BARSERVICE

Smart bargaining in the services sector: overview, challenges, opportunities

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STRONGER BARGAINING IN PRIVATE SERVICES: Lessons from the BARSERVICE project

2025

Deliverable D5.2. of BARSERVICE Project: Smart bargaining in the services sector: overview, challenges, opportunities (101126532)

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Introduction

Out of all employees in the European Union, an estimated six in ten are covered by a collective agreement (OECD, 2025). That is far below the threshold set by the Minimum Wage Directive of eight in ten. However, when comparing countries, stark differences are evident. While in some countries almost all employees are covered by a collective agreement (e.g. Italy, France, Austria and Belgium), in other countries less than one in four are. This is the case for some countries like Poland, Greece, Romania, Estonia, Hungary and Slovakia (OECD, 2025). And also in candidate countries such as Serbia, North-Macedonia or Türkiye, collective bargaining coverage is far below the 80% threshold. Moreover, private services sectors generally have less bargaining coverage than, for example, industrial or public sectors.

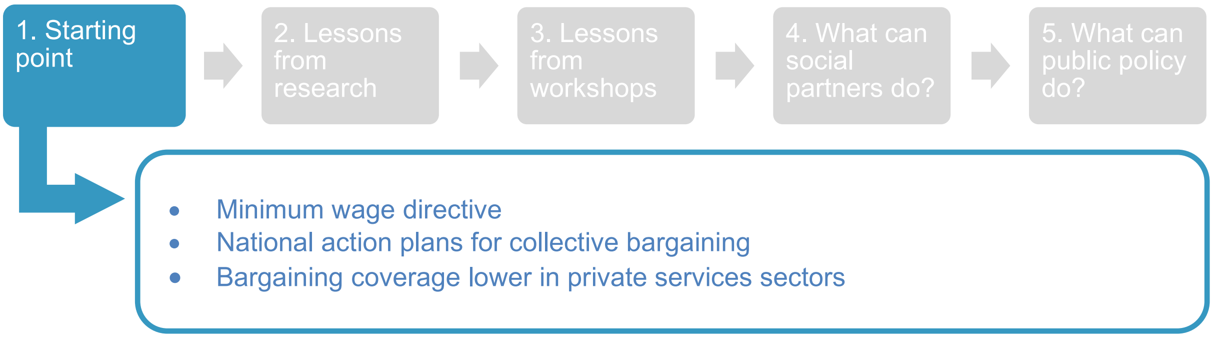
Based on these observations, the BARSERVICE project (101126532) focused on collective bargaining in four private services sectors (finance, commerce, publishing and social care) in 6 EU countries (Croatia, Slovakia, Czechia, France, Italy and Romania) and 3 candidate countries (Serbia, North-Macedonia and Türkiye). This set of countries allows us to see the regional similarities on the one hand, and differences with western countries as Italy and France, as well as EU countries and candidate countries, on the other. The project used a combination of research and capacity building workshops to investigate the situation of collective bargaining and the opportunities for its development.

This report summarises the results of these efforts in order to draw some lessons for social partners and public policy. The report is structured as illustrated below (Figure 1) and follows the logic of the project with summaries of the research and lessons learned from the capacity building workshop. From those, lessons are drawn for social partners in part 4 and for public policy in part 5.

The main argument running through the report, learned during the different workshops and studies, is that collective bargaining in the private services in the covered countries faces multiple challenges which are structural (sector structure, legislation), cultural (lacking history and tradition) and ideological (resistance to bargaining). There are, therefore, no silver bullets to increase the coverage rate. A series of interventions over a longer term will be needed to install a durable culture and structure of collective bargaining.

