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# The Mechanism of Establishing the Adequate Minimum Wage in Light of Directive (EU) 2022/2041 from Legal and Economic Standpoints: The Case of Poland

### Introduction

The minimum wage defines the lowest guaranteed level of compensation for full-time work provided by the state. It ensures that workers receive a basic level of pay for their labor, helps reduce income inequality, provides a safety net for those in low-wage jobs, and, from a macroeconomic perspective, supports domestic demand. The purpose of the minimum wage is also to prevent wage lowering by the employer. Payment below the minimum wage is a violation of workers' rights. Establishing adequate criteria for determining the minimum wage is a crucial factor in supporting workers and maintaining equilibrium in the labour market.

Securing adequate minimum wages for workers in the European Union is crucial to ensure decent working and living conditions. The Directive on adequate minimum wages in the European Union (Directive (EU) 2022/2041) was introduced by the European Union in October 2022, and aims to establish a framework for improving the adequacy of minimum wages and increasing workers' access to minimum wage protection. The Directive (EU) 2022/2041 (hereafter referred to as the Directive) provides for the obligation to take into account four mandatory criteria in the national mechanism for setting the minimum wage: the purchasing power of statutory minimum wages, taking into account the cost of living, the general level of wages and their distribution, the rate of wage growth, and the levels and dynamics of changes in long-term national productivity. The Directive establishes a framework aimed at enhancing the adequacy of minimum wages in countries with statutory minimum wages. Although the Directive aims to promote adequate minimum wages in all twenty-seven Member States, the minimum wage will not be the same in every country.

The issue of minimum wages sparks numerous controversies, particularly when the minimum wage increases faster than GDP, adversely affecting entrepreneurs and, consequently, the labor market and future economic growth.<sup>1</sup> Minimum wage increases may also generate additional inflationary pressure.<sup>2</sup> The Directive has also sparked considerable controversy, because not all EU countries support it.<sup>3</sup> In this study, attention is focused only on selected aspects of the mechanism for establishing an adequate minimum wage, taking Poland into account and the factors determining the amount of the minimum wage. The article aims to address the need to implement the EU directive on adequate minimum wages in the Polish legal system. To achieve this objective, the authors discuss the mechanism for establishing an adequate minimum wage in the context of Directive (EU) 2022/2041, considering both legal and economic aspects. The authors make a comparative analysis of the requirements provided for in the Directive with the elements of the current mechanism for determining the minimum wage in Poland. The research methodology employed in writing this article involves analysis and synthesis based on legal acts and existing literature on the subject.

# 1. Directive (EU) 2022/2041 on adequate minimum wages in the European Union: objectives and key issues

The primary objective of Directive 2022/2041 is to improve living and working conditions within the Union, particularly to ensure the adequacy of minimum wages for workers in order to contribute to positive social convergence and reduce wage inequalities. The directive highlights three areas of regulation relating to: 1) the adequacy of statutory minimum wages to ensure decent living and working conditions; 2) the promotion of collective bargaining for wage setting; and 3) the enhancement of effective access for workers to the protection of the right to a minimum wage. During the drafting stage of the directive, there were concerns regarding the treaty basis for adopting this regulation through a directive. Article 153(5) of the TFEU excludes wages from the areas of social policy in which the Union, while observing the principles of subsidiarity and proportionality, supports and complements the actions of Member States. The reservations about the compliance of this regulation with the principle of conferred competences of the European Union were the main reason for opposition from some EU Member States (especially the Scandinavian countries), European employers' organizations,<sup>4</sup> even some trade union organizations, and for the subsequent

<sup>&</sup>lt;sup>1</sup> See, for example: *Stanowisko ZPP w sprawie sposobów ustalania wynagrodzenia minimalnego w Polsce*, Warszawa, 25.07.2023, https://zpp.net.pl/stanowisko-zpp-w-sprawie-sposobow-ustalania-wynagrodzenia-minimalnego-w-polsce [accessed: 2024.05.12].

A. Majchrowska, Czy wynagrodzenie minimalne oddziałuje na inflację?, "Ekonomista" 2022, no. 4.

<sup>&</sup>lt;sup>3</sup> E. Ozols, S.I. Hristov, T. Paster, *Unions divided? Trade union attitudes towards the European Union's Directive on Adequate Minimum Wages*, "Economic and Industrial Democracy" 2025, vol. 46, issue 2 [published online 21 April 2024].

