

I'm Still Standing: Transposition and political impact of the Directive on Adequate Minimum Wages in the EU

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Abstract

More than one year after the deadline for the transposition of the European Minimum Wage Directive into national law, this contribution analyses the impact which the Directive already had on minimum wage setting and collective bargaining at national level. The article illustrates that the impact of the Directive goes far beyond the legal changes introduced in the context of its formal transposition into national law. Another important dimension is the political impact which the Directive had on the political agenda setting and the more general discourse about minimum wages and collective bargaining at national level. The article illustrates that the Directive is indeed a game changer but that it also faces some obstacles that prevent it from realizing its full potential in ensuring adequate minimum wages and strong collective bargaining. Against this background, the article highlights the need for further supportive actions at European level in order to support and push the Member States to realize the Directive's overarching political objectives of reducing in-work poverty and wage inequality.

Keywords: Minimum Wage; Collective Bargaining; Adequate and Fair Wage Levels; Social Europe; Court of Justice of the European Union.

1. Introduction.

11 November 2025 was a good day for Social Europe. On that day, the Court of Justice of the European Union (CJEU) validated large parts of the European Directive on Adequate Minimum Wages as the first ever piece of EU legislation explicitly aiming at ensuring adequate minimum wages and promoting collective bargaining.¹ In the title of an article

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¹ Court of Justice of the European Union, *The Court confirms the validity of a large part of the Directive on adequate minimum wages in the European Union*, Press Release 136/25, 11 November 2025, available at <https://curia.europa.eu/jcms/upload/docs/application/pdf/2025-11/cp250136en.pdf>.

published in this journal in 2021, Thorsten Schulten and I posed the (rhetorical) question whether the Directive on Adequate Minimum Wages² marks a paradigm shift towards Social Europe.³ Now, four years after the adoption of the Directive in October 2022 and more than one year after the transposition deadline on 15 November 2024, it is time to provide some answers to this question by taking stock of the implications, which the Directive already had on minimum wage setting and collective bargaining in the EU Member States.

The implications of the Directive manifest themselves in two different forms. First, in the legislative changes that have been introduced when transposing the Directive into national law; and second, in its influence on the political agenda and the political and public discourse on minimum wages and collective bargaining in the Member States. The two dimensions are obviously linked, but are not the same. In many countries, the Directive already influenced the development and outcome of policies with regard to minimum wages and collective bargaining long before it was formally transposed into national law. Thus, one might say that these changes took place ‘in the shadow of the Directive’, but were not part of formal transposition. This is why the following analysis of the Directive’s implications clearly distinguishes between these two dimensions of impact.

This article is based on a project of the European Trade Union Institute (ETUI) aimed at mapping the transposition process. For this purpose, the ETUI assembled a group of distinguished national experts who prepared regular mapping reports and a country profile for each of the 27 Member States.⁴ These mapping reports and country profiles are the empirical basis of this analysis. Where there is no reference in the text to other sources, the information is based on the unpublished mapping reports. It should be highlighted that because both processes, the transposition/implementation of the Directive, as well as the political impact, are ongoing processes, this article is dealing with a moving target. The analysis reflects the status quo at the beginning of December. This contribution consists of five parts. Following this introduction, Section 2 provides an overview of formal transposition into national law by addressing its depth and scope. Section 3 and 4 focus on the actual measures that have been introduced in the area of minimum wages and collective bargaining respectively as a result of the formal transposition and the political impact of the Directive. The concluding Section 5 puts the analysis of the transposition and impact of the Directive into the broader context of the discussion about the CJEU judgment and potential future initiatives to promote adequate minimum wages and strong collective bargaining.

² Directive (EU) 2022/2401 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.

³ Schulten T., Müller T., *A Paradigm Shift towards Social Europe? The Proposed Directive on Adequate Minimum Wages in the European Union*, in *Italian Labour Law e-Journal*, 14, 1, 2021, 1-19.

⁴ See Müller T. (ed.), *Collective bargaining and minimum wage regimes in the European Union – the transposition of the EU Directive on Adequate Minimum Wages in the EU27*, Background Analysis 2025.01, ETUI, Brussels, 2025, <https://www.etui.org/publications/collective-bargaining-and-minimum-wage-regimes-european-union>. For more detailed results of the project see Müller T., *Here comes the sun: The formal transposition and political impact of the European Directive on Adequate Minimum Wages in the EU*, Report 2025.04, ETUI, Brussels, 2025, <https://www.etui.org/publications/here-comes-sun>.

2. Formal transposition: a tale of laggards, minimalists and frontrunners.

The most fundamental question as regards the formal transposition obviously is whether the Member States have transposed the Directive at all. The overview in Table 1 illustrates that the majority of Member States (19 in total) transposed the Directive and that eight countries missed the deadline of 15 November 2024 and have still not transposed the Directive one year later. These countries are: Bulgaria, Cyprus, Estonia Luxembourg, Netherlands, Poland, Portugal and Spain.

