



TOGETHER FOR A FAIR DEAL FOR WORKERS



# ETUC toolbox to strengthen collective bargaining in the EU

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## Foreword

With the aim to support the affiliates in their efforts to strengthen collective bargaining and increase its coverage, the ETUC<sup>1</sup> has prepared a list of possible measures that could be considered at different levels. The present document is a compilation of ideas from which affiliates can get inspiration. The different measures presented have been identified through a dedicated workshop organised as part of the WAGE-UP project, and the work of the ETUC Collective Bargaining and Wage Coordination Committee.

## ETUC toolbox to strengthen collective bargaining in the EU

Collective bargaining is one of the best drivers for better working conditions. Through negotiations between workers and employers, it establishes agreements that promote fair wages, reasonable working hours, and safe workplaces. It enables workers to address issues such as occupational health, work-life balance, and protections against discrimination or harassment. By fostering dialogue, collective agreements ensure that workplace standards evolve to meet changing societal and economic needs. Ultimately, collective bargaining not only improves conditions for workers but also enhances productivity and stability, benefiting employers and society as a whole.

Collective bargaining has had a key role in facing emergencies (e.g. immediate consequences of the Co.Vi.D.19 pandemic), and it is one of the most important tools in adapting workplaces to the changing productive fabric of the EU, as consequence of the green transition and digital transformation.

Labour market and employment relationships has changed significantly in the past decades, which has a big impact also on collective bargaining. Flexibilization of the labour market, increase of precarious and non-standard forms of employment and digitalisation are causing new challenges for workers and their trade unions.

Along with this, also demographic change and an ageing society pose significant challenges to the labour market, requiring measures to ensure sustainable and inclusive working conditions. In this context, collective agreements serve as a key instrument for adapting work arrangements to the needs of older workers, promoting fairer, safer, and more supportive workplaces.

Collective bargaining is also a remedy against in-work poverty, since it is a core mechanism for ensuring a positive wage dynamic that covers all employees. Moreover, it is not only essential for protecting workers' rights but also serves as a driving force for economic resilience, social equity, and sustainable progress. Strengthening this practice at national, sectoral and EU levels is key to building fairer societies and more competitive economies.

**The Directive on adequate minimum wages (EU 2022/2041) contains a very strong provision to promote collective bargaining.**

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Article 4 (1) requires all Member States to take action to promote the capacity of social partners to engage in collective bargaining on wage setting; to encourage constructive, meaningful and informed negotiations on wages; and to protect workers and trade union representative against discrimination or interference. Moreover (Art 4(2)), and **with the aim to increase collective bargaining coverage, Member States where collective bargaining coverage does not reach at least 80% of the workers are required to provide for a framework of enabling conditions for collective bargaining and establish an action plan to promote collective bargaining.** Member States shall establish such an action plan (i) after consulting the social partners or (ii) by agreement with the social partners, or, (iii) following a joint request by the social partners, as agreed between the social partners. The action plan and any update thereof shall be made public and notified to the Commission.

