

To: Ursula von der Leyen

Copy: Valdis Dombrovskis, Executive Vice-President of the European Commission,
Nicolas Schmit, Commissioner for Jobs and Social Rights,
Ylva Johansson, Commissioner for Home Affairs,
Joost Korte, Director-General Employment, Social Affairs and Inclusion

Stockholm, 13 October 2020

[Letter sent by email]

Urgent request for a meeting

Dear President von der Leyen,

As President of the Commission, the State of the Union speech on 16 September was an opportunity for you to make important announcements about the EU's future direction and choices in the coming years. It was pleasing that the speech contained many bold and laudable initiatives for steering EU cooperation in a positive and sustainable direction for the future.

As representatives of Swedish unions and employers in the private sector, we were of course particularly focused on those sections of the speech that concerned the labour market, specifically the issue of European minimum wages. We wish to start by saying that we fully agree with your definition of the problem. It is completely correct that there are too many people in Europe today for whom work does not pay off; indeed, anyone who works should be in a position to support themselves. We also appreciate that you did not mention a Minimum Wage Directive as a solution to these problems. Yet at the same time, we are concerned that a Minimum Wage Directive was not rejected in the speech either.

In the Nordic countries, we already have a well-functioning wage formation based on collective agreements. These are borne by the social partners without the need for government intervention. In Sweden, this model covers 90 percent of the labour force and also indirectly norms the wages of the remaining 10 percent who do not have a collective agreement. For over 20 years, this model has contributed to real wage increases throughout the labour market, a competitive business sector and a strong welfare state.

A basic principle in our social partner model is that the State keeps its distance and does not intervene with legislation on core issues such as wage formation. This principle is also embodied and respected in the EU's motto "United in Diversity". The Treaty on the Functioning of the EU (Article 153 (5)) also clearly stipulates that EU legislative competence does not cover "pay, the right of association, the right to strike or the right to impose lock-outs".

Swedish EU membership is important for both companies and employees and must be handled with great care. If the Commission seeks to regulate wages through legislation, it will erode both the political and the legal premises on which Sweden joined the EU. This, in turn, would undermine confidence in the EU within the country and will further fuel the EU-critical voices that have been on the increase in recent years.

The solution proposed to date by representatives of the Commission has been to create a so-called "waterproof firewall" in any possible Directive, which would set out specific rules for certain countries. However, given the EU legislative process and the independence of the European Court of Justice, it is far from certain that such a proposal would eventually become a reality, nor that such a "firewall" would prove particularly "waterproof".

We employers and trade unions, along with our government and parliament, are united in our message to the Commission. The parties' autonomy and freedom of contract are fundamental principles in our societal model, and we will defend these principles by all available political and legal means. There are many instruments other than legislation to achieve fair wages in the EU, and we are open to discussion on these. We therefore propose an urgent digital meeting within the coming few weeks for a constructive conversation on potential ways forward.

Mattias Dahl, Executive Vice-President, Confederation of Swedish Enterprise

Susanna Gideonsson, President, Swedish Trade Union Confederation

Martin Linder, President, PTK – the Council for Negotiation and Cooperation