The 19 countries that have transposed the Directive vary considerably as regards scope and depth of formal transposition. The scope of formal transposition refers to the range of issues addressed and its depth to the extent of the changes introduced; in other words, whether formal transposition consisted merely of minor adjustments of existing regulations or led to more far-reaching reforms of the existing minimum wage and/or collective bargaining systems. As table 1 illustrates, depending on differences in the scope and depth of formal transposition three different groups of countries can be distinguished: laggards, minimalists and frontrunners (*see* Table 1).

The group of laggards consists of those Member States that have not transposed the Directive and therefore have not introduced any changes. The group of minimalists comprises those countries in which the Minimum Wage Directive has led to only minor amendments of existing minimum wage and/or collective bargaining regulations. Finally, the frontrunners are those countries in which the Directive has prompted more meaningful changes. It is important to emphasise that these are purely descriptive categories based on the scope and depth of transposition and do not entail any value judgement. For instance, far-reaching legislative changes in a country belonging to the group of frontrunners may still fail to comply with the Directive's main objectives because they do not promote adequate minimum wages and strong collective bargaining. Thus, to put it simply: belonging to the group of frontrunners does not necessarily mean that the relevant changes have been positive and have contributed to achieving the political objectives of the Directive. It merely means that the changes have been far-reaching. By the same token, belonging to the group of minimalists does not necessarily mean that the directive has had no impact on minimum wage setting and/or collective bargaining.

Table 1: Countries by scope and depth of formal transposition.⁵

Not transposed	Transposed	
Laggards	Minimalists	Frontrunners
Bulgaria, Cyprus, Estonia, Luxembourg, Netherlands, Poland, Portugal, Spain	Austria, Croatia, Denmark, Finland, France, Germany, Ireland, Italy, Slovenia, Sweden	Belgium, Czechia, Greece, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia

⁵ Source: Müller T., *Here comes the sun...*, nt. (4), 17.

3. Formal transposition and political impact in the area of minimum wages.

The formal transposition in the area of minimum wages refers to Chapter II of the Directive which deals with the procedure for setting adequate minimum wages (Article 5), variations and deductions (Article 6), the involvement of trade unions and employers in setting and updating minimum wages (Article 7) and ensuring effective access of workers to statutory minimum wages (Article 8). The following analysis will focus on Article 5.4 which is the most important as regards the actual impact on minimum wage setting and the levels of minimum wages. Article 5.4 requires Member States to use “indicative reference values to guide their assessment of adequacy of statutory minimum wages”.⁶ In order to do so, Article 5.4 explicitly recommends to use 60% of the gross median and 50% of the gross average wage as indicative reference values. This means that while the Member States are required to use reference values when assessing the adequacy or when setting statutory minimum wages, they are free to decide on the type and level of reference value.

As regards the analysis of the impact of the Directive this raises two important questions: first, what type of reference value did the Member States choose and at what level? Second, what is the purpose of the reference value: guiding assessment of the adequacy of statutory minimum wages or actual adjustment? If it guides the actual adjustment, the reference value may be seen as a *de facto* indexation mechanism. If the reference value, however, merely guides the assessment of adequacy, there is more leeway for Member States to also take into account other criteria for the adjustment. In practice, however, the difference is likely to be marginal because a quantitative indicator guiding the assessment of adequacy, such as the reference values, may frequently also play a significant role in the decision on adjustment of statutory minimum wages.

Concerning the use of reference values, Table 2 illustrates that of the 22 Member States with a statutory minimum wage only in five is minimum wage setting not guided by some kind of reference value. These five countries are: Cyprus, Greece, Luxembourg, Malta and Portugal. Table 2 also shows that the remaining 17 countries, in which minimum wage setting is guided by reference values, made full use of the flexibility offered by the Directive as regards the type and level of the reference value. The vast majority of 14 countries refer to the Kaitz Index which defines the relative level of the minimum wage as a percentage of the gross average and/or median wage. However, as regards the level of the reference value, the countries vary considerably. Seven countries actually use the reference values recommended in the Directive. Slovakia and Poland go beyond the level recommended in the Directive with a reference value of 60% and 55% of the gross average wage respectively. It should, however, be mentioned that Poland has not yet transposed the Directive and that, therefore, the figure for Poland refers to the draft transposition law. Five countries chose a level below the one recommended in the Directive – but in Czechia, Latvia, Lithuania and Romania this still represents a considerable improvement to the current state of play. The only exception is the Netherlands where the 50% of the gross median wage proposed by the government would preserve the status quo. Only three countries diverge from the Directive’s proposal

⁶ Directive (EU) 2022/2041, nt. (2).

by referring to other types of reference values. France and Spain opted to refer to a percentage of the net wage and Slovenia took an entirely different approach by linking the adjustment of the statutory minimum wage to living costs. In Slovenia, the net minimum wage has to be set between 120-140% of the minimum living costs which are calculated every six years.⁷

