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HOW THE EU DIRECTIVE ON ADEQUATE MINIMUM WAGES CAN HELP REVIVE COLLECTIVE BARGAINING IN CENTRAL AND EASTERN EUROPE

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This policy paper is one in a series presenting the key recommendations based on a comparative study, collective bargaining boost workshops and scientific seminars carried out in Bulgaria, Czechia, Croatia, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia as part of the project CEE CAW ‘Challenges for Organising and Collective Bargaining in Care, Administration and Waste collection sectors in Central and Eastern European Countries’, which was led by the Institute of Public Affairs (Warsaw). The other partners were the: Bulgarian Academy of Sciences (Sofia), Central European Labour Studies Institute (Bratislava), Lithuanian Centre of Social Sciences (Vilnius), Centre for Democracy Foundation (Belgrade) and European Federation of Public Service Unions (Brussels).



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Introduction

The emergence of Directive (EU) 2022/2041, with its clear emphasis on the importance of collective agreements, has brought hope for building a genuine system of collective bargaining in the post-communist countries of Central and Eastern Europe (CEE). However, the Directive will remain merely a proud symbol of these hopes unless concrete steps are taken by national and European trade unions.

This policy paper is part of the CEECAW project, which examines the state of industrial relations with a particular focus on collective bargaining in three public sectors: waste management, central administration, and social care in CEE countries. The paper addresses the general landscape of collective bargaining in the countries covered by the project. It is based on national research conducted within the project, although those findings are cited here only when truly necessary.

Brief analysis of the situation

After the systemic transformations of the 1990s, most countries in the region transitioned from centrally planned to market economies, which significantly affected the position of trade unions and social dialogue institutions. In most cases, autonomous collective bargaining systems (built essentially from scratch) shifted to the company level. Although formal legal frameworks for collective bargaining exist in all countries of the region, their practical operation is often limited. This is further exacerbated by several factors: fragmentation of trade union structures (e.g. Slovenia — 48 representative organisations), lack of state support (so-called “hostile neutrality”, as seen in Poland and Hungary), low motivation among young workers to join trade unions, and the excessive influence of multinational corporations exerting downward pressure on labour costs.

In most countries, collective bargaining coverage remains low (e.g. Poland — 13%, Hungary — 22%, Slovakia — 24%), while foreign capital exerts significant influence and trade unions demonstrate limited capacity for coordination. Company-level bargaining prevails, with weak development of sectoral or cross-sectoral agreements.

In the private sector, multinational corporations play a particularly destructive role by consistently avoiding sector-level dialogue. Domestic employers often follow this example, which means that even though the number of employers' organisations is growing, their main focus is lobbying rather than concluding collective agreements. In the public sector, the situation is more complex, though not necessarily better. Public authorities (at state or local level) act as employers, but the sector also includes providers of public services that are subsidiaries of multinational corporations (e.g. in the waste management sector). Each of these groups requires a different approach from trade unions.

Throughout the region, collective bargaining has not become an offensive tool to gain new rights but rather a defensive mechanism aimed at protecting the status quo, often under the pressure of budget cuts and labour law liberalisation. In this context, a key question arises: whether and how Article 4 of Directive 2022/2041/EU can be used to rebuild the system of collective bargaining in CEE. The Directive may represent a turning point — for the first time in the history of European integration, it introduces a requirement for member states to actively support collective bargaining. This marks a departure from the previous approach, in which wage-setting was considered a purely national issue or was subject to liberalising pressures (as during the eurozone crisis). However, without concrete domestic actions of the unions, the Directive will remain only symbolic. It simply will turn into a monument to the expected collapse.

Therefore, to help trade unions take advantage of this “window of opportunity”, this policy paper of the CEECAW project has developed recommendations for action, especially in three key areas: internal union organisation, relations with employers, and engagement with public authorities.

Recommendations for Trade Unions: Internal Structure and Building Bargaining Capacity

Consolidation and Coordination of Union Structures

In many CEE countries, trade union structures remain fragmented, often inherited from the era of state monopoly unions. Although trade union pluralism is a democratic value, its conflictual nature — visible in the lack

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of cooperation between confederations and duplication of efforts — significantly weakens the overall impact of the labour movement. There is a lack of both vertical coordination (from the workplace to the national level) and horizontal cooperation (between unions operating in the same sector or industry).