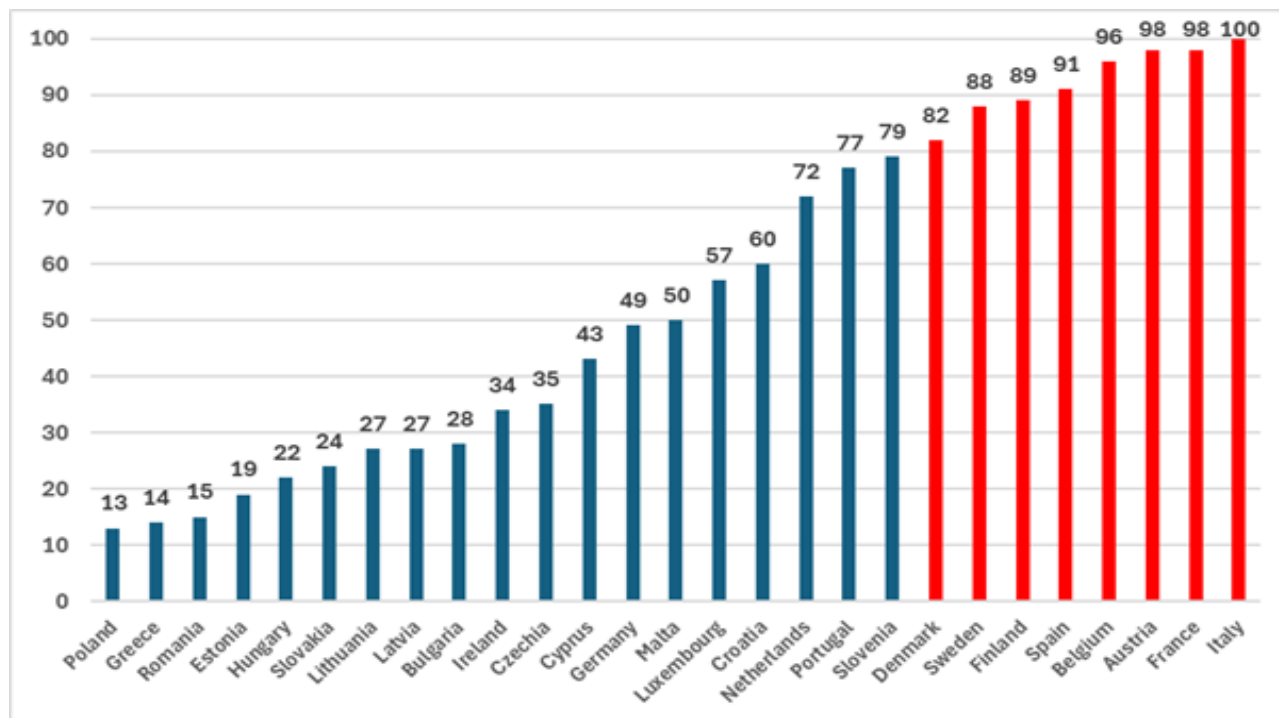
The Directive **does not prescribe any specific content for the action plan**, leaving it to the discretion of Member States in line with national traditions and practices, and respecting social partners' autonomy. However, **the action plan should meet certain minimum requirements, namely to include a clear timeline and concrete measures to progressively increase the rate of collective bargaining coverage.**

Although the Directive does not set a specific deadline for the adoption of the action plan, Member States with a collective bargaining coverage below 80% are expected to establish them by end 2025 at the latest.

Article 4(2) provides for an **obligation of effort and means, not of result**, and the Directive does not foresee sanctions if these efforts do not lead to an increase in collective bargaining coverage. In this regard, Member States are required to regularly review action plans, at least every five years, and update them if they are found to be ineffective. Anyhow, **establishing a national action plan to improve the collective bargaining coverage remains an obligation, and the European institutions should make their best to ensure that those plans are effective and ambitious.**

Political and institutional support for upwards convergence in the EU towards a regime of industrial relations favouring a system of labour market governance based on autonomous and strong social partners and constructive social dialogue will be important. This will require effective monitoring, implementation, and financial and political support at both national and EU level.

**Figure 1: Collective bargaining coverage in EU Member States**  
(in %; 2024 or most recent year available)



Source: OECD/AIAS 2024, ETUC 2024, for Croatia: Bagic 2025; for Germany: IAB 2024; for the Netherlands: De Beer and De Sauvage Nolting 2024

**Only 8 member states currently have a bargaining coverage of more than 80%.** 19 countries need to establish an action plan with a view to increase bargaining coverage.

In all the eight countries that fulfil the adequacy threshold, sector-level agreements are the primary tool to set the terms and conditions of the employment relationship. By contrast, all the countries with 50% or less bargaining coverage are countries characterized by the dominance of company-level agreements. This clearly illustrates the **importance to promote (cross-) sectoral bargaining** as stipulated in Article 4.1(a) of the AMWD.

The key question is **what concrete measure should go into the action plans** to ensure that the threshold of adequate bargaining coverage is fulfilled. Given the diversity of different systems across Europe it is evident that the measures have to be geared towards the specific situation in the respective country.

**There is no “one size fits all”.** Whereas in countries in which sectoral bargaining is the dominant form of collective bargaining the key objective is to strengthen the existing system, the key objective in countries in which company-level bargaining dominates is to establish sectoral bargaining structures. While the significance and priority of specific measures may vary according to the national situation, most measures contribute to strengthening collective bargaining in both systems.

In principle, the various measures to strengthen collective bargaining and increase its coverage can be divided into three categories. Measures to:

- strengthen trade unions,
- strengthen employers' organisations,
- establish and strengthen (sectoral) collective bargaining via political/institutional support.

