions from 34 countries and represents 2 million members (EFBWW, 2020)

European Federation of Food, Agriculture and Tourism trade Unions (EFFAT)

EFFAT is the ETUF for the following sectors: food, agriculture, and tourism. EFFAT has 120 affiliated national trade unions from 35 countries and represents 22 million workers (EFFAT, 2020).

⁷ Erga omnes in labor law refers to extension mechanisms for all workers, not only those that are members of signatory unions.

⁸ There is no registered first reaction from any trade union in Ireland (Eurofound, 2020).

European Federation of Public Service Unions (EPSU)

EPSU is the ETUF for public service trade unions. EPSU represents 8 million workers from over 260 national trade unions across Europe (EPSU, 2020).

Data processing

Transcription

Transcribing helped me become more familiar with the data and was the first step in the analytical process (King et al., 2019:193; Kvale & Brinkmann, 2015:238). There is no true and objective way to transcribe interviews (Kvale & Brinkmann, 2015:245-246). Following Kvale and Brinkmann (2015:246) I therefore asked which transcription do, I need for my research purpose? When deciding how I should transcribe the interviews I considered what needed to be transcribed and at what level of detail (King et al., 2019:194).

I transcribed the full-length of the interviews because I wanted to closely examine the descriptions that the interviewees provided. As I focused on the content of the answers that the interviewees provided rather than the language the interviewees used, it was not necessary to transcribe with a very high level of detail recording every single word, pauses and intonations (Kvale & Brinkmann, 2015:239-240). I was interested in the explanations and descriptions the interviewees provided in order to understand their perspectives, not the particular discourses of the interviewees. As I wanted to do an in-depth study of the interviewee's responses, I transcribed the interviews with a level of detail beyond the basic.

Use of CAQDAS⁹

CAQDAS is able to make it easier to transcribe interviews and analyze the interview transcripts. I employed Nvivo to support the transcription and coding processes. Generally speaking, it assisted the transcription process, helped organize codes and memos, and enhanced my ability to explore the data.

Nvivo allowed me to continuously modify project elements, move quickly between analytical tasks such as coding and memo-writing, and explore patterns in the data (Saldaña, 2013:34). While Nvivo was a helpful software to organize codes and memos it was my task to code and interpret the data (Ibid.:28).

⁹ Computer Assisted Qualitative Data Analysis Software

Data analysis

Coding

Coding is the link between data collection and making interpretations of their meaning (Charmaz, 2006:3). Coding is a crucial element of analysis (Saldaña, 2013) and forms the analytical frame on which the analysis is built (Charmaz, 2006:45). For this reason, the process of coding generated the foundation for my analysis.

A code in qualitative data analysis is a “[...] researcher-generated construct that symbolizes and thus attributes interpreted meaning to each individual datum [...]” and “[...] captures a datum’s primary content and essence” (Saldaña, 2013:4). Consequently, coding is an interpretive act (Ibid.:4) and in line with constructivist grounded theory I acknowledge that my understandings, use of language, and interactions with interviewees and the data shaped my interpretation of what portions of data indicate (Charmaz, et al., 2018:424).

In the process of coding you define what is happening in the data and start to gain an understanding of what it means. Codes emerge when you interact with your data again and again and enable you to ask many different questions to your data (Charmaz, 2006:46). Coding allowed me to gain an understanding of the participants’ standpoints and situations because in the process of coding you ‘dig into the data’ to elucidate the participants’ tacit meanings (Ibid.:47).

I conducted two phases of coding: an initial and a focused coding. Initial coding involves a close reading of the data and after this, focused coding is used to identify the most salient categories (Charmaz, 2006:46).

Initial coding

During initial coding you mine the data for analytical ideas to pursue and therefore it is paramount to “remain open to explore whatever theoretical possibilities” can be discerned about the data (Charmaz, 2006:47). Initial coding invites you to “[...] reflect deeply on the contents and nuances of the data” (Saldaña, 2013:100) and for this reason I remained very close to the data during this phase of coding.

In order to stay close to the data I conducted line-by-line coding where I broke down the data line by line, closely scrutinized them, and compared them for similarities and differences. This helps develop a range of ideas and information as it forces you to see your data anew (Charmaz, 2006:51). Furthermore, it “[...] frees you from becoming so immersed in your respondents’ worldviews that you accept them

without question” because it encourages you to look at your data critically by asking yourself questions about your data (Ibid:51).

Focused coding

After initial coding, I conducted focused coding. Through the process of focused coding the analysis gradually moves from a descriptive level to a more theoretical level and this process leads to a saturation point where further coding does not provide new insights or interpretations (Kvale & Brinkmann, 2015:262). Focused coding is more directed, selective, and conceptual than line-by-line coding and the aim is to develop categories. During the process codes are developed to “[...] capture, synthesize and understand the main themes in the statement” (Charmaz, 2006:59) and thus through reorganizing and categorizing, categories are constructed (Saldaña, 2013:217).

Focused coding required that I made decisions regarding which initial codes made the most analytical sense (Charmaz, 2006:57). I reviewed the initial codes, compared codes with codes and codes with data, and reorganized codes to refine my codes. This process allowed me to start to establish categories to build the framework of my analysis.

Memos

Memo-writing is a crucial method in grounded theory because it incites you to analyze the data and codes early in the research process (Charmaz, 2006:72). The reason for writing memos throughout the research process “[...] is to document and reflect on: your coding processes and code choices; how the process of inquiry is taking shape; and the emergent patterns, categories, subcategories, themes and concepts in your data” (Saldaña, 2013:41).

Memos are advantageous because they allow you to stop and think about your data and thereby help you to increase the level of abstraction of codes. I followed Saldaña (2013:42) and stopped to write a memo “whenever anything related and significant about the coding of the data comes to mind”. Hence, memos helped me to not force the data into preexisting concepts and theories (Charmaz, 2006:85).

Essentially, memo-writing is the transitional process from coding to building the framework of the analysis (Saldaña, 2013:50). The use of memos enabled the discovery of new ideas about the data and codes so that inter-relations between codes came forward which allowed categories to emerge, thereby laying the foundation for my analysis (Charmaz, 2006).

Reflexivity

Constructivist grounded theory calls attention to the importance that researchers engage in reflexivity throughout the research process. “Reflexivity is the process of reflecting critically on the self as a researcher” (Lincoln et al., 2018:143). Practicing reflexivity urges the researcher to reflect on their constructions and interpretations of data and to recognize their own and participants’ presuppositions and how they shift during the research process (Charmaz et. al, 2018:417).

During the process of my thesis I therefore aimed to become aware of my own starting point, biases, and assumptions. When conducting the interviews, I started by introducing myself, whereby I made it clear to my participants that I had done an internship at 3F’s (United Federation of Workers in Denmark) Brussels office. This both made it clear to the participants’ that I had worked with Commission’s minimum wage initiative, but also that I had worked with it from a Danish trade union perspective. My previous engagement with the matter both shaped the questions that I asked during the interviews and the way in which the participants’ engaged in the interview and the answers they provided. For example, the Solidarność official stated: “*yes, we are aware of the fact, how well your system works, when I say you, I mean Nordic*”¹⁰.

During the transcription of the interviews, I was able to reflect on the nature of my questions and the extent to which they forced the data (Charmaz, 2006:32). For instance, I asked the CC.OO. official “*I just want to, to maybe first ask a bit about, do you think that having a statutory minimum wage in Spain; that works well in Spain?*”¹¹. Implicitly in my question I am assuming that having a legally fixed minimum wage would not work that well because in Denmark wages are negotiated by strong autonomous social partners. With that being said, the question was also posed to explore why countries that already have statutory minimum wages think that it is necessary with an EU initiative on minimum wages.

I practiced reflexivity throughout the coding and analysis process through memo-writing where I reflected on my interpretations and my own, and the participants’ presuppositions. Even though practicing reflexivity is challenging “[...] it is also a far-reaching means of extending our understanding and insight” (King et al., 2019:190).

Validity

Validity is in a broad sense concerned with how accurately a given method examines what it is intended to examine (Kvale & Brinkmann, 2015:318). The question of how to maintain the rigor of qualitative studies is a contested issue

¹⁰ Interview 8

¹¹ Interview 4

(Morse, 2018:797). Within the constructivist paradigm facts and values are linked and for this reason ‘what is seen and not seen’ rests on the lens through which the researcher looks. Constructivist grounded theory therefore does not offer verified knowledge but rather contributes with plausible accounts (Charmaz, 2006:132)

Practicing reflexivity, is a means to scrutinize the decisions and interpretations of the researcher (Charmaz, 2006:189), and can thus be used to support validity (King et al., 2019:182). By practicing reflexivity I was incited to actively reflect on what is selected or not selected for analysis, the values and interests that are expressed, and how the production of knowledge is co-constructed (Ibid.:188).

Furthermore, to attain rigorous research, it is essential to be transparent about the research process and the researcher’s interpretations. Thus, by describing and illustrating the steps in the research process the reader “[...] can appreciate the internal construction of rigor” (Morse, 2018:814). For this reason, transparency was a key guideline when writing up my thesis as it allows the reader to determine the extent to which my interests, positions, and assumptions influenced the study (Charmaz, 2006:188-189).

Transferability

Transferability “[...] is based on the ability of the researcher to provide sufficient rich detail that a reader can assess the extent to which conclusions drawn in one setting can transfer to another” (King et al., 2019:212). According to constructivist grounded theory “any analysis is contextually situated in time, place, culture, and situation” (Charmaz, 2006:131). Albeit this does not mean that grounded theory analysis is not able to provide insight into a broader phenomenon, but rather through rich, contextual description it is possible to extend the conclusions drawn.

Indeed, this thesis is focused on the perspectives that trade unions have on the Commission’s minimum wage initiative, but this thesis also contributes with knowledge regarding the transnational cooperation between trade unions and their influence on European integration. I do, however, recognize that in-depth qualitative studies do not provide the possibility to generalize to the same extent as quantitative studies.

Delimitations and limitations

I was only able to conduct one round of interviews due to the time constraint of the thesis. It could have been beneficial to conduct a second round of interviews to further explore some of the directions the coding process took me. A second round

of interviews could have refined the categories further and provided for an even deeper understanding of the phenomenon.

This thesis solely focuses on the perspectives of trade unions on the Commission's minimum wage initiative and the debate within the European trade union movement. Thus, the views of employers and governments on the initiative or the debate in the European Parliament on the matter are not discussed. Moreover, this thesis does not discuss the current policy-process regarding the Commission's minimum wage initiative.

3 Data presentation

In the following section I explain how I established categories based on the above-mentioned methods of data analysis. I also describe the six categories and their properties which lay the foundation for the analysis.

Establishing categories

As mentioned, I first conducted line-by-line coding which generated a multitude of codes because I remained open to all possible theoretical directions during this phase. The second phase of coding was focused coding where I had to make decisions about which codes made the most analytical sense. During this phase I sifted through the many codes that I had created during the initial phase and moved across interviews to compare the participants' experiences and interpretations. Through this phase I organized and reorganized codes, compared data to data and then data to codes to refine my codes.

During focused coding I started to treat some of the codes as categories meaning I scrutinized and developed these codes. By writing memos where I aimed to tease out what this tentative category consisted of, I was able to evaluate if it was a category or not. Furthermore, I was able to raise focused codes to categories by writing memos, as they build and clarify categories "[...] by examining all data it covers and by identifying variations within it and between other categories" (Charmaz, 2006:93).

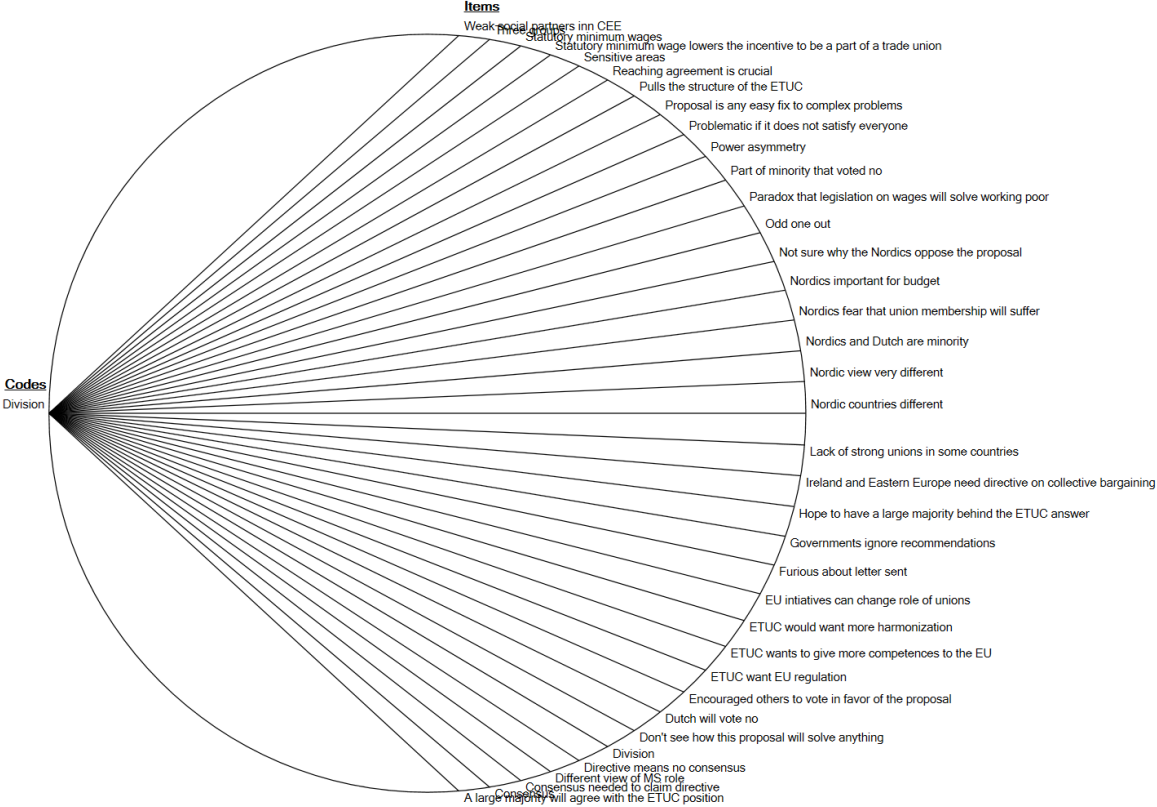
The question then becomes: when do you know that your categories are complete? Theoretical sampling is a strategy where you "[...] develop the properties of your categories until no new properties emerge" (Charmaz, 2006:96). By going back and forth the between memos, codes and data with the aim of defining my categories I was able to reach the point of saturation. The categories were full when they reflected the qualities of my participants' experiences and provided "[...] a useful handle for understanding them" (Ibid.:100).

