DSE NEWS

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News from DSE and member institution

DSE Board

Several changes occurred in the composition of DSE's board. Professor Søren Dosenrode resigned from his function as vice-president and secretary of DSE in May 2023. During the board meeting held on 16 June 2023, Sevasti Chatzopoulou expressed her gratitude for his significant contribution to DSE-ECSA, especially for his support in the board during the last years. She shared some of her memories with the board: "I have known Søren since I first moved to Denmark, during a time where everything was taught in Danish in

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most universities, aside from Aalborg. He been always supportive, encouraging and an important asset for DSE and EU studies in Denmark." Associate Professor Dominik Schraff has accepted the invitation to join the board representing Aalborg University. Professor Ulla Neergaard also resigned after many years in the Board. The Board is grateful for her contribution

to DSE. Copenhagen University is now represented in the Board by Assistant Professor Hanna Eklund from the Department of Law. The board is happy to welcome its two new members and is looking forward to a fruitful collaboration.

Nordic Association for European Studies

he first NAES conference took place on 1-2 of November in Drammen, Norway. The keynote speaker was Chris Lord from the Norwegian Research Institute Arena. The conference participants came from all the Nordic countries and all the members of NAES (Sweden, Denmark, Finland, Norway, Greenland, and Iceland) as well as from other countries such as France and the Netherlands.

This first conference was successful, the papers were of high quality and the participants were highly engaged in the discussions. On the second day, many participants attended the lecture given by John Ikenberry at the University of Oslo. More information about the conference, can be found using the following link.





<u>Photo:</u> NAES conference (Sevasti Chatzopoulou, Lars Oxelxeim and Erik Grindheim (on the right); Daniel Finke; Niilo Kauppi; Maximilian Konrad and Maria Ackrén (on the left).

A new research center is born

new research center connecting three universities in the Öresund region is born. The "Centre for Modern European Studies – An Öresund Network of Lund University, Malmö University and the University of Copenhagen" (CEMES) supports multidisciplinary research in modern European studies on both sides of the Sound.



<u>Illustration:</u> courtesy of the CEMES research group "Öresund Borderlands".

CEMES has existed at University of Copenhagen since 2009, but thanks to a Danish-Swedish initiative, it has transformed itself and tripled in size as of 2023. Its mission is to inspire, facilitate and fund research within the Faculties of Humanities and Theology at Lund University and Copenhagen University as well as the Faculty of Culture and Society at

Malmö University. CEMES addresses modern Europe, broadly understood. This includes Europe's relations to other regions of the world, its history, culture, media, politics, religions, philosophy, arts, and literature, among others. CEMES is directed by a Steering Committee of researchers from the three partner institutions, including a Chair and two Vice-Chairs. Associate Professor Morten Rasmussen, University of Copenhagen, is Chair, while the Vice-Chairs from Lund and Malmö Universities are respectively Associate Senior Lecturer Dino Knudsen and Professor Barbara Törnquist-Plewa.

CEMES hosted a Launch Seminar at Malmö University on 25 August 2023. It was attended by about 90 researchers. The seminar spawned a great number of applications to establish thematic trans-institutional research groups. The Steering Committee then deliberated to fund eight groups, each of which was awarded annual grants until 2026. Their themes cover diverse topics such as European cultures of laughter, the future of European democracy, the roles played by libraries, archives and museums in democratic culture, European intellectual heritage, memory culture, international cooperation, audiovisual culture, and the Öresund region as a borderland. More information on each of these groups can be found here.

Beside the research groups, CEMES will open two annual "bottom up calls" to fund exciting new research on a yearly basis. Applicant must be researchers at one of the three partner institutions. The Centre will also organise larger events open to researchers and the broader public. Finally, CEMES is open to collaborations with researchers, centres and institutions at other Danish Universities.

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EU News...

