

Trade union cooperation on statutory minimum wages? A study of European trade union positions¹

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Summary

Legislation on minimum wages exists in most EU Member States, but European trade unions have very different views on it. Nordic unions are especially negative, whereas many other union organizations are strongly positive. The present article examines these differences, explores how they can be understood and discusses their possible consequences for transnational union cooperation on issues related to statutory minimum wages. It is primarily based on survey and interview data.

Résumé

Il existe dans la plupart des États membres de l'UE une législation sur le salaire minimum, mais les opinions des syndicats européens à cet égard sont très divergentes. Les syndicats des pays nordiques sont particulièrement négatifs, alors que beaucoup d'autres organisations syndicales se montrent très favorables à cette formule. Le présent article examine ces différences, analyse comment il est possible de les comprendre et discute de leurs conséquences possibles pour la coopération syndicale transnationale sur les questions liées au salaire minimum légal. L'article est essentiellement basé sur une étude et sur des données obtenues par des interviews.

Zusammenfassung

In den meisten EU-Mitgliedstaaten gibt es einen gesetzlichen Mindestlohn, aber die europäischen Gewerkschaften vertreten in dieser Frage sehr unterschiedliche Ansichten. Die Gewerkschaften der nordischen Länder stehen dem Mindestlohn besonders negativ gegenüber, während viele

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andere Gewerkschaften in Europa ihn mit Nachdruck befürworten. Dieser Beitrag untersucht diese Unterschiede, die möglichen Erklärungen dafür und die potenziellen Folgen für die transnationale gewerkschaftliche Zusammenarbeit in Fragen des gesetzlichen Mindestlohns. Der Beitrag stützt sich hauptsächlich auf die Ergebnisse von Umfragen und Interviews.

Keywords

Statutory minimum wages, legislation, collective bargaining, transnational union cooperation

Introduction

Trade unions are generally oriented towards preventing wage dumping. In negotiations with employers they try to establish a pay floor, which employers must not go below. Such a floor can be accomplished through collective bargaining, legislation or extension of collective agreements into law. All-embracing legislation is a common solution in contemporary Europe, but trade unions have very different views on this. Negative attitudes are found especially in the Nordic countries, whereas the opinion in many other countries is strongly positive. This article examines these differences, explores how they can be understood and discusses their possible consequences for transnational union cooperation on issues related to statutory minimum wages. Legislation on minimum wages is indeed a pressing question, as European trade unions are faced with the task of articulating common policies and developing transnational cooperation to keep up with the continuous reshaping of the EU. In connection with the economic crisis, and its consequences for pay and possible wage competition, the idea of European regulation of minimum wages has gained some support in the debate.

Empirically, we make use of two sets of data. The first set comes from a web-based/postal survey on trade union cooperation in Europe, carried out among a large number of unions in 2010–2011. Secondly, information is drawn from interviews in 2011–2012 with union officials from five countries: Belgium, Germany, Latvia, Spain and Sweden. The respondents represent organizations with diverse views of statutory minimum wages. In addition, we draw on European Trade Union Confederation (ETUC) documents on minimum wages.

Minimum wages in the EU

The advance of statutory minimum wages has been fuelled by several developments in the EU. In a cross-national outline Vaughan-Whitehead (2010a: 3–16) emphasizes four sets of factors: (1) the increased mobility of labour and capital as a result of EU enlargement, which increases the risk for wage dumping; (2) the development of precarious employment contracts – workers on such contracts are less often unionized and thus more in need of other kinds of social protection; (3) changes in industrial relations, leading to a weakening of unions and to greater difficulties for them to recruit members; (4) the trend toward a declining wage share in Europe and growing wage differentials. All these factors indicate problems for unions; it has apparently become harder for them to provide sufficient protection of workers' wages. Legislation may then be considered helpful; by means of statutory minimum wages vulnerable workers can at least be shielded to some degree.