An example

It became clear quite early in the coding process that 'Consensus' could possibly become a category. Initial codes such as 'broad consensus is the aim', 'consensus is critical', and 'consensus is our strength' were an indication that consensus had the potential to become a category. I then started to develop the code 'Consensus' further. During the development I came across the many references to majority and minority and by

reorganizing codes I developed the code ‘Division’ (see Figure 3). ‘Division’ then became one of the properties of ‘Consensus’.

Figure 3: Codes coding ‘Division’



Source: Own data

Memos were also important when clarifying what the category of ‘Consensus’ consisted of. I sorted through memos that I had written during the coding process to define the category and what properties it contained. Below (see Figure 4) is an example of one of the memos that I used to develop the category ‘Consensus’. In this memo I reflect on how the different participants discuss what it entails to reach consensus in the European trade union movement and some of the consequences it could have if not all members feel accommodated. The elements discussed in the memo were then developed further through comparison with data, codes, and other memos. Through the two phases of coding and memo-writing I was able to define what the category ‘Consensus’ entailed.

Figure 4: Example of memo

Name: Consensus means that all members must be accomodated

EFBWW makes it very clear that it is important that all members feel heard and that when trying to reach a consensus all the members must make an effort to understand each other and not just veto something that does not go the way they want it to go.

We do not want that a minority dictates anything to the majority but also not the other way around. (EFBWW interview)

But isn't that some kind of a utopia? Earlier EFBWW did say that you cannot get everything that you want, which DGB also highlight. EFBWW said that this is how it is in European negotiations, probably because there is such a large diversity. That there is the need for a compromise. But at the same time there is some kind of ideal that one can reach a solution which all unions support? If they cannot reach consensus to support the second stage reply, then they will vote abstain again.

In democracy there will always be someone who is dissatisfied. Will this just lead to a lowest common denominator solution where no one will really be satisfied with the outcome - it does not go far enough to make a change in those countries that really need a push, and it might harm well-functioning systems. Is it not necessary to respect the fact that there is such a large majority which really wish for the EU to play a role to strengthen wages and collective bargaining?

but yeah it will be great divide in the future if we will not take the, take care of the minority in place. (EFFAT interview)

Ignoring the minority in this case the Nordics will have severe consequences. If they do not feel accommodated, then it will lead to a division in the future. They are already sending hidden threats that they will leave the federation - this must be taken very seriously. But is it possible to accommodate the minority and satisfy the majority?

- Check joint decision trap - Scharpf, which also links to lowest denominator solutions.

Categories

In this section I have summarized the descriptions of the categories¹². These categories capture and add to our understanding of the topic. They are the most analytically relevant categories that emerged based on the data analysis I conducted.

Consensus

‘Consensus’ is firstly characterized by division between a majority that want legislation and a minority that does not. Furthermore, the power asymmetry between the members in terms of resources and membership base affects this division. The current division contributes to a fear that if consensus cannot be reached then it could mean that the ETUC

¹² The memos which describe the categories can be found in Appendix 3.

will get nothing out of the current proposal. The ability of the ETUC to speak with one voice strengthens their bargaining position. Thus, lack of unity weakens the movement. Moreover, there is also the fear that if consensus is not reached, it will possibly have consequences for the future cooperation between trade unions in Europe. The ETUC therefore has the role of the mediator to navigate between the different views of their members with the aim of reaching a consensus. Finally, being part the ETUC, which is a democratic membership organization, means that unions must compromise so that consensus can be reached.

European Trade Union Movement

The category of ‘European Trade Union Movement’ firstly deals with the purpose of the ETUC. The following two standpoints encompass the spectrum of the various views on the purpose of the ETUC: that the ETUC should push for a progressive center-left agenda, and that the ETUC should focus on facilitating cross-border cooperation. Furthermore, there is an emphasis on the fact that the ETUC is the voice of all workers in Europe. The ETUC’s ability to be an agenda setter is also featured. Secondly, the category regards the challenges trade unions face and to what degree they can find common ground to tackle them together. Thirdly, there are concerns over the declining trend of union density and coverage; things are moving in the wrong direction in Europe.

Nordic Resistance

The category ‘Nordic Resistance’ is characterized by properties that describe how the Nordics act in the European trade union movement. The Nordics stand firm on their position that there is no legal basis for the proposal and that the proposal will undermine the Nordic labor market model. For this reason, the Nordic trade unions sent their own letter to the Commission after the first phase consultation which was a practice that was un-heard of in the ETUC. The Nordics are protective of their model and the lack of a 100% legal guarantee that a European minimum wage policy will not affect their model, is a deal-breaker. This is in line with the Nordic conviction that there should be minimal EU-interference in social and labor market policy as EU-intervention tends to undermine stronger industrial relations systems; the Laval and Viking judgements serve as examples to support this conviction.

Social Europe

The category ‘Social Europe’ is at the core of the European trade union movement, but trade unions have diverging opinions of what Social Europe entails. Firstly, the asymmetry between the economic and the social policies (positive and negative integration) in the EU is often emphasized. In connection with this the need for implementing the EPSR arises. The current proposal on minimum wages is presented as a window of opportunity to strengthen the EPSR and thus the initiative can help realize a

Social Europe. Considering the current Covid-19 crisis the strengthening of Social Europe can be viewed as a means to mitigate potential consequences of the crisis. Lastly, obtaining a level playing field in the EU is greatly emphasized to achieve Social Europe.

Solidarity

The category ‘Solidarity’ deals with a very core characteristic of trade unionism; trade unions are united in the fight for better working and living conditions across Europe. Moreover, European trade unions are all bound together in the European project; the interconnectedness of the single market makes them dependent on each other. But the heterogeneity in the European trade union movement influences the level of solidarity within the movement. With this in mind, understanding between trade unions is significant to foster solidarity. Finally, the ability to reach consensus on the current minimum wage proposal is a big test of solidarity between European trade unions.

Role of the EU

‘Role of the EU’ concerns how trade unions view the role of the EU. The category is firstly characterized by national trade unions that seek to solve national problems through the EU. Secondly, there are some that call for the EU to play a greater role in social and labor market policy; in other words, there is a need for more integration. In stark contrast to this there are those who draw attention to the fact that the Treaty sets limits to the EU’s competences. Nonetheless, there is general agreement that the EU should be concerned with control and enforcement of EU-legislation and ensure that basic trade union rights (ILO conventions) are not breached. Lastly, it concerns the core competences of autonomous social partners which the EU should not interfere upon.

Table 1 below summarizes the properties in each of the categories.

Table 1: Categories and their properties

Category	Properties
Consensus	<ul style="list-style-type: none"> • ETUC as mediator • Compromise • Fear the consequences • Division - majority vs. minority • Power asymmetry • One voice
European Trade Union Movement	<ul style="list-style-type: none"> • Two extreme views • ETUC managing voice of workers • ETUC as agenda-setter • Challenges trade unions face • Coverage and density decreasing
Nordic Resistance	<ul style="list-style-type: none"> • Nordic letter • Stand firm on our position • 100% legal guarantee • Protective of their model • Minimal EU-interference
Social Europe	<ul style="list-style-type: none"> • Asymmetry between negative and positive integration • Strengthening EPSR • Help recovery • Level playing field • Proposal is window of opportunity
Solidarity	<ul style="list-style-type: none"> • Characteristic of the trade union movement • Bound together in the European project • Diversity • Understanding • Big test
Role of the EU	<ul style="list-style-type: none"> • Solve national problems through the EU • More integration • Control and enforcement • Secure the autonomy of social partners • Treaty determines the competences of the EU

4 Literature review

In the following section I present a review of the existing literature on a European minimum wage policy. The literature review engages with ideas and research in the areas that my categories address (Charmaz, 2006:168).

Why is a European minimum wage policy debated?

A European minimum wage policy has been a core issue of trade union representation, when it comes to European collective bargaining, since the middle of the last decade (Seeliger, 2019b:155). Scholars bring forth several reasons why the need for a European minimum wage policy is being discussed. Firstly, the financial crisis had severe impacts on large parts of European labor markets (Eldring and Alsos, 2012:7). The austerity measures introduced put pressure on wages and was detrimental to unions (Dufresne, 2015). Secondly, Schulten (2008:422) refers to the fact that the debate is a reaction to the increasing precarious and low-paid employment that neoliberalism contributes to. In other words increasing European integration has led to a development where ‘negative integration’ has not been complemented by sufficient ‘positive regulation’¹³ (Seeliger & Kiess, 2019:2). Thus, a European minimum wage is viewed as way to counteract this development and bring substance to Social Europe (Schulten, 2008:422; Vaughan-Whitehead, 2010:529).

Thirdly, Eastern enlargement is often brought forward. Schulten (2008:432) highlights that the fear of growing labor migration from East to West put minimum wage on the agenda. There was a recognition that extensive movement of labor from East to West “[...] meant a considerable risk of social dumping and low-wage competition, thus increasing the importance of national minimum-wage schemes” (Eldring & Alsos, 2012:14-15). This importance of minimum-wage schemes was brought forth in the Laval-quartet¹⁴ which clarified that only instruments covered by the Posted Workers Directive (statutory minimum wages and extended collective agreements) can be used to regulate employment standards of migrant workers. This increased the risk that foreign companies will undermine employment standards in those countries that rely exclusively on voluntary collective agreements (Schulten, 2008:432). Furthermore, enlargement increased the wage differentials which brought into question whether national minimum

¹³ See e.g. Scharpf, Fritz W. (1999): *Governing in Europe: Effective and Democratic?* Oxford: Oxford University Press.

¹⁴ The Viking, Laval, Ruffert and Luxembourg judgments.

wage schemes alone could deal with increased wage disparity in the EU (Vaughan-Whitehead, 2010:511).

Fourthly, the fact that many EU Member States have set minimum wages very low or below subsistence levels emphasizes the need to secure a decent wage for every worker (Schulten, 2008:432). Additionally, new forms of employment, the progressive decline in union density and coverage, and declining wage trends have been presented as reasons to discuss a European minimum wage policy (Vaughan-Whitehead, 2010a:6-13). Finally, Eldring and Alsos (2012, 2014) indicate that the introduction of a minimum wage in Germany in 2015 may have spurred the debate on the European level.

Arguments in favor of a European minimum wage

The literature offers many arguments in favor of a European minimum wage policy. First of all, a European minimum wage would provide protection for low-wage workers as it can ensure an effective wage floor for the most vulnerable workers (Seeliger, 2019b:156; Vaughan-Whitehead, 2010b:39). Collective agreements are rarely universal resulting in a lack of effective coverage of low-wage workers (Schulten, 2008:426-427). Thus, it would help ensure that not only the organized workers are covered (Furåker & Larsson, 2020:80). Furthermore, it could limit wage dumping and have a poverty-reducing impact (Ibid.:81). Vaughan-Whitehead (2010:53) finds that statutory minimum wages can reduce the share of low-wage workers, but it is not a remedy to reduce poverty.

A European minimum wage could reduce the burden increased labor migration has put on national bargaining systems (Vaughan-Whitehead, 2010a:53; Seeliger, 2018:39). A European minimum wage policy would coordinate minimum wage policies across the EU and thus “[...] it could ensure social cohesion and solidarity within the enlargement and liberalization of EU markets” (Vaughan-Whitehead, 2010b:529). Not only this, but a coordinated European minimum wage policy could protect national wage systems from Troika intervention (Seeliger, 2018:39, 2019b:156). Consequently, it would “[...] boost unions’ legitimacy as regards supranational wage setting and avoid a situation in which wages are left in the hands of European economic actors” (Dufresne, 2015:154).

There are also several economic justifications to introduce a European minimum wage policy. It would secure macroeconomic stability (Schulten, 2014; Fabo & Belli, 2017), maintenance of private demand and a high level of employee’s satisfaction and productivity (Fabo & Belli, 2017). Schulten and Müller (2020) claim that not only would a European minimum wage set at 60% of the national median wage bring a pay rise to millions of workers in Europe, improving their living standard, it would also contribute to economic growth by boosting domestic demand. This is especially relevant in light of the current Covid-19 crisis.

Lastly, there are also normative arguments to consider. The entitlement to a fair or equitable wage can be derived as a social right (Schulten, 2014:9). There are various

European and international agreements and conventions that lay down the right to a fair wage such as the UN Declaration of Human Rights and the EU Community Charter of Fundamental Social Rights for Workers (Schulden, 2008:428). Moreover, Fabo and Belli (2017:3) argue that according to Rawls' concept of justice "[...] a society generating substantial wealth, a condition EU countries fulfill, should provide decent living standards even for low-income workers".

Arguments against a European minimum wage

Despite the arguments in favor of European minimum wage, it is not necessarily in the interest of workers in Europe. A legally binding European minimum wage could prevent unions from achieving better negotiated wages as employers would refer to the minimum wage as a suitable amount (Seeliger, 2018:40, 2019b:156). Even though some may gain from a European minimum wage (Müller & Schulden, 2020), there is concern that "a great many others will fall towards the minimum level" (Eldring & Alsos, 2014:18).

Furåker and Larsson (2020:82) point to the fact that countries without a statutory minimum wage seem to have a viable option; the Nordic countries have high union density rates and a high degree of collective bargaining coverage. Furthermore, in selected key industries in the Nordic countries wages significantly exceeded the agreed minima which is explained by the contagion effect of collective agreements (Ibid.:83). "Legislated minimum wages can then be a blow in the air and this is not all: their consequences may even go in the opposite direction" (Ibid.:83).