Table 2: Use of reference values in minimum wage setting.⁸

Percentage of gross average and/or median wage (Kaitz Index)			Other reference value	
Level of the Directive	Higher than in Directive	Lower than in Directive	% of net average / median wage	Living Costs
50% average: Belgium, Bulgaria, Estonia (by 2028), Hungary (by 2029) 60% median: Germany, Ireland (by 2029) Both: Croatia	55% of average: Poland (draft law) 60% of average: Slovakia	46% average: Latvia 47% of average: Czechia (by 2029) 45-50% of average: Lithuania 47-52% of average: Romania 50% of median: Netherlands /draft law)	60% of net average and 50% of net median: France 60% of net average: Spain	Net MW to be set at 120-140% of the minimum living costs: Slovenia
7 countries	2 countries	5 countries	2 countries	1 country

The most direct impact of the reference values on the development of minimum wages can be expected in those cases in which the reference value not only guides the assessment of adequacy but the actual minimum wage adjustment and where it is enshrined in law. In this case the setting of minimum wages is based on a legally defined automatic adjustment formula which functions as a quasi-indexation mechanism linking the development of statutory minimum wages to the reference value. Such an indexation system based on the respective reference value exists in Bulgaria, Romania, Slovakia and Slovenia. It should, however, be pointed out that in Bulgaria, Slovakia and Slovenia such an indexation system already existed before transposition and that only in Romania such a system was introduced in the context of transposing the Directive. Czechia is another country which in the context of transposition introduced an adjustment mechanism based on reference values with the objective to reach 47% of the average wage in 2029.

In other countries, the reference value is used as a political guideline. In contrast to the group of countries in which the reference value is fixed in law, the political impact of the reference value in this second group of countries very much depends on the political will and

⁷ Poje Rožič A., *Collective bargaining and minimum wage regime in Slovenia*, in Müller T. (ed.), nt. (4), 108-112.

⁸ Müller T., *Here comes the sun...*, nt. (4), 62-64.

commitment of the respective government to meet the reference value at some point in time. A case in point is Estonia, where in 2023 the government, unions and employers concluded a so-called ‘Tripartite Goodwill Agreement’ to meet the reference value of 50% of the average gross wage by 2027. However, because of the worsening economic conditions this objective was delayed to 2028.⁹ At the time of writing at the beginning of December 2025, similar discussions about delaying the political objective of achieving 50% of the average gross wage by 2027 are taking place in Hungary. These examples illustrate that fixing the reference values by law as a rule ensures more stability, transparency and helps to de-politicise the process of minimum wage setting by reducing its exposure to changing political priorities. A more positive example of the use of reference values as a political guideline is Croatia, where the Directive’s reference values of 60% of the gross median and 50% of the gross average wage were explicitly used to justify the substantial minimum wage increases that took place since 2022 – which means even before the formal transposition of the Directive into national law.

What do all these rather technical details tell us with respect to the overarching question of the impact of the Directive on national minimum wage setting? First of all, the fact that 17 out of 22 Member States with a statutory minimum wage use a reference value to guide minimum wage adjustment in one way or another, already illustrates the impact of the Directive. In 11 of the 17 countries this impact was directly linked to formal transposition, which they used to introduce a reference value either by integrating it into law or as a political guideline. And even in countries in which the reference values were not part of transposing the Directive and used before the formal process, they influenced actual practice, illustrating the Directive’s political impact. Examples are Croatia’s use of the reference value as a political guideline even before transposition and Bulgaria, where, even though the Directive is not officially transposed yet, the Directive’s reference value of 50% of the average gross wage was written into law as early as 2023, thereby determining the level of the statutory minimum wage since then. It is no coincidence that Bulgaria and Croatia, where the respective reference values had a direct impact on minimum wage setting, are among the three countries with the strongest minimum wage increase since the adoption of the Directive in 2022¹⁰ (see Table 3).

⁹ Toomsalu K., *Collective bargaining and minimum wage regime in Estonia*, in Müller T. (ed.), nt. (4), 36-39.

¹⁰ Obviously, there is no mono-causal relationship between minimum wage increases and the reference values because minimum wage adjustments are influenced by a range of other economic and political factors. Another factor influencing the position of a country in Table 3 are previous substantial increases. In Spain, for instance, a substantial increase of more than 20% took place in 2019 so that the increases in the last three were rather modest compared to the other countries. Similarly, in Slovenia, which traditionally has one of the highest relative level of minimum wages as a percentage of the gross median and average wage, the comparatively modest increases were enough to meet the reference values of 60% of the gross median and 50% of the gross average wage recommended in the Directive. This explains the relative low position of both countries in Table 3. As regards the substantial increases in Bulgaria and Croatia in recent years, the respective reference values did, however, play a crucial role because the minimum wage was either directly indexed to the reference value (Bulgaria) or the increase was explicitly justified in the government decree with the Directive’s reference values (Croatia).