Other reasons may be added as to why legislation on minimum wages is in focus. The present financial and economic crisis in Europe is undeniably important. With many countries having huge

budget deficits and huge government debts large numbers of citizens have been severely hit (Evans, 2011). Tough austerity programmes are now being carried out, entailing substantial cuts in public expenditure, although it remains highly controversial whether such retrenchment will solve the problems. Millions of Europeans are jobless and many others are experiencing drastic reductions in their incomes. From that angle statutory minimum wages may be important; in some countries they have been frozen, whereas in others they have been used as an anti-crisis tool to protect workers' living standards (Vaughan-Whitehead, 2010a: 25–27, 54).

Statutory minimum wages are now found in the great majority of EU Member States, but countries such as Denmark, Finland, Germany, Italy and Sweden do not have this kind of regulation (Eldring and Alsos, 2012; Vaughan-Whitehead, 2010b; Schulten, 2008: 423–426). In the latter cases, there are still minimum wages, but they rely on collective agreements. Norway – which is also included in our survey – has no legislation, but collective agreements can be extended into law. After the EU enlargement in 2004, this mechanism has to some extent been used in Norwegian industries with many workers from abroad (Alsos and Eldring, 2008: 450; Eldring and Alsos, 2012: 72). Extension of collective agreements into law occurs in Finland and Germany as well.

Issues in the debate

The discussion among trade unions on minimum wage policies in Europe has been fairly intense for several years. It has focused on the relationship between minimum wages and average or median wages and on the link between collective agreements and legislation. Another issue is the consequences for poverty and income distribution. The question is whether minimum wages can be an effective instrument for reducing poverty and making income distribution more equal. It has been suggested that by means of such a policy the whole wage structure can be compressed from below, which would lead to a more egalitarian income distribution (for example, Schulten, 2006, 2008, 2010; Schulten and Watt, 2007). In order for this to occur, other workers' pay levels should not be adjusted upwards straightaway. Such a 'spillover' effect may entail that no or very little compression of the wage structure takes place.

In his overview of previous research, Skedinger (2007: 53) points out that there are few studies on the possible spillover effects of minimum wages and that the results are mixed. Vaughan-Whitehead (2010a: 34–42) provides evidence from a large number of countries, concluding that the most vulnerable workers get significant protection through the establishment of a pay floor. There is usually a spillover effect of minimum wages, but it is seldom 100 per cent, which means that at least some wage compression occurs (Vaughan-Whitehead, 2010a: 42–43). On the other hand, a micro-simulation study in Germany has contested that minimum wage policies would be effective in reducing poverty (Müller and Steiner, 2008). Notably, the problem of the working poor is relatively less salient in the Nordic countries, where there are no statutory minimum wages (Eldring and Alsos, 2012: 34–37).

Many trade unions would probably have no difficulties in agreeing on statutory minimum wages, if the issues were just a matter of how this kind of regulation impacts on employment and poverty and income distribution. However, we encounter very negative attitudes above all among the Nordic trade unions (Schulten, 2008: 434; Vande Keybus, 2012). They see legislation as interference in a field in which the social partners are supposed to be autonomous. Legislation would hamper the collective bargaining power of the unions and make it more difficult for them to recruit members, as workers are then already guaranteed a minimum wage.

One set of issues is how a minimum wage policy is related to EU enlargement, the Posting of Workers Directive (PWD) and the so-called Laval quartet (the *Laval*, *Viking*, *Rüffert* and

Luxembourg cases; see, for example, Bercusson, 2007, 2009: 705 ff; Dølvik and Visser, 2009). It has been claimed that with the decision of the European Court of Justice (ECJ) in the *Laval* case, employment standards for migrant workers can be regulated only by measures mentioned in the PWD, that is, statutory minimum wages or extended collective agreements. According to Schulten (2008: 432), the problem is that some countries do not have either the former or the latter 'but rely exclusively on voluntary collective agreements', which implies 'a growing danger that foreign companies might undermine existing minimum wage standards'.