Figure 1:

1. Starting point: The Minimum Wage Directive as a window of opportunity

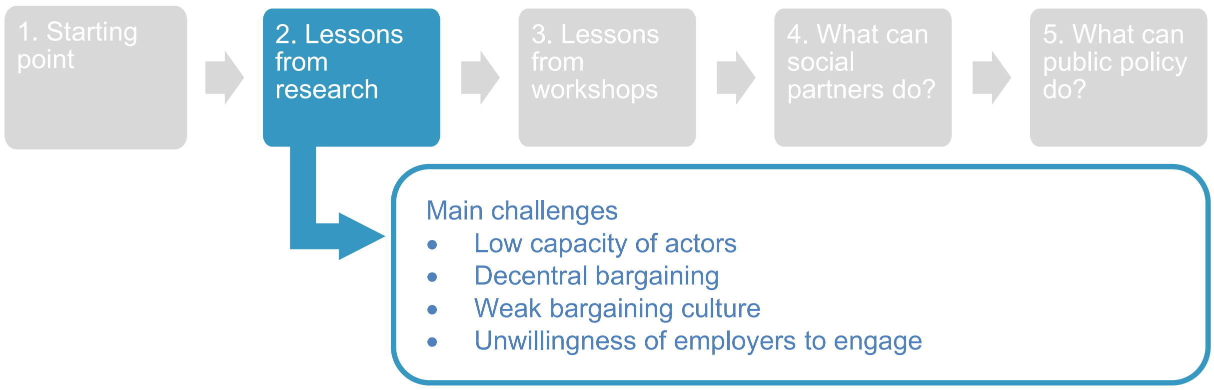


Strengthening collective bargaining is a requirement to guarantee a social Europe. In the 2020 state of the union, commission president Ursula von der Leyen stated to be a “strong advocate of collective bargaining”, and also the 2024-2029 political guidelines stressed the importance of “increasing collective bargaining coverage”.

These political ambitions translated in initiatives such as the 2023 Communication on reinforcing and promoting social dialogue urging Member States to strengthen workers’ organisations and expand collective bargaining coverage; and mostly the 2022 Directive on Adequate Minimum Wages (MWD). This Directive is one of the key instruments supporting the European Commission’s objective to strengthen collective bargaining coverage to at least 80% across Member States.

The MWD gives concrete form to these ambitions by requiring countries with less than 80% collective bargaining coverage to develop national action plans to promote collective bargaining. This is particularly relevant in private services, where coverage remains low. As the Directive forms part of the EU acquis, candidate countries such as Serbia, North Macedonia, and Türkiye will also need to take it into account during accession, ensuring the broader promotion of collective bargaining across Europe.

2. Lessons from research



Based on these starting points, BARSERVICE researchers studied the state of play and prospects of collective bargaining in the nine countries and for four sectors covered. These 36 reports were summarized in four sectoral comparative reports (see Table 1 below). All the reports provide valuable insight into (1) the sector, (2) the current state of collective bargaining, (3) challenges to collective bargaining, (4) routes to stronger collective bargaining and, (5) European perspectives and influences on collective bargaining.

Table 1:

	Care	Publishing	Finance	Commerce
France	Link	Link	Link	Link
Italy	Link	Link	Link	Link
Croatia	Link	Link	Link	Link
Serbia	Link	Link	Link	Link
Slovakia	Link	Link	Link	Link
Czechia	Link	Link	Link	Link
North-Macedonia	Link	Link	Link	Link
Romania	Link	Link	Link	Link
Turkey	Link	Link	Link	Link
Comparative report	Link	Link	Link	Link

Those research analyses of the care, publishing, finance and commerce sectors in nine European and neighbouring countries reveal four interrelated trends contributing to low collective bargaining coverage: low capacity, low bargaining power, a weak collective bargaining culture and a lack of willingness among employers.

