



Council of the  
European Union

Brussels, 13 January 2021  
(OR. en)

5146/21

LIMITE

SOC 7  
EMPL 6  
IA 2  
CODEC 27

---

---

Interinstitutional File:  
2020/0310(COD)

---

---

**NOTE**

---

From: General Secretariat of the Council  
To: Delegations

---

Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF  
THE COUNCIL on adequate minimum wages in the European Union  
- Evaluation of the impact assessment

---

Delegations find enclosed the draft of the summary of the evaluation of the impact assessment in line with the procedure as set out in document 6270/18.

This draft is currently based solely on the answers delegations have sent in response to the Impact Assessment questionnaire. It will be adapted in view of the discussion of the Impact Assessment, which will take place in the informal videoconference of the Social Questions Working Party on 20 January 2021.

**Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE  
COUNCIL on adequate minimum wages in the European Union**

**Draft summary of the evaluation of the Impact Assessment**

*- to be reviewed in light of the discussion in the informal videoconference  
of the Social Questions Working Party on 20 January 2021 -*

Most delegations find the **policy context** clearly explained, although consider the **legal basis** either only partially or not sufficiently clearly explained. Almost all Member States welcome and await the legal opinion of the Council's Legal Service in that respect. Several Member States would have liked to see further clarifications regarding the chosen legal basis (Article 153 (1) (b) TFEU) and of the limitations of Union action set by Article 153 (5) TFEU.

The assessment on the completeness of the **problem definition** varies among delegations. A majority of replies concur that the Impact Assessment **acknowledges the existing gaps** in evidence. Most Member States consider **the problems and the underlying drivers** are, at least partly, clearly demonstrated and underpinned by evidence. Some Member States, however, stress that the IA isn't comprehensive enough regarding national specificities such as traditions and economic structure, in particular regarding the evolution of minimum wage levels in their national context. Respondents also raise the point that the underlying distinction between national models could better reflect the plurality of structures and realities in the EU. Despite the analysis presented in the IA on the impacts of the COVID-19 pandemic, concluding that minimum wages are key to ensure an inclusive recovery, many Member States would have wished for a better consideration of the pandemic effects on the economy and in particular on SMEs.

All but one Member State consider that the **policy objectives, including general aims and more specific/operational objectives**, are fully or to some extent clearly set out. However, according to several Member States, the correspondence between broad policy objectives and the identified problems could have been presented in a clearer way. Many Member States would have wished more explanations on specific objectives, in particular on those linked to the degree of collective bargaining coverage and the causal link between that coverage and the increase in low wages. Most Member States pointed to the challenge of comparing data as wage setting models vary from a country to another, and related data collection practices are uneven among MS and inexistent in some of them. Most delegations would have welcomed more clarity on the information sources and monitoring indicators. In addition, regarding the **coherence of the intervention logic**, all but two delegations consider that the objectives correspond to the identified problems, at least partly.

A broad majority of delegations is of the opinion that the **necessity and added value of EU action** is at least to some extent clearly demonstrated, while some are of the opinion that consistency with the principle of subsidiarity could be better substantiated. Many Member States share the view that considerations of the proportionality of the measures proposed only take into account to a limited extent the differences among economic models. Many Member States state that actions already taken or planned at national level were only partially addressed by the IA.

Most Member States agree that the IA identifies many feasible **policy options**, but some would have welcomed a better consideration of "no EU action" option. All Member States find that the most affected subjects/ stakeholders have been identified, at least partly. They also agree that they have been provided with the information on how the inputs from end-users and stakeholders informed the policy options, with some Member States noting that views of employers' organisations could be better represented in the IA. Several Member States consider that further explanations should have been given on the choice of a directive as the legal instrument.

All Member States are of the opinion that the IA gives consideration to the **impacts of each policy option**, although most Member States consider that the analysis could have been more detailed. Some delegations pointed that the challenges of the current economic context, and especially for SMEs, could have been explored further, as they are likely to influence the policy outcome. All but one Member States replies consider that impacts of different policy options are expressed at least partially in a comparable format and compared against a clear set of criteria. A considerable number of Member States would have preferred more details on the potential impact and related risks for minimum wage workers, consumers, SMEs and competitiveness in their given national context.

Many Member States consider that the IA should have taken the Covid-19 pandemic more into account when presenting the **social impact** of the proposal. All but one considered that social impacts are, or at least to some extent, clearly presented both in qualitative and quantified terms, although some Member States would have wished that the IA would deal more with employment risks and other means of addressing poverty than wages. Almost all Member States consider that the IA assessed, at least partially, the regulatory costs of the proposal in respect of the differences of national models.

Member States appreciated that the **opinion of the Impact Assessment Board (IAB)** of the Commission was addressed to varying degrees by the IA. As to the **measuring**, several delegations highlighted the challenges of comparative data collection and the difficulty to measure the intended effects with the proposed indicators. The majority of delegations considered the **methodology and methodological choices** partially appropriate **while uncertainties** on implementation constrains in national context remain.