

Resolution

Building Momentum for National Action Plans: Key Measures for Promoting Collective Bargaining in Central Europe

Brussels, 25 March 2025 | **The EU has committed itself to promoting collective bargaining as the most effective means of achieving upwards wage and social convergence between member states. Building on the joint work done at the European Trade Union Confederation (ETUC) and the European Trade Union Institute (ETUI), we identify measures to promote and strengthen collective bargaining at national level that are particularly adapted to the Central European context.**

Background: Collective bargaining for upwards wage and social convergence

Overall, the European Union and the European Single Market have been major economic successes and significantly contributed to economic growth and improved living standards across Europe, and particularly in Central Europe, over the last few decades. However, the Central European Trade Union Network (CETUN) has pointed out previously¹ that the expansion of Social Europe has lagged behind: Disparities in wage and social standards between EU member states remain staggering. The ensuing intra-European migration flows negatively impact the social fabric, exacerbate labour shortages and hamper the economic potential in many Central European countries, thus contributing to the fragmentation of the Single Market.

Collective bargaining is the most effective tool for achieving upward wage and social convergence in the EU, as it is conducive to higher wages, better working conditions and reduced inequality across member states. Countries with high collective bargaining coverage consistently experience stronger wage growth, lower income inequality, and better job security than those with weak bargaining structures. It also prevents unfair competition in the form of social dumping and encourages employers to invest in skills and innovation, boosting long-term economic growth.

The European Union's commitment to promoting collective bargaining

The European Commission, the European Parliament and the EU member states at the Council of the European Union have consistently stressed the importance of promoting collective bargaining for improving wages, working conditions, and social protections. Proclaimed in 2017, the European Pillar of Social Rights enshrines social dialogue and involvement of workers as the eighth principle guiding “towards a strong social Europe that is fair, inclusive and full of opportunity”.² It further specifies that social partners “shall be encouraged to negotiate and conclude collective agreements in matters relevant to them, while respecting their autonomy and the right to collective action.”

¹ See the CETUN resolution on “[Expanding Social Europe: An Imperative for EU Convergence and Enlargement](#)” (24 June 2024)

² https://employment-social-affairs.ec.europa.eu/european-pillar-social-rights-20-principles_en

Subsequently, the commitment to promote collective bargaining was further restated and expanded upon at EU level in several legislative and non-legislative acts such as Council Decision (EU) 2022/2296 on guidelines for the employment policies of the Member States³, Council Recommendation (C/2023/1389) on strengthening social dialogue in the European Union⁴ or various Country-Specific Recommendations (CSRs) as part of the European Semester. Evidently, the Directive (EU) 2022/2041 on Adequate Minimum Wages⁵ is thus far the strongest statement of intent at EU level to advance collective bargaining.

Measures to improve collective bargaining coverage in Central Europe

In Central Europe, where bargaining coverage remains uneven and sectoral agreements are often weak, reinforcing collective bargaining structures is essential to promoting fair wages, social dialogue and economic stability. The Directive on Adequate Minimum Wages provides an opportunity to strengthen bargaining systems by requiring member states with coverage below 80% to establish action plans containing “a clear timeline and concrete measures to progressively increase the rate of collective bargaining coverage, in full respect for the autonomy of the social partners”.⁶ Only eight EU member states meet the 80% threshold, which in other words means nineteen member states need to adopt action plans.⁷

While the above-mentioned EU legislative and non-legislative acts aiming to promote collective bargaining are primarily directed at EU member states, the ambition should equally apply to candidate countries. The measures to improve collective bargaining coverage in Central Europe identified in this resolution are, therefore, equally pertinent for both EU member states and candidate countries. Similarly, promoting collective bargaining coverage is also a relevant goal for European Free Trade Association (EFTA) states that are part of the European Economic Area (EEA) and should not lag behind the EU social acquis.

A determining factor in collective bargaining coverage is the dominant level at which negotiations take place. It is important to note that all member states currently meeting the 80% threshold have a comprehensive sectoral collective bargaining system. Since most Central and Eastern European member states are characterized by decentralized systems, where collective negotiations primarily take place at workplace level, developing strong sectoral bargaining systems is a key challenge.⁸ Another decisive factor is the particularly low trade union and employer density that characterizes most of the region.⁹ Newly established sectoral social dialogue and collective bargaining can only be built on strong trade union and employer structures. The third barrier to sectoral bargaining is the lack of employers’ interest in participating meaningfully in existing sectoral negotiation bodies. Action plans have to address this issue by stimulating employers’ willingness to take part in sectoral bargaining.

Building on the joint work done at the European Trade Union Confederation (ETUC) and the European Trade Union Institute (ETUI), CETUN picked out concrete and ambitious measures we believe are best suited to the specific challenges faced by trade unions in Central Europe respecting the shared traditions of industrial relations in the region.

