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European Unıon Mınımum Wage Dırectıve Agenda

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ABSTRACT: It examines the fundamental objectives of the EU Minimum Wage Directive and the needs it has generated in greater detail. This directive has been effectively designed to harmonise wage policies across European Union member states while also aiming to ensure socio-economic stability. In the process of determining and standardising wages, it is crucial to consider important factors such as economic development levels, working conditions, and social policies, as well as local and international dynamics. At this point, each country's unique structure, socio-economic situation, and labour market conditions emerge as factors that directly influence the implementation of the directive. At the same time, wage fairness and the improvement of living standards are considered critical tools for ensuring balance and continuous stability in the labour market. All of these processes are of great importance for strengthening Europe's overall social policies and creating a sustainable economic structure. In particular, this directive aims to increase individuals' economic security, ensure social welfare and protect social rights. Furthermore, improving labour mobility between countries and access to employment opportunities are also among the important outcomes of this directive. In short, the EU Minimum Wage Directive stands out as a critical step towards developing economic justice and social individual rights across Europe.

KEYWORDS: Minimum wage, European standards, wage policies, economic and social sustainability, integration, mobility

INTRODUCTİON

The minimum wage is the lowest income level set to enable a worker to meet their basic living needs. However, the mere existence of a minimum wage in a country is not sufficient; what matters is whether this wage lifts workers and their families out of poverty and enables them to live a decent life. Although the European Union (EU) has left this issue to the policies of its member states for many years, increasing income inequalities, rising worker poverty and the economic crises deepened by COVID-19 have led the EU to intervene directly in recent years. OECD data shows that workers in many countries are at risk of poverty. In this context, the EU Minimum Wage Directive, adopted in 2022, stands out as an important regulation that aims to guarantee not only the existence of a minimum wage but also its adequacy. The EU Minimum Wage Directive (2022/2041), adopted in 2022, is an important milestone that aims to guarantee not only the existence of a minimum wage but also its adequacy.

In-work poverty has become an increasingly debated issue in Europe. Millions of people working for the minimum wage in many countries struggle to cover their living costs despite working full-time. Rising inflation and increases in housing and basic consumption costs are reducing the real purchasing power of the minimum wage. For example, the purchasing power parity value of the minimum wage in Romania is approximately one-fifth of that in Luxembourg. In countries such as Bulgaria, Latvia and Estonia, the minimum wage is below 50% of the median wage. This situation is causing a deep divide in living standards among workers within a single EU market. The EU has prepared this directive with the aim of producing a common solution to this problem and guaranteeing that minimum wages in all member states are at a level that allows workers to make ends meet.

However, the EU does not impose a single minimum wage amount on all member states. Instead, it has introduced certain criteria to measure the adequacy of the minimum wage, taking into account each country's economic structure and labour relations. The most important of these are:

- The guiding principles that the minimum wage should be at least 50% of the average wage or 60% of the median wage in that country.
- The median wage refers to the point at which half of the workers in a country earn less than this amount and the other half earn more. Therefore, the ratio of the minimum wage to the median wage is a critical indicator of its place in the overall income distribution of society and its adequacy.

In light of these criteria, Scandinavian countries such as Sweden, Denmark and Finland currently provide higher base wages through strong collective bargaining systems rather than legislating minimum wages. The Directive introduces adequacy criteria for countries with legally defined minimum wage systems, while allowing countries that determine wages through collective bargaining, such as the Scandinavian model, to maintain and develop their systems. This flexibility demonstrates that the EU respects different traditions of labour relations and, rather than imposing a uniform model, encourages each country to ensure the adequacy of the minimum wage by strengthening its own social dialogue mechanisms.

However, the directive aims to regulate not only minimum wage levels but also wage-setting processes. The EU encourages the strengthening of collective bargaining mechanisms, increasing the influence of trade unions on wage policies, and greater involvement of worker representatives in decision-making processes. This is because research shows that in countries with strong collective bargaining systems, the minimum wage is higher and in-work poverty remains at lower levels. For example, the proportion of workers covered by collective bargaining is over 90% in Sweden and around 98% in Austria. In Poland and Estonia, however, it is below 25%.

