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FINAL
REPORT

STRONGER HOSPITALITY:

Building Trade Union
Capacity for a Thriving
Social Dialogue



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EXECUTIVE SUMMARY

This Report provides an in-depth overview of the main findings emerging from the research phase of the Stronger Hospitality project. Coordinated by EFFAT and funded by the European Union, the project examines the current state of industrial relations and social dialogue in the European hospitality and tourism sector, focusing on twelve EU Member States. The research was carried out by ADAPT and CELSI, acting as external experts of the project.

This document presents a comparative analysis grounded in extensive desk research and expert interviews with trade unionists and researchers, and multiple participatory events, including national mappings, webinars, and two workshops held in Prague (April 2024), and Cyprus (April 2025) and a final conference held in Valencia (November 2024) in conjunction with the EFFAT congress. The aim is to support trade unions in understanding and managing the structural challenges and emerging strategies within the sector.

The present Report is composed of 16 chapters. Chapter 2 is centred around an overview of the main characteristics of the hospitality sector in the European Union, providing information concerning the socio-demographic composition of its labour force and the features of European-level and national sectoral social dialogue.

Chapters 3-14, in turn, explore the state of the play of social dialogue scenarios – with a focus on the hospitality sector the Stronger Hospitality project target countries providing an overview of its main actors and then analysing trade union density and collective bargaining coverage data at the national level. Chapter 15 summarises the key findings from sections 3-14 and provides a comparative overview of trade unions and employers' associations active in the hospitality sector, as well as union initiatives and challenges to bargaining. Moreover, it provides selected additional evidence on key characteristics of social dialogue and collective bargaining in the hospitality sector from countries that are not covered by the Stronger Hospitality project.

Lastly, Chapter 16 provides concluding remarks on the main trends concerning social dialogue and collective bargaining in the hospitality sector of the twelve EU countries analysed.

The analysis reveals persistent structural constraints—such as low union density, fragmented employer representation, and limited bargaining coverage—particularly in Southern and Eastern Europe. However, it also identifies promising areas of innovation, including the use of digital tools to reach young and migrant workers, training-based empowerment strategies, and emerging forms of cooperation involving municipalities and civil society actors.

¹Cyprus, Estonia, Lithuania, Netherlands, Romania, Slovakia, Slovenia, Czech Republic, Greece, Latvia, Malta, and Portugal.

One of the key lessons of the project is the importance of transnational exchange and coordination. The project created spaces for peer learning where trade unionists from diverse national backgrounds could observe and adapt practices from other contexts.

Finally, the Report draws attention to the policy relevance of the EU Directive on adequate minimum wages (Directive (EU) 2022/2041), which is identified as a potential enabler for revitalising collective bargaining

in under-regulated sectors such as hospitality. In this context, the role of EFFAT and other European trade union federations is central—not only in facilitating cross-border cooperation, but also in helping national affiliates navigate shared challenges with collective tools and strategies.

INTRODUCTION

1

OBJECTIVES

The objective of this Report is to illustrate the research findings of the Stronger Hospitality project (Building trade union capacity in hospitality and tourism to enable a stronger sectoral social dialogue - n. 101102331) coordinated by the European Federation of Food, Agriculture and Tourism trade unions (EFFAT) and funded by the European Union, aimed at strengthening social dialogue in the hospitality tourism sector and to reinforce the capacity of hospitality tourism trade unions to address the various challenges the sector faces. EFFAT is supported by the external expertise of ADAPT (Association for International and Comparative Studies in Labour and Industrial Relations) and CELSI (Central European Labour Studies Institute), who are involved in the research and capacity-building phases of the Stronger Hospitality project.

The rationale behind the project is that of addressing some of the root causes behind the prevalence of non-standard forms of employment and low pay in the hospitality tourism sector across Europe causing serious labour shortages, such as structural characteristics of the sector (e.g. seasonality of most activities) but also

weak or non-existing sectoral social dialogue and collective bargaining, and low trade union membership.

- The research - both with regard to the desk research phase and the original empirical investigation carried out between 2024 and 2025, was therefore focused on providing an overview of the main characteristics of social dialogue in the hospitality-sector at the European and national level – so as to understand its peculiarities and how to best tackle the challenges connected to them. In more detail, the specific goals of the research entail:
- mapping trade union organisations;
- collecting data concerning trade union density;
- collecting data concerning the trade union membership of young workers;
- gathering a comprehensive overview of sectoral social dialogue and collective bargaining;
- verifying the coverage of collective agreements (on sectoral and company level);

- identifying the main challenges connected to organising union activities (especially involving young workers), conducting social dialogue and stipulating collective agreements in the hospitality sector.

STRUCTURE OF THE REPORT

The present Report is composed of 15 chapters. Chapter 2 is centred around an overview of the main characteristics of the hospitality sector in the European Union, providing information concerning the socio-demographic composition of its labour force and the features of European-level and national sectoral social dialogue. Both topics have been addressed through the collection and analysis of data provided from European-level research institutions – e.g., Eurofound, Eurostat.