Table 3: Minimum Wages in 2022 and 2025 (absolute level in national currency).¹¹

Country	2022	2025	Change (in %)
Bulgaria	3.92	6.49	65.56
Romania	15.24	24.20	58.82
Croatia	3.60	5.61	55.91
Poland	19.70	30.50	54.82
Latvia	2.96	4.38	48.00
Hungary	1150.00	1672.00	45.39
Lithuania	4.47	6.35	42.06
Estonia	3.86	5.31	37.56
Netherlands	10.48	14.06	34.16
Germany	9.82	12.82	30.55
Czechia	96.40	124.40	29.05
Ireland	10.50	13.50	28.57
Slovakia	3.71	4.69	26.31
Greece	4.47	5.60	25.19
Portugal	4.87	6.01	23.40
Belgium	10.27	12.55	22.18
Malta	4.57	5.54	21.30
Slovenia	6.21	7.39	18.92
Spain	7.07	8.37	18.40
Luxembourg	13.05	15.25	16.86
France	10.57	11.88	12.39

Another example that illustrates how the impact of the Directive goes far beyond its formal transposition is the discussion about the reform of the youth minimum wage systems in Ireland, Malta and the Netherlands triggered by Article 6 of the Directive which stipulates that variations and deductions from the statutory minimum wage need to respect the principles of non-discrimination and proportionality and to serve a legitimate aim.¹² None of the three countries dealt with the issue in the context of the formal transposition, but the adoption of the Directive helped the trade unions to bring the issue on the political agenda. In Ireland, for instance, the Low Wage Commission published a report in 2024 in which it recommends abolishing sub-minimum youth rates because it could not identify a legitimate aim for rates based solely on age.¹³ The government did not follow this recommendation, but at least it initiated an evaluation of the economic consequences of abolishing youth rates. Similarly, in Malta, youth minimum wages did not figure prominently in the transposition process, but in a report published in 2024, the government announced its intention to establish one national minimum wage by abolishing the current sub-minimum rate for

¹¹ Source: WSI Minimum Wage Database, available at <https://www.wsi.de/de/wsi-minimum-wage-database-international-15303.htm>. Note: for Bulgaria, Czechia, Hungary, Poland and Romania the absolute level of the minimum wage is given in the respective national currency; for all other countries, it is given in euros.

¹² Directive (EU) 2022/2041, nt. (2).

¹³ Low Pay Commission, *Report on Sub-minimum Youth Rates*, LPC, 20, 2024, <https://enterprise.gov.ie/en/news-and-events/departments-news/2024/june/11062024.html>.

workers aged 17 and under (Appler et al. 2025). The liveliest debate about a reform of sub-minimum rates for young workers took place in the Netherlands, which operates the most extensive system of youth minimum wages in the EU with lower minimum wages for workers aged 15 to 20 as a fixed percentage of the adult minimum wage. Although the trade union FNV did not achieve its ultimate objective of including the abolition of youth minimum wages in the draft transposition law, it nonetheless prompted the government to take measures. In April 2024, the government increased youth minimum wages substantially for those aged 16 and above; and in a report published in March 2025, the government put forward different models for improving the adequacy of youth minimum wages by increasing the rates for different age categories and/or by abolishing certain categories altogether.

4. Formal transposition and political impact in the area of collective bargaining.

The formal transposition in the area of collective bargaining refers to Article 4 of the Directive dealing with the promotion of collective bargaining. Article 4.1 contains various provisions calling on the Member States to promote the bargaining parties' capacity to engage in collective bargaining at (cross-) sectoral level, as well as to protect the right to collective bargaining. This explicitly includes protection against discrimination against workers and union representatives who (seek to) exercise this right. It is, however, not mandatory for Member States to introduce any of the measures mentioned in Article 4.1. Particularly important as regards the impact of the Directive is Article 4.2 which obliges Member States in which collective bargaining coverage is less than 80% to establish an action plan to promote collective bargaining. The aim of this provision is to create a 'framework of enabling conditions'¹⁴ in these countries with a view to progressively increasing bargaining coverage. In its expert group report, the European Commission clarifies that this threshold 'imposes an obligation of effort, not of result' and should therefore not be viewed as 'a mandatory target to be reached'.¹⁵ The Directive, furthermore, does not prescribe any specific measures for the action plan. The Member States are free to choose the measures they regard as most appropriate in promoting collective bargaining. There is only a procedural obligation to develop the action plan in cooperation with trade unions and employers. However, even if Article 4.2. of the Directive does not oblige Member States to achieve collective bargaining coverage of 80% in the strict legal sense, it de facto defines an EU-wide standard for collective bargaining coverage that Member States should aim for as a necessary condition of adequate minimum wage protection. By analogy with the indicative reference values for statutory minimum wages proposed in Article 5.4, the 80% threshold can therefore be seen as an indicative reference value for adequate collective bargaining coverage.¹⁶ According to