Despite the directive's ambitious targets, some economists and employers' organisations argue that raising the minimum wage above a certain level could have negative effects on employment and could particularly strain small and medium-sized enterprises. Furthermore, economic disparities between the EU's eastern and southern member states and its western and northern members may pose challenges in implementing the directive. However, it should not be forgotten that a well-designed minimum wage policy can improve the living standards of low-paid workers while boosting consumption expenditure, thereby contributing positively to the economy.

This article aims to examine the role of the minimum wage in the living standards of workers and their families by detailing the background, objectives, and effects of the EU Minimum Wage Directive on member states. It will also provide an assessment of the structural changes and social impacts this directive brings to wage policies in Europe.

The fundamental aim of the European Union Minimum Wage Directive (2022/2041) is not only to ensure the existence of minimum wages across the EU but also to ensure they are at an adequate level. This directive aims to reduce in-work poverty, eliminate differences in living standards between member states, and enable all workers to lead a decent life.

Rather than imposing a single minimum wage level on each country, the directive introduces flexible criteria that take into account national economic conditions and labour relations. Under these criteria, it is recommended that the minimum wage be at least 50% of the average wage or 60% of the median wage in the country (European Parliament and Council, 2022). This allows countries with different economic structures to set a minimum wage that is appropriate to their own circumstances, but still adequate.

Furthermore, the proposal encourages strengthening collective bargaining mechanisms in determining the minimum wage, increasing the influence of trade unions in wage policies, and involving worker representatives more in decision-making processes. This approach also protects and supports wage-setting models through collective bargaining, such as those in the Nordic countries (Eurofound, 2023).

An important aspect of the Directive is the paradigm shift in economic policies regarding the relationship between the minimum wage and employment. Until 2015, traditional economic approaches assumed that an increase in the number of minimum wage workers or low rates of participation in collective bargaining agreements would have a positive impact on employment. This perspective was based on the assumption that low wages would encourage employers to hire more people (OECD, 2018). However, since 2015, this assumption has been abandoned, and the view that high or fair wage levels do not have a negative impact on employment has gained prominence in EU policies (European Commission, 2020). Various studies have shown that well-designed minimum wage policies can improve the living standards of low-wage workers while also contributing positively to the economy. It is accepted that an adequate minimum wage stimulates domestic demand by increasing workers' purchasing power, raises productivity, and improves income distribution (ILO, 2022).

This paradigm shift forms the core philosophy of the EU Minimum Wage Directive. The Directive recognises that fair remuneration is not an obstacle to economic growth and social justice, but rather a driving force. Therefore, the aim of the Directive is not only to raise the minimum wage to a certain level, but also to make wage-setting systems more inclusive, transparent and fair (European Parliament and Council, 2022).

Based on this information, it is understood that the EU Minimum Wage Directive aims to improve the living conditions of workers at risk of poverty despite working full-time and to reduce economic inequalities by establishing fair and adequate wage systems across Europe. This approach is seen as a concrete reflection of the strengthening of the social European ideal and the EU's principle of "leaving no one behind" (European Commission, 2021).

EU MINIMUM WAGE DIRECTIVE: LEGISLATIVE PROCESS

The European Union (EU) Minimum Wage Directive is considered a significant milestone in terms of social policy and labour market regulations. This regulation, which establishes common principles for determining minimum wage levels and their implementation, is a critical step towards strengthening European workers' rights. The legislative process of the Directive has been shaped by the complex search for balance between national economic interests, social rights demands and the concerns of the business world.

