

Quality jobs:  
Keeping the right compass  
through collective bargaining

**NAVIGATING CHANGE WITH  
COLLECTIVE BARGAINING:**  
**A trade union compass  
towards quality jobs  
in the twin transition**



26 February 2025 – Brussels



## The European Minimum Wage Directive as a tool to strengthen collective bargaining

Dr. Torsten Müller, ETUI



# The 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”**





# Two principal objectives of Directive

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- Promotion of **adequate minimum wages**
- Strengthening **(sectoral) collective bargaining**



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

CONFEDERATION  
**SYNDICAT  
EUROPÉEN  
TRADE UNION**

# ▶ Provisions aimed at strengthening of CB and TU rights

- 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)





# The Action Plan to increase coverage

## Procedure to increase bargaining coverage 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

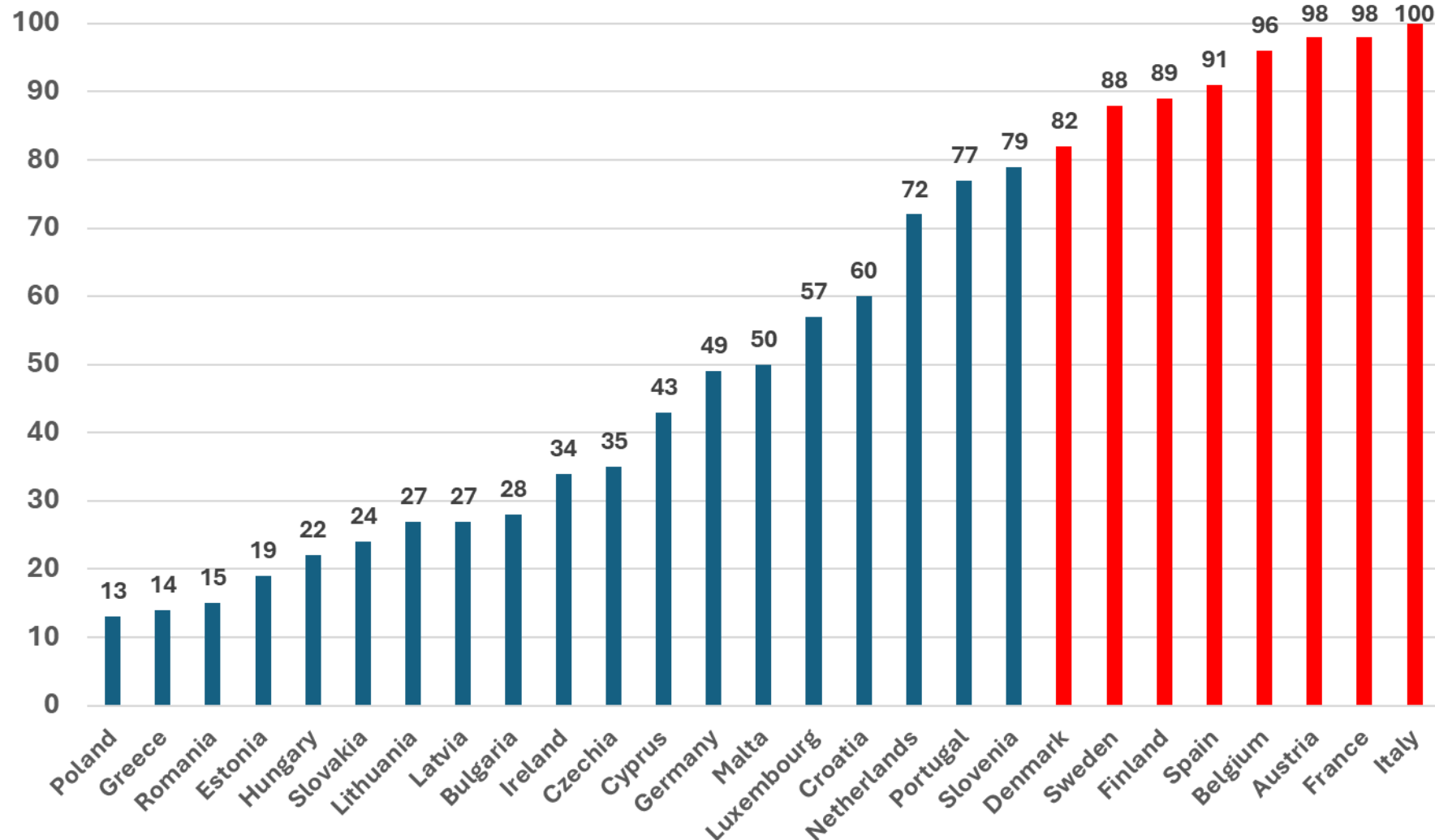
- set out a **clear timeline and concrete measures**
- be **reviewed regularly and updated** (...).
- be **made public** and notified to the Commission.