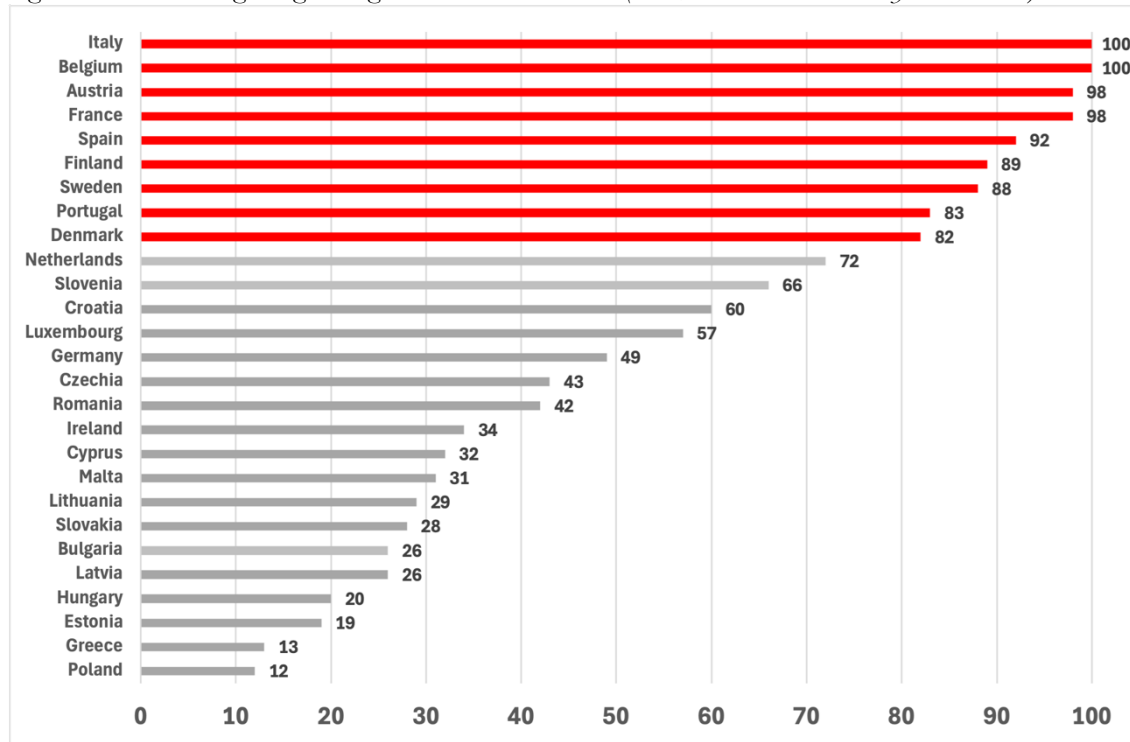
¹⁴ Directive (EU) 2022/2041, nt. (2).

¹⁵ European Commission – Directorate-General for Employment, Social Affairs & Inclusion, *Report Expert Group: transposition of Directive (EU) 2022/2041 on adequate minimum wages in the European Union*, 2023.

¹⁶ Müller T., Schulten T., *The Collective Bargaining Directive in Disguise – How the European Minimum Wage Directive aims to strengthen collective bargaining*, in Ratti L., Brameshuber E., Pietrogianni V. (eds.), *The EU Directive on Adequate Minimum Wages: Context, Commentary and Trajectories*, Hart Publishing, Oxford, 2024, 71-86.

most recent figures of the OECD-ALAS ICTWSS database¹⁷, currently only nine countries meet the 80% threshold – which in turn means that 18 countries need to establish an action plan to promote collective bargaining.

Figure 1: Collective bargaining coverage in EU Member States (in %, 2024 or most recent year available).¹⁸



This means that the Directive offers Member States two different approaches to meeting the objective of promoting bargaining. The first is to introduce corresponding legislative changes in the context of transposing the Directive with a deadline of 15 November 2024. The second is to use the action plan without necessarily taking any measures in the context of formal transposition. The deadline for establishing the action plan is the ‘end of 2025 at the latest’.¹⁹

Overall transposition activity in the area of collective bargaining was fairly limited. One reason for this is the voluntary nature of the Directive. Because none of the provisions in Article 4.1 are mandatory, countries with comparatively high collective bargaining coverage saw no need to introduce any legal changes to the respective national collective bargaining framework. With the exception of Belgium, this applies to all the countries in which bargaining coverage is above the Directive’s 80% threshold, which triggers the establishment of an action plan. This applies to Italy, France, Austria, Spain, Finland, Sweden and Denmark (see Figure 1). In the case of the three Nordic countries this was even confirmed by an official

¹⁷ OECD, *OECD/ALAS ICTWSS database*, September 2025, available at the following link: <https://www.oecd.org/en/data/datasets/oecdaias-ictwss-database.html>.

¹⁸ Source: OECD, nt. (17). For Slovenia: Republic of Slovenia Statistical Office, *66.3% of persons in paid employment covered by collective agreements at the national level*, Statistični urad Republike Slovenije, 6 October 2025, <https://www.stat.si/StatWeb/en/News/Index/13898>.

¹⁹ European Commission – Directorate-General for Employment, Social Affairs & Inclusion, nt. (15).

investigation, which in all the three countries came to the same conclusion, namely that the existing system of collective bargaining and wage setting works effectively and therefore meets the Directive's objective of establishing a favourable bargaining framework, and thus no legal changes are required. In light of the voluntary nature of the Directive, the same argument that no legal changes are required because the existing framework is already compliant has been made even in Slovenia, Germany and Ireland, which are below the 80% threshold. At least in Germany and Ireland this is surprising because they are well below the threshold, which indicates that something is not working properly in their collective bargaining systems. Legally, however, they are obliged only to establish an action plan. In Portugal, Romania and Spain, the fact that no legal changes have been introduced in the context of transposition can be explained with the fact that relatively far-reaching measures to promote collective bargaining were introduced after adoption of the Directive in 2022 so that in these three countries the government saw no need for further legislative changes in the context of transposition.

