



EXTRAORDINARY EMCO MEETING WITH SOCIAL PARTNERS ON WAGE DEVELOPMENTS – 01 FEBRUARY 2013

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Main messages

- 1. There is no need for new structures and processes.** BUSINESSEUROPE does not support the idea of the tripartite forum on wages at the EU level. BUSINESSEUROPE is open for meaningful dialogue about employment related aspects of the economic governance at EU-level with EMCO – as has been the case in the past. However, the content and format of the meeting of 1 February is not appropriate for such a dialogue. Therefore BUSINESSEUROPE advises against holding similar extraordinary EMCO meetings in the future. Social partners should be consulted by the EU and national authorities on the labour market aspects of the Annual Growth Survey and Country Specific Recommendations as part of the European Semester processes.
- 2. BUSINESSEUROPE questions the relevance of the selected topics for discussion at the EU level.** BUSINESSEUROPE emphasises that the main objective of the economic governance processes is to monitor and reinforce EU macroeconomic performance so as to improve Member States' competitiveness. Existing tools such as scoreboard of indicators rightly look at Unit Labour Costs developments, as these have a direct impact on competitiveness. Unit Labour Costs are influenced by many factors such as changes in productivity, taxation or employers' social security contributions, wages are only one factor impacting on labour costs.
- 3. The decision on how to organise wage bargaining is a national competence.** Wage negotiations are organised at different levels in European countries in line with different industrial relations traditions. Article 153 of the Treaty clearly establishes that the issue of pay is out of the scope of EU competences in the area of social policy. EU institutions should refrain from intervening in issues that are best addressed by national social partners.

Similarly, the decision of whether to have **minimum wages** and how to regulate them must not be taken at the EU level. While some Member States may have good reasons to introduce a minimum wage, such step can be counter-productive in certain settings.
- 4. BUSINESSEUROPE stresses that the International Labour Organisation should focus on its global tasks and not interfere in regional European matters such as European economic governance.**
- 5. There should be no politically endorsed conclusions from the meeting.** The character of the seminar is confusing and incoherent. If the intention is – as declared – to have an exchange of experience and an open debate on wage developments, it is not advisable to attach minutes of the meeting to the report that will be endorsed at a political level (EPSCO Council).