Data

Survey of European trade unions

A web survey² was forwarded in 2010 to all the ETUC member organizations, all European Industrial Federations (EIFs; today European Trade Union Federations – ETUFs) and all (not too small) unions just below the central level in 14 selected countries. In the present article we look at the 10 countries with at least 10 responding organizations. The criterion for the selection of unions was originally set at 10 000 members or more, but it was sometimes impossible to get reliable membership figures. In this respect the greatest problems showed up in France and Poland, where we sent out 101 and 131 questionnaires, respectively, compared to no more than 39 in any of the remaining countries. The response rate varied significantly between the 10 countries in focus here: Sweden 100 per cent, Norway 71 per cent, Denmark 61 per cent, the United Kingdom 61 per cent, Germany 59 per cent, Spain 54 per cent, Finland 42 per cent, Belgium 39 per cent, France 18 per cent and Poland 15 per cent.

We concentrate on two sets of items in the survey. First, we deal with two ways of preventing wage dumping: increased union cooperation and the introduction of statutory minimum wages. Respondents were asked to take a stand on the following statements: (a) 'More cross-national union cooperation is necessary to prevent wage dumping'; and (b) 'To prevent wage dumping, EU legislation on minimum wages is required'. For each of these statements, respondents could agree 'to a high degree', 'to some degree', 'only to a low degree' or 'not at all'.

Secondly, we asked about the desirability of various scenarios regarding future ways of determining wages. Focusing on wage setting at national level, the questionnaire included an item on whether it would be desirable with (a) 'Regulation or stricter regulation by legislation on minimum wages'. The responding organizations were asked to choose between 'to a high degree', 'to some degree', 'to a low degree' and 'not at all'. There was also a set of scenarios related to the supranational level. Among other things, respondents were asked to take a stand on the desirability of (b) 'European legislation on minimum wages' and they could choose between the same options as on the previous item.

Interviews with union officials

We also conducted several interviews in 2011–2012 to obtain deeper insight into the reasoning guiding unions' stance on statutory minimum wages. Sixteen individuals were interviewed personally (on three occasions with two respondents) and one was interviewed via email. We concentrated on unions in the following countries: Germany (five respondents), Sweden (five), Spain

2 In some cases, however, we had to rely on paper copies of the questionnaire, distributed by post. Six languages were used in the survey: English, French, German, Polish, Spanish and Swedish. More than half of the questionnaires were answered by the general secretary, the president or the vice-president of the organization and almost one-quarter by the international secretary or correspondent.

Table 1. Views about statements on wage dumping (%).

	'More cross-national union cooperation is necessary to prevent wage dumping'			'To prevent wage dumping, EU legislation on minimum wages is required'		
	Agree to a high or some degree	Agree only to a low degree or not at all	n	Agree to a high or some degree	Agree only to a low degree or not at all	n
Belgium	100	0	10	100	0	11
Poland	100	0	20	100	0	20
Spain	100	0	14	100	0	14
UK	95	5	19	74	16	19
France	94	0	18	89	6	18
Germany	94	6	16	94	6	16
Denmark	90	5	20	45	50	20
Norway	88	13	24	33	58	24
Finland	80	13	15	50	44	16
Sweden	79	16	38	13	79	38

(three), Belgium (three) and Latvia (one).³ Our selection of countries for the interviews was related to the fact that Swedish unions are among the most negative towards legislation on minimum wages, while the Belgian, German and Spanish unions are largely positive. Furthermore, attitudes have changed in Germany from negative to positive, making this country particularly interesting. All interviewees had centrally placed positions and first-hand knowledge of the topics in focus.⁴

Survey results

This article presents survey data merely in the form of cross-tabulations by country. In another article, based on the same dataset, one of the items in Table 2 has been subject to multivariate analysis, showing not only significant country differences but also differences related to sector/occupation (Furåker and Bengtsson, 2013). Table 1 shows the results with respect to the items on wage dumping. To simplify the presentation, we have made one category of those who answered 'to a high degree' and those who answered 'to some degree' and the same is done with those who agreed 'only to a low degree' or 'not at all'. A few organizations could not give an opinion and their