The second reason for the limited transposition activities in the area of collective bargaining is the fact that some Member States have explicitly refrained from introducing measures in the context of transposition with reference to the action plan. In Hungary and Latvia, for instance, the transposition's exclusive focus on the minimum wage part of the Directive was explicitly justified with the argument that all the issues related to collective bargaining will be dealt with later on, in the context of the action plan.

As a consequence, only Belgium, Czechia, Malta and Slovakia have introduced legislative changes in the context of transposition. Particularly noteworthy is the fact that legislative changes have been introduced in Belgium where, according to the OECD-AIAS ICTWSS database, collective bargaining coverage is 100%. The changes introduced in the four countries focus on three main areas. The first area are measures to improve the bargaining parties' capacity to act. In Belgium, this involved strengthening the protection of union activities with a clause that ensures mutual non-interference of trade unions and employers' organisations in each other's formation, operation and management, and strengthened protection against adverse treatment. Similarly, in Malta, the transposition law contains measures to protect exercise of the right to collective bargaining and protection of workers and trade union representatives from discrimination. In Malta, these changes were accompanied by measures to promote capacity-building on the two sides of industry, in particular at (cross-)sectoral level with the aim of enabling them to engage in collective bargaining.²⁰

The second main area concerns measures to strengthen the political and institutional support for collective bargaining. In Czechia and Slovakia, this involved facilitating the extension of collective agreements and measures aimed at facilitating negotiations. In Czechia this was done by introducing less restrictive rules for company-level bargaining in a multi-union context,²¹ while in Slovakia, measures were taken to prevent employers from opting out from bargaining by simply changing their legal status.²² In Malta, the transposition

²⁰ Fiorini L.A., *Collective bargaining and minimum wage regime in Malta*, in Müller T. (ed.), nt. (4), 81 ff.

²¹ Martiskova M., *Collective bargaining and minimum wage regime in Czechia*, in Müller T. (ed.), nt. (4), 27 ff.

²² Sumichrast A., *Collective bargaining and minimum wage regime in Slovakia*, in Müller T. (ed.), nt. (4), 103 ff.

law introduced an obligation for employers to respond within 30 days to a union request to enter into negotiations.²³

The third main area refers to measures to improve the gathering of data on collective agreements. The transposition law for the private sector in Belgium foresees measures to improve knowledge on negotiated minimum wages, and in Slovakia, measures were introduced to improve the collection of data on collective agreements in order to obtain a better empirical basis for measuring bargaining coverage.²⁴ Similarly, in Malta measures were taken to ensure availability of the data needed to establish the exact level of collective bargaining coverage.²⁵ The draft law in Poland also foresees the creation of an electronic register of collective agreements, among other things to facilitate more accurate calculation of bargaining coverage.

Like in the area of minimum wages the impact of the Directive in the area of collective bargaining goes beyond the formal transposition of the Directive. A case in point are the far-reaching reforms of the collective bargaining system in Portugal, Romania and Spain which took place in the shadow of the Directive between 2021 and 2023 with the explicit aim of strengthening collective bargaining.²⁶ The reforms in the three countries illustrate that the absence of changes to the collective bargaining framework in the context of formal transposition does not mean that nothing happened or that the Directive had no impact. This is not to suggest that these reforms would not have occurred without the Directive. They surely would have, but the Directive influenced the national-level discussion. Another example is Greece where no measures have been introduced formally transposing the Directive, but where the Directive triggered the conclusion of a historic tripartite social agreement to strengthen collective agreements which – similar to the reforms in Portugal and Spain – essentially reversed the measures imposed by the Troika Memorandum in the context of the 2009-2010 financial crisis which restricted collective bargaining and led to a dramatic drop in collective bargaining coverage.²⁷

The activities related to the action plans are as limited as the ones related to formal transposition in the area of collective bargaining. At the time of writing (beginning of December) only a few weeks before the deadline for submitting the action plan to the European Commission, of the 18 countries that are required to establish an action plan only six did so. These six countries are: Czechia (20 August 2025),²⁸ Estonia (24 September 2025),

²³ Fiorini L.A., nt. (20), 81-85.

²⁴ Sumicrast A., nt. (22), 103-107.

²⁵ Fiorini L.A., nt. (20), 81-85.

²⁶ For Portugal see Campos Lima M.P., *Collective bargaining and minimum wage regime in Portugal*, 95-98; for Romania see Guga, S., *Collective bargaining and minimum wage regime in Romania*, 99-102; and for Spain see Uxo J., *Collective bargaining and minimum wage regime in Spain*, 113-117. All published in Müller T. (ed.), nt. (4).

²⁷ Ministry of Labour and Social Security of Greece, *Historic moment for the world of Work: A Social Agreement between the Government and the National Social Partners was signed for the first time – A new era for Collective Agreements in Greece*, press release, 26 November 2025, <https://ypergasias.gov.gr/istoriki-stigmi-gia-ton-kosmo-tis-ergasias-ypegرافي-gia-proti-fora-koinoniki-symfonia-kyvernisis-kai-ethnikon-koinonikon-etairon-neia-epochi-gia-tis-syllogikes-symvaseis-stin-ellada/>.