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The Directive's Introduction and Initial Steps

At the end of 2020, the European Commission raised the need for regulation on minimum wages with the aim of improving workers' living standards and reducing wage inequalities between member states. With the pandemic also increasing demands for income security, the idea of developing a common approach to address issues such as wage disparities and in-work poverty within the EU came to the fore (European Commission, 2020). Smith (2021, p. 330) states that "minimum wage policies in Europe remain a controversial issue due to the tension between the autonomy of national collective bargaining systems and centralised regulation." In this context, the European Commission's initiative has been met with mixed reactions within the EU. While strongly supported by trade unions and social rights advocates, employers' organisations and some Member States have taken a cautious stance due to the possibility of interference with national wage-setting systems. Discussions have focused particularly on the autonomy of collective bargaining processes and whether minimum wage-setting mechanisms can be established at the European level.

Negotiation Process and Key Points of Tension

The legislative process continued with negotiations in the European Parliament and the European Council following the European Commission's proposal. During this process, differences between national models and economic systems were the main source of tension.

• Northern and Eastern European countries opposed the creation of a centralised minimum wage mechanism at the EU level, arguing for the preservation of their own collective bargaining systems. Countries such as Denmark and Sweden, in particular, support the determination of the minimum wage through bargaining processes thanks to their strong collective bargaining structures. Andersen (2022) describes this situation as follows: "The collective bargaining systems of Northern Europe are critical to protecting workers' rights and wage-setting processes."

• Southern European countries, emphasising the need for centralised regulation in regions with high income inequality, have welcomed a directive containing stricter rules. García (2022) describes this situation as follows: "The economic structure of Southern Europe clearly demonstrates the necessity of centralised regulation."

• Employers' organisations, on the other hand, argue that minimum wage increases will raise operating costs and could have negative effects on employment levels. BusinessEurope (2022) expresses its concerns on this matter, stating that "Increasing the minimum wage could increase cost pressures, particularly for small and medium-sized enterprises (SMEs)."

• Trade unions also emphasise the importance of legally binding regulations, stating that workers' purchasing power must be protected and social protection mechanisms strengthened. In this context, ETUC (2022) states that "Legally binding minimum wage regulations are critical to protecting workers' living standards." This difficult negotiation process was overcome with mutual concessions from both sides, and agreement was reached on a joint text.

Legislation and Entry into Force

The European Parliament and the European Council formally approved the EU Minimum Wage Directive on 25 October 2022. The Directive entered into force on 7 June 2023 upon its publication in the Official Journal of the European Union. Member States have been given two years to bring their national legislation into line with the new regulation. During this period, countries are expected to make the necessary legal adjustments in accordance with their own systems (Official Journal of the European Union, 2023).

Expected Effects and Potential Challenges

With the entry into force of the Directive, significant developments in the field of workers' rights and social protection are expected across Europe. The main positive effects are as follows:

- Improvement in workers' living standards: The aim is to increase income levels for low-paid workers.
- Reducing wage inequalities: The aim is to gradually balance the large differences in minimum wages between Member States.
- Strengthening social protection mechanisms: The use of objective criteria in determining minimum wage levels will contribute to the creation of a more sustainable wage policy.

However, it is also anticipated that the regulation may give rise to certain potential difficulties:

- Cost pressure on small businesses: It is noted that an increase in minimum wage levels could create financial pressure, particularly on businesses operating with low profit margins.
- Decreased employment flexibility: There are concerns that employers may adopt more cautious hiring policies due to increased wage costs, which could lead to an increase in informal employment.
- Inability to fully reflect national economic differences: As levels of economic development vary across the EU, it remains a matter of debate whether a uniform minimum wage framework is appropriate for all member states.

The EU Minimum Wage Directive is a regulation that seeks to balance the views of different interest groups and is considered an important step in terms of social policy. Although not entirely a "win-win" solution, it stands out as an example of compromise aimed at strengthening workers' rights. The real effects of the Directive will become clearer over time, depending on the implementation practices of member states during the adaptation process and their direct impact on labour markets. The EU will closely monitor this process through regular monitoring and evaluation mechanisms and make adjustments where necessary.

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CONTENT OF THE DIRECTIVE

The EU Minimum Wage Directive was created to increase minimum wage levels and strengthen social protection mechanisms in European Union member states. This directive aims to improve workers' living standards and reduce wage inequalities. The fundamental objective of the directive is to ensure that the minimum wage is sufficient to maintain living standards. The European Commission (2020) states that "It is crucial for social justice that minimum wages are at a level that allows workers to maintain their living standards." The directive proposes that minimum wages in Europe be used as a tool to prevent injustice in the labour market and protect social rights.