3 In Belgium, the interviewees represented two trade union confederations: FGTB (Fédération Générale du Travail de Belgique) and CGSLB (Cétreale Generale des Syndicats Libéraux de Belgique). The German respondents included two officials from DGB (Deutscher Gewerkschaftsbund), one from ver.di (Vereinte Dienstleistungsgewerkschaft) and two from IG-BAU (IG Bauen-Agrar-Umwelt). Concerning Spain we talked with trade union officials from CCOO (Comisiones Obreras), UGT (Unión General de Trabajadores) and USO (Union Sindical Obrera). In Sweden we interviewed representatives from the three main confederations: LO (Landsorganisationen), TCO (Tjänstemännens centralorganisation) and Saco (Sveriges akademikers centralorganisation) – and from the Building Workers' Union (Byggnadsarbetareförbundet). The Latvian respondent represented the national confederation LBAS (Latvijas Brīvo arod-biedrību savienība).

4 Most personal meetings were held in respondents' offices. One Spanish trade union official was interviewed in Brussels and one interview with German unionists was conducted by telephone. A guide with questions was used, but conversations were loosely structured, lasting for 1–2 hours. We also included general questions on trade union cooperation, social Europe and the *Laval* case.

Table 2. Views on the desirability of legislation on minimum wages in the future (%).

	'National legislation or stricter national legislation on minimum wages'			'EU legislation on minimum wages'		
	To a high or some degree	To a low degree or not at all	n	To a high or some degree	To a low degree or not at all	n
Germany	100	0	16	81	19	16
Poland	100	0	20	95	5	20
Spain	100	0	14	93	7	14
Belgium	73	18	11	91	9	11
France	72	22	18	67	22	18
UK	53	47	17	33	50	18
Denmark	25	75	20	20	75	20
Norway	17	71	24	9	87	23
Finland	13	80	15	13	81	16
Sweden	11	89	37	8	89	37

responses are not displayed in the table; sometimes, therefore, the figures in the first two columns do not add up to 100 per cent.

The countries are ordered according to the figures in the first column (with the highest at the top). Obviously, the vast majority of trade unions agreed with the statement 'More cross-national union cooperation is necessary to prevent wage dumping' either 'to a high degree' or 'to some degree'. More than nine out of 10 organizations selected one or the other of the two most positive answers and indeed almost two-thirds ticked 'to a high degree' (not shown). All the responding Belgian, Polish and Spanish unions agreed on the need for more cross-national trade union cooperation to prevent wage dumping and in the other countries almost all did the same. The figures in this respect are generally a little lower in the four Nordic countries, where there are also – mostly – higher proportions in the column showing negative answers. Advocating more cross-national union cooperation may of course be a matter of rhetoric; it is commonly appropriate to be in favour of cooperation.

The next item in Table 1 shows the response to the question of whether a European minimum wage policy is required to deal with the issue of wage dumping. In this case, there are much greater cross-national differences. The three countries at the top on the previous topic are still at the top with the same percentages, but the four Nordic countries have much lower scores. We also discover a lower percentage for the United Kingdom, although it is clearly higher than for the Nordic quartet. Sweden shows the most negative response pattern, followed by Norway. The figures in the 'negative' column are quite high in the Nordic countries and not so low in the United Kingdom. These results apparently reflect the general scepticism in Scandinavia toward statutory minimum wages. In the continental European countries not one organization disagreed completely and only one organization was unable to give an opinion. This is somewhat remarkable, as the statement mentions EU legislation on minimum wages and not legislation at national level.

We then examine what the unions think about the desirability of statutory minimum wages for the future: first at national level and thereafter at European level. Table 2 provides the results by country. Answers are again dichotomized according to the same principle as before and respondents who could not give an opinion do not appear in the table.

As to the first item – on the desirability of legislation or stricter legislation on minimum wages at national level – there are again three countries where all the unions answered 'to a high degree'

or 'to some degree'. Two countries are the same as before, but Germany has replaced Belgium. It is noteworthy that all the responding German trade unions found national legislation on minimum wages desirable.

There are also overwhelmingly positive answers in Belgium and France and in the United Kingdom about half of the organizations answered in the positive and the other half in the negative. We must here consider how the item is worded in the questionnaire; it talks about the desirability of enacting national legislation or stricter national legislation on minimum wages. In countries which already have a minimum wage policy, trade unions may support it but without wishing to make the rules stricter.