²⁸ Ministry of Labour and Social Affairs of Czechia, *Akcni plán na podporu kolektivního vyjednávání*, press release 29 August 2025, <https://www.mpsv.cz/akcni-plan-na-podporu-kolektivniho-vyjednavani>.

Ireland (5 November 2025),²⁹ Latvia (9 September 2025),³⁰ Lithuania (25 October 2024)³¹ and Romania (2 October 2025).³²

The six national action plans, which were in place by the beginning of December 2025, mainly focus on the following issues:³³ first, capacity-building measures aimed at improving the bargaining parties' membership base and capacity to act. Often, however, without specifying the exact kind of measures and the related financial means. The exception is the action plan for Lithuania. The second main issue are awareness-raising campaigns aimed at improving knowledge of the significance of collective bargaining and collective agreements in particular at sectoral level. The third issue addressed in the action plans are various analyses of country-specific aspects related to the functioning of the respective collective bargaining and industrial relations systems. One may ask, on the one hand, why these analyses were not carried out in the three years between the adoption of the Directive in autumn 2022 and the deadline for submitting the action plan at the end of 2025. This would have allowed governments to include more concrete measures in the action plan. On the other hand, these analyses ensure that the issue of strengthening collective bargaining remains on the political agenda. Finally, the fourth main are measure aimed at improving the quality and availability of information and data on collective bargaining, for instance by increasing the use of digital platforms. The action plans in Ireland and Lithuania, furthermore, rather vaguely mention activities in the area of public procurement aimed at promoting collective bargaining.

Overall, the existing action plans are full of good intentions, but weak on legislative and institutional changes that could directly contribute to gradually increasing collective bargaining coverage. The exception is to some extent the action plan in Ireland which contains three concrete measures that more directly impact the trade unions' capacity to act which is one important prerequisite for strong collective bargaining. These measures are: first, providing digital and physical access for trade unions to workplaces, second, safeguarding trade unions and employers' organisation against any interference in their establishing, functioning and administration, and third, providing tax relief for trade union fees.

²⁹ Department of Enterprise, Tourism and Employment, *Ireland's Action Plan to Promote Collective Bargaining 2026-2030*, 2025, <https://enterprise.gov.ie/en/publications/irelands-action-plan-to-promote-collective-bargaining-2026-2030.html>.

³⁰ Ministry of Welfare of Latvia, *Rīcības plāns kopīguma sarunu veicināšanai 2025-2027*, 2025, https://www.lm.gov.lv/lv/ricibas-plans-kopliguma-sarunu-veicinasanai-2025-2027-gadam?&utm_source=https%3A%2F%2Fwww.google.com%2F.

³¹ Ministry of Social Security and Labour of the Republic of Lithuania, *Isakymas Nr. A1-709 Dėl Socialinio dialogo ir kolektyvinių derybų skatinimo 2024-2028 metų veiksmų plano patvirtinimo*, Vilnius, 25 October 2024, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/ef258651930811ef955ff95815eb5ce5?positionInSearchResults=0&searchModelUUID=c6774e40-22fe-49f7-b478-c2e28495dbf0>.

³² Government of Romania, *Planul de acțiune pentru promovarea negocierilor colective pe perioada 2025-2030*, 2025, <https://sgg.gov.ro/1/wp-content/uploads/2025/10/ANEXA-12.pdf>.

³³ Müller T., *Here comes the sun...*, nt. (4), 72 ff.

5. Conclusion: Where do we go from here?

The analysis of the formal transposition and the political implications illustrates the far-reaching impact the Directive has already had on minimum wage setting and collective bargaining at national level. The answer to the question whether the Directive represents a paradigm shift towards a more Social Europe which we posed in our article five years ago, therefore, is a clear yes. However, there are also some factors that may prevent the Directive from realising its full potential. One potential threat was removed by the CJEU's judgement of 11 November 2025 by confirming the validity of (large parts of) the Directive. The two provisions annulled by the CJEU's judgement are not that far-reaching and will not negatively affect the Directive's ability to ensure adequate minimum wages and strong collective bargaining. On the contrary, having the Directive and its core provisions validated by the CJEU will invigorate the fight for adequate minimum wages and strong collective bargaining across Europe.³⁴ First, it will put pressure on those eight countries which still have not yet transposed the directive to do so as quickly as possible. This is particularly pertinent for countries such as Estonia and the Netherlands, where the transposition of the directive was explicitly put on hold pending the CJEU ruling. Second, since Article 5.4 of the Directive has been validated by the judgement, the indicative reference values of 60% of the median wage and 50% of the average wage will continue to play an important role in national minimum wage setting. Third, the CJEU's full endorsement of Article 4 of the Directive means that a further 12 Member States with a bargaining coverage below 80% will have to establish a national action plan to promote collective bargaining by the end of the year. This is in addition to the six countries which have already adopted such a plan. These action plans should prioritise strengthening sectoral bargaining as the most important precondition for achieving comprehensive bargaining coverage. Fourth, the CJEU's validation of the European Minimum Wage Directive not only ensures that adequate minimum wages and the promotion of collective bargaining will remain firmly on the political agenda of Member States, but it also more generally confirms the EU's competence in promoting adequate minimum wages and strong collective bargaining in order to improve working conditions.

