

LBAS Labour Rights Forum 2025

21 November 2025 – online



**Friedrich  
Ebert**   
**Stiftung**

**Sectoral Collective Agreements as a prerequisite for strong  
collective bargaining**

**Dr. Torsten Müller, ETUI**



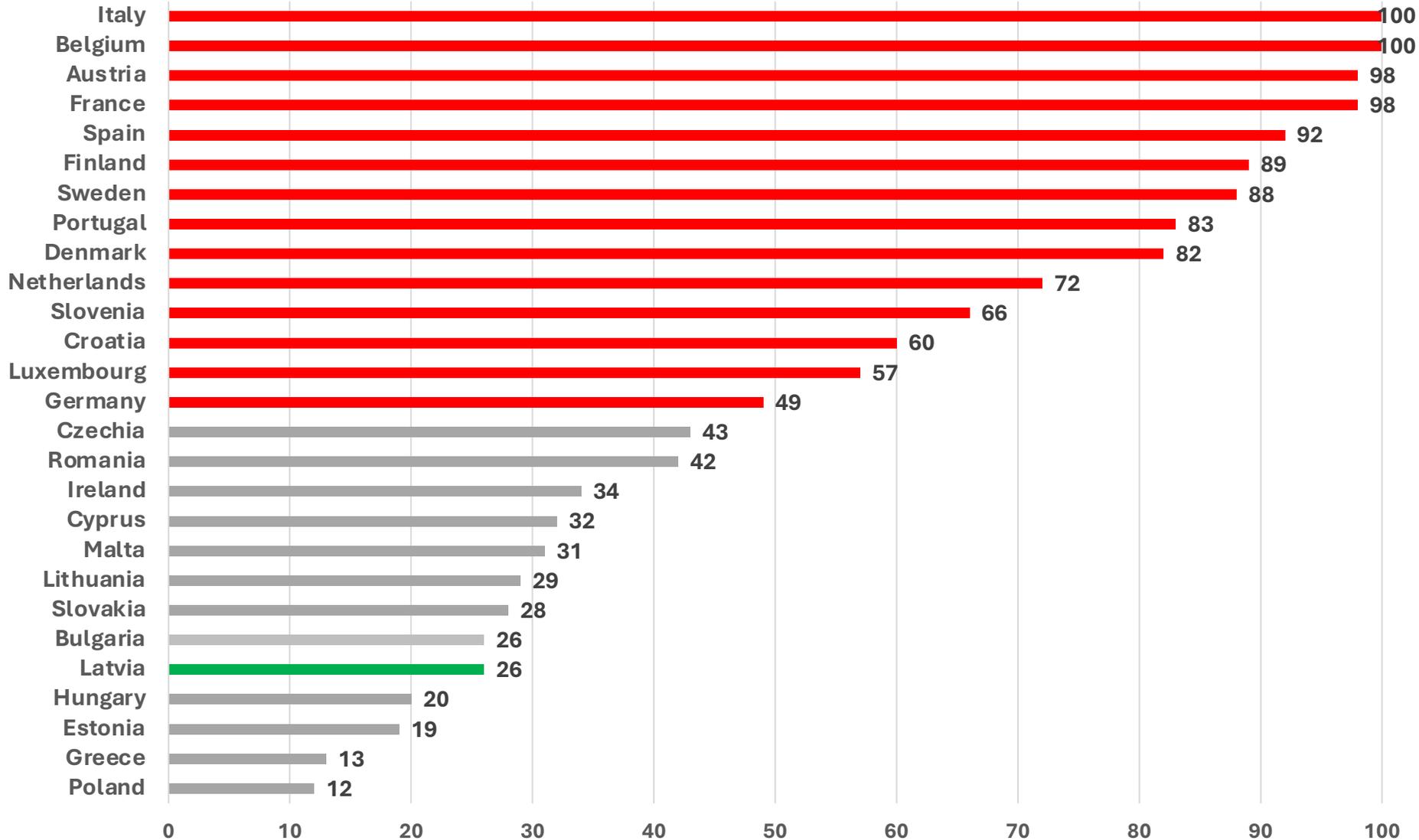
- 1. Link between sectoral collective bargaining and high bargaining coverage across the EU**
- 2. Added value of sectoral agreements for employers and the problem of free-riding**
- 3. Some measures to promote sectoral collective bargaining – lessons from the EU**



# CB coverage in EU Member States



(in %; 2024 or most recent year available)