The introduction of a European minimum wage could reduce the influence of trade unions making their role obsolete (Seeliger, 2018:40, 2019b:156). The bargaining freedom and autonomy of social partners could be undermined by legislation on a European minimum wage and it would reduce the incentives for unionization (Eldring & Alsos, 2014:18; Furåker & Larsson, 2020:82). It is worth mentioning that the effect of statutory minimum wages on collective bargaining has received little attention in the literature. Vaughan-Whitehead (2010:47) states that experience both reveals that statutory minimum wages can stimulate collective bargaining by bringing social partners together to negotiate fixing the minimum wage, but other examples demonstrate that collective bargaining was crowded out.

A European minimum wage would lead to a shift in competence from national level to the EU which can lead to the implication of potential loss of national autonomy (Seeliger, 2019b:156). Given the austerity measures induced by the Troika some unions may be skeptical towards leaving wage regulation to the EU (Seeliger, 2018:40). Additionally, accepting a European minimum wage policy would open up the possibility for more EU regulation (Furåker & Larsson, 2020:83).

Heterogeneity of trade unions in Europe

There are many scholars that broach the matter of heterogeneity among trade unions in Europe. Even though all EU Member states have mechanisms to determine minimum wage levels, the most elementary difference is between those EU Member States that set minimum wage levels by law and those that don't (Furåker & Larsson, 2020:76-77;Schulten, 2008:423). Fernández-Macias and Vacas-Soriano (2016:111) argue, when addressing the issue of minimum wage coordination, this difference represents the most important dividing line between EU Member States.

Eldring and Alsos (2014) distinguish between three main forms of minimum wages: statutory minimum wages, collectively agreed minimum wages, and extended minimum wages. The most common form is to apply both a statutory minimum wage and extension mechanisms; only three countries (Denmark, Sweden and Italy) have neither statutory minimum wages nor schemes to extend collective agreements (Eldring & Alsos, 2014:5-8).

Across the EU there are large differences between industrial relations systems. It is possible though to identify different clusters of countries with similar industrial relations resulting in the following industrial relations regimes in Europe: Nordic (organized corporatism), Center-West (social partnership), South (state-centered), West (liberal pluralism), and Center-East (transition economies) (Furåker & Larsson, 2020). Nonetheless, it is important to keep in mind that each EU Member State is unique when it comes to wage settlement and great variations exist across sectors and regions within each EU Member State (Høgedahl, 2020).

The institutional differences (e.g. in terms of bargaining coverage and wage levels) and the various political cultures “[...] results in fundamentally different interests among them and makes cross-border cooperation very difficult” (Seeliger, 2018:41). Seeliger and Kiess (2019:2) identify a threefold problem of heterogeneity in the field of trade union politics that make it problematic to formulate common positions. Firstly, there are major differences between the institutional settings in EU Member States (such as labor law or national modes of bargaining). The significant degree in diversity of labor law among EU Member States means that interaction between national and EU law varies greatly among EU Member States. This is illustrated by the impact of the Laval judgement; while it had a very large impact in Sweden, the effect in Austria and the UK was fairly limited (Prassl, 2014) Secondly, on an organizational level, trade unions differ regarding structure, scope, and ideological orientation. Thirdly, the gap in terms of power resources, especially between Eastern and Northern trade unions, results in asymmetric coordination between unions (Seeliger & Kiess, 2019:2).

The debate on a European minimum wage policy reflect the “[...] challenges trade unions are facing in the process of European integration because of the institutional heterogeneity among the EU-28” (Seeliger, 2019a:102). Furåker and Larsson explain that the cleavage in the European trade union movement on the issue of minimum wages is caused by “[...]”

the differences in organizational, structural and institutional power that exist between unions in different parts of Europe” (2020:94-95). In consonance with Prassl’s analysis of the diverging impact EU law has on EU Member States due to the existing heterogeneity of industrial relations systems, the impact of a European minimum wage policy would vary greatly across EU Member States (Fernández-Macías & Vacas-Soriano, 2016). The institutional impact will be the lowest where statutory minimum wages already exist, while EU Member States without will be significantly affected (Ibid.:112).

Trade union positions on a European minimum wage

The debate on a European minimum wage policy is a polarized debate with rival views (Furåker & Bengtsson, 2013; Furåker & Larsson, 2020). Consequently, the ETUC has great difficulty developing a common policy (Furåker & Larsson, 2020:76) and what’s more, the issue is so contentious that the ETUC avoids discussing it (Seeliger, 2018:42). The current impossibility to find consensus on the issue demonstrate that there is a long way to go before a common bargaining dynamic is achieved on the transnational level (Seeliger, 2019b:172).

Furåker and Bengtsson’s (2013:174) survey results show that trade unions are divided on the issue because national models are still decisive. This is confirmed by Furåker and Larsson (2020:94) who find that countries with statutory minimum wages are more inclined to see the advantages of a European minimum wage policy and vice versa. It is uncertain if the positions of trade unions’ are influenced by empirical studies in the field or if they are more or less ideological or pragmatic (Furåker & Larsson, 2020:79).

There are many trade unions, both national trade unions and European federations, that favor a European minimum wage policy. Among the labor representatives of European level federations there is a clear tendency to be positive towards introducing a European minimum wage policy (Seeliger, 2018:40, 2019b:155).

Empirical studies on national trade unions attitudes have found that Belgian, Polish and Spanish unions are very positive towards the idea with German and French unions also responding with relatively high levels of positivism (Furåker & Lové Seldén, 2013:512; Furåker & Larsson, 2020:87). Another study concludes that Spanish unions are those that show the highest level of support, with Germany coming in second (Furåker and Bengtsson, 2013). On a more general level, Seeliger (2019b:212) finds that Central and Eastern Europeans support a campaign for a European minimum wage along with Southern European countries (except Italy). The support for a European minimum wage from Eastern European trade unions is also found in an earlier study conducted by Seeliger (2018:41).

At the other end of the spectrum we find the Nordic unions who take on a very defensive position towards a European minimum wage policy (Schulten, 2008:434; Eldring &

Alsos, 2012:84-87; Furåker & Bengtsson, 2013:172-173; Furåker & Lové Seldén, 2013; Seeliger, 2019b:54-61 155-172, 2019a:111; Furåker & Larsson, 2020:75-102). The skeptical view of the Nordics is supported by Italian and Austrian trade unions (Schulden, 2008:434; Seeliger, 2019b:155). Even though the Nordics do appear to be united in their resistance, Furåker and Larsson (2020:92-93) draw attention to the fact that there are cracks in the facade; in the surveys conducted there are never 100% of Nordic unions that give the same response. With that being said it is clear that those that display the strongest opposition are the Scandinavians, namely the Swedish and Danish unions (Furåker & Larsson, 2020:93; Müller & Schulden, 2020; Seeliger, 2019b:155).

The question that arises is why Nordic unions are so resistant. The most plausible reason is that they fear that the Nordic labor market model will be undermined by legislation and that acceptance will result in further EU regulation (Furåker & Larsson, 2020:94). Eldring and Alsos (2012:85-86) argue that the Nordic position should be understood in the light of three factors: 1) the well-established autonomy of social partners, 2) the strong contagion effect of collective agreements, and 3) the power and position of Nordic unions. Albeit there are no well-developed scenarios for what a European minimum wage policy would mean for the Nordic model, the Nordic unions “[...] obviously fear that the consequences would be adverse” (Ibid.:83).

As the debate is very polarized it is reasonable to question the relevance of solidarity, namely the fact that workers’ interest need to be taken care of through collective organization (Furåker & Larsson, 2020:94). It is here necessary to distinguish between ‘solidarity with’ and ‘solidarity against’ and in the debate on minimum wages trade unions are found to stand against each other, but “it is likely that both camps are fighting for those they feel solidarity with” (Ibid.:94). Meardi (2019:123-124) brings up the issue of the economic gap between East and West which results in different understandings of solidarity: in the West it is meant as ‘obeying to the same rules’ and ‘fair competition’ whereas in the poorer East it is understood in the context of redistribution.

Transnational trade union cooperation in Europe

In the European trade union movement a long history of transnational cooperation exists, both through supranational organizations and bilateral contacts and actions (Furåker & Larsson, 2020:30). Studies confirm that trade unions consider it important to pursue transnational cooperation; a vast majority of trade unions deem that transnational cooperation will improve conditions for European workers (Ibid.:31). In another study it is found that a majority of trade unions consider cross-national cooperation necessary to prevent wage dumping, but when it comes to the question of whether a European minimum wage policy is needed trade unions are divided as discussed above (Furåker & Lové Seldén, 2013:512).

Trade unions face two challenges as a result of European integration: negative integration and enlargement rounds (Seeliger, 2019a:99). The former has led to the lack of “[...]”

meaningful institutionalized social policy at the EU-level”, supporting the need for European trade unions to develop common strategies (Seeliger & Kiess, 2019:2). However, the latter has resulted in increasing difficulties for trade unions to develop common strategies to influence the trajectory of European integration (Seeliger & Kiess, 2019:2; Seeliger, 2019a:99). Furåker and Larsson (2020:3) underscore that a precondition for realizing a Social Europe is effective cooperation.

One of the persistent difficulties for the ETUC to formulate common positions is the difficulty of balancing meta-organizational authority¹⁵ and “[...] member’s autonomy – in relation to the question of shared identity” (Furåker & Larsson, 2020:36). Nordic and Western trade unions emphasize autonomy and demonstrate doubts when it comes to providing the ETUC with a strong mandate in comparison to Southern and Central/Western European trade unions (Ibid.:35). Seeliger (2019b:216) also finds that Swedish unions strongly reject the European arena when wage-setting systems are endangered and thus reject transferring decision-making power to the ETUC.

Furåker and Larsson (2020:146-147) examine obstacles for cooperation and find that trade unions view differences in financial resources as the most important obstacle for cooperation and the diversity of labor market policies and regulations as the second most important obstacle. The results for similarities that facilitate cooperation are largely reversed in comparison to the factors viewed as obstacles. The similarity that was ranked the highest to facilitate cooperation was similarities in labor market policies and regulations, “[...] followed by similarities in occupational interests among unions and union leaders’ personal networks and relations” (Ibid.:147). Interestingly, trade unions did not deem cultural factors to be very important to facilitate or serve as a barrier to cooperation (Ibid.:147).

Seeliger and Kiess (2019) identify four positions that trade unions take on European integration: the (pessimist) perspective of comparative political economy which emphasizes the heterogeneity of EU Member States, the perspective of (calculated) Euro-optimism that points to the necessity of transnational organizations, the Euro-sceptic perspective which argues that the possibilities of organization and meaningful policy-making at EU-level are restricted, and reflexive optimism which is open to the opportunities that arise from the crisis of labor politics.

Cross-border trade union cooperation often happens under the umbrella of ‘European Social Model’ or ‘Social Europe’ but there is no agreement on what the concept means (Seeliger & Kiess, 2019:5). The discussion regarding the meaning of the concept is significant because the aim is to find “[...] a shared interpretive framework that facilitates coordination, exchange, and ultimately commitment” (Ansell, 1997:360 cited in Seeliger & Kiess, 2019:6).

¹⁵ Meta-organizations have other organizations as members and a “[...] decision-making assembly or mandate to act on behalf of its affiliates or concert their actions on a more long-term basis”. ETUC and ETUFs are the main examples on the EU-level (Furåker & Larsson, 2020:32).

Central and Eastern European unions, regard Social Europe as “[...] the gradual improvement of wage and employment standards in the process of European integration”; this way of interpreting the concept shapes the way they view the European policy arena (Seeliger, 2019a:107). Swedish unions use the concept of Social Europe when it serves their interests but if an initiative is perceived as a threat then it is framed as a loss of national autonomy (Ibid.:117). Meardi (2019:123) draws attention to the fact that Central, Eastern, Spanish, and Greek unions also use Social Europe to their own end when discussing a European minimum wage policy. Moreover, even if Social Europe may be a predominantly Western idea (Seeliger, 2019a:117) it does not prevent “[...] elaborations and usages from the East (and South) as well” (Meardi, 2019:123).

Cooperation between European trade unions is shaped by the power asymmetries that exist between them. Trade unions may have different power resources: organizational power, structural power, institutional power, and societal power; all these types of power differ greatly across countries and are not mutually exclusive (Furåker & Larsson, 2020:7). The collaboration within the ETUC is generally shaped by resource differences and varying language skills (Seeliger, 2019b:172). Regarding the latter, Meardi (2019:125) emphasizes that language skills are of great importance in transnational cooperation.

Nordic trade unions are found to be the strongest whereas trade unions from Central and Eastern Europe are the weakest (Seeliger, 2019a; Furåker & Larsson, 2020:143). One of the factors that explain this is the fact that Nordic trade unions possess a high level of regional coordination unlike the Central and Eastern European unions (Seeliger, 2019b:172). It is difficult for the ETUC to ignore the Nordic subdivision when they have agreed on a common position (Furåker & Larsson, 2020:99).

The limited capacities of Central and Eastern European trade unions means that they seek the European level (Seeliger, 2019a:107, 2019b:196). Nonetheless, the role of Central and Eastern European trade unions in the ETUC is changing which is illustrated by their active commitment to a European minimum wage policy. “Their strong demand for a campaign on a European wage floor shapes the debate in a way that makes Social Europe a contested framework” (Seeliger, 2019a:118). The existing power asymmetry makes Seeliger (2019a:118) call for a more “[...] egalitarian mode of goal setting and decision-making” but while there are differences in resources and degree of numerical representation this does not seem probable.

5 Analysis

In the following section I analyze the six categories by comparing my categories with the existing literature discussed above to show where and how the existing literature illuminates my categories and how my categories extend and nuance the existing field (Charmaz, 2006:165).