<sup>&</sup>lt;sup>4</sup> For more on this topic, see: *Stanowisko ZPP...*; B. Surdykowska, *Inicjatywa w sprawie wynagrodzeń minimalnych*: papierek lakmusowy woli rozwoju społecznego wymiaru integracji europejskiej, "Monitor Prawa Pracy" 2021, no. 1, p. 14.

challenge to the already adopted directive made to the Court of Justice of the EU by the Danish government.<sup>5</sup> For this reason, Article 1(1), (2), and (3) of Directive 2022/2041 explicitly states that it does not affect the autonomy of social partners, their right to negotiate and conclude collective agreements, or the competence of Member States to set minimum wage levels and to decide whether to establish statutory minimum wages or to support access to minimum wage protection provided for in collective agreements, or to provide for both elements. This principle is further developed in the specific provisions regulating the substantive scope of the directive. This is especially relevant to Article 5(1) of the directive, which regulates the procedure for establishing and updating adequate statutory minimum wages. It applies to Member States where statutory minimum wages are in place.

Determining and updating statutory minimum wages should be based on criteria that aim to ensure wage adequacy, provide a decent standard of living, reduce inwork poverty, support social cohesion and positive social convergence, and decrease the gender pay gap. These criteria include: 1) the purchasing power of statutory minimum wages considering the cost of living; 2) the general level of wages and their distribution; 3) the rate of wage growth; and 4) long-term national productivity levels and their changes.<sup>6</sup>

Member States may implement an automatic indexation mechanism for wages provided this does not lead to a decrease in the statutory minimum wage.<sup>7</sup> The decision to apply or not to apply an automatic indexation mechanism determines the frequency of wage updates. In Member States where automatic indexation of minimum wages is not mandatory, updates should occur no less than once every four years. In other Member States, the update procedure should take place no less than once every two years.

To assess the adequacy of statutory minimum wages, Member States should utilize so-called indicative reference values commonly used at the international level, such as 60% of the median net wage or 50% of the average wage, or reference values used at the national level.<sup>8</sup> Article 5(4) of the directive, however, leaves it up to Member States to decide how and at what pace to achieve pay adequacy ratios, and the possible enforcement of a low ratio makes this practically impossible. This justifies treating the provisions of the directive in this regard in terms closer to soft law than binding law.<sup>9</sup>

Among the responsibilities of Member States is the designation of an advisory body concerning statutory minimum wages.<sup>10</sup> The directive mandates that the establishment and updating of statutory minimum wages occur with the involvement

<sup>&</sup>lt;sup>5</sup> Case C-19/23, Action brought on 18 January 2023, by the Kingdom of Denmark against the European Parliament and the Council of the European Union, Official Journal 2022, L 275, p. 33.

<sup>&</sup>lt;sup>6</sup> Article 5(1) and (2) of Directive 2022/2041.

<sup>&</sup>lt;sup>7</sup> Article 5(3) of Directive 2022/2041.

<sup>&</sup>lt;sup>8</sup> Article 5(4) of Directive 2022/2041.

<sup>&</sup>lt;sup>9</sup> M. Kurzynoga, *Dyrektywa o minimalnej płacy: raczej soft law niż twarde reguły, "*Rzeczpospolita" 5 June 2024, no. 129, D6.

<sup>&</sup>lt;sup>10</sup> Article 5(6) of Directive 2022/2041.

of social partners. Social partners should notably participate in the decision-making process concerning: 1) the selection and application of criteria for determining the level of the statutory minimum wage and defining the pattern of automatic indexation; 2) the selection and application of indicative reference values; 3) the updating of statutory minimum wages; 4) the differentiation of statutory minimum wage rates and deductions from them; and 5) the collection of data and the conducting of research and analysis to provide information to the authorities and other relevant entities involved in statutory minimum wages.<sup>11</sup>

Directive 2022/2041 confirms the permissibility of differentiating statutory minimum wage rates for specific groups of workers or applying deductions that lower the wage paid to an employee below the statutory minimum wage level. However, it requires that such differentiated rates and deductions adhere to the principles of non-discrimination and proportionality.