The Nordic countries again appear at the bottom of the table; most of them have expressed rather negative opinions about legislation on minimum wages at national level. As these countries do not have such regulation, the answers seem to describe trade unions' opinions about giving the state a crucial role in the wage-setting process.

Finally, on the right-hand side of Table 2 we show the extent to which respondents thought European legislation on minimum wages would be desirable in the future. Compared to the previous, parallel item at national level we find a somewhat more negative response pattern, but the differences are not great. However, there is no country in which all trade unions said that it would be desirable to a high or some degree to have such legislation. Poland, Spain and Belgium show the highest positive figures and Germany is not so far below. In France, two-thirds of the responding organizations appear on the positive side and in the United Kingdom this proportion is one-third. The Nordic trade unions are again by far the most negative.

To sum up, an overwhelming majority of trade unions in our analysis seem to find it necessary to prevent wage dumping with more cross-national cooperation, although there is a slight indication of hesitation among the Nordic unions. However, large cross-national differences do not appear until we look at response patterns with regard to whether an EU minimum wage policy is required to stop wage dumping. In this case, a high degree of polarization comes across: whereas most other European trade unions favour EU legislation on minimum wages, the attitudes are generally negative in the Nordic countries. This gap becomes even more accentuated when we examine the distribution of answers regarding two questions on the desirability of statutory minimum wages in the future. No matter whether we look at the national or the EU level, there is a significant divide in Europe; it is in the Nordic countries where we most often find negative attitudes.

Interview results

We start our analysis of the interviews by exploring the principal arguments for and against a statutory minimum wage policy. Thereafter we ask whether respondents who have a positive view wish to have legislation at national or EU level. Finally, we deal with opinions about the possibilities for cross-national cooperation on the issue.

The pros and cons of statutory minimum wages

It should be pointed out straightaway that statutory minimum wages are usually thought of in terms of national rather than EU regulation. The need for some universal protection for workers appears to be the most general motive for favouring legislation, as illustrated by two Spanish union officials:⁵

5 The language in some of the quotations below has undergone minor corrections to improve readability.

The strongest argument for minimum wages is that it is necessary to protect all workers with one instrument . . . But it is not necessary to have it done by law; it could just as well be done by collective bargaining. (Respondent CCOO)

I think that the minimum wage provides significant protection for workers. It establishes a minimum floor. The second reason may be that if you have a minimum wage you have a limit on wage dumping. (Respondent USO)

Protection of workers is thus a key argument, including protection from wage dumping. Notably, the first quotation does not assume that minimum wages must be statutory, but that they can be agreed upon through collective bargaining. In other words, legislation is not an end in itself. The important thing is that wages can be kept over some bottom line and this can equally well – or even better – be obtained by means of collective agreements. Several German respondents emphasized this:

In my opinion the most desirable situation is always that you can do it through collective bargaining . . . but if you can't you need other solutions, so it depends on the situation in the country, what is the best way; there is no one best recipe for all. (Respondent DGB)

If we had a better coverage it [collective bargaining] would be better than a minimum wage, but as long as we don't have it . . . (Respondent ver.di)

In another quotation we also glimpse the change in attitudes toward statutory minimum wages that has taken place in Germany. Many trade unions used to be negative but have reconsidered their position, as they are not strong enough to obtain collective agreements everywhere and there is sometimes even no employer organization to negotiate with.

As you know, we have had minimum wages in collective agreements since 1997 . . . and that is our preferred system here in the country, but the unions are now convinced that, in addition to this – and only in addition to it – it is necessary to have minimum wages enacted by the state. We should have a lowest level, even for sectors where there are no collective agreements, for example due to the lack of employers' organizations . . . The German unions don't have the power to organize those sectors and we have learned to accept this situation. (Respondent IG-Bau)

The Latvian union official did not present any arguments either for or against European statutory minimum wages, because LBAS had not taken an official stand on the issue. It was above all the Swedish respondents who conveyed negative arguments. The message put across is that wages should be determined by the social partners without regulation by law:

The main argument against [a minimum wage policy] is that it contradicts our strategy of organizing, negotiating and signing collective agreements and monitoring whether the collective agreements are respected, and by so doing taking control over the destiny of the workers . . . To act as a supply cartel is simply . . . a fundamental traditional trade union view. To support a statutory minimum wage is a strong violation of that tradition. (Respondent LO)

The Swedish unions expressed a preference for their national system, in which the lowest wages are determined through collective bargaining. Legislation must be avoided, as it would damage the

autonomy of the bargaining process. This was treated as a matter of principle. It was also assumed that state intervention in wage determination might have negative effects on union membership. If wages are set by law people might have less reason to join a union. In fact, in contrast to this, respondents in other countries saw statutory minimum wages as a way of making trade unions matter on a societal level, thereby attracting more members.

Another criticism in the Swedish interviews was that a minimum wage policy is an inflexible instrument. Wages will be determined by political shifts rather than by economic realities in specific industries or union members' demands. Although the Swedish respondents were the most negative in relation to legislated minimum wages, other interviewees also mentioned certain disadvantages with such a system. Although clearly in favour of legislation – 'I don't really see many disadvantages' – a Belgian unionist stressed the difficulties of reaching above the level determined by law:

Once you have a minimum wage, sometimes it can be very difficult to improve a lot on that minimum wage. So you have your minimum wage and that is okay, but it can be difficult to have improvements on that because that is the economic reality . . . and I suppose that would be the main reason against it. (Respondent CGSLB)

It was even suggested 'that a minimum wage may push down all other wages' (Respondent USO). There could thus be a risk that the floor becomes the norm. Moreover, statutory minimum wages would not get to the bottom of the underlying societal problems, for example the growing problems of wage dumping through temporary work, fixed-term contracts or 'fake' self-employment.

The support for statutory minimum wages is thus based on the assumption that a minimum wage can protect vulnerable workers and prevent wage dumping, when this cannot be done through collective bargaining. Many of the respondents in favour of legislation would prefer not having to rely on it, but regarded collective negotiations as a better solution. However, given that not all workers are unionized and that unions are often too weak, they saw no alternative to endorsing regulation by law. The interviewees opposed to this came from organizations that are strong in terms of membership and in relation to employers. Their negative attitudes imply a fear that the foundation of their power might be threatened.

Views on national versus EU statutory minimum wages

In the tables presented above, the response patterns are similar, regardless of whether the questions deal with the European or the national level. This is perhaps surprising, as it would undoubtedly be more complicated to implement statutory minimum wages at the EU level. In dealing further with this issue, we pay most attention to respondents who were positive towards legislation because those with a negative attitude – the Swedish – defied all kinds of legislation, no matter whether national or supranational. Some Swedish respondents underlined that European statutory minimum wages would be subject to examination by the ECJ. There would also be no guarantee of avoiding that such regulation became an obstacle to increased wages. Yet another comment referred to the difficulties and costs for the EU and/or the Member States in monitoring the implementation of minimum wages in workplaces.

Our interviewees evidently more often preferred national to supranational legislation, but some nevertheless strongly advocated the latter. Various solutions regarding minimum wages do not have to be incompatible, however. For example, one Belgian union official pleaded 'for EU-wide principles on minimum wages' (Respondent FGTB), while at the same time admitting that the same result could just as well be achieved by collective agreements.

As long as no EU legislation on minimum wages exists, it is an open question how it might be devised. Unsurprisingly, therefore, respondents in favour of European legislation on minimum wages frequently felt that they had to qualify their statements. It was typically maintained that the great social and economic differences across Europe make the idea impracticable and that fixed percentages would be problematic:

It is not possible to introduce a European minimum wage due to wage differences and differences in social systems . . . Even in countries that are quite similar in many respects, regarding price levels, etc., you will not find one figure for wages that everybody can live with. (Respondent IG-Bau)

We don't think it would be possible to have one statutory minimum wage for all Europe, but we think that at national level there should be a minimum wage of 60 per cent of the median salary in every country . . . (Respondent CCOO)

On the other hand, arguing that there should be a minimum wage at a given proportion of the median wage in each country is not far from supporting a common European approach to the issue. We must recall that EU legislation could mean very different things. It does not have to imply one minimum wage level for all Member States, but it might merely provide a general framework of principles.