This analysis is structured accordingly: the first section discusses the first research question, why is the idea of a European minimum wage policy a contentious issue in the European trade union movement? This research question is discussed through the categories ‘Consensus’, ‘Solidarity’, and ‘Nordic Resistance’¹⁶. The second section discusses the second research question: how can we understand the diverging views European trade unions have on the Commission’s initiative for a European minimum wage policy? This research question is discussed through the categories ‘European Trade Union Movement’, ‘Social Europe’, and ‘Role of the EU’.

A European minimum wage policy – a contentious issue

Reaching a common position on a European minimum wage policy

The Commission’s initiative on fair wages for all workers in the EU has driven a wedge between trade unions in Europe. ICTU, CC.OO., and Solidarność clearly state that they strongly support the initiative and are in favor of binding legislation in the form of a directive¹⁷. ICTU makes it clear that they need a directive on collective bargaining because they do not have a legal right to collective bargaining in Ireland¹⁸. DGB support the initiative and states “*we think that there have to be a stronger effort in order to make minimum wages more popular or to make them, put them at a better level*”¹⁹. It’s worth noticing that DGB does not explicitly mention which legal instrument should be used to strengthen wages on a European level but they do support the ETUC draft reply to the Commission’s second stage consultation which is calling for a directive²⁰. Conversely,

¹⁶ References to categories are made using square brackets.

¹⁷ Interview 4, 5 & 8

¹⁸ Interview 5

¹⁹ Interview 7

²⁰ Ibid.

FH emphasizes that there is no legal basis for the Commission's proposal and that they do not want nor see the need for binding legislation on minimum wages and collective bargaining²¹.

These diverging opinions on the proposal has created a divide in the ETUC [Consensus]. ICTU points out that it is difficult for the ETUC to keep unity on this issue, *“but the ETUC are trying to keep everyone together which is very, very challenging, very challenging”*²². EFFAT underlines that *“the division is huge at the moment”*²³. As mentioned in the literature review the ETUC has avoided discussing European minimum wage regulation because it is so contentious and it has until now been concluded that there is a long way to go before an common position on the issue will be reached (Furåker & Lové Seldén, 2013:519; Seeliger, 2019b:172). However, the current consultation of social partners on the initiative of fair wages has forced the ETUC not only to discuss the issue but also take a stance on whether they want such an initiative and what instruments should be used to implement it.

For this reason, the ETUC must act as a mediator in order reach agreement on a reply to the Commission's consultation [Consensus]. A mediator is “[...] an actor who intervenes when a conflict has occurred in order to secure the reaching of an agreement” (Rosén & Jerneck, 2005:65). In the process of mediation neutrality “is a necessary – but not sufficient – condition for effective mediation (Dür & Mateo, 2008:60). In my data analysis I observed that national trade unions had diverging experiences of how the ETUC accommodates their views in the consultation process. When asked if the ETUC listens to their concerns and whether they feel accommodated CC.OO. answers *“yeah right we think they have been very receptive”*²⁴. In line with this, Solidarność explain that the ETUC draft reply meets their expectations²⁵ and ICTU regards that *“the leadership of the ETUC have been excellent on this issue”*²⁶. Contrarily, FH does not deem that the ETUC understand their point of view²⁷.

The ETUFs are very aware of the current divide in the ETUC. Both EFBWW and EFFAT make it clear that their responses to the consultation will not mention which legal instrument should be used²⁸. As the main controversy is regarding the legal instrument, all the ETUFs focus on contributing with sectoral perspectives (content) in the consultation process²⁹. EFFAT states that

“the ETUFs should because of the divide is the same within our organization as it is within the European, we should try to neutralize our

²¹ Interview 2

²² Interview 5

²³ Interview 6

²⁴ Interview 4

²⁵ Interview 8

²⁶ Interview 5

²⁷ Interview 2

²⁸ Interview 1 & 6

²⁹ Interview 1, 3 & 6

votes and just leave it at the national organization to get the kind of like national division to not lead to a sectoral division”³⁰.

The existing friction within the ETUC is a test of the solidarity between European trade unions [Solidarity]. ICTU states that “*yeah I would say there is a fair bit of social solidarity, but this is a big test*” and this “*summer*³¹ *will be very defining*”³². FH insinuates that even though there will be other debates in the future, they won’t be as defining as the minimum wage debate because it concerns the very core of trade union’s functions³³. In consonance with Furåker and Larsson (2020:94) I also find trade unions stand against each other in the current debate. Albeit it is important to note that trade unions all expressed understanding for those that did not wish legislation and vice versa. For example, DGB stated the following when asked if they understood the resistance from the Nordics:

“Well we see that they have made difficult experiences when we are looking at the Laval case perhaps and other cases in this direction that are points which make them, well, which put them in an alert, when they say here that they never want to take a legal step in the field of wages, I can understand that”.³⁴

Understanding is an important prerequisite to foster solidarity. “*Debate is healthy and enriching to understand what all people think about something and which is the reason behind*”³⁵. FH also explains that it is hard to be solely focused on your own interests when attending meetings and discussing with other European trade unions³⁶. Nevertheless, there are some cracks in the understanding, as EPSU brings forward

*“Is there an understanding? yeah I don't think that understanding outweighs the fact that most trade unions from other countries think that urgent action is needed on collective bargaining and minimum wages”*³⁷.

Likewise, ICTU mentions “*I think they [Nordic trade unions] understand but I think their fear outweighs that understanding*”³⁸. Additionally, the Nordic opposition to the proposal has caused some trade unions to state that if there isn’t a directive then the Nordics are to blame³⁹. This has caused concern from FH; “*if the common understanding in the ETUC is that the Nordics are to blame, then this would be problematic*”⁴⁰.

³⁰ Interview 6

³¹ The European Commission’s second stage consultation ends on the 4th of September.

³² Interview 5

³³ Interview 2

³⁴ Interview 7

³⁵ Interview 5

³⁶ Interview 2

³⁷ Interview 3

³⁸ Interview 5

³⁹ Interview 2

⁴⁰ Ibid.

The Nordic trade unions vehemently opposing the minimum wage proposal because it will undermine the Nordic labor market model [Nordic Resistance]. EFFAT explains that in some of the replies they received from their Nordic affiliates during the consultation process included ‘hidden threats’ *“that if we do not do as they want us to do, then they will leave”*⁴¹. EFFAT goes on to explain

*“But sincerely I have sometimes felt like they have not been very helpful in the process because they have been fighting for their systems, so and nothing really matters, but saving their own systems. So, in that sense I have felt like they could have been a little bit more helpful in their approach in many ways. I mean I would for example would have liked that they put a little bit more trust in me for example”*⁴².

FH stress that the ETUC does not have the mandate to pursue any form of legislation on collective bargaining or minimum wages, and *“if they [the ETUC] start by proposing that it [the minimum wage proposal] will be legally binding and it will contribute to move competences from social partners on the national level, then we cannot support it”*⁴³. The representatives from the ETUC have a tendency to promote an integration project “[...] that is strongly oriented to the ideas of the Commission’s representatives” (Seeliger, 2019b:217). The clash between the ETUC’s integration project and FH’s rejection of moving more competences from the national level to the EU could provide an explanation for the lack of trust in the ETUFs and the ETUC.

FH along with the other Nordic trade unions (except the Finnish) wrote a letter directly to the Commission because they did not feel represented in the reply that the ETUC sent after the first phase consultation [Nordic Resistance].

*“We have been outvoted before but not taken such measures. When I mention it [the letter], it is to illustrate how serious this is for us, the Swedes, Norwegians and Icelanders that also signed”*⁴⁴.

FH explained that such an action was unprecedented, and several trade unions reacted with rage⁴⁵. FH had made it clear to the other trade unions that they will lobby fiercely against this proposal regardless of what mandate the ETUC will be given because *“this is life or death for us”*⁴⁶. This illustrates the tension between meta-organizational authority and members’ autonomy (Furåker & Larsson, 2020:35). When asked about the Nordic letter CC.OO. responded

“Yeah well, it's something, I don't know, I preferred if things would be done inside the European trade union confederation. I think we are all comrades and I'm sure

⁴¹ Interview 6

⁴² Ibid.

⁴³ Interview 2

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Ibid.

we can reach an agreement at the end, I mean they are free to do what they have done, but I would have preferred if they don't have done that".⁴⁷

Since membership of the ETUC is voluntary they are unable to impose rules onto national trade unions thus they rely on establishing collective identity formation (Seeliger, 2019a:103-104). In the case of a European minimum wage policy, it seems that the ETUC's ability to develop common political interests is very challenging. Several trade union representatives point out that the difficulty for ETUC to reach consensus could result in an agreement that no one will be satisfied with or that the ETUC will not get anything out of the current proposal⁴⁸ [Consensus]. *"If we can't agree amongst ourselves what we are looking for, we are going to get nothing"*⁴⁹. The importance of compromising was emphasized⁵⁰; *"we are a democratic organization and we know that sometimes you cannot get everything that you want"*⁵¹.

Even though it is important to compromise to reach a consensus, trade unions have clear 'red lines' that set a limit to how much they are willing to compromise. For example, the ICTU is not willing to compromise on the legal instrument, it has to be a directive because otherwise it will not have an impact in Ireland⁵². This indicates that national interests strongly determine trade unions bargaining positions. EFBWW does not *"want that a minority dictates anything to the majority, but also not the other way around"*⁵³ but EPSU points out *"it is difficult to see how there could be a compromise that suits everybody"*⁵⁴. Consequently, a joint-decision trap seems to have emerged which creates suboptimal outcomes "[...] either in blockages or lowest common denominator compromises" (Héritier, 2016:3).

Even though it is difficult to reach consensus it is considered important because speaking with one voice provides trade unions with a stronger bargaining position when facing strong employers and governments in the European Council⁵⁵. But with a lack of consensus amongst the members of the ETUC the question is what voice will the ETUC speak with? According to FH the ETUC perceives it as their task to help the others⁵⁶. A directive could potentially improve the situation for Eastern and Southern European countries and Ireland and *"their position has been under attack for so long"*⁵⁷. As mentioned in the literature review, Nordic trade unions are found to be the strongest, which is also a point raised by ICTU: *"Once it gets into the political you can't guarantee,*

⁴⁷ Interview 4

⁴⁸ Interview 1, 3 & 5

⁴⁹ Interview 5

⁵⁰ Interview 3, 4 & 5

⁵¹ Interview 4

⁵² Interview 5

⁵³ Interview 1

⁵⁴ Interview 3

⁵⁵ Interview 1, 4, 5, 6 & 8

⁵⁶ Interview 2

⁵⁷ Interview 3

but at least the Nordic trade union movement is much stronger to withstand that kind of pressure”⁵⁸.

The difficulty to formulate a common position on a European minimum wage policy can perhaps be explained by the power asymmetry within in the ETUC (Seeliger, 2019a). Solidarność stresses that unions are weak in Poland: *“we are not strong enough to influence things the right way, we don't have in Poland sectoral collective agreements”*⁵⁹. But the belief among Scandinavian unions in the superiority of the Nordic labor market model consequently results in a Euro-sceptic tendency where transfer of competences to the EU is viewed as detrimental (Seeliger, 2018:41). CC.OO. states that a European minimum wage may mean that the Nordic trade unions will lose some of their affiliations but *“we are all in the same boat and sometimes you have to agree on something that is not as you think it should be”*⁶⁰. However, in line with Seeliger (2019a) I did not find indications that the Nordics were willing to take steps towards enabling “[...] a more egalitarian mode of goal setting and decision-making” which could help formulate a common position on a European minimum wage. But the strong demand for a European minimum wage policy from a majority of unions and endorsement of this majority by the ETUC may indicate that the ETUC is slowly moving towards a more egalitarian mode of goal setting where the Nordic sub-division no longer determines the ETUC’s position on a European minimum wage policy (Furåker & Larsson, 2020:99).

Diversity in the ETUC

Cross-border trade union cooperation, to improve the conditions of workers in Europe requires *“that level of European Union social solidarity within the trade union movement”*⁶¹ [Solidarity]. EFFAT brings up the fact that it is part of the ideology of the trade union movement *“to support those that have worse conditions”*⁶². Furthermore, according to FH solidarity means that they have a responsibility to help the Eastern Europeans which are facing enormous problems and *“even if it isn’t in our own interest to help them, then we owe these people to do something”*⁶³. This illustrates that within the ETUC there is ‘solidarity with’ one another (Furåker & Larsson, 2020:94).

Although solidarity is a core characteristic of trade unionism in practice it is difficult; *“we are talking a lot about solidarity, cross-border solidarity, these are beautiful words, but in practical terms there can be problems”*⁶⁴. The lack of cross-border solidarity can be seen in the debate on the Commission’s minimum wage proposal. There is a clear divide in the ETUC between a majority that want legislation on minimum wages and collective bargaining, and a minority consisting of the Nordics, the Dutch, and some

⁵⁸Interview 5

⁵⁹ Interview 8

⁶⁰ Interview 4

⁶¹ Interview 5

⁶² Interview 6

⁶³ Interview 2

⁶⁴ Interview 8

Italian unions that oppose legislation⁶⁵ [Consensus]. It is especially opposition from the Nordic unions which has led to a clear divide; *“the divide that we have is clearly North and the not even the whole of all North but part of the North vs. the rest of Europe”*⁶⁶. ‘The part of the North’, EFFAT is referring to is the Swedish and Danish unions that vehemently oppose any form of legislation.

The Nordic unions are a minority that are perceived as being different from the rest; *“the Nordic views are obviously very different”*⁶⁷. The introduction of a European minimum wage *“is a completely different issue with our comrades of the Nordic trade unions because they have a different system”*⁶⁸. FH emphasizes that the labor market models in the EU are so diverse that practically speaking introducing a European minimum wage is very difficult and *“it is a very simplified solution for highly complex problems”*⁶⁹ thus, illustrating a focus on the structural heterogeneity among EU Member States (comparative political economy perspective) (Seeliger & Kiess, 2019).

