



**ImproCollBar**

Improving Collective Bargaining in  
European Union. Comparison of  
Different Industrial Relations  
Regimes – ImproCollBar 101052292

# Keynote “The collective bargaining directive in disguise”

European Roundtable – 23/10/2023, Leuven, Belgium  
Torsten Müller, ETUI

# Improving Collective Bargaining in the European Union

23 October 2023 – Leuven



**The Collective Bargaining Directive in Disguise – How the European Minimum Wage Directive aims to strengthen collective bargaining**

**Dr. Torsten Müller, ETUI**

# ▶ The European Minimum Wage Directive: Where we come from...



DG ECFIN's famous list of  
**„Employment friendly reforms“**

**Freezes or Cuts of Minimum Wages:**

**Decentralisation of Collective Bargaining**

- Strengthening company derogations/  
Removing favourability principle
- Limiting/abolishing extensions  
Decline of bargaining coverage

**“Overall reduction of wage-setting power of trade unions”**





# Principal objectives of Minimum Wage Directive



- Promotion of **Adequate Minimum Wage Levels**
- Promotion of **Collective Bargaining**



**FAIR WAGES!**  
Collective bargaining **FOR ALL**  
and fair minimum wages



# ▶ Provisions aimed at strengthening of CB



- Confirmation that CB is **prerogative of trade unions** (Art.3.3);
- **Promoting** the capacity of bargaining agents to bargain at (cross-) **sectoral level** (Art.4.1a);
- **Protecting the right to collective bargaining**, including protection against discrimination of trade union reps who (wish to) exercise this right (Art.4.1c);
- Clarification of the rules on **public procurement** (Art. 9)



# ▶ Setting out procedures to achieve objective strengthening CB



Criteria to ensure stronger collective bargaining (Art.4.2):

“Member States shall, where the collective bargaining coverage rate is **less than a threshold of 80%**, provide for a **framework of enabling conditions** for collective bargaining, either by law after consultation of the social partners or by agreement with them. These Member States shall also establish an **action plan to promote collective bargaining**. (...).”