Article 17(1) of Directive 2022/2041 has set a deadline for Member States to implement its provisions by 15 November 2024. The question arises as to the extent to which the Polish regulation of the minimum wage<sup>12</sup> needs to be amended to comply with the requirements of the directive.

# 2. Legal and economic determinants of the minimum wage setting mechanism

# 2.1. The current mechanism for determining the minimum wage

In the current mechanism for determining the level of the minimum wage in Poland, many factors related to socio-economic development are taken into account. The Ministry of Family, Labor, and Social Policy submits a proposal for the minimum wage to the Council of Ministers. The Council of Ministers responds to it, and if the proposal is accepted, it is brought for consultation to the Social Dialog Council (SDC).

According to Article 2 of the Minimum Wage Act, the Council of Ministers presents to the SDC, <sup>13</sup> which consists of representatives of the government, trade unions, and employers, a proposal for the minimum wage for the following year by 15 June, along with the deadline for changing the amount of this wage (Article 3). Subsequently, negotiations are conducted for thirty days from the date the proposal is received, during which the SDC agrees on the amount of the minimum wage and the minimum hourly rate. In addition, the Council of Ministers is obliged to provide the SDC with data that may influence the final amount of the minimum wage, including information on socio-economic development, namely: the price index in the previous year; the forecast

<sup>&</sup>lt;sup>11</sup> Article 7 of Directive 2022/2041.

<sup>&</sup>lt;sup>12</sup> Law of 10 October 2002 on minimum remuneration for work (consolidated text: *Journal of Laws*, item 2207).

<sup>&</sup>lt;sup>13</sup> In 2015, the Social Dialog Council replaced the Trilateral Commission for Social and Economic Affairs, which had been in operation since 1994.

price index for the next year, and the average wage index; household expenditures in the previous year; the income share indicator from wage labor and the average number of dependents of wage earners in the previous year; the average monthly wages in the previous year by types of activities; the standard of living of different social groups; economic conditions of the country, taking into consideration the state budget, economic development requirements, labor productivity level, and the need to maintain a high level of employment; and the forecast real growth rate of gross domestic product. Taking into account this information, the amount of the minimum wage for the following year and the lowest hourly rate are determined by 15 July each year. These determinations are published in the Official Gazette of the Republic of Poland, the *Monitor Polski*, by 15 September. If the SDC is unable to determine the amount of the minimum wage, then the Council of Ministers establishes it through regulation by 15 September for the following year, with the amount not being lower than the proposed minimum wage.

The initial proposal for the minimum wage is based on the forecast inflation for the next year. However, if the minimum wage is lower than half of the national average wage, it is additionally increased by two-thirds of the forecast real GDP growth rate (Article 5). Since actual inflation may differ from the forecast value, a corrective mechanism is applied in the form of a verification ratio, obtained by dividing the price index in the previous year by the forecast price index for the subsequent year (Article 5), based on which the proposal for the minimum wage is determined. However, the inflation assumed in the draft budget law to determine the proposal for the minimum wage may differ from the overall consumer price index growth rate specified in the budget assumptions, resulting in different levels: the proposed minimum wage for negotiation and the final minimum wage. The increase in the minimum wage may exceed the minimum set by law. It is worth emphasizing that according to current regulations, the basic salary of an employee working full-time may be lower than the minimum wage.

To sum up, the Minimum Wage Act of 2002 guarantees an annual increase in the minimum wage not lower than the forecast inflation for the given year. In situations where the forecast inflation for the following year is at least 5%, two dates for changing the minimum wage and minimum hourly rate are established – effective from 1 January and 1 July. However, when inflation is less than 5%, only one date for changing the minimum wage is set, which is 1 January.

Taking into account the necessity of meeting the requirements set out in the Directive, the question arises as to whether modification of the existing mechanism for determining the minimum wage in Poland is necessary. Currently, work is underway to implement the requirements of the EU Directive in the Polish legal system.

# 2.2. The adequate minimum wage in light of the Directive in the context of developments in minimum wages in EU countries

As we mentioned earlier, Directive 2022/2041 requires the inclusion of four mandatory criteria in the national mechanism for determining the minimum wage: 1) the purchasing power of statutory minimum wages taking into account living costs; 2) overall wage levels and their distribution; 3) the wage growth rate; and 4) levels and dynamics of changes in long-term national productivity.