Following the three key barriers, measures are clustered in three categories:

³ <https://eur-lex.europa.eu/eli/dec/2022/2296/oj/eng>

⁴ <https://eur-lex.europa.eu/eli/C/2023/1389/oj/eng>

⁵ <https://eur-lex.europa.eu/eli/dir/2022/2041/oj/eng>

⁶ See Article 4(2) of Directive (EU) 2022/2041

⁷ See ETUC (2024), Wage-Up. Minimum wage and Collective Bargaining Systems in Europe (<https://wage-up.etuc.org/>) and OECD (2024), OECD-AIAS ICTWSS database (<https://www.oecd.org/employment/ictwss-database.htm>)

⁸ See <https://www.etui.org/publications/road-80-collective-bargaining-coverage>

⁹ ETUC (2024)

Strengthening trade union structures

- **Ensuring trade union access to workplaces.** Direct interaction between trade union representatives and workers is key. Legal changes are needed to improve access, especially in smaller companies and for atypical workers. Digital access rights, such as using online tools like emails or virtual notice boards, are essential for organising, especially in emerging sectors with low union density.
- **Preventing trade union busting and the formation yellow unions.** To protect union members and activities, anti-union practices such as discrimination, intimidation and obstruction should qualify for severe and effective sanctions. Preventing the formation of yellow trade unions is crucial to ensure genuine worker representation and protect the integrity of collective bargaining by avoiding the manipulation of workers' rights for the benefit of employers.
- **The right to collective redress in case of violation of agreement.** Introducing the right to collective redress allows unions to pursue legal claims on behalf of workers when employers violate collective agreements, ensuring better enforcement and addressing power imbalances.
- **Promoting Trade Union Values and Membership.** Promoting union values and increasing membership requires investing in the education of union delegates, targeting specific groups like young, atypical, and migrant workers, and using ICT and social media for outreach. The importance of social dialogue, social partnership and collective bargaining should be addressed in VET and secondary as well as tertiary education curricula.
- **Capacity Building.** Financial contributions and/or other incentives from both European and national authorities can play a crucial role in strengthening the capabilities of trade unions and employers' organizations, where they are in particular need of support. This involves allocating human and financial resources to support organizing, training initiatives, and efforts to highlight the value of collective bargaining and effective negotiation practices.

Strengthening employers' organisations as the counterpart in collective bargaining

- **Strengthening of employers' organisations at sectoral level.** Trade unions need counterparts to negotiate collective bargaining at (cross-)sectoral level. In Central and Eastern Europe, low bargaining coverage is often due to fragmented and weak employers' groups, as well as their reluctance to negotiate at the sectoral level. Strengthening these organisations and encouraging their participation in negotiations is vital for improving coverage.
- **Financial incentives for companies to join sectoral employers' association.** Financial incentives can encourage employer participation in collective bargaining. For instance, linking tax benefits for employee payments to compliance with collective agreements or making membership fees to employers' associations tax-deductible.

The legal and institutional framework

- **Developing sectoral collective bargaining.** Strengthening sectoral collective bargaining requires a clear legal framework outlining negotiation mandates, roles, and responsibilities. This would enhance bipartite negotiation structures at both sectoral

and intersectoral levels. In regions with existing sectoral bargaining, modernising legal regulations and clarifying processes would reduce disputes and speed up negotiations.

- **Fighting precariousness in the labour market.** In many Central European countries, labour flexibilization has been and remains a preferred policy to attract foreign investment. Limiting temporary agency work, involuntary part-time work, platform work as well as overall job precariousness and would encourage workers' involvement.
- **Data collection, information and transparency.** Effective collective bargaining requires accurate, complete and reliable data at all levels. Improved data collection is needed to keep social partners and trade unions in particular informed about key economic and social trends, such as productivity, wage trends and profit rates. National statistical offices should provide free, up-to-date information, while ensuring the right to information and consultation.
- **More effective extension of collective agreements.** Using extension mechanisms is a proven method to ensure sectoral agreements apply to non-member companies and workers. To improve these mechanisms, lowering the representativity threshold for signatory employers' associations as well as the simplification of the extension procedure could be considered.
- **Collective bargaining conditionality for public contracts.** Access to public funds and contracts should be restricted to companies with sectoral agreements, preventing non-compliant firms from winning tenders by undercutting labour costs. Conditionality could involve excluding non-compliant companies or awarding bonus points to compliant ones.
- **Extended validity and ultra-activity of collective bargaining agreements.** Preventing employer tactics to bypass collective agreements is crucial. Existing agreements should remain valid during restructuring (e.g., spin-offs or transfers) to prevent switching to less favourable terms. Agreements should also remain in effect after expiration until a new one is negotiated, including for new employees. Regulations could also set a maximum period for starting new negotiations.

The importance of a phased approach

National action plans should be guided by the final aim to bring the collective bargaining coverage above 80%. Increasing collective bargaining coverage should be understood as a process with different phases and not just a list of measures. National action plans should therefore reflect on the time element and drafters should be mindful of the sequencing of measures, making sure they intertwine in a meaningful way. While action plans must be reviewed at least every five years pursuant to Article 4(2) of Directive (EU) 2022/2041, it may sometimes be beneficial to work in shorter time periods with more frequent reviews.

Conclusion

Achieving stronger collective bargaining coverage across Central Europe is crucial for fostering social cohesion, reducing wage disparities, and ensuring sustainable economic growth throughout the EU. While legislative and policy commitments at the European level provide a strong foundation, their success ultimately depends on effective national implementation. A well-structured, phased approach to increasing collective bargaining coverage – through legal reforms, employer engagement, and strengthened trade unions – will be essential in meeting the 80% target.

About

The Central European Trade Union Network (CETUN) assembles trade unions from Austria, Croatia, Czechia, Hungary, Liechtenstein, Montenegro, Serbia, Slovakia, Slovenia and Switzerland. As a regional grouping of ETUC members, the network's goal is to foster trade union structures and social dialogue in the region. Through greater cooperation and coordination, participants aspire to promote common themes at European level.

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