Celebrating the 30th anniversary of the Copenhagen Criteria

hirty years ago, the EU adopted the Copenhagen criteria. It was a very different world back then. The URSS had collapsed a few years before. The Iron Curtain was no more. Central and Eastern European states were knocking at the door of the European Union. They were European, but they had developed during four decades in very different systems - different both, politically, and economically. Despite the enthusiasm of "reuniting Europe", accession to the European Union posed challenges. The heads of States and Governments of the then Members States met in Copenhagen and agreed on a set of political and economic criteria that applicant states were to fulfill to member These states. designated by the expression "Copenhagen Criteria". This happened thirty years ago. What an anniversary!

To commemorate this event, the Danish Ministry of Foreign Affairs (Udenrigsministeriet) and the think tank Europa organized a high conference, which took place on 28 June 2023 in Copenhagen. Carsten State Grønbech-Jensen, Secretary European Affairs and the Artic welcomed the guests. It is difficult to name all the speakers invited (mostly high ranking members of the governments of Denmark, Latvia, Lithuania, Estonia, North Macedonia, Serbia, Albania, Ukraine, Moldova, Georgia, France, Belgium). But one can mention some of the Danish speakers: Poul Nyrup Rasmussen and Lars Løkke Rasmussen, former Prime Ministers; Per Stig Møller, former minister; Poul Skytte Christoffersen, former Danish Permanent

Representative to the European Union. Three sessions, moderated by Lykke Friis, were organized. The first session, started with a panel on how some of the main Danish this politicians involved in adventure experienced the upcoming "Big Bang" enlargement and the elaboration of the Copenhagen Criteria. The second panel of the session brought testimony to the other side of the story, focusing on the Baltic experience: what was it like to be an applicant member state, then to become a candidate state, and eventually, a member state? How were the Copenhagen Criteria experienced? How did they help and constrain the candidate states in their reform processes? The second session brought together politicians from current candidate states. Some of these have been candidates for several decades, others have joined list of candidate countries very recently. Finally, the last session, giving the floor to EU decision makers and analysts, discussed the way forward and the upcoming enlargements.

In many regards, this conference was a historical moment. Firstly, because it offered the audience (both on-site and online) a rare access to the memory of some of the actors who made history. Second because the audience had the impression of observing history in the making. At the end of this dense one-day conference, it was guite clear that despite the reservations of some older member states, the long pause with enlargements was about to come to an end. This might also have been one of the goals of this conference. When the conference preparations began, in the Fall of 2022, the team organizing had two goals. Commemorating the 30th anniversary of the Copenhagen Criteria was the first goal. But the second was to pave the way for future enlargements. In this respect, the conference not only offered the audience a stimulating programme, it also offered the speakers, in particular those from the current candidate countries, an opportunity to meet and exchange on the way forward. A sort of political *rendez-vous*. In this respect the conference was not only a successful one but also a powerful one.

Staffing in the EU institutions

he EU institutions are facing a recruitment crisis. Their staff is aging and shrinking because there is not enough incoming staff to compensate the retirement rates and the departures occurring for other reasons. In the coming years, if nothing is done concerning the recruitment levels of several member states, their staff levels will drop to levels that will be difficult to compensate without special measures. The situation is particularly worrying for the Nordic member states (Denmark, Finland and Sweden) but also for other member states such as Germany, and the Netherlands. Between 2022 and 2027, it is estimated that the Commission will lose 30% of its Nordic staff. This trend is expected to continue until the early 2030s.

This is problematic for two reasons. First, the EU's Staff Regulations impose recruitment practices that aim for geographical balance. The current situation indicates increasing levels of geographical imbalance. Geographical balance is important for the EU in terms of legitimacy; it is also important for the member states who need sufficient numbers of their nationals in the EU bureaucracy to circulate

information from the EU back to their governments, and from their governments back to the EU institutions. Second, if too many member states experience severe geographical imbalance at the same time, the EU could end in a situation where it faces difficulties recruiting enough staff to function properly. To remedy this situation, the Commission and the European most concerned Member States have initiated bilateral exchanges to try to slow down the trend and possibly, in time, reach again satisfactory staffing levels. Actions Plans (15 in all) for each of the concerned state, containing an analysis of their respective situations and a description of their strategies to increase staff levels were prepared during 2023. They should soon be available on the Commission's website.