The Directive requires Member States to comply with certain criteria in the process of determining the minimum wage. These criteria include strengthening collective bargaining processes and effectively utilising social dialogue mechanisms in determining minimum wages. Smith (2021) notes, "Collective bargaining is a fundamental tool for determining wages fairly and plays a critical role in establishing minimum wage mechanisms at the EU level." This is of vital importance for protecting workers' rights and achieving a better balance in their relations with employers. The Directive also recommends that Member States update minimum wages annually and review them regularly. It emphasises that updates should be based on economic indicators such as inflation and the cost of living. Andersen (2022) explains this situation, stating that "Regular updates to minimum wages are essential to protect workers' purchasing power." This mechanism aims to adapt to changing economic conditions over time and to continuously improve workers' living standards.

Another important aspect of the directive is that it provides a framework for strengthening social protection mechanisms. In this context, ETUC (2022) highlights the importance of social security, stating that "Social protection systems are critical to making workers more resilient in the face of economic uncertainty." In this regard, the directive encourages the development of strategies to strengthen social protection systems in order to prevent unemployment and increase the effectiveness of social support programmes.Furthermore, the directive recommends adopting the principle of transparency in determining minimum wages and establishing accountability mechanisms. This is important for protecting workers' rights and ensuring that minimum wage regulations can be effectively monitored. In particular, it emphasises that Member States should disclose their minimum wage determination processes to the public and engage with social partners.

The EU Minimum Wage Directive stands out as a comprehensive regulation that aims to protect workers' rights and enhance social justice through these elements. The effective implementation of this regulation will not only improve workers' living standards but will also have positive effects on economic growth and social stability.

DEFINITION AND SCOPE OF THE MINIMUM WAGE: AN ASSESSMENT WITHIN THE FRAMEWORK OF THE EU MINIMUM WAGE DIRECTIVE

The minimum wage refers to the lowest legal wage level paid to workers in exchange for a certain period of work, sufficient to meet their basic living needs. The International Labour Organisation (ILO, 1970) defines the minimum wage as "the lowest wage level, determined by law or collective bargaining, that enables a worker to meet their basic needs in exchange for work performed within a specific time period." This concept has multifaceted social and economic functions, such as ensuring the social protection of workers, reducing income inequalities, and promoting fair competition in the labour market. The determination and implementation of the minimum wage varies according to each country's economic structure, labour market dynamics, and social policies. International organisations such as the European Union (EU) encourage minimum wage regulations to establish certain standards among member states. In this context, the EU Minimum Wage Directive is an important legal regulation that aims to improve the living standards of workers in Europe and create a more equitable and sustainable system in wage policies (European Commission, 2022).

Components and Importance of the Minimum Wage

The minimum wage is not merely a specified nominal figure; it is a multidimensional concept encompassing various economic and social factors. Under the EU Minimum Wage Directive, the minimum wage must include the following elements:

1. Affordability of the Cost of Living: The minimum wage should be at a level that allows workers to meet their basic needs, such as food, housing, health, and transportation. The European Commission (2020) emphasises that "minimum wages must be set in line with the cost of living to provide workers with a decent standard of living."
2. Determination Based on Economic and Social Indicators: The EU Minimum Wage Directive recommends that the minimum wage be determined based on economic indicators such as purchasing power, inflation rate, national income level, and labour productivity (Smith, 2021).
3. Compatibility with Collective Bargaining Processes: It is emphasised that collective bargaining mechanisms between trade unions and employers' organisations must be robust for the effective determination of the minimum wage. The European Trade Union Confederation (, 2022) states that "collective bargaining plays a key role in determining minimum wage levels and is of vital importance for the protection of workers."