To respond effectively to challenges such as digital transformation, the Green Deal, labour market fragmentation, and international capital pressures, trade unions must build effective structures that enable fast information flow, coordinated demands, and joint action.

Recommendations:

- **Strengthen vertical coordination** between workplace-level unions, sectoral federations, and national confederations. Higher-level structures must provide real support in bargaining, organising protests, and handling disputes — not merely offer symbolic declarations.
- **Create sectoral coordination platforms:** voluntary forums for unions operating in the same sector to align bargaining strategies, exchange information, and coordinate public messaging.
- **Prevent conflictual pluralism:** in sectors with multiple representative unions, cooperation agreements should be made in key areas such as minimum wage, sectoral bargaining, or employment policy. Good practices from Western countries, where competing confederations can act together in core workers' interests, serve as a useful model.
- **Develop shared analytical and organisational infrastructure:** knowledge bases, model collective agreements, employer databases, and legal support systems that are accessible across union structures, regardless of confederation affiliation. These tools enhance coordination and bridge the gap between national and local levels.

Consolidation does not mean abolishing pluralism but civilising it — turning it into a tool for building collective strength rather than fragmentation. Without a minimum level of organisational cohesion, it will be difficult to bargain effectively with increasingly centralised capital and public authorities.

Increasing Negotiation Skills

Effective collective bargaining requires not only organisational coordination but also specific skills on the part of trade union representatives. In many cases, local union leaders face professional employer negotiators without adequate preparation, tools, or access to expert knowledge, which severely limits their ability to achieve meaningful outcomes.

A systemic approach to developing union competencies is therefore essential, not only in labour law but also in negotiation strategies, communication, data analysis, and narrative building.

Recommendations:

- **Practical training for workplace and sectoral union leaders**, with a focus on bargaining strategy planning, data-based argumentation, and negotiation under conditions of power asymmetry.
- **Access to model collective agreement clauses and comparative analyses**, helping unions avoid common mistakes and respond effectively to employer proposals.
- **Support for young union activists**, through mentoring programmes and incubators run by national confederations, aimed at developing a new generation of negotiators who understand the realities of today's labour market.

Improving negotiation skills is one of the simplest yet most often neglected ways to enhance trade unions' bargaining power, particularly at the workplace level, where most negotiations now take place.

Strategy for Engaging Young Workers

One of the biggest challenges facing trade unions in Central and Eastern Europe is attracting young workers. Many of them are employed in non-standard forms of work — civil law contracts, short-term arrangements, through temporary agencies or digital platforms — and do not identify with traditional unionism. In addition, younger generations often perceive unions as outdated, ineffective, or ill-suited to the realities of the modern labour market. Frequently, they are simply unaware that they can join a union.

An active strategy for social and digital presence is therefore essential, one focused on building a sense of union identity among young people. This is not just about promoting union organisations but also about familiarising youth with the concept of collective bargaining as a tool for improving daily working conditions, such as employment stability, transparent pay rules, and decent work environments. When they are inside the union, there is a need to ensure a transparent flow of information for them, in a language understandable to younger generations, and a path must be created for young trade unionists to access higher positions effectively, including those with a real influence to shape the union according to their needs.

Recommendations:

- **Information campaigns on social media** (TikTok, Instagram, YouTube Shorts): short, engaging content highlighting tangible benefits of collective agreements, such as paid leave, bonuses, wage increases, and promotion systems. Examples can be drawn from existing agreements (including those in Western Europe) and presented via storytelling.
- **Collaboration with influencers and young content creators** who speak accessibly but accurately about labour rights, the economy, and the labour market. These potential allies are often overlooked but could help rebuild union credibility.
- **Union presence on university campuses and in vocational schools:** through information sessions, workshops, collective bargaining simulations, and real-life case studies, as a form of civic and vocational education. Pilot initiatives could be launched in partnership with student organisations.
- **Creating union support points for young workers**, especially those in non-standard employment, where they can get legal advice, help with enforcing contracts, or get consultations on workplace problems. This could be their first step toward union involvement.
- **New forms of organising:** building union structures among freelancers, self-employed workers, and platform workers. Unions can act as “solidarity hubs” that bring together dispersed workers around shared issues like data, pay rates, and safety.