Each category faces some challenges to which the proposed measures aim to provide a solution. Among the obstacles/limitations or factors preventing or jeopardising collective bargaining, we can list: declining membership and low trade union density; non-existing or limited access to the workplace for trade union representatives; trade union busting practices; collective agreements expiring and not being renewed; employers' organisations refusing to negotiate; businesses' reluctance to join employers' organisations; lack of sectoral collective bargaining in some countries; and the need for a broader application of collective agreements.

## Measures to strengthen the trade unions

1. **Promoting Trade Union Values and Membership.** Promoting trade union values and increasing membership necessitates a multifaceted approach. Investing in the education of union delegates and officials, both in technical and political domains, is fundamental. Identifying and targeting specific groups, such as young, atypical, and migrant workers, is also essential for effective membership expansion. Conducting workplace surveys to understand workers' needs and expectations can help tailor union initiatives. Leveraging new information and communication technologies (ICT) and social media platforms enhances the promotion of social and trade union values. Additionally, educational programs on the significance of trade unions, awareness campaigns about the positive impact of collective bargaining, and outreach efforts in schools are effective methods. Direct engagement with workers, particularly newcomers, and the creation of dedicated social media platforms and applications for union members to access valuable information further support these efforts.
2. **Solidarity fee.** One effective approach to tackling the free-rider issue in collective bargaining is the introduction of a solidarity fee, in an amount not less than the union membership fee. Under this system that should be established in the labour legislation, workers who are covered by a collective agreement—and therefore benefit from it—would contribute financially to its negotiation by supporting trade unions. These contributions should be allocated to a dedicated 'bargaining fund,' which unions could then use to secure expert assistance in their negotiations.
3. **Financial incentives for trade union membership.** For example, making union membership fees fully tax-deductible could encourage more workers to join, as it is the case for France, Germany, Poland, Finland, Czechia (even though this mechanism has been challenged and facing risk of suspension in FI and CZ). Or the example of Belgium where, depending on their sector, trade union members benefit from a union bonus.

4. **Exclusive benefits for trade union members.** Unions could negotiate exclusive benefits for their members in collective agreements as is the case in Germany. These special benefits can include very different things, such as holiday bonuses, mobility allowances, special pension schemes, or additional leave for education or health promotion. Eventually, trade union members can also get, for instance, discounts at museums or for cultural events, petrol stations, or gyms and sports centres. This kind of measures can be found, for example, in Belgium, Lithuania, Slovakia. These members-only benefits would also address the free-rider issue, where non-union members benefit from agreements negotiated by unions without contributing to their costs.
5. **Ensuring trade union access to workplaces (including digital access).** Direct interaction between union representatives and workers is the most effective way to recruit new members and retain existing ones. In many countries it is needed to change the legal guarantees to enter the workplace, lowering the threshold for very small firms. Moreover, new way of access should be used for atypical workers. Indeed, in today's world of work, characterized by platform work, telecommuting, and geographically dispersed workforces, digital access rights are equally important. Online communication tools, like company communication systems, e-mails, virtual notice boards or intranet pages, would improve the ability of trade unions to organise virtual meetings with members or other employees. This is particularly true for the new emerging sectors yet with a very low trade union density.
6. **Increasing Trade Union Density and Building Power.** Strong and well-organized trade unions are essential for effective sectoral collective bargaining, particularly in addressing the structural power imbalances inherent in capitalist labour markets. To expand collective bargaining coverage, it is crucial to enhance unions' organizational power by fostering a broad and active membership base. Reversing the declining trend in trade union density requires making union membership more attractive. This can be achieved through initiatives (together with national institutions) such as providing educational programs on the role and importance of trade unions, and campaigning for national reforms in labour market policies, economic and industrial democracy, and health and safety regulations. Additionally, the concept of a "Union Default"—automatic union membership with the right to opt out—could be explored as a strategy to bolster membership numbers. This is a proposal discussed by trade union colleagues in Ireland, Malta and the Netherlands, and refers to a system where workers are automatically enrolled in a trade union when they start a job, but they have the choice to opt out. This approach aims to increase union membership by making unionisation the default choice rather than requiring workers to actively sign up. This approach has been successful in other areas, like automatic pension enrolment, where participation rates increased significantly when enrolment was made automatic. However, legal and political challenges could arise depending on the country's labour laws, and unions would need to ensure that workers understand their rights and the benefits of staying in.