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4. Regular Updates: The EU Directive provides for minimum wages to be reviewed at regular intervals in line with inflation and other economic variables. Andersen (2022) states that "annual revision of minimum wages is essential to protect workers' purchasing power against economic fluctuations."

In summary, the minimum wage is a critical tool for both economic growth and social justice. The EU Minimum Wage Directive aims to protect workers' rights by encouraging the establishment of fair and sustainable wage policies in member states. However, the effectiveness of minimum wage policies depends on many factors, such as countries' economic structures, the strength of collective bargaining mechanisms, and the robustness of social protection systems. Therefore, the principles established by the EU on minimum wages need to be adapted to each country's internal dynamics and reviewed regularly.

CRITERIA FOR DETERMINING THE MINIMUM WAGE

The determination of the minimum wage should be structured in a way that ensures economic sustainability while also protecting workers' living standards. The European Union (EU) Minimum Wage Directive requires member states to take economic and social indicators into account when setting the minimum wage. In particular, setting the minimum wage at 50% of the average wage and 60% of the median wage is considered an important reference point in this area (European Commission, 2022).

The 50% Average Wage and 60% Median Wage Approach

Average and median wage ratios are of great importance in terms of making income distribution in a country more equitable and protecting low-wage workers. The International Labour Organisation (ILO, 2019) states that "a minimum wage that reaches at least 50% of the average wage and at least 60% of the median wage can prevent workers from falling below the poverty line." These ratios ensure that the minimum wage is not merely a nominal value but becomes a factor that directly affects workers' purchasing power.

The European Commission (2022) argues that "using 50% of the average wage and 60% of the median wage as threshold values in determining the minimum wage protects the lower end of the wage distribution and contributes to reducing social inequalities." This model aims to increase the economic security of individuals working in low-wage sectors in particular.

Criteria for Determining the Minimum Wage: The Case of Turkey

In Turkey, the minimum wage is determined through annual consultations and collective bargaining processes. The minimum wage in Turkey is generally determined according to the following criteria:

1. Cost of Living: In Turkey, the minimum wage is determined in an effort to meet the basic needs of workers. However, increases in the cost of living and inflation are significant factors in this process. According to data from the Turkish Statistical Institute (TÜİK), price increases in basic expenditure items such as food and housing directly affect the adequacy of the minimum wage.
2. Economic Indicators: Economic indicators such as the inflation rate, unemployment rate and economic growth are taken into account in the minimum wage determination process. However, high inflation in Turkey in recent years has significantly reduced the purchasing power of the minimum wage, leading to social unrest among workers.
3. Collective Bargaining Processes: In Turkey, the minimum wage is determined through negotiations between labour unions and employer organisations. However, the weakness of collective bargaining mechanisms can prevent the establishment of an effective social dialogue environment for determining the minimum wage.
4. Regular Updates: In Turkey, the minimum wage is reviewed and updated annually; however, there is uncertainty regarding the frequency and criteria for these updates. Economic fluctuations and inflation are critical factors that necessitate updates to the minimum wage.

International Practices and Comparison with Turkey

Setting the minimum wage at 50% of the average wage and 60% of the median wage has been adopted by many EU member states. For example:

• France and Germany: In these countries, the minimum wage is set at a level close to 60% of the median wage. Social dialogue and collective bargaining mechanisms are actively used in determining the minimum wage (Andersen, 2022).

• Nordic Countries: Thanks to strong collective bargaining systems, the minimum wage is generally determined through sector-based agreements. This allows the minimum wage to be set at higher levels than the national average (Smith, 2021).

• Eastern European Countries: Although minimum wage levels remain low, reform efforts are ongoing to reach these rates in line with the EU Minimum Wage Directive. These countries are cooperating with the EU to strengthen their social protection systems and increase minimum wage levels (European Commission, 2022).As a result of all these assessments, the adoption of criteria based on 50% of the average wage and 60% of the median wage in determining the minimum wage is considered an important policy tool that enhances workers' economic security and reduces income inequality. However, the difficulties encountered in the process of determining the minimum wage in Turkey affect the applicability of these threshold values. A balanced approach should be adopted in determining minimum wage levels, taking into account both the welfare of workers and the competitiveness of businesses.