Without engaging the new generation, it will not be possible to rebuild a sustainable system of collective bargaining. This requires breaking stereotypes, overcoming communication barriers, and adapting union language, formats, and communication channels to meet young people's expectations.

Inclusion of New Forms of Employment in Collective Bargaining

The changing labour market, with the spread of civil law contracts, self-employment, platform work, and other non-standard forms of employment, poses a serious challenge for trade unions: how to represent workers who are not formally "employees" in the legal sense, yet still experience subordination and often exploitative conditions?

Traditional union structures are poorly equipped to include such groups. Often, there is not only a lack of strategy, but also a lack of organisational imagination. Yet, including these workers in the sphere of collective bargaining is essential if trade unions are to remain relevant in the digital economy and dispersed employment environment.

Recommendations:

- **Develop new forms of organising:** creating flexible representation structures, such as sectoral associations, professional sections, or partnerships with civil society organisations, that can represent people outside of standard employment relationships.
- **Negotiate with non-traditional entities,** such as digital platforms or labour intermediaries, including through informal agreements (soft agreements), which may later evolve into recognised collective agreements.
- **Build a shared agenda with non-standard workers:** identifying their needs, problems, and mobilisation potential, rather than imposing pre-made forms of representation. This is a step toward a new language of solidarity suited to digital and fragmented work.
- **Push for collective agreements to cover workers outside the traditional labour code,** e.g. through sectoral agreements that apply across entire industries regardless of contract type.

Including non-standard workers in the collective bargaining system is not a “bonus”, it is a condition for the survival of trade unions as institutions capable of representing today’s complex world of work.

Recommendations on Approaching Employers and Changing Their Reluctance

Developing Sectoral Collective Bargaining Mechanisms

One of the key barriers to increasing collective bargaining coverage in CEE countries is the near-total absence of functioning sectoral agreements. While the law formally allows for their conclusion, in practice, employers organizations rarely assume this role, citing a lack of mandate or member interest. Trade unions, on the other hand, lack sufficient legal tools to compel or incentivise sectoral negotiations. Yet, sectoral agreements are critical to improving working conditions across entire industries, preventing cost-based competition between firms, and forming the foundation of a stable collective bargaining system. Their absence deepens labour market inequality and weakens union influence.

Recommendations:

- **Apply pressure on employers’ organisations to take on a bargaining role:** unions should consistently demand employers’ organisations to act as collective bargaining partners. In the case of persistent refusals, legislative intervention should be considered, e.g. establishing a criterion of representativeness in collective bargaining for entities wishing to obtain the status of a fully-fledged employers’ organisation.
- **Propose legislative mechanisms for extending sectoral agreements:** following the example of countries such as France, Spain, or Slovenia, a simple mechanism should be introduced to extend agreements to all entities within a sector, provided certain representativeness criteria are met.
- **Identify priority sectors where attempts to initiate such bargaining could be made first:** based on a diagnosis of bargaining structures, union density, readiness of employers and assessment of mutual interest (joint voice towards government).

Developing sectoral agreements is a long-term process, but essential for meeting the obligations under Article 4 of Directive 2022/2041/EU and rebuilding the regulatory strength of collective labour law in the region.

Opening to Employer Incentive Systems

In the current institutional framework of Central and Eastern European countries, the prevailing approach is either neutral or indifferent toward collective bargaining. Employers, even if not openly hostile, have no economic interest in concluding collective agreements. From a business perspective, these are seen mainly as obligations that might increase costs or introduce legal risks.

If collective bargaining is to expand, positive incentives for employers must be introduced, especially in the private sector, but also for companies delivering public services. The goal is for collective agreements to be seen not as a threat but as a tool for stability and professionalisation of labour relations.

Recommendations:

- **Openness to proposals from employers' organisations:** for solutions that could encourage the conclusion of collective agreements, on the clear condition that this results in a win-win situation for both sides.
- **Favouring collective agreements in public procurement systems:** awarding additional points in tenders to companies that are parties to collective agreements, or covered by sectoral arrangements, as proof of compliance with social responsibility standards.
- **Introducing a “social dialogue employer” certification system:** awarded to companies that regularly engage in dialogue with employee representatives, conclude collective agreements, and follow transparent employment practices. This certificate could be recognised by clients and business partners.
- **Local pilot programmes involving municipal authorities:** local governments could implement their own preference systems (e.g. in

public procurement or grant programmes) for companies with collective agreements, setting an example and promoting good practices.