# Collective Bargaining Coverage in EU

(2024 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 and ETUC WageUp





# Transposition of MW Directive

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**Deadline: 15 November 2024**

Main focus on **minimum wage provisions** –  
Positive examples of promoting sectoral  
**collective bargaining** in the context of the Directive:



Slovakia



Lithuania



Romania



Ireland



Poland



# Slovakia: Transposition of the Directive

- Measures to improve **measurement of coverage**
- **Facilitating extension** of sectoral agreements
- Clarification of **definition employers' organisations for bargaining purposes**







# Lithuania: Action Plan



So far, the **only country** that adopted an **action plan** to promote collective bargaining:



- **Main focus on training measures** for trade unions and employers' organisations: Importance of CAs and social dialogue, negotiation skills (including financial support)
- Further initiatives to **promote employers' association** at sectoral level
- Initiatives in the area **public procurement** to promote collective bargaining



# Romania: Legislative Change

## 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

# ▶ Ireland: Report of High-level working Group (October 2022)



## Incentives and soft pressure for employers to engage in CB

- At **sectoral level**: ending the de-facto veto power of employers to negotiate “Employment Regulation Orders”
- At **company-level**: requirement for employers **to engage in a process of “good faith”** if requested to do so by union with “meaningful” membership



## Further union demands:

- **Protection against discrimination** in case of trade union activities within companies
- Trade union **access to companies**
- **Public procurement** to promote collective bargaining



- Creation of a **National Register** of Collective Agreements enabling a better assessment of CB coverage
- Removal of **bureaucratic obstacles** to CB including an **obligation for employers** to initiate CB at least every two years in companies with at least 50 employees and to regulate **access for trade unions** to the workplace to assist in CB





# Legal challenge of the Directive

**January 2023:** Danish government brought case before CJEU claiming that Directive violates Article 153(5) of European Treaty limiting EU competences on the issue of “pay.”



**January 2025:** Opinion by Advocate General to the CJEU follows Danish argument and recommends the annulment of the Directive.

**Open end...** but: (1) opinion is **not binding**; (2) judges will assess **broader political ramifications** in light of implications which the Directive already had; (3) **political commitment** by 24 Member States voting in favour of Directive to promote its objective of strengthening CB

# ► Strengthening of collective bargaining



- There is **no “one size fits all”** – need for country-specific solutions
- **BUT: Directive provides important procedural help** in pushing for objectives (even in light of legal challenge at the Court of Justice)



# Thank you very much for your attention!

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## ETUI Policy Brief

European Economic,  
Employment and  
Social Policy

2025.01 | February

### The road to 80% collective bargaining coverage

The need for ambitious national action plans under the Minimum Wage Directive

Torsten Müller and Thorsten Schulten

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

### EU Minimum Wage Directive Before the European Court of Justice: It's Not All Over Now...

THORSTEN SCHULTEN and TORSTEN MÜLLER 22nd January 2025

EU's minimum wage directive under threat: Advocate General's opinion sparks legal and social turmoil across Europe.



<https://www.socialeurope.eu/eu-minimum-wage-directive-before-the-european-court-of-justice-its-not-all-over-now>