Prospects for cross-border union cooperation on statutory minimum wages

Despite the differences of opinion reported above, trade union officials frequently declared that they respected the opposite standpoint, but in some cases non-Nordic respondents had real difficulties understanding the Nordic position.

I still see colleagues in other countries being opposed on principle, etc., and I respect that, but this is one of the examples where I very humbly say I have difficulties understanding why . . . A few days ago I had the opportunity to speak to a Danish colleague and I was quite sincere, I said, explain to me again, I want to understand! (Respondent CGSLB)

I don't live in Sweden and I don't want to interfere with their policy, but I see that they may be forced to change their policy in some years' time. I think the trade union situation in Sweden is not that of the 1960s, 1970s and 1980s any longer, so that they are able to enforce wages on every company . . . The Laval law makes the situation even more difficult, so I don't know whether they will maintain their position. (Respondent IG-Bau)

Given the divergent opinions among trade unions, it must be asked whether it is possible to develop a common strategy for transnational union cooperation in the EU. This is not least an issue that the ETUC has to deal with. Whereas the Belgian interviewees strongly stated that they wanted the ETUC to promote legislation on minimum wages, we found frustration and worry among Swedish respondents:

Of course it makes us anxious that the ETUC is pursuing the question of a European minimum wage. It is really difficult for us to cooperate with other unions on this issue. The whole idea of a statutory minimum wage implies that we have surrendered . . . given up the idea in some way. (Respondent Building Workers' Union)

When some now choose to push this question [of minimum wages] they are playing for very high stakes. Ultimately, I would say it is about the survival of the ETUC as a whole . . . It risks tearing down the ETUC completely because it is such a central and important issue for many. (Respondent LO)

It was thus suggested that the minimum wage debate risks creating open conflict within the ETUC. The Swedish respondents also more generally expressed their scepticism toward attempts to develop deeper coordination of wage determination in Europe. A typical remark was that the ETUC should focus its energy on overall declining union density and bargaining coverage, rather than campaigning for statutory minimum wages.

In fact, the question of statutory minimum wages and extended overall coordination has been intensely debated within the ETUC for quite some time. A recent point of reference in the interviews, apart from the economic crisis, was the Winter School 2012, a top-level meeting organized by the ETUC and devoted to the discussion of European and national regulation of minimum wages. Interestingly, participants came out with very divergent views concerning what was actually said. According to some of our interviewees, the meeting was a success for the Nordic standpoint, implying that the ETUC should change its strategy in accordance with the Nordic position (NFS, 2012: 6). Another trade unionist, however, gave a very different version of what happened, claiming that there was a general consensus that the ETUC should promote national minimum wages.

One respondent (German) highlighted that the intense debate on statutory minimum wages within the ETUC is not necessarily a bad thing. On the contrary, it can be a learning opportunity for the affiliates involved. The same respondent also stressed the importance of more and various meetings, gatherings and interactions as a good basis for transnational trade union cooperation. Yet other interviewees were eager to put across fairly moderate standpoints, indicating a desire for compromise.

Since the preparatory phase of the ETUC Congress in Athens 2011, the discussion of minimum wages has intensified. To avoid that the different views among the member organizations lead to open conflict, it has been important to strike a balance between diverging interests. By comparing initial reflection papers with more recent documents, it becomes clear that some of the more controversial wordings have been rewritten in fairly vague terms.⁶

Concluding remarks

Almost all the European trade unions included in our survey advocated increased cross-national union cooperation to prevent wage dumping. Very few organizations expressed scepticism in the sense that they agreed only to a low degree or not at all and these were mainly Nordic unions.