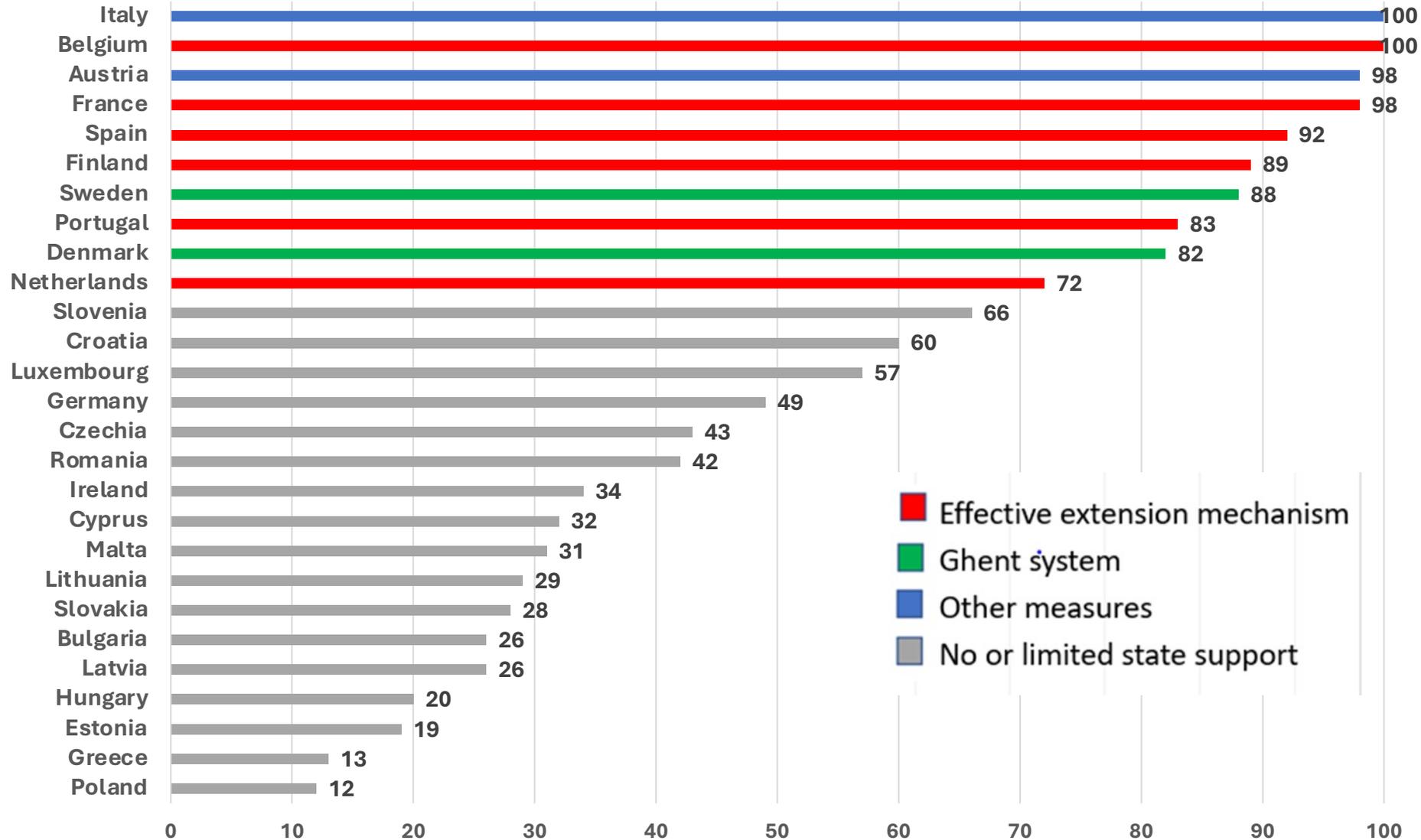


In all countries with coverage of more the **50%** collective bargaining is mainly done at **sectoral level!!**

Source: OECD-AIAS ICTWSS Database, Version October 2025



# Preconditions for high CB coverage (1)



In addition to sectoral CB some kind of **state support!!!**

Source: OECD-AIAS ICTWSS Database, Version October 2025

# ▶ Preconditions for high CB coverage (2)

**Political consensus** about the added value of Sectoral Collective Agreements

- among political actors, employers and trade unions: acknowledgement of CB as “**democracy in action**” ensuring that workers have a say in determining their working conditions.
- Most importantly: employers also see value in sectoral agreements



# ▶ Added value of sectoral CAs for employers

- **Level playing field:** preventing ruinous price competition
- **Stability and better conditions for long-term planning**
- **Less transaction costs** through collective negotiations instead of individual negotiations
- **Securing peaceful labour relations**
- **Since sectoral CAs as a rule ensure better working conditions, they increase employee wellbeing and therefore productivity**