In this context, as part of the Finnish Government's Plan for Analysis, Assessment and Research, KPMG, 4Front and the University of Turku, published a comprehensive report comparing the staff numbers and trends of seven member states (Austria, Belgium, Denmark, France, Germany, Ireland, Netherlands, Romania, Spain, Sweden). This study, co-authored by H. Pekkala, H. Lahtinen, and S. Karlsson (KMPG); K. Hamle, and J. Kiiskinen (4Front); and K. Elo and J. Koljonen (Center for Parliamentary Studies at the University of Turku), is available in three different "formats" on the website of the Finnish Government. There is a policy brief in Finnish focusing on the Finnish case, a policy brief in English focusing on the other member states, and the final report, also in Finnish. The study provides valuable data and analyses for readers interested in this topic (policy and decisions makers, scholars, media, etc.).

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Denmark and Europe...

Scandinavian unions and the EU minimum wage directive

By Thomas Paster, Associate Professor in Business and Public Policy Roskilde University

n October 2022, the European Union adopted a directive on adequate minimum wages (Directive (EU) 2022/2041). Framed by the Commission as part of the European Pillar of Social Rights, this directive has two main components: First, it aims to promote collective bargaining by requiring countries with a bargaining coverage of below 80 percent of all employees to take steps to raise coverage. Second, it requires countries with statutory minimum wages (SMWs) to set them at a level considered adequate, by requiring countries to specify reference values for that adequacy (Council of the European Union, 2022,). The Directive recommends SMWs, where they exist, to be set at either 60 per cent of the national median wage or 50 per cent of the average wage.

This directive has sparked controversy among EU member states. While most member states supported the directive, Sweden and Denmark opposed it, together with Hungary. Most unions and employers' associations in both Scandinavian countries oppose EU legislation on statutory minimum wages, including the Directive (Furåker, 2020). They put forward two arguments. The first argument is that the EU treaties do not provide the EU with the competency to legislate on issues of wages. The second argument is that the Directive will undermine their national model of collective wage bargaining. Since its inception in the first half of the 20th century, collective bargaining in both countries is voluntarist, meaning that the state does not legislate minimum wages and that wage agreements do not extend to nonorganized firms. In the words of former chairperson of the Confederation of Danish Trade Unions FΗ (Fagbevægelsens

Hovedorganisation) Rizette Lisgaard: "We think that it can undermine the Danish bargaining system if the EU intervenes on wage issues. The EU should not interfere with how we organize the labour market in Denmark" (Risgaard, 2020).

In January 2023 the Danish government submitted an annulment lawsuit against the Directive to the European Court of Justice (Beskæftigelsesministeriet [Danish Ministry of Employment], 2023). Opponents of the Directive, including the Danish government, question the treaty base chosen by the European Commission, which is the item working conditions in Article 153(1) lett. b) TFEU. The ordinary legislative procedure, with qualified majority voting in the Council, applies under this article. While it is clear that the EU has the right to pass legislation in the area of working conditions, the TFEU explicitly excludes pay from the items covered in Article 153(1): "The provisions of this Article shall not apply to pay, the right of association, the right to strike, or the right to impose lockouts" (European Union, 2008). Legal experts are divided on the legality of the directive. Among those affirming the legality of the Directive is Eberhard Eichenhofer, Professor of Law at the University of Jena, who concludes in a legal expertise commissioned by the German Trade Union Confederation (DGB) that the Directive to be admissible under the provisions of Article 153(1) (DGB, 2021, Wixforth and Hochscheidt, 2021). Emanuele Menegatti, Professor of Business Law at the University of Bolonga also affirms the legality of the Directive, on the grounds that it does not constitute a direct interference in national wage setting (Menegatti, 2021). In contrast, Erik A. Sjödin,

Lecturer of Labor Law at the University of Stockholm, views the Directive as a direct involvement in the setting of wages and thus as covered by the exemption on pay in Article 153(5) (Sjödin, 2022).