The purchasing power of statutory minimum wages, taking into account living costs, means that the wage should satisfy the basic needs of the employee, considering the cost of living, including expenses for consumer goods and services, housing, education, and healthcare. The level of wages in the market and their distribution should mitigate the risk of working poverty and support social equality; thus they should not be significantly lower than the average gross wage. The wage growth rate should reflect the dynamics of economic growth. Meanwhile, productivity growth is a crucial element in maintaining economic growth, which is why it is essential to consider long-term production trends in determining the minimum wage. Innovation and entrepreneurship contribute to improving the productivity of Polish businesses.<sup>14</sup>

Maintaining the purchasing power of workers in the EU remains a key challenge in the field of wages and collective bargaining. Nominal wage growth in European Union countries continued in 2023, starting with a 3.8% increase in Italy (real -2.6%), and ending with a 15% increase in Romania, where the highest real growth of 4.5% among EU countries was also recorded. In Poland, there was a nominal increase of 11.1%, while the real change was -0.3%. The largest decrease in real minimum wages was observed in the Czech Republic and Hungary, with a decrease of 3.8% in each country.<sup>15</sup>

There is a minimum wage in twenty-two of twenty-seven European Union countries; there is none in Austria, Denmark, Finland, Sweden, or Italy. In July 2023, monthly minimum wages in EU Member States ranged from 399 euros in Bulgaria to 2,508 euros in Luxembourg. In Poland, the minimum wage at that time was 811 euros. <sup>16</sup> In most EU countries, the statutory minimum wage is determined once a year (in January). In Luxembourg, the minimum wage is adjusted three times a year. As mentioned earlier, in Poland, the minimum wage increases by no less than the forecast inflation for the given year, and if it exceeds 5%, the lowest wage is adjusted twice a year.

Although the overall level of wages and the rate of their growth, as well as the levels and dynamics of long-term national productivity changes, vary among EU Member States, three groups of countries with similar characteristics can be distinguished based on the development of hourly nominal and real minimum wages, statutory

<sup>&</sup>lt;sup>14</sup> PARP, Monitoring innowacyjności polskich przedsiębiorstw. Wyniki IV edycji badania, Warszawa 2022.

<sup>&</sup>lt;sup>15</sup> Benchmarking Working Europe 2024, European Trade Union Institute, p. 90, https://www.etui.org/publications/benchmarking-working-europe-2024 [accessed: 2024.05.16].

<sup>&</sup>lt;sup>16</sup> Eurostat, https://ec.europa.eu/eurostat/databrowser/view/earn\_mw\_cur/default/table?lang=en &category=labour.earn\_minw [accessed: 2024.05.16].

national minimum wages in January 2024, and statutory minimum wages based on purchasing power parity. Regarding the development of hourly nominal minimum wages from 1 January 2023 to 30 January 2024 (in percentages), there are six countries with wage increases ranging from 2% (Belgium) to 7% (Cyprus). The other countries in this group include France (3.4%), Germany (3.4%), Slovenia (4.3%), and Spain (5.0%). The second group consists of countries where this increase ranged from 7% to 10%, including Slovakia (7.1%), Luxembourg (7.7%), Portugal (7.9%), The Czech Republic (8.4%), Greece (9.4%), and Lithuania (9.9%). The group of countries with the highest increases, exceeding 10%, comprises Malta (10.8%), Ireland (12.4%), Latvia (12.9%), The Netherlands (12.9%), Estonia (13.0%), Hungary (15%), Bulgaria (18.2%), Croatia (20.0%), and Poland (21.5%). In seven EU countries (Slovakia, The Czech Republic, Slovenia, Germany, France, Hungary, and Belgium), increases in nominal minimum wages did not offset a rise in prices and a loss of purchasing power, resulting in a decrease in real minimum wages. At the same time, real minimum wages increased the most in The Netherlands (8.5%), Bulgaria (8.9%), Poland (9.6%), and Croatia (10.7%). With regard to statutory national minimum wages in January 2024 (per hour, in euros, current prices), countries with hourly statutory minimum wages above eleven euros stand out, including France (11.65), Belgium (12.11), Germany (12.41), Ireland (12.70), The Netherlands (13.27), and Luxembourg (14.86). The second group includes countries with minimum wages between 5 and 8 euros per hour, such as Malta (5.34), Lithuania (5.65), Poland (5.91), Cyprus (6.06), Spain (6.87), and Slovenia (6.96). The group of countries with the lowest statutory minimum wages, below 5 euros, includes Bulgaria (2.85), Romania (3.99), Hungary (4.02), Latvia (4.14), Slovakia (4.31), Greece (4.51), The Czech Republic (4.70), Portugal (4.85), Estonia (4.86), and Croatia (4.86). If one analyzes the statutory minimum wages based on purchasing power parity (PPS)<sup>17</sup> as of 30 January 2024 (per hour), Poland is seen to be catching up with the so-called old EU Member States. Poland is part of the first group, representing countries with hourly minimum wages higher than 9 PPS, preceded by Belgium (10.14), France (10.17), Luxembourg (10.44), The Netherlands (10.93), and Germany (10.96). The second group consists of seven countries with wages in the range of 6–9 PPS: Cyprus (6.33), Croatia (6.36), Romania (6.49), Spain (6.84), Lithuania (6.94), Slovenia (7.41), and Ireland (8.34), while wages below 6 PPS are noted in the following countries: Malta (5.71), Hungary (5.64), Portugal (5.19), The Czech Republic (5.03), Estonia (4.94), Greece (4.93), Latvia (4.77), Bulgaria (4.69), and Slovakia (4.50). From the analysis of the above data, it is evident that there is a need to improve living conditions in EU countries by establishing frameworks for adequate minimum wages aimed at social convergence. This is the purpose of the Directive on Adequate Minimum Wages in the European Union.