An incentive system is no substitute for the state's obligation to protect collective labour rights, but it can help break deadlock and demonstrate that collective agreements are not a cost, but an investment in employment quality and workplace stability.

Joint Image Campaigns

The public image of collective bargaining remains weak and burdened by stereotypes. Collective agreements are often associated with the past, bureaucracy, or privileges, rather than being viewed as tools for genuinely improving working conditions. Trade unions and employers' organisations rarely present collective bargaining as a modern instrument for managing labour relations in a spirit of partnership. Positive narratives are lacking — ones that are rooted in specific examples and understandable to the general public.

There is a need for wide-reaching information campaigns that show collective bargaining not as a relic of the past but as a tool for the future — one that allows working conditions to be adapted to the needs of both companies and employees.

Recommendations:

- **Joint campaigns by trade unions and employers' organisations:** highlighting examples of well-functioning collective agreements, especially sectoral ones, as sources of competitive advantage, reduced employee turnover, and improved company reputation.
- **Narratives based on real people and workplaces:** instead of abstract slogans, concrete stories of how collective agreements led to better pay, improved occupational health and safety, more predictable employment conditions, or stronger workplace relationships.
- **Involving local governments and public institutions:** as messengers of good practice and local ambassadors for the idea of collective agreements, particularly in public service sectors.

- **Creating materials in formats and language accessible to younger generations:** infographics, short videos, and social media content that demonstrate how social dialogue directly impacts quality of life.

Building a positive public image of collective bargaining is essential to break the cycle of indifference from both workers and employers. Joint efforts in this area can generate long-term benefits that go far beyond the immediate implementation of the Directive.

Recommendations for Engagement with Public Authorities

Pressure to Implement Article 4 of the Minimum Wages Directive (AMW)

Article 4 of Directive 2022/2041/EU on Adequate Minimum Wages requires Member States to support collective bargaining and, where bargaining coverage falls below 80%, to develop an action plan to increase it. For CEE countries, this presents both an opportunity and a test of political will to change their approach to collective labour law. There is a real risk that the Article 4 obligations will remain dead letters, treated by governments as a formal requirement, fulfilled only on paper without genuine engagement from public institutions or tangible effects for workers.

Recommendations:

- **Continuous monitoring by trade unions of the implementation process:** including the preparation of independent “shadow reports” that assess the quality of national action plans, their alignment with the Directive’s objectives, and the extent of their actual implementation.
- **Trade union involvement in drafting and evaluating action plans:** not only through consultations, but as equal partners in designing and updating them.
- **Coordination at the European level:** trade unions in the region should cooperate within the ETUC and European sectoral federations to exert pressure on the European Commission and support enforcement in countries with the weakest results.

- **Calling out box-ticking implementation:** if a state limits itself to vague declarations with no legislative, budgetary, or institutional actions, this should be publicly criticised, both nationally and at the EU level.

Implementing Article 4 is not a technical matter — it is a political one. It is a test of whether member states take the idea of fair pay wage and workers’ rights to collective bargaining seriously, or whether they intend to stick with a model of minimal intervention and passive observation of the dismantling of collective labour law.

Developing Collective Agreements in the Public Sector

The public sector in CEE remains one of the last strongholds of trade union activity, but even here, collective agreements often function in a fragmented or symbolic way. In many countries, the law restricts the scope of genuine collective bargaining, for example, concerning wages, employment conditions, or work organisation, limiting unions to mere consultative roles. Yet the public sector should serve as a model for the entire economy when it comes to dialogue and bargaining standards.

As an employer, the state has the duty not only to comply with existing regulations but to actively develop them to enable meaningful negotiations with employee representatives. This is especially crucial in socially significant areas such as healthcare, education, care services, and local administration.

Recommendations:

- **Amend regulations limiting the scope of collective bargaining:** unions must be able to negotiate not only on working conditions but also on wages, promotions, working time, and temporary employment, within budgetary limits, but meaningfully and not just formally.
- **Encourage public authorities to conclude sectoral agreements:** particularly in public services, where common standards for entire occupational groups can be developed, such as social workers, support staff in healthcare, or territorial administration employees.
- **Foster territorial dialogue:** collective agreements can be concluded not only at the national but also regional or local levels, with local

governments acting as parties to the dialogue. This provides an opportunity to reflect local realities and develop solutions closer to workers' lived experiences.