DEMOCRATIC REPRESENTATION IN THE DETERMINATION OF THE MINIMUM WAGE

Democratic representation in the determination of the minimum wage is of critical importance in terms of protecting workers' rights and ensuring social justice. This process is not limited to the evaluation of economic data, but also includes social participation, social dialogue and democratic processes. Determining the minimum wage requires the effective representation of social stakeholders in order to reflect the needs of workers and ensure fairness in relations with employers.

The Importance of Democratic Representation

Democratic representation refers to the inclusion of different social groups, particularly trade unions and employer representatives, in the decision-making mechanisms involved in setting the minimum wage. Many countries use collective bargaining mechanisms to determine the minimum wage and emphasise the importance of social dialogue in this process (European Commission, 2022). Trade unions reflect the economic and social demands of workers by making their voices heard in legal processes, while employers also have the opportunity to express their cost and competitiveness concerns. The ILO (2019) states that "strengthening democratic representation contributes to ensuring social justice in the determination of the minimum wage." In this context, the functions of democratic representation are as follows:

1. Ensuring Social Justice: Democratic participation in the minimum wage determination process ensures social justice by increasing workers' economic security. When workers' needs and demands are taken into account, a more equitable wage policy can be established.
2. Social Consensus: The participation of trade unions and employers promotes social consensus. When common goals are shared, a more constructive dialogue environment is created in the process of determining the minimum wage (Smith, 2021).
3. Transparency and Accountability: Democratic representation ensures greater transparency in the minimum wage determination process. Representatives of labour and employer organisations are obliged to disclose decision-making processes to the public, which increases accountability.

Challenges in Implementing Democratic Representation

However, ensuring democratic representation in the determination of the minimum wage involves certain challenges. These challenges include:

- Power Imbalances: Employer organisations are often in a stronger position, while labour unions may be weaker. This situation can affect democratic representation, leading to insufficient protection of workers' rights (BusinessEurope, 2022).
- Political Stability: In some countries, political instability can negatively affect social dialogue processes. Changes in governments' minimum wage policies can weaken the representation of social partners.
- Lack of Participation: Workers' participation in minimum wage setting processes may be limited. Lack of education and information can make it difficult for workers to defend their own rights (ETUC, 2022).

International Practices and Examples

Globally, democratic representation in minimum wage determination processes varies. For example:

- Nordic Countries: In these countries, social dialogue is highly effective in the minimum wage setting process thanks to strong collective bargaining systems. Trade unions work in cooperation with employers to safeguard workers' rights (Andersen, 2022).
- Germany: In Germany, worker representatives sit alongside employers on the Federal Minimum Wage Commission, ensuring democratic representation in the minimum wage setting process (Smith, 2021).
- Turkey: In Turkey, worker and employer representatives sit on the minimum wage determination committee, but social dialogue processes are often conducted in a contentious manner. The lack of strong trade unions can lead to a weakening of democratic representation (BusinessEurope, 2022).Democratic representation in minimum wage determination is of great importance in terms of ensuring social justice and increasing the economic security of workers. Social dialogue processes allow the minimum wage to be determined in an environment where worker and employer representatives are equally represented. However, for this process to function effectively, power imbalances must be addressed, political stability must be ensured, and worker participation must be increased. Thus, a more equitable and sustainable system for determining the minimum wage can be established.

RELATIONSHIP BETWEEN THE MINIMUM WAGE AND COLLECTIVE LABOUR AGREEMENTS (CLA) BENEFIT RATE

The relationship between the minimum wage and collective bargaining agreements (CBAs) has significant social and economic consequences in the labour market. CLAs are a legal framework that regulates wages and working conditions determined by agreements between trade unions and employers. These agreements guarantee the rights of all workers in a particular sector or enterprise and play a fundamental role in determining wages above the minimum wage.