7. **Introducing new topics in collective bargaining:** In the past years we have seen also a positive development of trade unions introducing new topics and aspects to collective bargaining, negotiating clauses that go beyond just “standard working conditions”. Green collective bargaining, working time reduction while maintaining full pay and new working time arrangements, work-life balance, youth-specific provisions are just some of the topics that can not only improve working conditions, but it also attract new members. Indeed, the introduction of new issues is a means to become more attractive especially for parts of the workforce which are not that strongly unionised, such as young, atypical and migrants.
8. **Strike funds to support trade unions’ demands.** Adopting a “strike fund”, with the support of national frameworks facilitating its creation and maintenance, as they have for instance in Sweden, Belgium, Germany, Denmark or the Netherlands, could be useful in improving industrial relations. If the strike fund is sizeable, employers would be more inclined to engage in bargaining to avoid protracted conflict. With a substantial fund, trade unions can cover workers striking for months, thus rendering ineffective any intimidation by employers. This goes in parallel with better legal protections of the right to strike and a stronger and enhanced legal framework (lifting legal, administrative and practical obstacles to strikes). Furthermore, alternative methods of actions can be envisaged, like new forms of conflict for digital workers!
9. **Trade Unions as monitoring bodies.** It is also possible to discuss the idea that trade unions act as bodies that monitor compliance with labour law, thus reducing the costs of building up an extensive labour inspectorate. Of course, unions should primarily be bargaining agents, but it can be said that their widespread presence reduces the costs of public control.
10. **Preventing trade union busting.** Protect union members and activities by preventing anti-union practices, such as discrimination against union members or obstruction of union efforts, by improved monitoring of compliance with effective legal protections and anti-discrimination law. This could be done also by increasing the number and capacity of labour inspectors. For example, in Bulgaria, a legislative reform introduced in August 2023 made it a criminal offense—punishable by one to five years in prison—for employers to hinder workers’ rights to organise. Or in Czechia, where the quick and strict application of the legislation protecting whistleblowers can be beneficial for the trade unionists uncovering maltreatment of employees at the workplace, because it can help trade union members gain protection from union busting. More severe sanctions are required (like the exclusion from public funds) especially in particular sectors (agriculture, HORECA, construction, logistics) where workers are more likely to be at-risk-of-poverty and over-exploited. Trade unions could provide legal support to workers in case of problems at work or with some illegal employer’s actions.
11. **Providing information on the trade unions at the workplace.** It would also be a useful measure to establish a sort of duty for the employers to inform workers that (and which)



trade unions are active in the enterprise, and point out the possibility of membership. Educational programmes on collectivism and on collective rights would also help in this sense.

12. **The right to collective redress in case of violation of agreement.** Another measure to address the power imbalance is introducing the right to collective redress. When employers violate collective agreements, it is often challenging for individual workers to take legal action. With collective redress, unions can pursue legal claims on behalf of employees, ensuring better enforcement of agreements.
13. **Capacity Building.** Finally, public financial support from both European and national levels is vital to strengthen the capacity of unions and employers' organizations. Capacity building is meant in terms of providing human and financial resources for organizing, training, and raising awareness of the benefits of collective bargaining and effective negotiation strategies.

## Measures to strengthen employer organisations

1. **Strengthening of employers' organisations at sectoral level.** Sectoral collective bargaining depends on strong and cooperative employers' organizations. In Central and Eastern European countries, low collective bargaining coverage is often linked to fragmented and weak employers' organizations, as well as their resistance to negotiating at the sectoral level. Therefore, measures to establish and strengthen such organizations, and to foster their willingness to engage in negotiations, are crucial for improving coverage.
2. **Obligation for employers to engage in sectoral collective bargaining.** One key strategy is introducing a legal requirement for employers to regularly participate in sectoral bargaining, as practiced in France. This approach does not require employers to conclude agreements but ensures regular negotiations with trade unions. Initial discussions can focus on less contentious topics, such as skills development, creating a foundation of trust before addressing critical issues like wages or working hours. The idea is to oblige them to enter into negotiations in order to establish a negotiation culture and permanent relations. Furthermore, in cases where an employer is a member of more than one organization, he must be obliged to authorize one of them to represent him for the purposes of collective bargaining. It is a common practice in Bulgaria for individual employers to be members of several employers' organizations, and if one of these organizations concludes a sectoral agreement, they do not accept that it applies to them.
3. **Creation of bargaining councils.** Another potential measure is the creation of "sectoral bargaining councils," following the example of Ireland's "joint labour committees". These councils, composed of equal representatives from employers and trade unions, would



establish legally enforceable minimum standards in sectors with weak bargaining systems and low wages. If negotiations fail, the state would intervene and legislate the terms, an approach known as "bargaining in the shadow of the law."