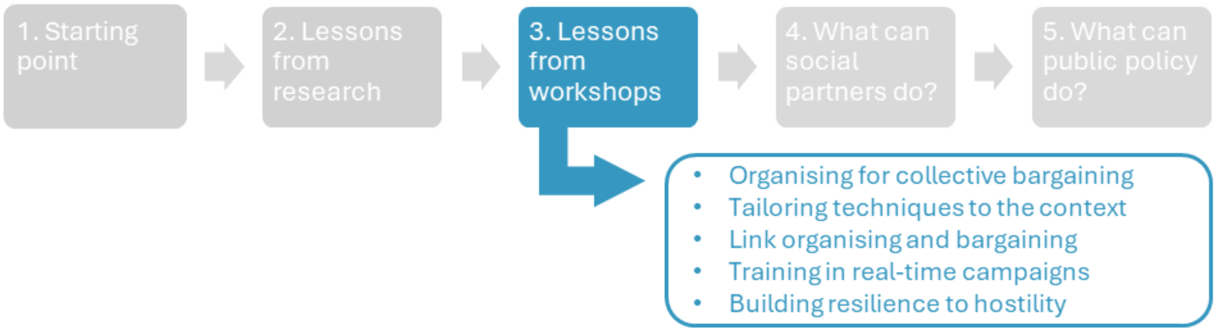
Low capacity is a recurring challenge where trade unions, and in some cases employer organisations, lack the membership, resources or organisational strength to negotiate effectively. In Romania’s publishing sector, for example, the fragmented structure means there is no unified negotiating partner for collective bargaining at a national level, which makes it impossible to negotiate a comprehensive, sector-wide agreement (BARSERVICE Comparative Report: Publishing, p. 11). Similar fragmentation occurs in the Czech financial sector, where 'the lack of unity and clear strategic direction among the various trade unions makes it difficult to present a united front in negotiations with employers' (BARSERVICE Comparative Report: Finance, p. 8). In Slovakia's care sector, as in other countries, this issue is exacerbated by demographic factors, as 'many younger workers are not interested in unionisation, reducing bargaining power' (BARSERVICE Comparative Report: Care, p. 6).

Decentral bargaining refers to the predominance of company-level negotiations with little or no sectoral coordination. This is evident in almost all sectors and countries. In some (e.g. Slovakian finance) there used to be sectoral bargaining but it has recently disintegrated. In others (e.g. Croatian commerce and Romanian finance) more centralised types of collective bargaining was reestablished resulting in much higher coverage rates. It is interesting to note that in France and Italy (with more than 95% of coverage both), where there is a strong tradition of sectoral bargaining, coverage rates are equally higher (OECD, 2025). Company based bargaining is difficult to scale to a level that it covers the majority of employees in a sector.

A **weak bargaining culture** indicates a lacking tradition or acceptance of collective bargaining in certain sectors and countries, which is often accompanied by hostility towards unionisation. In the Serbian publishing sector, 'any mention of establishing a trade union leads to a deterioration in employee-employer relations... insisting on its establishment will lead to termination of the work contract' (BARSERVICE Comparative Report: Publishing, p. 8). In Romania's commerce sector, this translates into 'high employer resistance to sectoral bargaining' and 'low unionisation in smaller firms' (BARSERVICE Comparative Report: Commerce, p. 7). In North Macedonia's care sector, 'minimal union representation in private and household-based care' means that 'workers negotiate individually or through informal arrangements' (BARSERVICE Comparative Report: Care, p. 5).

Another structural barrier is the **low willingness of employers**. In the Croatian financial sector, for example, differences between banks mean that 'employers' organisations are weak and large and small banks differ greatly, making it almost impossible to negotiate a universal salary' (BARSERVICE Comparative Report: Finance, p.8). In Romania's publishing sector, 'most publishing and printing companies lack formal employer associations, making sectoral negotiations impossible' (BARSERVICE Comparative Report: Publishing, p.8). In Serbia’s care sector, private employers resist collective bargaining, fearing higher costs and reduced operational flexibility (BARSERVICE Comparative Report: Care, p. 6).

3. Lessons from capacity building workshops



Building on these national reports, a number of national capacity building workshops were organised. These workshops were geared to mutual learning and learning about union organising. Indeed, to engage in collective bargaining, the unions need sufficient capacity and power, and this is based on broad, engaged membership. The workshops clearly showed the following:

1. Organising is the foundation of bargaining. Without membership there is no power, and unions need to develop that membership structurally through techniques like one-to-one conversations, identifying widely shared workplace issues, establishing winnable demands, mapping the bargaining unit, identifying leaders and building escalation plans. A structural approach to union organising should lead to robust, self-sustaining workplace networks capable of collective mobilisation.