The Directive does not prescribe the level of complexity or the mechanism for determining the minimum wage, nor its nominal amount. However, in addition to the four mandatory criteria mentioned earlier, there is a recommendation to assess

<sup>&</sup>lt;sup>17</sup> 1 PPS euro = 1.6071 PPS dollar.

<sup>&</sup>lt;sup>18</sup> Benchmarking Working Europe 2024..., pp. 95–97.

the adequacy of statutory wages based on indicative reference values commonly used internationally, such as 50% of the average gross wage or 60% of its median, or indicative reference values used at the national level. In terms of international standards, as indicated in the "Benchmarking Working Europe 2024" report, only Slovenia met both criteria, which in 2022 were 52% of the average gross wage and 62% of its median. For Poland, these figures were 43%and 53%,<sup>19</sup> respectively. It is worth noting that as of 1 January 2024, the minimum wage in Poland is 4,242 PLN gross, while the minimum hourly rate for civil law contracts has been set at 27.70 PLN gross. From 1 July 2024, the minimum wage will increase to 4,300 PLN gross, and the minimum hourly rate will rise to 28.10 PLN gross.<sup>20</sup> Estimates indicate that currently, in Poland, there are 3.6 million people covered by the minimum wage.<sup>21</sup> Significant wage disparities between sectors and regions are considered crucial in this aspect<sup>22</sup>.

In light of the Directive's provisions, the update of statutory minimum wages will occur at least once every two years or no less than every four years for countries employing automatic indexation mechanisms, including semi-automatic indexation, whereby a minimum mandatory increase in the statutory minimum wage is guaranteed. Additionally, when determining and updating minimum wage rates, the Directive stipulates the involvement of social partners and the necessity of establishing or appointing at least one advisory body concerning statutory minimum wages.

In the context of the need to implement the Directive on Adequate Minimum Wages in the EU in the Polish legal system, Table 1 presents a comparison of the mandatory criteria outlined in the Directive with the indicators considered in the current mechanism for determining the minimum wage in Poland. Additionally, the table includes possible sources of statistical data along with the frequency of their publication.<sup>23</sup>

<sup>&</sup>lt;sup>19</sup> *Ibid.*, p. 98.

<sup>&</sup>lt;sup>20</sup> Rozporządzenie Rady Mnistrów z dnia 14 września 2023 r. w sprawie wysokości minimalnego wynagrodzenia za pracę oraz wysokości minimalnej stawki godzinowej w 2024 r. (*Journal of Laws*, item 1893).

<sup>&</sup>lt;sup>21</sup> Rozporządzenie w sprawie wysokości minimalnego wynagrodzenia za pracę oraz wysokości minimalnej stawki godzinowej w 2024 r., https://www.gov.pl [accessed: 2024.05.16].