While the legal threat to the Directive has been turned into a new impetus by the CJEU's judgement, there are also some signs of national governments' weakening support for the Directive's political objectives. The first sign for this weakening political support, is the simple fact that eight countries have still not transposed the Directive. There are also first signs of a resurgence of the competitiveness discourse in view of the worsening economic framework conditions in the first half of 2025. In Estonia and Ireland, for example, this has led to a postponement of the date by which the statutory minimum wage should meet the respective reference value for adequate minimum wages. Furthermore, some countries introduced measures (or proposed measures) which have the opposite effect of weakening minimum wage protection and collective bargaining. Examples are Czechia, where parts of the transposition *de facto* reduce workers' minimum wage protection, Luxembourg where

³⁴ Müller T., Schulten T., *After Landmark EU Court Judgement: The EU Minimum Wages Directive Is Alive and Kicking*, in *Social Europe Blog*, 20 November 2025, <https://www.socialeurope.eu/after-landmark-eu-court-judgement-the-eu-minimum-wages-directive-is-alive-and-kicking>.

parts of the proposed transposition would make it more difficult for trade unions to exercise their fundamental right to collective bargaining and Finland, where the government's labour law reforms were contrary to the spirit and key objectives of the Directive because they will result in a reduction of the coverage of collective bargaining.³⁵

All these developments highlight the important role of the European Commission in ensuring that national transposition is not only formally correct but also in the spirit of the Directive. With the adoption of the European Directive on Adequate Minimum Wages the European Commission and the 24 Member States which voted in favour of the Directive in October 2022 made a general political commitment to ensure adequate minimum wages and to strengthen collective bargaining. How the Commission deals with countries that fail to transpose the Directive or to comply with its provisions can also be seen as a test of how serious the Commission still is when it comes to achieving the Directive's overarching social policy objectives of reducing in-work poverty and wage inequality within the framework of changing economic and political framework conditions. The Commission's possibilities for sanctioning Member States are limited. The most serious is to initiate an infringement procedure against a Member State for failing to fully transpose the provisions of the Directive, which may eventually lead to financial sanctions. So far, however, no infringement procedure has been initiated against any of the eight laggards and the Commission declined the request from the Czech trade union ČMKOS in August 2024 to instigate an infringement procedure against the Czech government because transposition in Czechia fails to comply with Union Law.³⁶

The signs of the national government's weakening support for the political objectives of the Directive also illustrate the need for additional supportive measures at the European level. One idea could be a 'European Action Plan to promote collective bargaining', aimed at supporting the Member States in providing for a framework of enabling conditions for collective bargaining. In analogy to the national action plans, this 'European Action Plan' should include a clear timeline and concrete measures to support the Member States in realising the political objective of progressively increasing the rate of collective bargaining coverage. This Action Plan would be established in full compliance with the principle of subsidiarity and would have to be reviewed regularly and updated if needed.

These concrete measures could include: first, revising the public procurement directives to ensure that public funds go only to organisations that respect workers' and trade union rights, including the rights to fair remuneration and collective bargaining; second, ensuring proper implementation of all the other directives, initiatives and instruments that explicitly address the issue of collective bargaining, such as – in particular – the Directive on pay transparency, and the Directive on transparent and predictable working conditions and by ensuring the strengthening collective bargaining will be a core element of the EU Quality Jobs Roadmap; third, introducing a collective bargaining conditionality linking the provision of financial support from EU funds, such as the ESF+, Just Transition, the Social Climate Fund and the CAP, to serious attempts to promote collective bargaining on the part of the

³⁵ Müller T., *Here comes the sun...*, nt. (4), 72 ff.

³⁶ ČMKOS, *Zrušení zaručených mezd. Podali jsme stížnost!*, 2024, <https://www.cmkos.cz/17113/zruseni-zarucenych-mezd-podali-jsme-stiznost/>.

Member States. Indicators of such a serious attempt could be collective bargaining coverage of more than 80% or the existence of a national action plan with concrete measures aimed at gradually increasing collective bargaining coverage if it is below 80%. This would incentivise Member States to include measures in the national action plan that would actually increase collective bargaining coverage; fourth, integrating the promotion of collective bargaining into the annual procedure of socio-economic coordination and surveillance in the context of the European Semester so that countries with a bargaining coverage below 80% will receive a country-specific recommendation to strengthen collective bargaining; and fifth, ensuring financial support for capacity-building for trade unions and employers' federations in the context of the Multi-Annual Financial Framework for 2028-2034.

Such measures at the European level would still need to be complemented by corresponding national initiatives in the context of multi-level strategy to promote adequate minimum wages and strong collective bargaining. However, such a European Action Plan would provide progressive forces with strong tools to put pressure on policymakers at national level, reminding them of the commitment they made when they voted in favour of the European Minimum Wage Directive (and the other initiatives mentioned above).

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