# ▶ ... but what about the free-riding problem?

Little empirical evidence of free-riding:

Countries with **high CB coverage** also tend to have **higher union density**



- Sectoral agreements can provide **protection for workers** who intend to join a union;
- Sectoral agreements give unions the opportunity to get **access to workers** in companies and sectors they would otherwise not get in contact with;
- **Thus, sectoral CAs often facilitate organizing**



# Union measures against free-riding

Ensuring that some benefits of CAs only apply to union members:

CA in German chemical industry:

- One **additional day off** per year

CA in German rubber industry:

- **Additional bonus** of 450€ per year



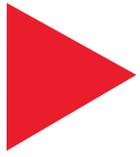
Other consideration: **‘administrative fee’** for non-union members who benefit from collective agreement (currently existing in Canada, New Zealand, South Africa)

# ▶ Other measures to promote sectoral CB

## Institutional support for sectoral bargaining:

- **Public procurement:** ensuring that public money only goes to companies that accept or apply CA;
- **Tax incentives** for employers if they are covered by a collective agreement; for instance, in case of provision of benefits in kind
- Facilitating **'ultra-activity'** of sectoral CAs and **extension** by lowering representativeness criteria





# 'Ultra-activity' across the EU (1)

Currently exists in the majority of EU Member States (15) – crucial issues:

- Time limit for ultra-activity
- Time limit for negotiation of new CA



**Germany: No limits at all** (usual practice across EU)

“After the collective agreement expires, its legal provisions continue to apply until they are replaced by another agreement”

# ▶ ‘Ultra-activity’ across the EU (2)

## Spain: Back and forth

**Before 2012: full ultra-activity**; i.e. an expired collective agreement remained valid indefinitely until a new one was negotiated and signed



**Reform 2012: limited ultra-activity**; i.e. an expired agreement remains in force for a maximum of one year after its expiration date (still the case in PT and SI)

**Reform 2021: restoration of full ultra-activity**



# 'Ultra-activity' across the EU (3)



## Poland: Legal challenges

Until 2002: **full ultra-activity**



**Constitutional Court:** restriction on the principle of voluntary bargaining and violating the equality of the parties in negotiating changes to the content of the CA

**Since then:** provisions of CA **expire three months** after its termination (unless the parties agree otherwise)

# ▶ Other measures to promote sectoral CB

## Strengthening trade unions:

- Improved **rights of access** to workplaces for trade unions – and enforcement of this right;
- Right to **collective redress** in case of violations of laws and CAs;
- Financial incentives for union membership by making **union fees tax deductible**



# ▶ Other measures to promote sectoral CB

## Strengthening trade unions:

- Improved **rights of access** to workplaces for trade unions – and enforcement of this right;
- Right to **collective redress** in case of violations of laws and CAs;
- Financial incentives for union membership by making **union fees tax deductible**
- Financial support for **capacity building measures** – applies to both sides



# ▶ Other measures to promote sectoral CB

Using **multi-employer bargaining** as a stepping stone for sectoral agreement:

**Romanian banking industry:**

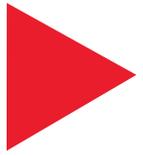


- Company-level agreements in companies that were more open to CB;
- Multi-employer agreement with these banks in 2018 covering a bit more than 50% of the banking sector;
- Conclusion of real sectoral agreement in 2024

Making sectoral agreements attractive by innovating the content of CAs:



- addressing the **needs of different groups** of workers:  
young workers
- **work-life balance** through working time reduction and more working time autonomy
- Tool: **optional models** in collective agreement giving the choice between wage increases and more time off



# Sectoral Bargaining is good for you

- **Sectoral collective agreements are the only way to increase collective bargaining coverage**
- **Sectoral collective agreements are also beneficial for employers**
- **Sectoral collective agreements are the only way to ensure a fair distribution of wealth and are an essential element of ensuring democracy at work**

▶ Thank you very much for your attention!



**Dr. Torsten Müller**  
[tmueller@etui.org](mailto:tmueller@etui.org)



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>

**Here comes the sun – The formal transposition and political impact of the European Directive on Adequate Minimum Wages in the EU**

**ETUI Working Paper**

**Torsten Müller, ETUI**

Forthcoming on ETUI website: <https://www.etui.org>



About wage-up   Infographics

## Minimum Wage and Collective Bargaining systems in Europe

Latest update on 13/11/2024

Tool to monitor the transposition and implementation of the Directive on Adequate Minimum Wage in the EU  
*Click on a country for more information*



<https://wage-up.etuc.org/>