<sup>&</sup>lt;sup>22</sup> M. Grzejszczak, *Systemy płacy minimalnej w świetle doświadczeń międzynarodowych*, 28.03.2024, https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/trendy-gospodarcze/systemy-placy-minimalnej-w-swietle-doswiadczen-miedzynarodowych [accessed: 2024.05.16].

<sup>&</sup>lt;sup>23</sup> Wielkości i wskaźniki ogłaszane przez Prezesa GUS, https://stat.gov.pl/metainformacje/opis-wskaznikow-gus/wielkosci-i-wskazniki-oglaszane-gus [accessed: 2024.05.16]; Lista komunikatów i obwieszczeń, https://stat.gov.pl/sygnalne/komunikaty-i-obwieszczenia/lista-komunikatow-i-obwieszczen [accessed: 2024.05.16].

Table 1. Comparison of criteria specified in the Directive with the currently applicable mechanism for determining the minimum wage in Poland

Criteria spe- cified in the Directive	Indicators in the current mechanism	Data sources and frequency of publication
Purchasing power of statutory mini- mum wages	<ul> <li>price index in the previous year</li> <li>household expenditures in the previous year</li> <li>ratio of income from employ-</li> </ul>	Institute of Labour and Social Affairs (level and structure of the social mini- mum – quarterly data)
considering living costs	ment and the average number of dependents per employed person in the previous year	Central Statistical Office (periodic price indices of goods and services (inflation) – monthly, quarterly, semi-annual, annual data; situation of households in a given year in light of household budget surveys, including average monthly disposable income and average monthly expenses per person in households)
Overall level of wages and their distribu- tion	<ul> <li>average monthly earnings in the previous year by type of economic activity</li> <li>standard of living of various social groups</li> </ul>	Central Statistical Office (average wage in the national economy – quarterly data; average wage in the enterprise sector – monthly data; average employment and average monthly wages – monthly/quarterly data; wage structure by professions along with median monthly wages – every 2 years)
Wage growth rate	<ul> <li>projected consumer price index and average wage index for the next year</li> </ul>	Central Statistical Office (index of growth of average gross monthly wages in the national economy; index of real average wages in a given year compared to the previous year)
Levels and dynamics of long-term national productivity changes	Economic conditions of the country, taking into account the state budget, economic development requirements, labor productivity levels, and the necessity of maintaining a high level of employment.  Forecasted real gross domestic product (GDP) growth rate	Central Statistical Office, Statistical Yearbook of Industry (employment and labour productivity – annual data; changes in GDP at current prices – quarterly and annual data; industrial production – monthly data) Eurostat (Labour productivity and unit labour costs, GDP per 1 employed person (EU = 100) – annual data)

Source: Authors' own table.

From the information provided in Table 1, it can be inferred that the indicators currently used in determining the minimum wage in Poland can be assigned to the

criteria outlined in the Directive, and that the main source of data regarding the mandatory criteria of the Directive is the Central Statistical Office. It should be noted that Directive 2022/2041 does not require a change to the mechanism currently used in Poland to determine the minimum wage. It seems that the only necessary adjustment is to specify the calculation of the verification indicator, so that it is calculated by dividing the price index in the previous year by the forecast price index in the previous year, based on which the minimum wage was determined, rather than, as currently, the proposed minimum wage sent for negotiation to the SDC.

To implement Directive 2022/2024, the Polish Minimum Wage Act requires supplementation with the following provisions: 1) regulating the procedure for updating the statutory minimum wage, 2) indicating indicative reference values necessary for assessing the adequacy of the minimum wage, and 3) establishing an advisory body on matters concerning the minimum wage.

Because of the use of the so-called semi-automatic mechanism of wage indexation in Poland, updating the minimum wage should occur in Poland no less than once every four years. The updating procedure could be modeled on the annual process used in Poland for determining the minimum wage, prioritizing agreement between the employee and employer representatives of the SDC. In the event of a lack of such agreement, the Council of Ministers would carry out the update, taking into account the positions of the employee and employer representatives of the SDC or the organizations represented on the Council.