2. Tailoring capacity building to context. The 2024 Turkey media and publishing workshop demonstrated the value of practical skills such as workplace mapping, leader identification and campaign planning in environments with low coverage and high resistance. Similarly, Serbia's 2025 care sector workshop combined organising skills with sector-specific research to create action agendas that addressed issues such as unsafe staffing and low pay. In both cases, combining practical organising tools with sectoral analysis enabled participants to translate theory into action.

3. Linking bargaining and organising. In Croatia's finance workshop, high bargaining coverage was used alongside renewed organising to ensure that collective bargaining agreements kept pace with sectoral restructuring. This underlines the importance of articulating the organising with the collective bargaining work and vice versa.

4. Training embedded in real-time campaigns. Workshops in Croatia's private care sector and Romania's commerce sector demonstrated the effectiveness of combining training with live organising drives for stronger bargaining. Using skills such as shop steward development, workplace mapping and targeted communication during ongoing negotiations increased member participation and visibility, creating momentum for current and future bargaining.

5. Building resilience in hostile environments. The Slovak care sector workshop emphasised the importance of legal strategy, alliance-building and creative organising as tools to counteract union-busting and intimidation. Linking with cross-border solidarity networks and peer-to-peer training enabled unions to create a protective and empowering support system for members.

Investing in these organising-based capacity-building strategies, supported by regional organising centres and programmes such as EPOC, COZZ and SEEOC, enables unions to increase their membership, maintain engagement and negotiate stronger, more inclusive agreements across sectors and borders.

4. Guidelines for Social Partners

A number of challenges identified by the research and in the capacity building workshops can be addressed by social partners on the national or even European level.

1.Fostering cooperation among social partners. To address the lacking culture of collective bargaining, social partners can engage in dialogue and projects to better understand each other's problems, preoccupations and interests. Such mutual understanding can be the base of more genuine dialogue and bargaining.

2. Strengthening employer engagement. Given the frequent resistance of employers to engage in collective bargaining, social partners can engage in activities to increase understanding and interest of employers into the practice and benefits of collective bargaining.

3. Addressing uneven conditions using sectoral bargaining. Given the presence of many small and medium sized companies in the private services sectors, company level collective bargaining is unable to reach a sufficient level of collective bargaining coverage. Social partners therefore need to invest in multi-employer and sectoral bargaining solutions.

4. Facilitating cross-border coordination. Given the presence of many multinational companies in the included sectors, an opportunity for cross-border learning is manifest. As such, social partners from multinationals can stimulate collective bargaining by learning from contexts with stronger bargaining traditions and structures.

5. Guidelines for policy

Not all challenges, however, can be addressed by social partners. Quite a number of obstacles for an advancement of collective bargaining are related to policy choices and legislation. There is, therefore, a large role for both European and national level policy makers to improve collective bargaining coverage. A favourable legal framework should do more than set minimum standards; it should actively enable capacity building and incentivise sectoral bargaining.

At EU level, the Minimum Wage Directive (MWD) must be implemented effectively. The MWD sets a target of 80% collective bargaining coverage, requiring Member States to develop national action plans where coverage is below this threshold. Beyond transposition, EU institutions should closely monitor implementation, support cross-border exchanges of best practice and provide funding for joint capacity-building initiatives between unions and employers.

At the national level, national action plans to promote collective bargaining should be ambitious and effective and focus on strengthening both the capacity of social partners and the structures for sectoral bargaining. This involves facilitating the creation and ensuring the representativeness of employer associations so they can effectively participate in sector-level negotiations. It also requires encouraging cooperation between unions operating within the same sector to better coordinate bargaining agendas. Targeted funding such as training grants or workers' education funds can support the training of union organisers and enhance employers' capacity to engage in meaningful negotiations. Extension mechanisms could be used strategically to increase coverage in under-organised sectors. These measures must be underpinned by clear, enforceable rights to bargain collectively at sector level, supported by robust labour inspection systems and effective dispute-resolution mechanisms.

Policymakers have the tools to transform collective bargaining coverage, shifting it from fragmented company-level arrangements to inclusive sectoral frameworks. This requires legal frameworks, financial incentives and monitoring mechanisms to be aligned with the shared goal of building sustainable bargaining structures that deliver fair wages, stable conditions and resilient social dialogue.

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