Conversely, other trade union representatives highlighted in various ways that unions are bound together in the European project by the interconnectedness of the single market with the aim of improving living and working conditions for workers in the EU⁷⁰ [Solidarity]. *“Albeit different emphasis between North and South and East and West because, you know the values are what bind us together”*⁷¹. This does not mean that they do not acknowledge the diversity in the European trade union movement; there are discrepancies and debates⁷² and *“conflicts and this is normal, we will always have conflicts”*⁷³. Thus, there are several trade unions which recognize that the conditions of European integration result in “[...] no other option than transnational collective interest representation” (Euro-optimism) (Seeliger & Kiess, 2019:9). This indicates a shared ‘class consciousness’ where national class struggles are becoming increasingly meaningless “[...] because the long-term unemployed German shares far more material and ideological interests with his Greek colleague than with his respective wealthy countrymen” (Ibid.:10).

There was a clear majority (80%) that supported the ETUC’s reply to the first stage consultation [Consensus]. Solidarność states that *“we had a clear result of voting after the first stage was around the top and it gave ETUC a strong mandate to represent us jointly, not making exceptions”*⁷⁴. But EFFAT warns that it will affect the cooperation between trade unions if there is not shown consideration for the minority; *“it will be great divide in the future if we will not take the, take care of the minority in place”*⁷⁵. They also sent a letter to the ETUC expressing their concern.

On the other hand, EPSU state *“ultimately I suppose those in the minority have got to*

⁶⁵ Interview 1, 2, 3, 4, 5, 6, 7 & 8

⁶⁶ Interview 6

⁶⁷ Interview 5

⁶⁸ Interview 4

⁶⁹ Interview 2

⁷⁰ Interview 1, 4, 5, & 8

⁷¹ Interview 5

⁷² Interview 4

⁷³ Interview 1

⁷⁴ Interview 8

⁷⁵ Interview 6

*recognize how the majority feel*⁷⁶. In other words, the minority must compromise in order to reach consensus. DGB point out that trade unions, *“have to take into account the opportunities for other countries in the European Union”*⁷⁷ [Solidarity]. The question then arises whether the Nordic trade unions can continue to resist? FH explain that they stand firm on their stance that there is no legal basis in the Treaty for the proposal⁷⁸ [Nordic Resistance].

*“We work on the basis on a mandate which states that we believe there is no legal basis in the Treaty, we believe that no matter how many promises we are given then it will be harmful for our labor market model”*⁷⁹.

The strong coordination between Nordic trade unions has often been able to influence the ETUC’s position. *“When the Nordic subdivision has agreed on a certain position it is difficult for the ETUC not to take that very seriously”* (Furåker & Larsson, 2020:99). The Nordic role in the ETUC is regarded as obstructionist (Eldring & Alsos, 2012:87). The Nordics have so far been able to block any common policy on a European minimum wage, but with the strong push from the majority in the ETUC for action to be taken it is questionable whether the Nordic obstructionist strategy will continue to be successful.

The resistance that the Nordic trade unions have towards the minimum wage proposal affects their cooperation with other unions. *“The Nordics are in a difficult situation, but I don't think the Nordics have shown a lot of, kind of like understanding for the rest of Europe even though they claim it”*⁸⁰. FH do make it clear that they wish to show solidarity with other unions and because they don’t believe the Commission’s initiative will benefit others, they are acting in solidarity⁸¹ [Solidarity].

*“You can say that it is lucky that there are many factors indicating in one way or another that legally determined wage setting will not benefit Bulgaria very much and therefore we can with a good conscious say that this won't help you”*⁸².

Thus, this clearly illustrates the Nordic challenge: *“[...] to act in solidarity with the trade unions in other countries, while seeking to avoid general solutions that could lead to an erosion of the system of collective agreements”* (Eldring & Alsos, 2012:86).

Even though the Nordic labor market model is the strongest model it is also experiencing challenges. ICTU points out that union density is slightly decreasing⁸³, and FH emphasize the pressure that foreign companies puts on their model⁸⁴. The lack of protection of some workers is also brought forward

“And then there are also, we've also seen in this economic crisis a lot of

⁷⁶ Interview 3

⁷⁷ Interview 7

⁷⁸ Interview 2

⁷⁹ Ibid.

⁸⁰ Interview 6

⁸¹ Interview 2

⁸² Ibid.

⁸³ Interview 5

⁸⁴ Interview 2

workers that are totally unsecured, have no kind of like and even in the Nordic countries we have not protected those workers with our great systems”⁸⁵.

But FH make it very clear that by engaging in discussion on the shape and content of the minimum wage proposal, then they are giving in and this will undermine their bargaining position ⁸⁶[Nordic Resistance]. *“We often hear, there will be a directive no matter what you say so you might as well get involved in shaping it. What that meant is, we are hereby inviting you dig your own grave”⁸⁷.*

However, I observed in my data analysis that there are also national trade unions where their national interests determine their bargaining position. DGB, CC.OO. and Solidarność emphasize how the minimum wage proposal can help raise their national wage levels⁸⁸. Moreover, Solidarność, and ICTU underscore how the proposal can strengthen their weak industrial relations systems⁸⁹. But the Nordic opposition can perhaps be understood in light of the fact that the Nordic countries will be greatly affected by the Commission’s initiative. This is because the institutional impact of a European minimum wage policy will be the greatest where wages are collectively agreed on at sectoral levels (Fernández-Macías & Vacas-Soriano, 2016).

It is important to consider that European trade unions are speaking from different standpoints [Solidarity]. This is illustrated by the fact that terms and concepts are contextually embedded which affect the understanding between unions; the Nordic countries have a different understanding of the terms ‘austerity’ and ‘crisis’ than Southern European countries (Furåker & Larsson, 2020:64). ICTU makes the point that

“the reality is that as much as I would say that I would try and understand, I can’t fully appreciate it because I am not a trade union official operating in Denmark. Just the same way the trade union who operate in Denmark can’t fully understand what we’re saying because they haven’t experienced it”⁹⁰.

On the basis of this it seems reasonable to ask if the current debate on a European minimum wage has led to a limit to cross-border cooperation between trade unions.

Trade unions and European integration

⁸⁵ Interview 6

⁸⁶ Interview 2

⁸⁷ Ibid.

⁸⁸ Interview 4, 7 & 8

⁸⁹ Interview 5 & 8

⁹⁰ Interview 5

Purpose and role of the ETUC

European trade unions face many challenges in the light of increased European integration and globalization. Firstly, the minimum wage levels are too low⁹¹. In relation to this the problem of in-work poverty is brought forward by FH, EFBWW, and EFFAT⁹². Thirdly, a majority of trade unions mentioned challenges with posted workers, social dumping, and public procurement⁹³. Fourthly, DGB and EFFAT highlighted that an increasing number of workers are working under precarious conditions, meaning that they don't have sufficient protection⁹⁴. Lastly, the lack of collective bargaining coverage and the barriers trade unions face when trying to organize workers was greatly emphasized by ICTU and Solidarność⁹⁵.

It can thus be concluded that there are many common challenges for trade unions to tackle [European Trade Union Movement]. As mentioned earlier in the literature review there is a vast majority of trade unions that believe it is important for trade unions to engage in transnational cooperation (Furåker & Larsson, 2020:31).

“We have a lot of labor migration which is a very important topic especially for the construction sector, so we have so many things that we need to work on together so that I hope that, or we hope as a federation in the future we will work also closer together on all of those issues”⁹⁶.

While this is true, there are indications that the issues which trade unions want the ETUC to work on, are dependent on their national interests. There are several examples of this. Firstly, the countries with statutory minimum wages want to work on raising the minimum wage levels⁹⁷. Secondly, even though there are many trade unions that want to revise the public procurement directive to oblige public institutions to apply collective agreements⁹⁸, ICTU thinks it would be a mistake to focus on public procurement⁹⁹. In Ireland the problem of union busting and lack of legal right to collective bargaining consequently leads ICTU to push for a framework directive on collective bargaining in the ETUC negotiations¹⁰⁰.

In the last decades collective bargaining and workers' voice have been under increasing pressure with declining union density and bargaining coverage (OECD, 2019). This issue is also reflected among European trade unions. ICTU underscore the severity of the issue in Eastern Europe:

“We had a debate at the ETUC executive about this issue and the colleague from Bulgaria was talking about, look, look the screen and I saw Bulgaria 6%, 7% density and I thought to myself, he won't be here in five years time

⁹¹ Interview 3, 4, 7 & 8

⁹² Interview 1, 2 & 6

⁹³ Interview 1, 2, 3, 6, 7 & 8

⁹⁴ Interview 6 & 7

⁹⁵ Interview 5 & 8

⁹⁶ Interview 1

⁹⁷ Interview 4, 7 & 8

⁹⁸ Interview 1, 2, 3, 6 & 7

⁹⁹ Interview 5

¹⁰⁰ Ibid.

if we don't fix this"¹⁰¹.

Solidarność also stated that *"there really is a dramatic situation, vast majority of workers in Poland employees don't have a collective agreement"*¹⁰². Thus, it is going in the wrong direction and declining density rates can also affect the legitimacy of unions (Furåker & Larsson, 2020:146). Dufresne (2015:154) argues that coordinating collective action at the European level "[...] would boost unions' legitimacy as regards supranational wage setting and avoid a situation in which wages are left in the hands of European economic actors". But the lack of consensus on a European minimum wage policy renders it doubtful that there can be collective action on this matter.

The main cross-sectoral EU-level trade union confederation is the ETUC. In other words, it is the main representative of workers in Europe [European Trade Union Movement]; ETUC is the *"one voice for everything between Iceland and Turkey"*¹⁰³. Through data analysis I have discovered two extreme views regarding the voice the ETUC should represent workers with. The CC.OO. and ICTU emphasize that the ETUC should represent a progressive center-left voice,¹⁰⁴ whereas FH prefer that the ETUC focuses on cross-border issues¹⁰⁵. FH has a more Euro-sceptic perspective on integration (Seeliger & Kiess, 2019).

*"The ETUC loves to write resolutions stating that the European Parliament should have more power. We don't agree with that. We don't want to move any competences from the Council to the Parliament. We don't want to move competences from the nation states to the EU. In the ETUC a vast majority of the members have a more federalist stance on the EU"*¹⁰⁶.

The reason why some trade unions are more willing to give the ETUC mandate to represent them on the EU-level could be explained by the fact that they seek the European level to solve national problems [Role of the EU]. CC.OO., DGB, ICTU, and Solidarność all seek to reach national aims through the European level¹⁰⁷. In contrast, FH mainly seek the EU-level to solve cross-border issues¹⁰⁸.

The other question which arises in connection the with ETUC's role is what agenda should it pursue? With a lack of agreement on the ETUC reply to the second stage consultation it seems difficult for the ETUC to act as an agenda-setter [European Trade Union Movement]. Nonetheless, *"the ETUC have exploited the opportunity to try and get collective bargaining on the agenda"*¹⁰⁹. Thus, the ETUC has managed to broaden the proposal and shift focus to strengthening collective bargaining. *"The reply letter from the ETUC has also in a way shifted their focus from only statutory minimum wages to more*

¹⁰¹ Interview 5

¹⁰² Interview 8

¹⁰³ Interview 5

¹⁰⁴ Interview 4 & 5

¹⁰⁵ Interview 2

¹⁰⁶ Interview 2

¹⁰⁷ Interview 4, 5, 7 & 8

¹⁰⁸ Interview 2

¹⁰⁹ Interview 5

guarantee strengthened collective bargaining around Europe”¹¹⁰.

There is consensus amongst members of the ETUC that the best way to reach fair wages is through collective bargaining¹¹¹. Considering this it is not surprising that the ETUC has managed to shift the focus of the Commission’s initiative. But there is disagreement on which instruments to use and which actors should play a role to strengthen collective bargaining across Europe.

Several trade union officials highlight that the minimum wage proposal is an important opportunity which should be taken advantage of¹¹². *“And I would also say that we have to face all the political dimensions, so we have to realize which possibilities of realization of our demand are at the moment open”*¹¹³. The discourse of the EU has changed from minimum wages viewed as an impediment to competitiveness towards “[...] the more fundamental social function of minimum wages in promoting social cohesion and preventing in-work poverty” (Müller & Schulten, 2020).

Moreover, the proposal is also an opportunity to realize Social Europe [Social Europe]. But FH point out that a European minimum wage will result in increased Euro-scepticism in Denmark¹¹⁴. On the other hand, EFFAT argues that realizing Social Europe can be the solution against Euro-sceptic forces¹¹⁵.

*“We are going to see stronger forces against the EU, breaking up the Union and this kind of devotion is dangerous and we believe that the cure for this is more social Europe, where all sorts of policy on this level and the lives of the working people and the public in Europe will be improved and put on the agenda”*¹¹⁶.

Perhaps this is due to different understandings of the concept of Social Europe (Seeliger, 2019a).

A part of realizing Social Europe is the implementation of the EPSR. A majority of the trade union officials emphasized that for the EPSR to have concrete meaning it needs to be fully implemented¹¹⁷. The minimum wage proposal can therefore be a step towards realizing the EPSR.

*“Yeah it's, if we have that directive, framework directive strengthening bargaining and ensuring this fair pay, you know it is step, a giant step in the right direction. We are talking about fulfilling the, giving the content to beautiful, the certain beautiful demands or whatever, in the European pillar”*¹¹⁸.

¹¹⁰ Interview 6

¹¹¹ Interview 1, 2, 3, 4, 5, 6, 7 & 8

¹¹² Interview 5, 7, & 8

¹¹³ Interview 7

¹¹⁴ Interview 2

¹¹⁵ Interview 6

¹¹⁶ Ibid.

¹¹⁷ Interview 3, 4, 6, 7 & 8

¹¹⁸ Interview 8

CC.OO. points out that the EPSR binds trade unions together; “*here all together of the Nordics and the Southern and the people of the Central European countries, we are all together in that*”¹¹⁹. Thus, it seems as if the EPSR could serve as a common frame for trade unions. But FH states that the EPSR “*is an example of a situation where we could not get around saying that we thought it was a good idea but, it cannot mean anything for us*”. Proposals that stem from the EPSR could potentially be problematic for the Nordic labor market model¹²⁰. Hence, it is doubtful that the ETUC can use the EPSR as a common frame of reference.