We propose adopting the forecast average wage in the national economy, used in the preparation of the budget bill, as an indicative reference value for assessing the level of the minimum wage. The ratio of the minimum wage to the average wage has been steadily increasing. By the second half of 2024 (4,300 PLN/7,824 PLN), this ratio will reach 54.9%. We suggest that the reference value, which we aim to achieve and which will be used as a benchmark for comparing the minimum wage, should be set at 60% of the forecast average wage in the national economy, as used in the preparation of the budget bill. The SDC should be recognized as the advisory body for determining and updating the minimum wage.

### **Conclusions**

The minimum wage is of significant importance for both workers and employers. The primary goal of Directive 2022/2041 is to improve living and working conditions in the European Union, particularly by ensuring the adequacy of minimum wages for workers in order to contribute to positive social convergence and reduce wage inequalities. Our analysis leads to the conclusion that the implementation of Directive 2022/2041 does not require extensive changes in Poland's minimum wage legislation. The mechanism for determining the minimum wage in Poland already takes into account all the criteria for assessing the adequacy of the minimum wage required

by the directive. However, the Minimum Wage Act requires supplementation with provisions 1) regulating the procedure for updating the statutory minimum wage, 2) indicating indicative reference values necessary for assessing the adequacy of the minimum wage, and 3) establishing an advisory body on matters relating to the minimum wage.

However, doubts and questions related to the minimum wage will remain. Among them is the issue of the lack of consideration of minimum wage differentiation among sectors and regionally in Poland. Establishing a minimum wage taking into account the existing regional and sectoral differences in Poland is a challenging task.<sup>24</sup> However, regulating the minimum wage in Poland also raises other questions. What threats does the minimum wage pose in terms of the labor market and the functioning of small and medium-sized enterprises, including microenterprises? What are the consequences of raising the minimum wage in terms of social, economic (including inflation), and motivational factors? Would it be sufficient to have legal protection for employees regulated by collective bargaining agreements? This article may serve as a starting point for further research on minimum wage regulations.

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<sup>&</sup>lt;sup>24</sup> GUS, Sytuacja makroekonomiczna w Polsce na tle procesów w gospodarce światowej w 2019 r., Warszawa 2020, pp. 208–223; *Zróżnicowana regionalnie płaca minimalna dobra tylko w teorii*, https://klubekspertow.rp.pl/panel-ekonomistow/art38870921-zroznicowana-regionalnie-placa-minimalna-dobra-tylko-w-teorii [accessed: 2024.05.16].

## Summary

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Mechanism of Establishing the Adequate Minimum Wage in the Light of the Directive (EU) 2022/2041 from Legal and Economic Standpoints

The article focuses on issues related to the implementation of Directive (EU) 2022/2041 on adequate minimum wages in the European Union in the Polish legal order. To this end, the authors analyze the provisions of the Directive and the mechanism for determining the minimum wage set forth in the Polish Minimum Wage Act. The purpose of the article is to indicate the legal regulations that should be introduced into the Polish law on the minimum wage in order to implement Directive 20022/2041. The article takes into account the legal and economic aspects of the issue analyzed. The research methodology of the article includes analysis and synthesis based on the existing literature on the subject.

Keywords: minimum wage, adequate minimum wage, Directive (EU) 2022/2041, law, economy.

#### Streszczenie

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Mechanizm ustalania odpowiedniego minimalnego wynagrodzenia w świetle dyrektywy (UE) 2022/2041 z perspektywy prawnej i ekonomicznej – przypadek Polski

Artykuł koncentruje się na kwestiach związanych z wdrożeniem dyrektywy (UE) 2022/2041 dotyczącej odpowiednich minimalnych wynagrodzeń w Unii Europejskiej do polskiego porządku prawnego. W tym celu autorzy analizują postanowienia dyrektywy oraz mechanizm ustalania minimalnego wynagrodzenia określony w polskiej ustawie o minimalnym wynagrodzeniu. Celem artykułu jest wskazanie przepisów prawnych, które powinny zostać wprowadzone do polskiego prawa dotyczącego minimalnego wynagrodzenia w celu wdrożenia dyrektywy 2022/2041. Opracowanie uwzględnia aspekty prawne i ekonomiczne analizowanego zagadnienia. Metodologia badawcza artykułu obejmuje analizę i syntezę opartą na istniejącej literaturze przedmiotu.

**Słowa kluczowe:** minimalne wynagrodzenie, odpowiednie minimalne wynagrodzenie, dyrektywa (UE) 2022/2041, prawo, ekonomia.