The second objection by Danish and Swedish unions, in addition to the issue of legality, concerns the alleged threat the Directive to the national wage bargaining models in these two countries. Unions and some academic scholars in the two countries argue that provisions in the Directive will undermine the Nordic model (e.g. Bender and Kjellberg, 2021). In their view, this could happen through a variety of causal mechanisms. They suspect, for instance, that adoption of statutory minimum wages might induce firms to leave collective bargaining, since firms could then point to the SMWs as a legitimate pay level. Concerns also exist that union density might decline if the state guarantees minimum wages and workers thus no longer have a need to join a union in order to get a decent wage (see e.g.Rolfer and Wallin, 2021b). In Denmark, about 67 per cent of all employees are a member of a labor unions, in Sweden 65 per cent, according to OECD-AIAS data, with a slight downward trend in both countries in recent years. Others suspect that the requirement to promote a high level of bargaining coverage could create problems in Denmark and Sweden, in case bargaining coverage there should fall below 80 percent, a situation that could potentially result in the European Commission issuing country-specific recommendations for which Denmark or Sweden, could hypothetically include a recommendation to introduce SMWs.

We need to keep in mind though that the Directive does not require countries to adopt SMWs. It merely requires member states that have SMWs to set them at a level that allows an adequate standard of living and to do so by using transparent reference criteria and by updating levels at regular intervals (Article 5). The softness of the provisions in Article 5 reflects a concession to Denmark and Sweden and is intended to accommodate the diversity

of labor market institutions in the EU. Nevertheless, Scandinavian unions suspect that the European Court of Justice might use the directive to justify decisions that in effect will require their countries to adopt SMWs or possibly legal extension of collective agreements if bargaining coverage falls below 80 per cent.

Analytically, we need to break this argument down into two parts: The first one concerns the question of how likely it is that the ECJ could use the Directive to force Denmark or Sweden to adopt a statutory minimum wage. The second concerns the question whether an introduction of SMWs, be it in response to an ECJ decision or for other reason, would in actual fact undermine the Scandinavian labor market model. Concerning the first, it seems unclear how the ECJ could use the Directive to effectively mandate member states to adopt SMWs. While the Directive does require member states to establish national action plans to strengthen collective bargaining if coverage is below 80 per cent, the Directive does not contain provisions for sanctions in case a member state fails to take effective actions to increase bargaining coverage. It thus seems unlikely that the European Commission could use the Directive to initiate infringement proceedings against a member state where coverage either remains or falls below 80 per cent. The provisions of Article 4 of the Directive thus seem likely to develop the character of soft law.

The second part of the argument concerns the expected undermining of the Scandinavian labor market policies through an imposed adoption of SMWs. International comparative research on the effects of SMWs on bargaining coverage is scarce, the adoption of a national statutory minimum wage in Germany in 2015 can serve as a quasi-experiment. If the adoption of the SMW has a negative independent effect on bargaining coverage, we would expect the erosion of bargaining coverage in Germany to accelerate after 2015. Empirically, the erosion of bargaining coverage in Germany, which started in the 1990s,

continued but did not accelerate with the adoption of SMW in 2015 (Destatis, 2023). Clearly, the effects of the 2015 reform in Germany on bargaining coverage need more rigorous investigation, for instance, through a regression discontinuity design. Moreover, conditions in the Scandinavian countries might different from Germany, clearly. Nevertheless, on the face of it, it does not appear that the adoption of SMWs does have a strong negative effect on bargaining coverage (for a more systematic analysis of the interation of SMWs and collective bargaining coverage see Haapanala et al., 2022).

Overall, the arguments put forward against the Directive by Danish and Swedish unions have a speculative character. They are grounded in fears about possible future ECJ rulings, rather than in objections to the provisions of the Directive as such. Past rulings by the ECJ, including for instance those in the Laval (2008) case, have solidified unions' concerns about EU interference in national labor market models. Because of the soft character of the Directive, these suspicions may well turn out as unjustified in this case.

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