What should the EU be used to achieve?

Trade unions intend to use the EU in different ways [Role of EU]. Solidarność and ICTU emphasize that the EU can help raise standards where governments won’t and when trade unions do not have the strength to put pressure on their governments¹²¹. DGB and CC.OO. underline that by pursuing the EU-level it can help push up the level of national minimum wages¹²². Moreover, CC.OO. explain that the minimum wage proposal has put pressure on their government.

*“So, our government knew that there was going to be a move in that direction, you know that, as I told you establish this general criteria for the minimum wage should be a 50% of the average wage, so they have moved in that direction because of the international pressure.”*¹²³

FH on the other hand states that the EU has a role to play when there are cross-border issues¹²⁴. Their lack of willingness to transfer more competences to the EU confirms Seeliger’s (2019a:116) argument; Nordic trade unions defensive position on the minimum wage can be captured by Streeck’s concept of ‘institutional nationalism’: “the allocation of competences at a European level is accepted to the degree that does not derogate the pursuit of primary national interests”. In connection with this, it is important to keep in mind that Nordic trade unions are the strongest trade unions and are therefore to a larger extent able to reach their objectives at the national level compared to other unions.

Furthermore, several trade union officials point out that in light of the Covid-19 crisis the minimum wage proposal will help the European economy to recover in a socially fair manner¹²⁵ [Social Europe]. The minimum wage proposal would help boost domestic demand¹²⁶ and it could be an instrument to offset the consequences of the recession in a better manner than the austerity measures imposed after the financial crisis¹²⁷. Moreover, it could contribute to ensuring more inclusive growth because “*our economy works better*

¹¹⁹ Interview 4

¹²⁰ Interview 2

¹²¹ Interview 5 & 8

¹²² Interview 4 & 7

¹²³ Interview 4

¹²⁴ Interview 2

¹²⁵ Interview 4, 5, & 7

¹²⁶ Interview 7

¹²⁷ Interview 4

when it works for everyone”¹²⁸.

Another area where the EU can play a role is ensuring that there is a level playing field [Social Europe]. A European minimum wage could ensure upward convergence on wages¹²⁹, prevent wage competition¹³⁰, and help reduce the differences between East and West¹³¹. Both ICTU and Solidarność draw attention to the fact that foreign companies take advantage of the lower standards in some EU Member States¹³². FH raises the point that raising standards in other countries may also benefit them¹³³. Moreover, if the Commission’s initiative strengthens collective bargaining across Europe everyone will benefit.

*“Well, that is one of the key arguments. It depends on how it [the minimum wage proposal] is framed but yeah if you've got this, if everybody is pushed up, if you see collective bargaining being strengthened across Europe then yeah, I think it would be strengthening collective bargaining in other countries.”*¹³⁴

But the question is what means should be used to achieve a level playing field [Role of EU]. FH states that the EU can contribute with funding for capacity building to strengthen social partners nationally¹³⁵. Furthermore, they highlight that in order to address the problems that Eastern European trade unions face there is a need to look at the larger systemic challenges such as corruption and the education of their workforce¹³⁶. This again illustrates the focus FH has on structural heterogeneity (comparative political economy) (Seeliger & Kiess, 2019).

Solidarność emphasizes that they have tried to strengthen their industrial relations system, but it has not been successful¹³⁷. Therefore, an EU directive on minimum wages and collective bargaining will oblige the Polish government to ensure a decent wage level and that workers can be organized in trade unions [Social Europe].

“We are trying to, we tried since 1989 to build you know that industrial relation system and autonomous dialogue, but it simply doesn't work. Employers don't wish to sit at the table and enter negotiate sectoral agreement, so that's why whatever serves as this is welcomed. What I mean is it would be good to have legislation, law on bargaining process and minimum wages, fair minimum wages”.¹³⁸

Solidarność explains that it is time for justice; *“when you are talking about justice in*

¹²⁸ Ibid.

¹²⁹ Interview 1, 7 & 8

¹³⁰ Interview 3, 5 & 7

¹³¹ Interview 1, 3 & 8

¹³² Interview 5 & 8

¹³³ Interview 2

¹³⁴ Interview 3

¹³⁵ Interview 2

¹³⁶ Ibid.

¹³⁷ Interview 8

¹³⁸ Interview 8

general terms, it's time for wage convergence as well."¹³⁹. And the Nordic collective bargaining model cannot be "[...] extended to other European countries because the trade unions in these countries are too weak and show a tendency to become even weaker" (Furåker & Larsson, 2020:102). FH does suggest that Eastern Europe probably would benefit if the EU had more competences¹⁴⁰ yet they continually oppose any transfer of competences to the EU.

Several trade unions argue that the minimum wage proposal is a step towards realizing Social Europe¹⁴¹. Firstly, it will set an EU-wage criterion at 50% of the national average wage and 60% of the national median wage which will help ensure a decent wage floor across Europe¹⁴². Secondly, the ETUC draft reply to the second stage consultation suggests that if an EU Member State's collective bargaining coverage is below 70% then it should develop an action plan to increase the coverage level¹⁴³. Thus, it will strengthen collective bargaining. But is it fixed criteria that can establish a level playing field and contribute with more 'positive integration'?

The asymmetry between 'negative' and 'positive' integration was broached by a majority of the trade unions¹⁴⁴ [Social Europe]. FH suggests that perhaps it is not necessary to introduce new EU legislation but rather strengthen existing legislation¹⁴⁵. Hence, a European minimum wage policy is not needed to have more 'positive integration'. One way to ensure a more Social Europe would be for the EU to strengthen enforcement and control efforts¹⁴⁶ [Role of the EU]. Furthermore, there is general agreement that the EU should guarantee that fundamental trade union rights are not breached¹⁴⁷.

The minimum wage proposal would inherently lead to further integration. The rejection from the Nordic trade unions to move more competences to the EU can be regarded as a critique of integrationism; "problems inherent in European integration can be resolved through even greater European integration" (Seeliger, 2018:43). It is perhaps wise to be cautious of increased integration as EFFAT points out "*in the past the EU played a role in pushing wages down*".¹⁴⁸ But interestingly CC.OO. are in favor of greater integration despite stating that they have not fully recovered from the financial crisis¹⁴⁹ where austerity measures imposed by the Troika pushed wage levels down and affected the power and legitimacy of unions (Dufresne, 2015).

Nonetheless, it is important to secure the autonomy of social partners from EU-interference. "*We do of course not want that the EU interferes with the competences of the social partners and of trade unions*"¹⁵⁰ and one of these core competences is wage setting. FH clearly state that the Treaty sets the limit for EU interference, where it is

¹³⁹ Ibid.

¹⁴⁰ Interview 2

¹⁴¹ Interview 4, 5, & 8

¹⁴² Ibid.

¹⁴³ Interview 5

¹⁴⁴ Interview 1, 3, 4, 6, 7 & 8

¹⁴⁵ Interview 2

¹⁴⁶ Interview 1, 2, 3 & 6

¹⁴⁷ Interview 1, 2, 3, 5, 6, 7 & 8

¹⁴⁸ Interview 6

¹⁴⁹ Interview 4

¹⁵⁰ Interview 1

clearly stated that the EU can't regulate on pay (article 153(5) TFEU)¹⁵¹. If this restriction of EU interference is transgressed, then what will be the next area where EU will interfere?

“In that exemption pay, the right of association, the right to strike or the right to impose lock-outs are stated. If you say that there is legal basis to regulate on pay, then there is also legal basis for the other exemptions. Do you want to open up for the possibility that the EU can regulate on the right to strike? I don't think that is a good idea.”¹⁵².

This raises the question of what consequences it may have if the Commission's minimum wage initiative results in more competences being transferred to the EU.

¹⁵¹ Interview 2

¹⁵² Ibid.

6 Conclusion

The thesis has investigated why the idea of a European minimum wage policy is a contentious issue in the European trade union movement. In my analysis I find that the diversity among European trade unions makes a European minimum wage policy a controversial issue. The majority of trade unions that favor legislation on minimum wages and collective bargaining already have national statutory minimum wages and have weaker industrial relations systems in comparison with the Nordic industrial relations system. The Nordic trade unions strongly oppose any form of legislation because it will undermine their labor market model based on strong autonomous social partners negotiating wages through collective agreements. The letter sent to the Commission by the Nordic unions underscore the strong opposition they have against any form of interference in national wage setting.

A European minimum wage policy will have minimal impact on the industrial relations systems in EU Member States that already have a statutory minimum wage but will have a large impact on the Nordic industrial relations system which can explain why the Nordic unions perceive the proposal as a threat to their system. However, a European minimum wage policy may be able to raise the low level of wages and provide strength to weaker unions in other EU Member States. Whereas the Nordic unions previously have been able to block a common position on a European minimum wage in the ETUC due to their strong coordination, the strong demand from a majority for legislative action on minimum wages and collective bargaining has resulted in a changing power dynamic in the ETUC.

The inability to reach consensus within the ETUC on a reply to the Commission's consultation on an initiative on fair wages indicates that there is a limit to solidarity within the European trade union movement because unions across Europe come from very different backgrounds. Consequently, in the pursuit of national interests it is difficult for unions to compromise and thus a solution that suits all cannot be reached.

Secondly, this thesis has investigated how the diverging views that European trade unions have on the Commission's minimum wage initiative can be understood. Through the analysis I observe that the different perspectives unions have on European integration determine how they view the minimum wage initiative. Unions that have a optimistic view and believe that the EU can raise standards are in favor of the initiative whereas the Nordic unions which focus on structural heterogeneity in the EU and are skeptical towards integration believe that the initiative will undermine strong national industrial relations systems.

Furthermore, unions that seek the European level to solve national problems are also more willing to provide the ETUC with a strong mandate to represent them. Conversely, Nordic

unions mainly use the EU to deal with cross-border issues and thus strengthening wages and collective bargaining is a national issue where the EU can contribute with funding for capacity building to strengthen national trade unions. In stark contrast unions from Ireland, Spain, Poland, and Germany want to pursue a progressive integration agenda and view the current initiative on minimum wages as an important step in the right direction. Thus, the lack of a common frame of reference regarding European integration among members of the ETUC makes it difficult to reach agreement on a position on a European minimum wage.

Based on these conclusions it seems as though the Commission's initiative on a European minimum wage policy which has prompted the ETUC to reach a common position on the matter has meant that the ETUC finds itself at a critical juncture. If at the end of the consultation period they are unable to reach a consensus, will it cause even greater division? And how will this affect the transnational cooperation between unions in Europe? Moreover, if the ETUC cannot reach a common position on the matter how will this affect their ability to influence the course of European integration in the future? These are all relevant questions for further research.

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8 Appendices

Appendix 1

Example of interview guide – EFFAT interview

- Thank you for taking the time
- Briefing
 - o Introduce myself
 - o Present the purpose of the thesis
 - o Make it clear that the participant represents EFFAT
 - o Inform the participant that it is being recorded
- Could you please you please introduce yourself and the position you have?
- The Commission launched the second stage consultation three weeks ago – what are your thoughts about this?
- The Commission has identified that the problem is many workers are not protected by adequate minimum wages – do you agree with this? Why/why not?
- How do you define fair minimum wages?
- In a press statement you have stated that European workers really need a game changer initiative and a new vision that ensures the development of all wages including minimum ones – this can only be achieved through collective bargaining.
 - o What do you mean by game changer initiative?
 - o What new vision is needed?
 - o If this can only be achieved through collective bargaining, then what need is there for the current proposal on minimum wages?
- EFFAT believes that the EU can play a crucial role by providing concrete support for a more dynamic wage growth through collective bargaining – in what way can the EU do this?

- Why should EU take on such a role?
- EFFAT believes that minimum wages – fixed by law or through collective bargaining – need a substantial rise to pull workers out of poverty
 - Does the current proposal help with this?
- Increased divergence in wages and working conditions and living standards
 - Why do you see this as problematic?
 - Does the proposal help?
- Is it important for you to reach consensus?
 - How do you achieve this?
 - Last time 77% of your executive members supported ETUC's reply – what was the reason for why not all supported it?
- Do you feel that the current minimum wage proposal is affecting cooperation amongst trade unions? How so?
- EFFAT states that EPSR is a tiny step in the right direction
 - What is meant by a tiny step?
 - What is needed to take a larger step?
- EFFAT is fighting for a social Europe
 - What does this entail?
 - Is this proposal a step in the right direction towards this?

Appendix 2

Interviewee Data

Table 2: Interviewee Data

Interview no.	Trade Union	Date	Format	Length
Interview 1	EFBWW	8/6 – 2020	Zoom	1:02
Interview 2	FH	10/6 – 2020	Skype	0:59
Interview 3	EPSU	15/6 – 2020	Skype	1:00
Interview 4	CC.OO.	18/6 – 2020	Telephone	0:54
Interview 5	ICTU	23/6 – 2020	Zoom	1:04
Interview 6	EFFAT	24/6 – 2020	Skype	0:58
Interview 7	DGB	25/6 – 2020	Telephone	0:53
Interview 8	Solidarność	26/6 – 2020	Telephone	0:56

Source: Own data

Appendix 3

Consensus

This category consists of the following:

1. Difficulty for ETUC to keep unity

The ETUC has a very difficult task in reaching a compromise that will be acceptable for all. It is clear throughout the years that the ETUC has always needed to strike a balance in order not to step on any toes. It cannot go too far because then the Nordics will resist but on the other hand there is a push from other members that the ETUC should go further. This time however, it is different. The consultation forces the ETUC to take a position in contrast to previous congresses where it has not explicitly reached an agreement to advocate for an EU minimum wage policy. There is also clearly a divergence regarding whether members feel accommodated. CC.OO. and Solidarność clearly state that the ETUC has listened to them and their concerns. FH on the other hand feels that the ETUC does not understand them. FH feels that ETUC does not see it as their priority to protect the Nordics - what they are doing is great and ETUC therefore views that they should help the others and the Nordics should solve this situation by themselves.