- **Highlight good practices and positive outcomes of agreements:** such as workforce stability, reduced absenteeism, improved working conditions, and better quality of public services, strengthening the argument to policymakers and the public.

Expanding collective bargaining in the public sector is not only a matter of workers' rights — it is also key to building modern, effective, and trustworthy public administration and services.

Legal Safeguards for Social Partners

The effectiveness of social dialogue and collective bargaining largely depends on the institutional conditions under which social partners operate. In many CEE countries, there are no adequate legal guarantees to protect trade unions and employers' organisations from repression, marginalisation, or arbitrary exclusion from decision-making processes. This particularly concerns the right to bargain collectively, access to information, and the protection of worker representatives. Without stable and enforceable legal frameworks, social partners cannot function autonomously or effectively.

Recommendations:

- **Strengthen protections for worker representatives:** expand legal safeguards against discrimination and dismissal, especially in the private sector and for those in non-standard forms of employment.
- **Guarantee access to information:** introduce obligations for employers to provide trade unions with data necessary for bargaining, such as information on wages, employment levels, or restructuring plans, in line with the principle of transparency and balanced power relations.
- **Combat union busting:** criminalise employer practices aimed at hindering the formation or functioning of trade unions, including setting up rival organisations or obstructing representative elections.

- **Stabilise the system of representativeness:** adopt clear, transparent, and not excessively restrictive rules for gaining representative status, to encourage unionisation and enable real participation in dialogue rather than limiting it.
- **Ensure equal treatment of social partners by the state:** regardless of their political affiliation or institutional history, public authorities must treat social partners as equal participants in decision-making processes and guarantee them access to consultations, negotiations, and relevant information.

Strong, protected, and meaningfully involved social partners are essential not only for effective collective bargaining but also for democracy in the workplace. Without adequate legal safeguards, the role of trade unions and employers' organisations will remain merely symbolic.

Improving Labour Law Enforcement

Many workers in Central and Eastern Europe experience violations of basic labour rights, such as overtime pay, access to information on working conditions, or the right to unionise, despite these rights being formally guaranteed. The issue is not the absence of regulations, but their weak enforcement: too few inspections, low detection rates, minor penalties, and limited access to appeals or legal support.

This lack of effective enforcement undermines trust in labour law as a protective tool and discourages workers, especially young and non-standard employees, from engaging in collective action. For collective agreements, it means the risk of marginalisation if they are not supported by state enforcement mechanisms.

Recommendations:

- **Strengthen labour inspection services:** increase the number of inspectors, their authority, and operational budgets, especially in sectors covered by collective agreements or those with a high prevalence of non-standard work.

- **Prioritise monitoring compliance with collective agreements:** agreements must not only be signed but also enforced. Labour inspectors should have a clear mandate to act in cases of breaches.
- **Simplify procedures for workers to pursue claims:** introduce accessible and user-friendly legal procedures, including free legal aid and union representation in both individual and collective disputes.
- **Develop automated risk-monitoring systems:** early warning systems based on data from social security, employment offices, or digital platforms, to direct inspections where the risk of abuse is highest.
- **Increase penalties for repeated labour law violations:** to ensure that ignoring legal obligations, including those from collective agreements, is not profitable.

Without strong enforcement, labour law, including collective agreements, becomes an empty shell. Restoring trust in the system of labour rights protection is a foundation for effective social dialogue and serious employer accountability.

As for the EU level

One additional issue — it is not by accident that this policy paper contains no recommendations for European-level trade union organisations. It has now been 25 years since the ETUC Congress in Helsinki adopted the resolution “Towards a European System of Industrial Relations”, which expressed a strong desire for mutual support and co-operation in collective bargaining, even coordination. The best recommendation is to revisit the strategic goals set out in that resolution and prepare a roadmap to gradually fulfil them, to the extent possible in the current EU socio-economic climate. Doing so would undoubtedly provide vital support to CEE trade unions in their effort to (re) build collective bargaining systems.