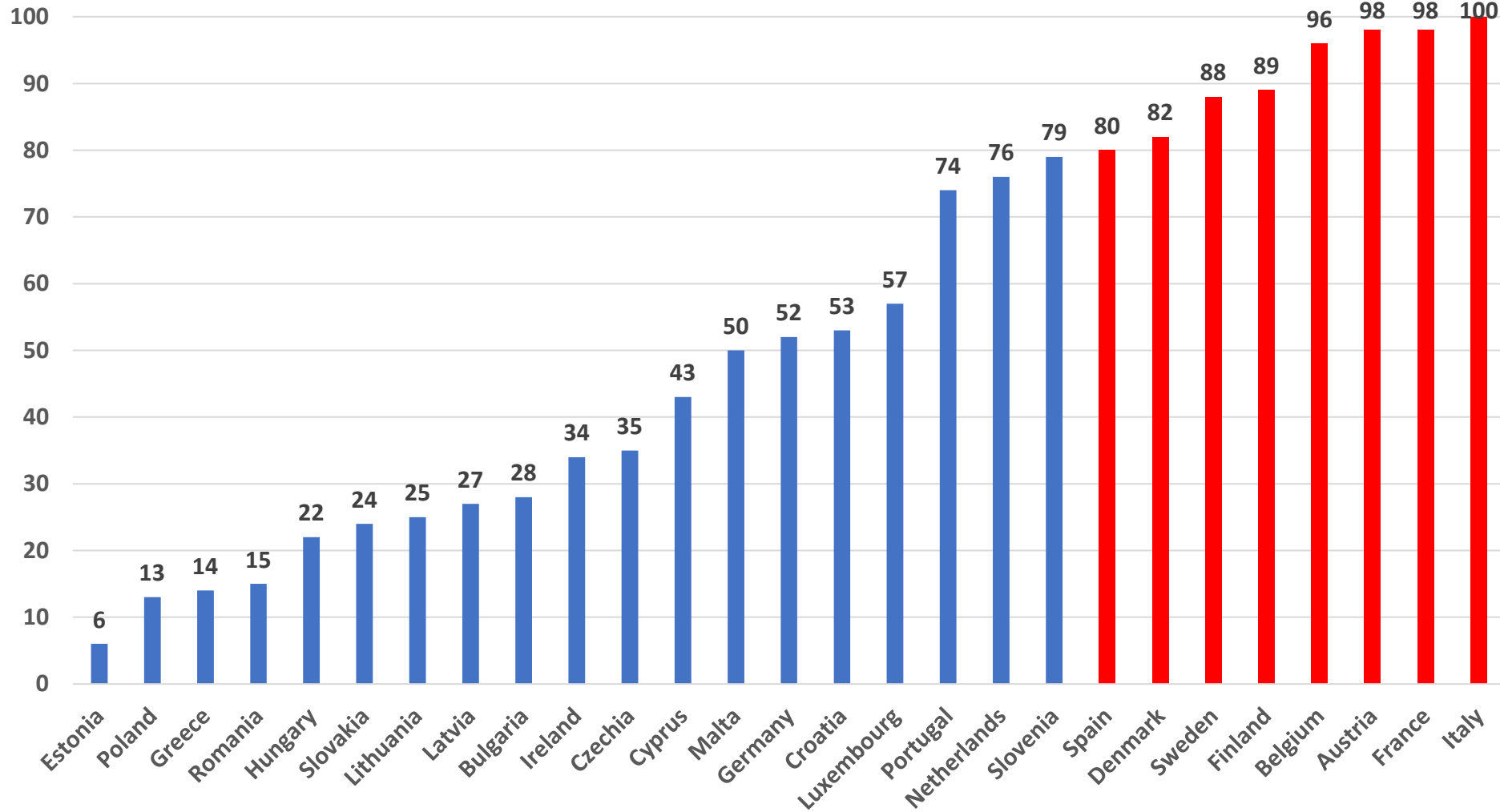
The **action plan** shall

- set out a **clear timeline and concrete measures**
- be **reviewed regularly and updated** (...)..
- be **made public** and notified to the Commission.



# Collective Bargaining Coverage

(2021 or most recent year available)



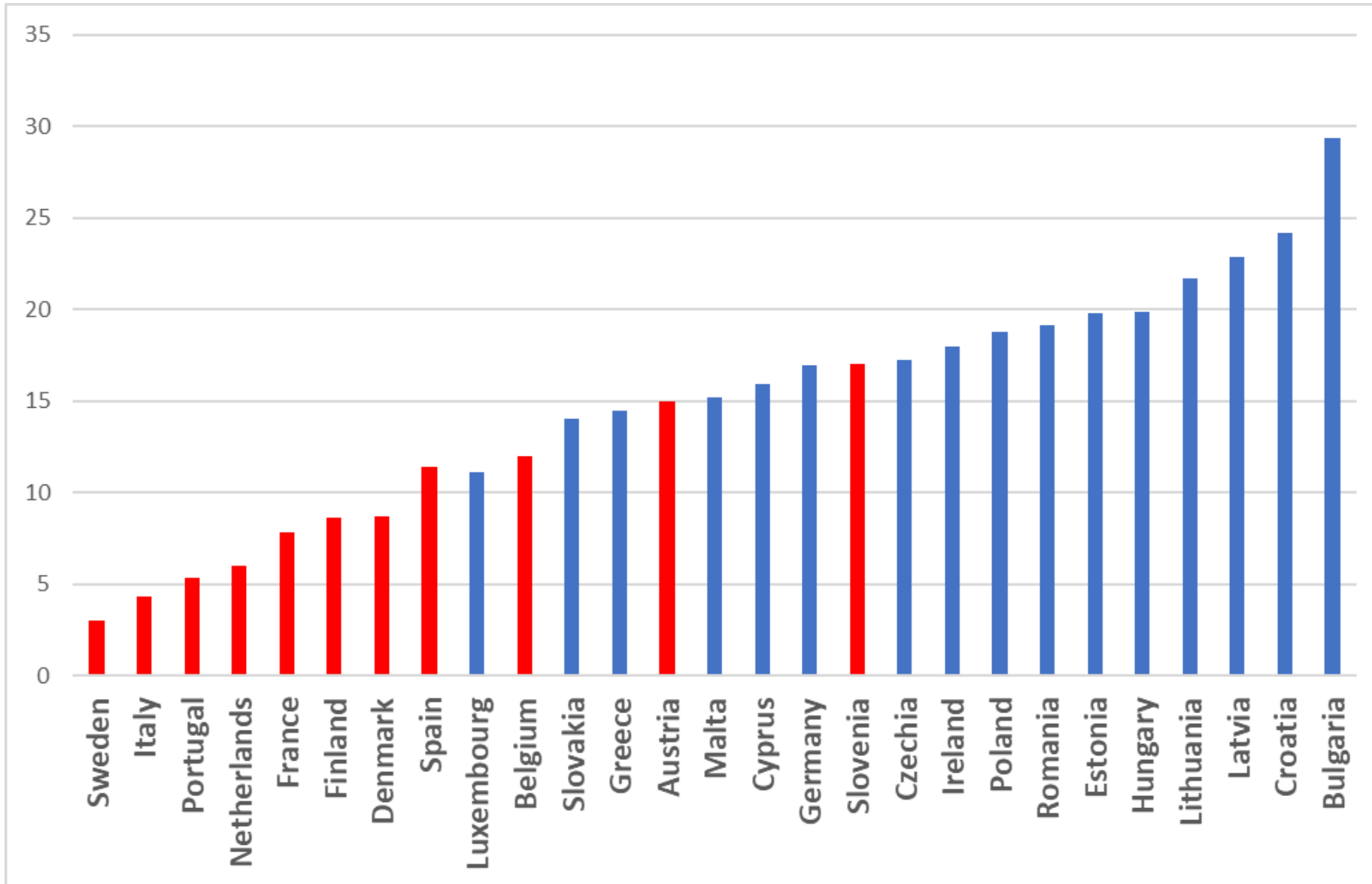
Only **8 countries** fulfil the 80% threshold!!!