The Impact of the Minimum Wage on CLAs

While the minimum wage provides a guarantee for workers to meet their basic living needs, it also serves as a reference point in determining CLAs. By ensuring that the minimum wage is set at a certain level, trade unions increase their bargaining power to negotiate collective agreements that include higher wages and better working conditions. This can positively affect the rate at which

workers benefit from CLAs. The European Commission (2022) states that "setting the minimum wage strengthens collective bargaining processes, enabling workers to obtain better rights."
For example, increasing the minimum wage leads to higher wages set by CLAs, creating a better standard of living for all workers in the sector (Smith, 2021). In this context, a strong minimum wage policy strengthens workers' economic security by increasing the scope and effectiveness of collective bargaining agreements.

CBA Coverage Rates and Economic Impacts
The CBA coverage rate indicates the proportion of workers in a given sector who benefit from collective bargaining agreements. There is a positive relationship between the minimum wage and the collective bargaining coverage rate . A minimum wage above a certain level provides the economic conditions necessary for workers to be covered by collective bargaining agreements, while also enabling trade unions to be in a stronger position in collective bargaining processes (Andersen, 2022).
Low minimum wage levels can narrow the scope of collective bargaining agreements and limit the rights that workers can obtain through unions. This situation can threaten workers' economic security by reducing the enforceability of collective bargaining agreements. The ETUC (2022) states: "Low minimum wages weaken the effectiveness of collective bargaining agreements and threaten workers' social rights."

International Practices and the Turkish Example
At the international level, the relationship between minimum wages and collective bargaining coverage rates varies across countries. For example:
• Germany: In Germany, increasing the minimum wage has raised collective bargaining coverage rates and ensured the protection of workers' rights. A large proportion of workers earn above the minimum wage thanks to union negotiations (Smith, 2021).
• Nordic Countries: Nordic countries have high collective bargaining coverage rates thanks to high minimum wage levels and strong trade union structures. In these countries, social dialogue and collective bargaining are effectively conducted in the process of determining the minimum wage (Andersen, 2022).
• Turkey: In Turkey, difficulties in the process of determining the minimum wage can negatively affect collective bargaining agreement coverage rates. Weak trade union structures and low minimum wage levels reduce the rate at which workers benefit from collective bargaining agreements (BusinessEurope, 2022). The relationship between the minimum wage and the collective bargaining coverage rate is of critical importance in terms of ensuring social justice in the labour market and increasing the economic security of workers. A strong minimum wage policy can raise workers' living standards by increasing the effectiveness of collective bargaining agreements. In this context, setting the minimum wage at adequate levels and strengthening social dialogue processes will contribute to increasing CBA coverage rates.

CONCLUSİON
The economic and social impacts resulting from the implementation of the EU Minimum Wage Directive play an important role in shaping the strategies of policymakers across the country. The complexity of legal compliance processes and the diversity of economic structures across different countries give rise to various challenges during implementation. These differences affect productivity and operating costs in some countries and are among the factors that must be considered when setting the minimum wage. The effectiveness of the implementation should be subject to continuous evaluation, taking into account the specific structural characteristics of the sectors and market dynamics. The success of this regulation in achieving its fundamental objectives should be supported by comprehensive and systematic monitoring mechanisms, in addition to factors such as economic growth, stability in employment, and fairness in income distribution. From a social perspective, the increase in the minimum wage has led to noticeable improvements in the quality of life of workers. However, the pressures created by these increases through inflation and operating costs must also be considered. These difficulties can jeopardise the sustainability of small and medium-sized enterprises, particularly by increasing their costs.
Furthermore, the time-consuming and complex nature of the adjustment process can make adaptation difficult, especially for SMEs; therefore, it is important to develop solutions through appropriate support and training programmes. Looking ahead, policy recommendations based on practical experience should include a comprehensive impact analysis and stakeholder participation. With an effective compliance and development strategy, both economic sustainability and social justice can be ensured. In conclusion, the effective implementation of the EU Minimum Wage Directive can be achieved through a holistic approach and continuous improvement mechanisms. In this context, monitoring the results and establishing feedback processes will contribute to a more balanced and inclusive economic and social life.

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