2. There is a need to compromise

You must compromise, no one gets 100% of what they want. This is a part of being a member of a democratic organization; the ETUC is a membership organization and so are the ETUFs. CC.OO. state that they will stand behind the decision that the ETUC executive will make, implying the thinking that this is part of the structure that we are a part of and as members of the organization we are, of course, loyal to the ETUC and support the decision that they will make. That said, it might be easier to have such an approach when the ETUC is advocating for the solution that you also agree with. It is also important to note that there was a large majority that voted in favor of the ETUC's reply to the first phase consultation which gave the ETUC a strong mandate to represent its members. The Solidarność are thereby implying that the Nordics are not playing by the rules and should be loyal and respect this mandate.

3. Reaching agreement is crucial

Even though that the minimum wage proposal is a very controversial and that this has divided the ETUC at the end of the day an agreement must be reached; the consequences of not reaching a consensus on this issue will be high. Firstly, there is the fact that in the end the ETUC will gain nothing, either because the members cannot agree amongst themselves or that they may agree on a solution that pleases no one in the eagerness to reach consensus. It will lead to a lowest common denominator solution that accomplishes nothing. Secondly, by ignoring the minority the ETUC will go down a dangerous path as FH states. Not accommodating the minority could have severe consequences for the future cooperation in ETUC and will mean that in the future ETUC will have difficulty shaping European integration. EFFAT also make this point by saying that it will lead to great divide in the future if the minority is not taken care of.

EFFAT state that they have sent a letter to ETUC expressing their concern over the current divide and that it is important to have a strong united trade union movement especially during the coronavirus crisis.

4. Division

There is a clear division that emerges between a majority and a minority. This division is breaking down the structure of the ETUC, states ICTU. There is a large majority that supported the first reply and wants a legal instrument. And there is a hope for a large majority behind the second stage reply. Even though there is concern over the division, there are some who just state that they hope there will be a large majority behind the second stage answer because they really hope for a proposal. Those who are part of the majority are aware of the division and know that there is a minority that does not feel accommodated, but the desire for a proposal is so high that they are not willing to compromise too much. Solidarność even encouraged others to vote in favor of the reply. FH express clearly that this division must be overcome - the ETUC cannot claim a directive if there is not consensus. That seems a fair claim to make however the Nordics are not willing to compromise either. FH does not indicate at all that it is necessary to compromise and that they must do it as well. All parties are hereby contributing to the division.

There does exist a diversity and the Nordics are clearly viewed as different. Nordics (part of North) vs. rest of Europe (EFFAT). Several make it clear that the Nordics have very different views, they have a completely different system. They also view the role of the EU differently and the fact that there are so many sensitive cases, as FH mentions, clearly states that the Nordics have a welfare system and labor market system that is under pressure from the EU. And this proposal is a threat to the system. This very different view creates division.

A third aspect of division is the power asymmetry that exists within ETUC. There is a clear difference in the resources (budget) between the members. FH states that they contribute so much to the budget that it would be unrealistic that they could be excluded from the ETUC because they wrote directly to the European Commission. There is also difference in member size: ICTU makes it clear that DGB is the biggest member. Solidarność also states that the Nordics contribute with funds for capacity building for them. Moreover, Solidarność has few members (lower density) and are therefore weaker.

5. Limits to consensus

ICTU and Solidarność clearly state that they cannot compromise on the instrument. So, despite ICTU also being very clear on the fact that it is necessary to compromise, there is a clear limit to how far they can compromise. They are, however, flexible on the content. FH, on the other hand, under no circumstances can accept any legally binding instrument. As one of the core issues is regarding the legal instrument, this clearly sets limits to consensus and yet again brings forward the division in the ETUC and underlines the difficult task it has.

6. One voice

Several unions highlight the importance of the European trade union movement speaking with one voice including EFBWW. Consensus is our strength in the trade union movement (EFFAT). However, an important precondition for speaking with one voice is that the ETUC can reach a common agreement. And EFBWW add that in order to reach such consensus members must understand each other (link to category solidarity). When the ETUC speaks with one voice its bargaining position is stronger, its impact more

powerful, coherent, and more meaningful. It is good to have a strong ETUC because the hurdles are high. There is resistance from the Council and employers and in order for the ETUC stand strong against them and realize their demands it is important to speak with one voice. So, yes: despite the diversity there should be one voice for everything between Turkey and Iceland. Lack of unity weakens the movement – we are only strong when we work together

Even though it is clear, that speaking with one voice creates a stronger and more powerful negotiating position the division illustrates that consensus is difficult to reach and there are clear limits to consensus. Perhaps the strength of ETUC as a strong social partner will be weakened due to the lack of consensus. The reply to the first stage consultation was also quite ambiguous highlighting the difficulty to reach consensus on this topic.

European Trade Union Movement

This both addresses what the purpose is of the ETUC but also what common direction the movement can pursue together - where are the disagreements and diverging views of what the European Trade Union Movement should do together, and what should be left to the trade unions on the national level. EFBWW emphasize that when considering where the European Trade Union Movement can go together, it is important to consider both where we come from (the different traditions of members) and where we want to go together. EFBWW state that unions are organized very differently in Member States and we are coming from different national traditions and backgrounds that that must be taken into account.

1. Purpose of the ETUC

ETUC is the one forum to discuss non-sectoral issues. These discussions can only happen in one forum otherwise it will lead to more division.

Within the spectrum of interviewees, there are two extreme views of what the ETUC should be doing. There is the call for the ETUC to push for a progressive center-left agenda and that the EPSR should be improved. The CC.OO. states that all trade unions are in the social pillar together. At the other end of the spectrum you have FH saying that ETUC is there to facilitate cross-border cooperation but in general things should be dealt with on the national level. There is a need for a good cooperation between trade unions on the European level because there are cross border issues that require cooperation. ICTU also point out that, yes, there definitely are tasks which must be left to the national trade unions, but the legal framework within which trade unions operate must be in order and at the moment this legal framework is under pressure in several Member States - here ETUC must push in order to get this framework in order and then it is up to the national trade unions to do the rest.

Should the ETUC have the role to represent all workers in the EU? Yes: there are several interviewees that point out that the ETUC should be the one that manages the voice of all workers in the EU. But this can be seen as handing over some sovereignty to a supranational organization. And it is clear that FH does not entrust the ETUC to adequately represent them and their views. This also became very clear when they sent their own letter. So yes, as an EU-level social partner that is consulted on proposals, the ETUC is viewed as an organization that represents the workers' voice in Europe - but with the divergence this view does not seem to be resonated amongst all of the members of ETUC.

Part of the ETUC's role is to lobby the EU-institutions to ensure that the voice of workers is heard. Inherently, part of lobbying is that you try to set the agenda. There are several that indicate that it is great that the ETUC has this role. It has shifted the focus of the proposal from being solely on minimum wages to also focusing on collective bargaining. And the ETUC reply provides many ideas on how collective bargaining can be strengthened. This indicates that ETUC can provide input for the Commission on what can be done to strengthen collective bargaining. But given the large diversity, is the role of the ETUC as an agenda-setter accommodating all the views amongst its members? And is it even possible? This can be seen in the statement from ICTU that the ETUC must be advocating for a directive on collective bargaining. While all members agree that collective bargaining is the best way to ensure fair wages and better working conditions, how the strengthening of collective bargaining should be reached is unclear. While the majority think that there is a need for a directive - even if ETUC will not get it - it would be a tragedy not to seek it. FH clearly state that the ETUC does not have the mandate to

pursue any legislation on this, thus it is not the role of the ETUC to seek a directive on collective bargaining.

2. Challenges

There is an agreement among all the interviewees that some challenges must be addressed. This includes working poor, increase in precarious workers, social dumping, labor migration and an increase in low-wage workers.

Then there is a large majority that believe that revising the public procurement directive will help solve some challenges because it could oblige companies to apply collective agreements. This will ensure that workers are properly protected. However, ICTU very clearly state that revising the public procurement directive won't have a big impact because it solely regards firms that are bidding on public contracts but won't make a difference for the many workers in the private sector.

Then all the interviewees from Member States with statutory minimum wages all state that the minimum wage is too low and there is a lack of control and enforcement of them. EPSU is of the opinion that it should be the priority of trade unions to raise wages.

There are some challenges that all unions agree should be addressed together, but if it is a challenge that is not so relevant in the national trade unions context then they do not have so much interest in working on it. This is illustrated for example by the ICTU who very clearly state that the minimum wage proposal is very important for them and they are very invested in this matter compared to other issues. Whereas FH state that well they have problems which are related to labor migration (posted workers), thus cross-border issues and that's why it is good to have good cooperation.

EFBWW brings up the point that within the ETUC and the ETUFs they always strive towards closer cooperation as there are many things that trade unions need to cooperate on due to the interconnectedness of the internal market, which brings up issues such as supply chains and labor migration.

3. Things are moving in the wrong direction

Union density and coverage are moving in the wrong direction. In some places, union density is so low that there is reason to worry. And even in the Nordics there are issues with coverage as density is also slightly decreasing. This trend is worrying and therefore there is an urgent need for action as ICTU points out. If FH believes that it is best that trade unions solve the majority of issues on national level, then a prerequisite is that there are social partners and that they have the strength to improve the situation for their workers. Solidarność really underline how weak social partners are and how low their density and coverage are.

Regarding coverage, there are some workers that are hard to reach even in the Nordic model. Couldn't this be something that the European trade union movement agree on together? But again, the question arises what instruments should be the means to do this. Is it capacity building measures or is there a need for hard legal measures that can force governments to respect social partners and create a better framework for them to operate in?

Nordic Resistance

Nordic resistance is a category that really describes how the Nordics act. Yes, they are different and they see things differently, but that can also be said about Eastern European countries or Southern European countries. However, the resistance that the Nordics show is a defining characteristic for the Nordics and defines how they act in the European trade union movement.

1. Det er hjerteblood for os - this is life or death for us

The fear of the Nordic model being destroyed and the feeling that the ETUC and the Commission do not fully understand this has meant that the Nordic unions felt the need to send a letter directly to Commission following the end of the first phase of consultation. They did not feel that their view was represented in the response and therefore there was a need to make it very clear that the Nordics did not agree with the ETUC reply. The others very clearly state that they were surprised and disappointed. This is not fruitful for the cooperation and it undermines the movement. FH states that some were furious and that it clearly has affected the cooperation.

CC.OO. brings up the point that they are, of course, free to do what they want. This underlines the fact that ETUC does not have any sanctioning measures. Membership is voluntary, ETUC cannot impose rules onto national organizations and therefore the main way of doing things is through persuasion (Ambiguities, Seeliger, 103).

FH will oppose the directive and not just accept that there is coming a directive. If we first accept this, then we are contributing to digging our own grave. You do not enter negotiations by giving in and this fight is lifeblood for us. We really truly believe that this will destroy a system that we have built up over 100 years and we are willing to do whatever it takes to protect this system.

2. Laval and Viking

The Laval and Viking judgements serve as examples of EU-interference that contribute to undermine the Nordic model which already is under pressure from increased integration and the Eastern enlargement. As DGB points out it has made the Nordics alert. This is why they are so focused on the fact that they need a legal guarantee. As this cannot be provided, the Nordics resist. It does not matter how many safeguards are incorporated and it is not possible to simply give an exemption. In the end, it is the ECJ that will interpret the text in a possible directive and previously the Nordic model has not been successful in cases at the ECJ. It is not possible to have a 100% legal guarantee, so all the promises in the world will not make the Nordics feel assured. In the European Commission's consultation, it says all workers and that means that all workers should be covered. This is hard to do in the Nordic system which is characterized by autonomous social partners and minimal state interference; it is a voluntary system.

3. Nordics are defensive

What the Nordics want to do is defend their model and that is why they are against anything that could look like a directive. To defend their model, they object all the way. Giving the EU more competences go against the Nordic model where political interference is at an absolute minimal level. ICTU was a bit taken aback by how resistant the Nordics were. It is therefore something that characterizes the Nordic trade unions. But acting obstructionist, defending your own model and is not in the trade union spirit of solidarity and consensus.

The primary concern for Nordics when new legislations or proposals are put forward is: what does this mean for our model? This is because there is an acknowledgement that the Nordic model does not fit so well into the EU system and therefore it is important to consider what it may mean for the Nordic model.

EFFAT states that Nordic members are sending threats. Moreover, EFFAT thinks that the Nordic members should have more trust in EFFAT and more trust in their European organizations.

4. Minimal EU interference

We wish for minimal EU interference in labor market policy - there is no need for the EU to interfere in this area. Our model is functioning very well, and we make it work without any need for EU interference. Furthermore, the model is based on voluntary cooperation between social partners and thus, EU interference undermines that very characteristic.

There are several who point out that there are problems with coverage and EFFAT brings up the point that the work-life balance directive helped to ensure basic right of paternity leave in Denmark. Hence, they hint towards the possibility that there are certain issues which cannot be solved through this voluntary cooperation. Moreover, the Nordic model is experiencing increasing pressure on it with the Eastern enlargement and the wish for an 'ever closer union' by political forces in the EU.

The fact that there is a need to ensure that EU interference on labor market policy is very minimal means that they choose their battles. As they are trying to keep interference at a minimal and thereby often are defensive, they must choose their battles, because it is unproductive to fight every issue. FH does point out that this is regrettable that their cooperation within ETUC is shaped by which battles they should fight and which they should just let be.

5. Nordics think that they have the best system

EFFAT points out that Nordics talk about their system as the best system which makes it very hard to admit the shortcomings of the system. As mentioned earlier, there are also workers in our great system which are not adequately protected and maybe we need some help to protect those workers that we have not been able to reach within our system.

Here EPSU asks a good question: Is it absolutely the case that any EU intervention tends to undermine stronger systems? We assume that it does and moreover, by not being willing to discuss the shortcomings of our own systems, we cannot even open up to discussions of how to ensure protection of these workers. It is also the assumption that political interference is inherently bad.