6 In October 2011 the ETUC (2011a: 6; italics added) suggested that 'a minimum wage norm would be agreed determining the minimum pay level in *each country*.' Only a few months later, in December 2011, the organization stated 'that *wherever it exists* the effective national minimum wage should be at least equal to 50% of the average wage or 60% of the median wage' (ETUC, 2011b: 6; italics added). In February 2012, the proposal was once again redrafted and diluted. Now it became a *recommendation* 'that *where it exists* the effective national minimum wage should be at least equal to 50% of the average wage or 60% of the median wage' (ETUC, 2012: 14; italics added). The key words 'where it exists' can be understood as an attempt to find the middle ground between affiliates that are against or for European regulation. What is more, they reflect that the minimum wage debate in the ETUC is back to where it started, that is, to an understanding that different solutions apply in different situations.

Much more distinct differences between countries are discernible when we consider response patterns with regard to statutory minimum wages. Our survey data contain three such items: two of them deal with EU legislation and one is about national legislation or stricter national legislation (when a law already exists). Most trade unions turned out to be positive, but we see a clear divide between Nordic and other European organizations. Few among the former and many among the latter agreed that statutory minimum wages would be required to avoid wage dumping. Regarding the future desirability of (stricter) national regulation and EU regulation, respectively, the vast majority of the Nordic trade unions showed little or no enthusiasm and very few were positive. On the contrary, overwhelmingly assenting attitudes to statutory minimum wages were revealed in Belgium, France, Germany, Poland and Spain.

Whether we refer to statutory minimum wages at national or EU level does not appear to be very important. This is worth mentioning, as in our interviews many spoke in favour of national legislation but looked upon EU regulation as unrealistic, although a few respondents found it desirable. EU legislation on minimum wages may be interpreted in different ways. Most informants understood it as a common European reference point rather than a single figure for all 27 Member States. It could, for example, entail that national minimum pay should be equal to 60 per cent of the median wage.

The major arguments for statutory minimum wages in the interviews revolved around two themes: protection of workers from poverty and avoidance of wage dumping. Some respondents suggested that the minimum wage issue might be a means of attracting more members, as it could make trade unions matter on a societal level. The opposite view – that unions would have greater difficulties in recruiting members when there is legislation – was also suggested. It was assumed that statutory minimum wages might be a threat to a successful bargaining model in which wages are determined by independent social partners without interference by the state. At the same time, respondents with a positive attitude to regulation by law often mentioned it as their ‘second best’ alternative – something to turn to when the possibility of negotiating and concluding collective agreements is exhausted. There was also a concern in the interviews that a legislated wage level would be established as a norm difficult to exceed.

It seems that union strength in terms of membership and bargaining power is a major factor behind the diverging attitudes to statutory minimum wages. This interpretation is supported mainly by the negative attitudes among the Nordic unions wanting to keep out legislation from the bargaining model with autonomous partners. Even though a European wage floor would probably end up so low that few employees in Sweden would be affected by it, the Swedish interviewees’ main concern was to shield the national bargaining system against interference from EU institutions.

Membership decline and loss of power – partly due to the expansion of the service sector and to employers’ growing unwillingness to sign collective agreements – must also be considered decisive when the Germans abandoned their opposition to legislation. On the other hand, Belgian unions have a fairly strong position in their domestic labour market but still have a positive attitude to both European and national statutory minimum wages. The explanation perhaps lies in their perception of the fight for the cause as a ‘moral duty’ for trade unions and their backing of the ‘European project’ as a whole. Put differently it seems as if not only institutional context but ideological context might be an explanatory factor.

The whys and wherefores of minimum wages have been hotly debated within the ETUC during the past decade. If the trade unions in Europe are not able to agree on how to proceed, there is the possibility that politicians in the EU will take control of the minimum wage issue. Recently, the European Commission (2012: 9) stressed minimum wages as a way of lowering the risk of in-work poverty, while underlining the need for ‘sufficiently adjustable’ wage floors, which may contradict the ambition of protecting the poor and compressing the wage structure.

Our interviews reveal that there is probably a long way to go before a truly joint position on minimum wages emerges among European trade unions. Nevertheless, the discussions within the ETUC show that there is willingness to debate instead of hushing up potential disagreements. Whether this will strengthen or weaken the organization in the long run remains to be seen.

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