This means in **19 countries** government needs to establish action plan to improve CB coverage!!!

Source: OECD-AIAS Database



# Low pay and CB Coverage



■ Coverage less than 70%

■ Coverage more than 70%

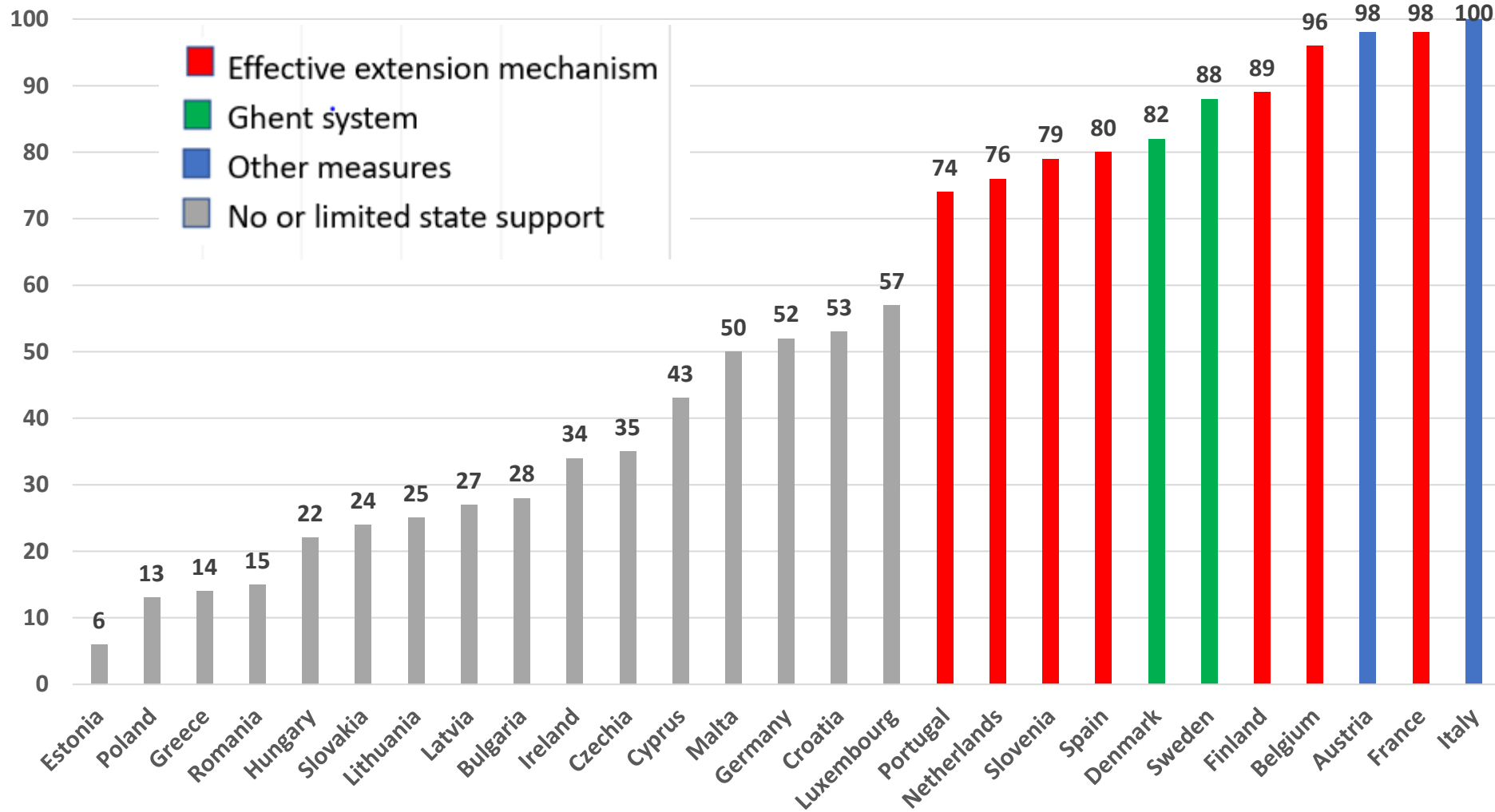
Low pay: share of full-time workers earning less than 2/3 of gross median pay.