Role of the EU

What role should the EU play? How much should it interfere? This is an important aspect for understanding European trade union cooperation.

1. EU can raise standards where governments won't

The EU is able to put pressure on national governments to raise standards and can thereby help trade unions gain a better bargaining position in their negotiations with governments. CC.OO. has a good example of how the announced initiative helped them raise their wages because the government knew that a proposal on minimum wages was coming. Both the CC.OO., DGB and ICTU explain that they use the EU as a means to achieve aims at the national level. They explain that they can use the EU as leverage to improve national circumstances. EFFAT point out the Spain likes to solve national problems with international legislation.

As ICTU and Solidarność point out, EU-law is supreme and therefore if there is an EU directive on collective bargaining then their governments are forced to transpose it into national law and thus it will help them to improve the legal framework that trade unions operate in. FH also state that Eastern Europe perhaps could benefit from greater EU interference because their governments are not protecting basic rights and thereby standards could be raised their if the EU interfered more. However, FH caution that it is important to be wary to give the EU a bigger role. Just as they can raise standards, they also have the power to lower them again. EFFAT points out that the EU has previously contributed to push wages down. Theresa Svanström in her op-ed states that what comes up, might come down and therefore it is important to be cautious of giving the EU more competences.

2. EU should play a greater role

A majority of the national trade unions believe that the EU should play a greater role in labor market policy. EPSU state that, to some extent, the EU does not do enough. The EU should promote and strengthen collective bargaining, and also strengthen the level of minimum wages. They do not present any concrete measures that could help with this, but definitely believe that the EU has a role to play. EFFAT states that the EU should create some clear rules that can incentivize or promote collective bargaining.

EFFAT brings up the point that the EU has contributed to pushing wages down, so why can they not contribute to bringing them up?

One can argue that when the EU plays such a big role in other areas, then why should it not play a bigger role to ensure that labor market conditions in the Member States are improved?

Several of them refer to various criteria which should be used to determine EU-action. The EU should ensure a certain wage level and this level should be the absolute minimum. If there is less than 70% of the workforce covered by a collective agreement, then there should be a national action plan for how to improve that.

3. Control and enforcement

There is general agreement that it is the EU's role to ensure control and enforcement. The EU should control and enforce minimum wages. It should enforce trade union rights (ILO conventions). It is the EU's role to enforce what is considered as basic trade union rights. EFBWW highlight that unions' role in social matters should be enshrined in European law. It is important that unions have a role to play and this should be ensured.

FH also points that existing EU-law should be strengthened. The EU should focus on ensuring good implementation and enforce what is already agreed on, such as the revised

posted workers directive. The public procurement directive could also be revised, according to FH. This point is also brought up by EFFAT that state that there still are some holes in the posting working directives that need to be closed.

EFFAT states that bad practices such as bad sub-contracting practices and unprotective practices should be banned in the EU.

4. Core trade union competences

Collective agreements are concluded by autonomous social partners. There is a need for social partners to be autonomous and free from political influence. This means that there is a limit to how far the EU can go when it is strengthening collective bargaining. EFBWW very clearly state that the EU should not interfere in the core competences of unions. There are some competences, such as wage setting and negotiating collective bargaining, which are competences that belong to autonomous social partners. FH points to the fact that EU initiatives have the potential to change the role of trade unions and that is a reason to be cautious of EU initiatives. When there is political interference, the degree of autonomy of social partners is changed and this changes the role that they play in society. This is also a reason why FH points out that the EU can provide funding for capacity building, but otherwise it should be left to the social partners themselves.

5. Not willing to give up competences to the EU

FH is very clear that they are not willing to give up more competences to the EU. When looking at whether this proposal is possible then article 153 clearly states that the EU cannot interfere in areas of pay. The treaty is what sets the limit to how far the EU can interfere, and this must be respected. As they point out, if trade unions accept legislation on pay, what will be next? Will it then be the right to strike? It is therefore paramount to accept the current framework of EU law that very clearly sets a boundary to how far the EU can interfere. On top of that is the fact that FH does not want to work towards allowing the EU to play a bigger role in labor market policy because as they point out it will change the role of unions in society and thereby destroy their model.

The EU has a role to play where there are cross-border issues - this is where the EU has a role to play. For example, with the public procurement directive the EU can interfere and strengthen procurement requirements.

Social Europe

Social Europe is a core feature of the trade union movement. Defined on a very basic level it is about getting a Europe that works better for workers. This level everyone can agree on - but what does it really entail? It is here we see that European trade unions have diverging views.

1. Social - economic asymmetry

There has long been a focus on economic aspect of integration but now it is important that there are policies which focus on workers. The asymmetry between negative and positive integration (Scharpf) is highlighted by many trade unions

This lack of focus on workers is also shown in the just transition that must take into consideration the workers and have them on board.

CC.OO. emphasizes the importance of inclusive growth. If we have unequal societies then we will not have sustainable growth. Likewise, the just transition is also about sustainable growth.

EFFAT point out that we need to see a shift from deregulation to more regulation, there must be more social dimension in all policies put forward.

2. Divide

There is a clear divide on the topic of whether or not there should be a move towards a more social Europe meaning a more common European approach to social and labor market policy where EPSR is the first step towards a more social Europe.

DGB, Solidarność, ICTU, and CC.OO. believe that there should be more Social Europe. The EPSR needs to be implemented, or it will not do much. There has been too much talk and too many soft initiatives. It is time to take action and implement the EPSR. They wish for a more socially progressive Europe. EPSU point out that if effective legislation comes out of this proposal on minimum wages then this can be a model for pillar implementation.

FH: we do not have a common position on this within our union and we first need to assess what this will mean for our model. It is something that sounds good, so how can you be against? However, we must be cautious and consider what this will mean for our model. The social protocol that ETUC presented would not be good for us. And at the current moment we do not see the need for any new legislation. The EPSR cannot be legally binding and it cannot mean anything for our model.

But all can agree on the importance of collective bargaining and that this is the best way to ensure good wages and working conditions - it is important to strengthen collective bargaining.

3. Help recovery

The proposal can help overcome the current coronavirus crisis. It can be an instrument that can make the crisis milder unlike the austerity measures under the financial crisis emphasized by CC.OO. It could also help strengthen the common market: with the current proposal wages will rise for those in the low-wage sector and this would boost domestic demand which would be beneficial for recovery according to DGB. The perspective of Europe should be to strengthen the common market and it is important to remember the social aspect when doing this.

4. Level playing field

Upward convergence

There is a need to reach upward convergence - as ICTU points out that by having more uniformity there will be less problems. Several point out that there is competition on wages and this leads to a race to the bottom. They also point out that there should not be competition on wages - this just not just right. Also, competition on wages is a threat to those that have high standards. FH also points out that yes by raising standards it will also benefit them. The question just is how much convergence should there be? ICTU, Solidarność and CCOO all point that there should be more uniformity in many other areas whereas, FH does not see that more uniform approach is the way forward. FH underlines that it is not the interest of social Europe that MS are undercutting each other - there should not exist a race to the bottom.

The current wage divergence is a problem for all unions. This is why the divergence should be tackled (EFBWW and EPSU). There are many benefits of increasing the wages in Eastern Europe. It would make it easier to coordinate, avoid practices of social dumping, and lead to better living and working conditions. EFBWW therefore favors upward convergence of wages.

There isn't a level playing field

There are clearly different standards across the EU. There is a divergence in the EU. Then you can talk about where the line is. But there is definitely difference between CEE and North West Europe - difference between old and new Europe. It is time to end this divergence - it cannot exist anymore. There are weak IR systems in Eastern Europe and weak social partners. Due to this divergence there are many areas in the EU that need this initiative - CEE, Ireland and Southern Europe. Especially CEE and Ireland they need collective bargaining in a meaningful way. Trade union rights are not guaranteed in CEE and Ireland - rights have been rolled back and when those employees that wish to be organized take a risk. Both ICTU and Solidarność also point out that employers from other countries take advantage of the lack of level playing field - thus the lack of level playing field is problematic.

How can this be achieved - there is a need for instruments that the make it real, that really can push a level playing field through and this means that there must be legally binding instruments. Both ICTU and Solidarność point out that the Nordic system is an ideal – yes, we know that the Nordic system works well, but ours does not so there is a need to create a level playing field. We cannot get what the Nordics have it does not work here so other instruments must be used to achieve this.

Eastern Europe need help to build up their systems and by strengthening collective bargaining then this will also decrease the divergence.

Justice - Solidarność makes it clear that it is time to take action! They will no longer supply cheap labor for Western Europe. The fact that Poland is a part of Europe means that the bad conditions on their labor market should not exist - they should be lifted as being a part of Europe. There must be a move towards a level playing field where CEE is not always more low-performing than the rest of Europe.

The ETUFs emphasize the importance of the equal treatment workers and that this should be ensured, no matter where they work. Large divergence means that at the moment there is an unequal treatment of workers.

5. Strengthened euro-skepticism

It will have political consequences both if Social Europe is strengthened and if it isn't strengthened. There is an expectation from the population in e.g. Germany and Spain that EU should address social issues that have been neglected for a long time which became clear both during the financial crisis and Brexit. Otherwise people will turn against the

project. EFFAT state that Social Europe could be the cure against those who wish to break up the EU.

But FH states that if the Commission pushes for more Social Europe e.g. in the form of the minimum wage initiative then euro-skepticism will rise in Nordics because the public does not wish for a more Social Europe.

6. Proposal is an important opportunity

This proposal is a move in the right direction towards achieving a Social Europe. Of course, with the reservation depending on how the proposal will be. It is an important opportunity that has presented itself. And it is big progress that the ETUC is claiming a directive. There is a clear majority that believes that it is initiatives like this that are necessary to achieve Social Europe. When the Commission launches initiatives it also breaks the deadlock in ETUC because it forces ETUC to take a stance when it is consulted. This could otherwise be avoided and simply left to discussion, but not result in concrete measures or proposals on what the EU should do to reach Social Europe.

Solidarity

1. Solidarity is a characteristic of the trade union movement

Several point out that solidarity is a core feature of the trade union movement. This can be linked to Marx's concept of class consciousness. Trade union movement must foster solidarity as we wish to fight for better conditions for workers in all of Europe. But trade union solidarity across borders proves to be difficult.

FH acknowledge that they do have a responsibility as a trade union to help others and, in this case, especially Eastern Europe as they have some severe problems. We must support those with worse conditions, this is the ideology of the trade union movement (EFFAT). Solidarność also very clearly state that the situation in Poland is dramatic and that this proposal really would help them. ICTU also state that they need help from their colleagues, indicating that there is a solidarity where we help each other. This links to the fact that solidarity means that you must think about the opportunities this proposal presents for others. You must look beyond your own national interests and think more broadly. This is a part of trade unionism, as well as part of being in the European project. CC.OO. even state that this may mean that the Nordics may have to sacrifice some of their affiliations for the greater good of bringing everyone up. But the Nordics are strong enough to withstand the pressure unlike other European trade unions.

2. Limits to solidarity

Even though solidarity is a core part of trade unionism there are limits to solidarity. ICTU very well states that you can't understand what you haven't experienced. At the end of the day you think about your own national interests and getting the best results for the members of your own trade union organization. This is also shown by the fact that others are not sure that Nordics really understand them, and FH also does not feel that the others fully understand them.

3. One Europe - we are bound together in the European project

ICTU point out that "we share sovereignty" in the European project. EU Member States and their trade unions are dependent on each other. Also, this is not about introducing one industrial relation system; we are different so there will be no one-size-fits-all solution. There are some common values that bind trade unions together and unions are also bound together in the common market. Despite differences unions can learn from each other. However, there is a big BUT: unions are diverse, and this means that discrepancies and disagreements are normal.

Are European trade unions really united in diversity?

4. Nordic solidarity

Nordic solidarity clearly has some different traits. It is noteworthy that FH explains that they are willing to go further than the employers, thereby saying that in contrast to the employers, FH are willing to do much more. This statement, however, really illustrates the limits to Nordic solidarity. Still, FH do make it very clear that they do wish to show solidarity, so there is a willingness because there really are countries that have problems. FH also make it clear, however, that they do not believe that Eastern Europe will benefit from a directive. In general, FH does not believe a directive on pay will help anyone, so in that sense they are showing solidarity because they don't believe that this directive is the answer to the problems that exist in other countries.

5. Understanding

There are several that make it clear that they can understand the Nordic fear and ICTU states that if they were in FH's position, they would do the same. Hence, they respect the Nordic position. This is also why there is an understanding that the proposal should not be at the expense of the Nordic systems - there must be safeguards. Nonetheless, the Nordic fear outweighs their understanding for others. And EPSU points out that the presence of safeguards makes it harder for others to understand the Nordics.

Understanding is crucial as it fosters solidarity. The debates help trade unions to understand each other and can lead to an atmosphere of solidarity. FH also state that it is easy to have preconceived notions within your own country, but actually meeting others in their own countries and circumstances may change your perspective; meeting each other and discussing is an important element to foster solidarity.

EPSU point out that there are some countries' positions that have been under attack for so long that they think that their position is not fully understood. EPSU goes on and states that, yes, there is an understanding, but it does not outweigh that a majority think there is an urgent need for action. EFFAT backs this up by saying that when put to the test then most would support a directive rather than supporting the Nordics.

6. This is a big test for the solidarity of the European trade union movement

This proposal really goes in and touches the very core of trade unions: wage setting. There are large differences between how wages are set in the different countries and the level of wages. This is a big test to see if the trade union movement can come together on this issue in some way. It will define the movement. If it is not able to reach a consensus it clearly puts a limit to how far trade union solidarity can be stretched across borders.

You can already see this in the current blame game. Some are saying that if there is not a directive then it is because of the Nordics. FH point out that it is not only their fault, but they fear that if the proposal does not lead to a directive and this is framed as the Nordics fault then it will be problematic. Blaming others clearly shows that solidarity has a limit and if there is no directive, it will be crucial which way it is framed. EFBWW state that no one is to blame for the first stage result and that it was unfortunate that Nordics did not feel accommodated (consensus-seeking nature).