4. **"Chamber system".** A more ambitious institutional reform could involve adopting a chamber system, where membership is mandatory for all companies, and which on the employer-side negotiates sectoral collective agreements. This system, as seen in Austria, guarantees comprehensive bargaining coverage, approaching 100%.
5. **Financial incentives for companies to become member of sectoral employers' organisation.** Financial incentives could further encourage employers to join employers' organisations and to participate in collective bargaining. For example, state-provided tax benefits for employee payments or benefits could be linked to employers' compliance with collective agreements. Additionally, making employers' organisation membership fees tax-deductible could mirror the treatment of union fees and provide further motivation to participate, as in the case of Czech employers.

## Institutional/political support for (sectoral) bargaining

1. **More effective extension of collective agreements.** While strengthening trade unions and employers' organisations indirectly promotes collective bargaining, directly bolstering sectoral bargaining institutions is key to increasing collective bargaining coverage. One of the most effective and widely used methods in the EU is the application of extension mechanisms. These ensure that sectoral agreements also apply to companies and workers who are not members of the signatory organisations. To improve the effectiveness of such mechanisms, lowering the representativity threshold for signatory employers' organisations (currently set at 50% of employees covered in many cases) could be considered.
2. **Developing sectoral collective bargaining.** One condition that would surely support industrial relations would be the strengthening or the introduction of a legal framework for sectoral collective bargaining, with clear rules of engagement, negotiation mandates, roles and responsibilities. This would help developing bipartite negotiation structures at sectoral and intersectoral level. Where sectoral bargaining exists, a comprehensive modernisation of legal regulations, including clarification of process definitions and the addition of missing legal provisions in the field of collective bargaining are needed. This would help having fewer legal disputes and ambiguities in bargaining processes, and in turn, faster and more efficient negotiations.
3. **Promoting multi-employer bargaining.** In countries where collective bargaining primarily occurs at the company level, promoting multi-employer bargaining could serve as a stepping stone to sectoral agreements. This approach is particularly useful in industries with a small

number of dominant companies. By securing agreements with key players, a significant portion of workers in the sector would be covered, creating pressure on smaller companies to participate in sectoral negotiations.

4. **Public contracts and economic subsidies only for companies which accept and apply collective agreements.** Another measure is introducing a "collective bargaining conditionality" for public contracts and state aid. This would restrict access to public funds only to companies covered by, or complying with, sectoral agreements. Without such conditions, public tenders may unintentionally favour non-compliant companies with lower labour costs, enabling them to submit cheaper bids. Conditionality could take various forms, such as excluding non-compliant companies from tenders entirely or awarding bonus points to compliant firms during bid evaluations. It means introducing changes to existing public procurement laws so that they allow for collective bargaining conditionality, giving money only to enterprises (and subcontractors) which are covered by a collective agreement or which comply with the provisions of the prevailing collective agreements. In this context, it would be important to specify that the collective agreements to be taken into considerations are the ones signed by the comparatively most representative national social partners (and for the workers' side, only by trade unions).
5. **Ensured validity of collective agreements in case of a company restructuring, and ultra-activity.** Preventing employer strategies to evade collective agreements is also essential. For instance, existing agreements should remain valid during corporate restructuring, such as spin-offs or transfers of undertakings, as these processes are often used to bypass existing agreements or to switch to less favourable sectoral agreements. Similarly, collective agreements should continue to apply after their formal expiration until a new agreement is negotiated (so called ultra-activity). This rule should include new employees hired after the agreement's expiration, ensuring consistent conditions across the workforce. Additionally, regulations could specify a maximum period within which negotiations for a new agreement must commence.
6. **Extending the scope of collective agreements to excluded groups of employees.** Broadening the scope of collective agreements is another critical step. This could include extending bargaining rights to currently excluded worker groups, such as solo self-employed individuals, agency workers, and certain public employees (e.g. Lithuania, that has historically been among the EU countries with the lowest coverage rates of approximately 8%. However, recent developments in the public sector - possibility for public employees to bargain and conclude agreements - have led to a significant increase, with coverage reaching around 27% by 2024). Moreover, the range of issues covered by collective agreements should be expanded in countries where legal frameworks restrict collective bargaining. Adjusting these laws to reserve specific terms and conditions for collective agreements could empower employers and trade unions to negotiate more effectively.