Source: OECD Earnings Database





# Collective Bargaining and state support



Preconditions for high CB coverage:

- Sectoral CB
- State support through extension or other mechanisms

# ▶ Strengthening Collective Bargaining



## Threshold of 80% coverage- what does it mean?

- Indicator for **adequate** bargaining coverage
- **Trigger for political action** in countries with less than 80% coverage to progressively increase coverage
- Implicit call to introduce / strengthen **sectoral system** of collective bargaining



# ▶ Action Plan to promote Collective Bargaining

Measures improving **unions' capacity to act and organize**:

- **Right of access** to companies (also digitally)
- **Anti-union busting** measures to protect unionists and other democratically legitimized employee reps from discrimination, dismissal and blacklisting
- Providing union reps with **sufficient time and facilities**
- Right to **collective redress** in case of violation of agreement
- **Financial incentives** for union members



# ▶ Action Plan to promote Collective Bargaining



Measures improving **employers' organizational capacity:**

- Promoting the establishment of **employers' federations** and their willingness to assume a negotiation role
- Introduction of a **chamber system** with compulsory membership
- **Obligation** for employers to **engage in sectoral bargaining**



# ▶ Action Plan to promote Collective Bargaining



Measures to establish and support **sectoral bargaining**:

- Promotion of **multi-employer bargaining**
- Effective **extension** of collective agreements
- Collective bargaining clauses in **public procurement**
- **Continuation of CAs** in case of spin-offs
- **Extending the scope** to previously excluded groups of employees
- Continuation of **validity after expiry**
- Strengthening the **favourability principle**



# ▶ Measures to strengthen Collective Bargaining: Romania



New law on Social Dialogue (December 2022)

- **Cross-sectoral negotiations** if negotiating employers' association covers 20% of the workforce;
- Less restrictive **extension criteria**: signatory employers' association needs to represent 35% of employees (no longer 50%);
- **Company-level bargaining is mandatory** in companies with at least 10 employees (no longer 21);
- Less restrictive **representativeness criteria** for trade unions for bargaining purposes: 35% at company-level and 5% at sectoral level;
- **Less restrictive criteria establishing a union**: from at least 15 members to 10 members



# ▶ Action Plan to promote Collective Bargaining

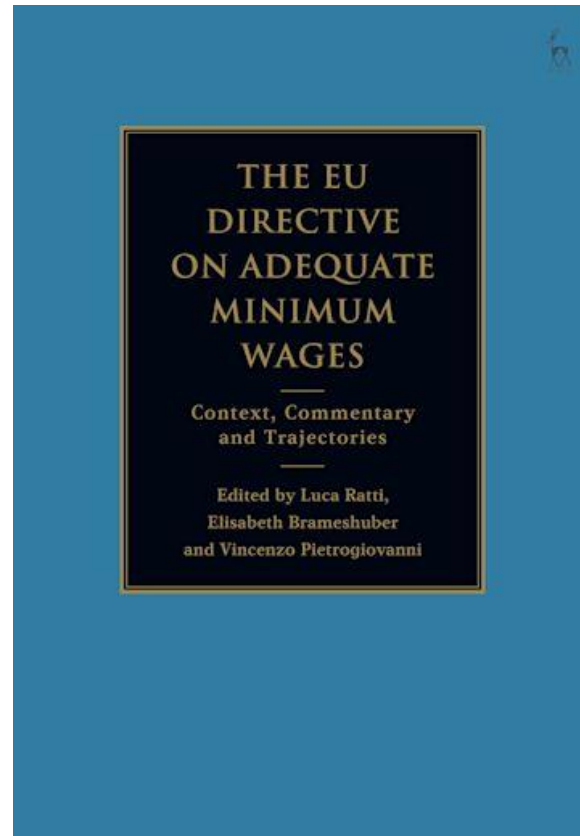


- There is **no “one size fits all”** – need for country-specific solutions
- Let’s not wait two years for the Directive to be implemented: **Act now!!!**

▶ Thank you very much for your attention!



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<https://www.bloomsbury.com/uk/eu-directive-on-adequate-minimum-wages-9781509968725/>



<https://www.etui.org/publications/books/collective-bargaining-in-europe-towards-an-endgame-volume-i-ii-iii-and-iv>