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EUROPEAN SOCIAL CHARTER

Comments submitted by
the *Deutscher Gewerkschaftsbund – DGB*
concerning the Ad hoc report on the cost-of-living crisis
submitted by

THE GOVERNMENT OF GERMANY

Report registered by the Secretariat
on 05 July 2024

CYCLE 2024

Observations

by the German Trade Union Confederation

(Deutscher Gewerkschaftsbund – DGB)

in relation to the

Ad-hoc Report (2023)

of the Government of the Federal Republic of Germany

Social rights and the cost-of-living crisis

The German Trade Union Confederation (Deutscher Gewerkschaftsbund – DGB) and its member trade unions welcome the opportunity to submit its Observations in relation to the ad-hoc Report (2023) of the Government of the Federal Republic of Germany “Social rights and the cost-of-living crisis”.

General Observations on the new reporting system

The European Committee of Social Rights (ECSR) examines whether a country complies with the provisions of the European Social Charter (ESC) that it has accepted. The respective government must submit a corresponding report. The reporting system was reformed in 2022 and attempts were made to simplify the reporting system.

In fact, it is still unnecessarily complicated: Until 2022, the Charter was divided into four parts for the reports, each year a report had to be submitted for one part of the Charter. Thus, reports on the Charter as a whole were submitted every four years. States Parties having accepted the collective complaints procedure were to submit a simplified report every two years. In order to prevent excessive fluctuations in the workload of the ECSR from year to year, this group was again divided into two groups, each of which was to submit its reports in turn.

The Committee of Ministers has now reformed the reporting system in 2022.¹ In the new and current reporting procedure the provisions of the Charter are divided into two parts for the reporting. State parties not having accepted the collective complaints procedure must submit a report on one of the two parts

¹Implementation of the Report on Improving the European Social Charter system, CM(2022)114-final, 27 September 2022, 4.4, [CM\(2022\)114-final \(coe.int\)](#).



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every two years, so that the ESC as a whole is evaluated every four years. The state parties having accepted the collective complaints procedure report on one group of provisions every four years, so that the Charter as a whole is evaluated every eight years. To make the procedure more topical and focused, so-called “targeted questions” are prepared by the ECSR and the Governmental Committee prior to the reports, which are to be addressed in the reports. In addition to these regular reports, there will be ad-hoc reports on new or critical issues arise with a broad or transversal scope or a pan-European dimension for analysis or review by the ECSR.

Obviously, despite the attempt to simplify the procedure, the reporting system remains unnecessarily complicated and opaque thus making it hard to recognise which state party has to submit which report and when.

Observation to the ad-hoc report

From the perspective of the DGB and its member trade unions, the Federal Government's response to question 1, specifically on the statutory minimum wage and the extent to which it compensates for the increased costs, is open to criticism.

The Federal Government correctly presents the legal situation for setting the statutory minimum wage. The minimum wage was last increased with effect from 1 January 2024 on the recommendation of the Minimum Wage Commission. What the report fails to mention, however, is that this decision by the majority of the Minimum Wage Commission was made against the explicit votes of the trade unions. Trade union representatives were outvoted.

From the point of view of the DGB and its member unions, the proposed and recommended increase in the minimum wage of 41 cents was too low in view of the rising cost of living. In our opinion, the aim of the minimum wage must be to secure a living wage. According to the European Minimum Wage Directive, an appropriate minimum wage should be at least 60 per cent of the median income of full-time employees. This currently corresponds to around 14 euros.

The DGB and its member unions are committed to adapting the statutory minimum wage in Germany to this European minimum wage directive. Only then it can fulfil its purpose, i. e. fighting in-work poverty, maintaining purchasing power while taking inflation into account and enabling social participation for all employees. Furthermore, the Minimum Wage Commission must take the new criteria of the Minimum Wage Directive into account in its decisions.