7. **Possibility to derogate from the law.** A discussion could be envisaged about whether derogations from labour law, via collective agreements, would incentivise collective bargaining. This is a key element in collective bargaining practices in Denmark and Sweden, since collective agreements are the most important regulatory instrument for working conditions. However, in countries where the industrial relations are not well-established, derogations should only be allowed under strict circumstances: if labour law is already extensive; limited to sectoral agreements; on a limited number of topics; only agreed with independent trade unions. Nevertheless, the increase of yellow unions, as a result of the possibility to derogate from labour law, is a potential risk, and sufficient protection against yellow trade unions needs to be envisaged and be achieved.
8. **Data collection, information and transparency.** All collective bargaining processes must be based on accurate, complete and reliable data, at company, sectoral or national level. To do this, better data collection is needed to make trade unions more informed on national and European economic and social trends, like productivity developments, wage trends, profit rates, etc... National statistical offices should provide free, reliable and up-to-date information. Moreover, it has to be guaranteed the right of information and consultation, including the board level codetermination.
9. **Fighting precariousness in the labour market.** Another institutional push to collective bargaining and collective bargaining coverage are measures to curb the flexibilization of the labour market, limiting zero-hour contracts, temporary agency work, involuntary part-time work, platform work and reducing as much as possible job precariousness.
10. **Bilateral bodies co-managed by social partners.** Finally, following the example of Italy, it could be considered to promote the establishment of bilateral bodies. These are joint organisations managed by workers' trade unions and employers' associations. They operate within specific sectors or territories to promote corporate welfare, professional training, up-skilling, workplace safety, and income support. They support the implementation of national collective agreements. Bilateral bodies are primarily funded through mandatory contributions established by national collective agreements. These contributions are paid by both employers and employees, usually as a small percentage of wages or a fixed amount defined by the contract. In this sense, the creation of bilateral bodies would facilitate the dialogue (being managed by both trade unions and employers' associations, creating a collaborative space that fosters mutual trust and dialogue, which are essential for effective collective bargaining); ensure compliance with the terms of collective agreements; expand collective bargaining coverage (by providing support services to non-unionised workers or smaller companies, and helping extend the reach of collective agreements to a broader audience).

**Table 1: Measures and instruments to promote collective bargaining**

<b>Strengthening the bargaining parties' capacity to act</b>		<b>Political/Institutional support for collective bargaining</b>
<u>Trade Unions</u>	<u>Employers' Organisations</u>	<u>Supporting / Strengthening (sectoral) bargaining</u>
Promoting Trade Union Values and Membership	Supporting the establishment of employers' organisations at sectoral level	More effective extension of collective agreements
Solidarity fee	Obligation for employers to engage in sectoral collective bargaining	Developing sectoral collective bargaining
Financial incentives for trade union membership	Establishing bipartite 'sectoral bargaining councils'	Promotion of multi-employer bargaining as a bridge towards sectoral bargaining
Exclusive benefits for trade union members	"Chamber system" with compulsory membership of companies	Public contracts and economic subsidies only for companies which accept and apply collective agreements
Ensuring trade union access to workplaces (including digital access)	Financial incentives for companies to become a member of sectoral employers' organisations	Ensured validity of collective agreements in case of a company restructuring, and ultra-activity
Increasing Trade Union Density and Building Power	Making the provision of tax benefits for the provision of fringe benefits conditional on being covered by a collective agreement	Extending the scope of collective agreements to excluded groups of employees, such as public servant, solo self-employed and agency workers
Introducing new topics in collective bargaining	Capacity building for employer organisations	Possibility to derogate from the law
Strike funds to support trade unions' demands		Data collection, information and transparency
Trade Union as monitoring bodies		Fighting precariousness in the labour market
Measures against union busting and protection against discrimination of union representatives		Bilateral bodies co-managed by social partners
Providing information on the trade unions at the workplace		
Right to collective redress in case of violation of agreement		
Capacity building for trade unions		

