

Belgium protests over German low pay in EU complaint

By Laurence Peter

BBC News

The European Commission is studying a complaint from Belgium about low wages at some German firms, described by Belgium as unfair "social dumping".

The Belgian government sent a letter alleging that Germany's "mini-jobs" undermined EU competition rules.

Some workers get just three or four euros (£3) hourly in such jobs, without any social protection, Belgium says.

Many are East Europeans working for meat processing firms in Germany. There has been criticism in Germany too.

The Commission says some 7.5 million people are working under the "mini-job" regime in Germany.

It means they can earn up to 450 euros per month without paying tax or contributing to any pension system. They are also excluded from the employer's social security contributions.

In Belgium, however, low-paid workers get a minimum of 12-13 euros per hour and all have to make social security contributions, a Belgian government spokeswoman told the BBC.

"Belgium wants the Commission to stop this disloyal competition between countries," Els Bruggeman said. "The Commission can make Europe a more social union."

She said the issue had also been raised by some firms in France and the Netherlands, especially ones near the German border.

Migration from east

The Belgian move was sparked by complaints from Belgian abattoirs, who said German low-wage competitors were threatening their survival. Some said they might have to relocate to Germany to survive.

The letter to the Commission was sent by Belgian Economy Minister Johan Vande Lanotte and Labour Minister Monica De Coninck.

Olaf Lies, economy minister in the German state of Lower Saxony, has voiced support for the Belgian complaint.

Germany's economy is a rare success story in Europe at a time when most of its neighbours are struggling with massive debt burdens and record unemployment.

Many Poles, Bulgarians and Romanians have found jobs in Germany - especially in agriculture and food-processing - since their countries joined the EU in 2004 and 2007.

A German left-wing MEP, Thomas Haendel of the Linke party, said that only Germany and Malta had no statutory minimum wage in the 27-nation EU.

Speaking to BBC News, he said the Belgian complaint "is entirely justified - the Linke party has long been pointing out that Germany is practising wage dumping in Europe".

"It's very unfair because Germany now has very high productivity, but gains a competitive advantage through these 'mini-jobs'," Mr Haendel said.

EU criticism

In addition to Linke, the German Social Democrats (SPD) and Greens are also pushing for a statutory minimum wage in Germany, he said.

"About 30 per cent of workers in Germany get less than 8.5 euros per hour - that's below the OECD poverty level," he said, referring to the Organisation for Economic Co-operation and Development.

A Belgian Socialist MEP, Frederic Daerden, said unfair wage competition could be tackled in the EU's rules on posted workers - that is, workers posted to another EU country temporarily.

Concerns have been raised in the UK and elsewhere about companies importing cheap labour from other EU countries.

[Reforms to the posted worker rules](#) are now being negotiated in the EU. "Social dumping is bad because it affects

the attitude of workers towards the EU," Mr Daerden told BBC News.

But he said the EU had no power to set a European minimum wage, and it would probably be futile to take Germany to court over the matter.

The European Commission now scrutinises member states' economic policies in detail, under the enhanced surveillance brought in because of the eurozone debt crisis. But it cannot dictate wage policy to individual states.

The Commission and Council - the grouping of EU governments - make country-specific recommendations for each member state. They are a way to exert peer pressure, but are not mandatory.

Last year those [recommendations urged Germany](#) to "create the conditions for wages to grow in line with productivity".

"Extensive use of mini-jobs leads to low acquisition of pension rights. Therefore there is a need to improve the transition from mini-jobs to more stable forms of contracts," Germany was told.