Chapters 3-14, in turn, explore the state of the play of social dialogue scenarios in twelve different Member states of the European Union corresponding to the Stronger Hospitality project target countries (Cyprus, the Czech Republic, Estonia, Greece, Latvia, Lithuania, Malta, Portugal, Romania, Slovenia, Slovakia, the Netherlands), providing an overview of its main actors and then analysing trade union density and collective bargaining coverage data at the national level. Each chapter is then completed with a brief focus on sectoral social dialogue in hospitality – covering the same topics, subject of data availability. Chapter 15 provides selected additional evidence on key

characteristics of social dialogue and collective bargaining in the hospitality sector from countries that are not covered by the Stronger Hospitality project yet can serve as relevant examples for other EU Member States. Chapter 16 summarises the key findings from sections 3-14 and provides a comparative overview of trade unions and employers' associations active in the hospitality sector, as well as union initiatives and challenges to bargaining. Lastly, Chapter 17 provides concluding remarks on the main trends concerning social dialogue in the hospitality sector of the twelve EU countries analysed.

METHODOLOGY

The present Report draws on data collected through both desk and field research.

Desk research was carried out through the analysis of academic and grey literature concerning cross-sectoral and sectoral social dialogue on the EU and at national level; the field research instead entailed twelve semi-structured interviews (carried out by EFFAT, CELSI and ADAPT – both in presence and online) with sectoral level trade unionists active in the hospitality sector, whose results integrated the information collected through the desk research. Moreover, the findings acquired through the research have been enriched with the inputs collected during the online webinars and the in-presence workshops and events (Czechia, Spain, Cyprus) carried out between January 2024 and April 2025.

In terms of geographical coverage, the Report takes into consideration 12 Member states of the European Union (Czechia, Estonia, Latvia, Lithuania, Cyprus, Greece, Romania, Slovakia, Slovenia, Malta, the Netherlands and Portugal) and also provides relevant data with regard to the European-level context.

THE HOSPITALITY SECTOR IN THE EU: SETTING THE SCENE

2

Characteristics of the sector and its labour force

According to ILO data, the hospitality and tourism sector is one of the most dynamic and developing economic sectors in the world, accounting for almost 10 per cent of global gross domestic product (GDP). It also represents a major source of employment: in 2015, hospitality and tourism generated more than 284 million jobs (directly and indirectly), which is expected to increase to 370 million in 2026 (ILO, 2017).

With regard to the European context, the HORECA (hotel, restaurants and cafés) sector - a key component of the tourism industry - contributed to 2.5% of the gross value added of the EU economy (ELA, 2024). In terms of employment, it accounted for 4.7% of total employment in the EU in the 12-64 range (9.3 million workers out of 10.4 million workers in the tourism sector) in 2023 - with 75% of HORECA workers employed in the food and beverages subsector, and 25% in accommodation services (ELA, 2024).

HORECA is therefore to be considered as strategic for the European Union's economy as a whole and

the single Members states. This is especially true for Mediterranean countries, where the HORECA sector is larger than in the Northern/Eastern ones: for example, 9.1% of Greek workers work in hospitality, while this is true only for 2.4% of Polish workers (ELA, 2024).

In terms of business demography, it is to be noted that, in 2022, 6.1% of businesses in the EU (1.9 million) were active primarily in accommodation and food services.

The size of those businesses is generally small, since microenterprises account for 89 % of the total number of businesses in the sector, and 60% of HORECA workers in the EU are employed by microenterprises (i.e., employing less than 10 workers) (ELA, 2024). Pre-COVID-19 data also shows that, historically, the HORECA sector had above-average enterprise birth and death rates, and namely, that the HORECA enterprise birth rate exceeded the national average in all major EU economies (ELA, 2024).

As reported by inspection authorities, in some countries HORECA businesses are part of complex supply chains and outsource some of their activities through firms organised in consortia, cooperatives

or temporary associations: this can lead to different labour and social protections for workers in the same value chain and can pose challenges to their enforcement by labour authorities (ELA, 2024).

With regard to the characteristics of the labour force, Eurostat data show how, in accordance with global trends (ILO, 2017) a large share of the labour force employed in the hospitality sector is constituted by young workers, workers with a migration background and low-skilled workers. Namely, when compared with the rest of the European economy, the hospitality sector is characterised by roughly double the share of migrant workers (9.6% vs. 20.5%) – a large share of which are Third Country Nationals (TCNs) – and more than double the share of young workers (10.7% vs. 23.7%). The HORECA sector employs almost double the share of workers with low education level (16% vs. 30%) if compared with the EU economy (Müller, Zwysen, 2024), but it is also characterised by the phenomenon of overqualification: in fact, in 2023 the overqualification rate in accommodation and food services in 2023 reached 68% compared to 22 % on average for all sectors of the EU (ELA, 2024).

Lastly, the share of female employment in hospitality is also higher than the overall share in the European economy (55% vs 48%, respectively) although this discrepancy is less pronounced than other characteristics (Müller, Zwysen, 2024).

While HORECA was one of the economic sectors of the EU showing the

most resilience after the 2008-2010 crisis, it was hit hard by the COVID-19 pandemic: the drop in employment between 2019 and 2021 in the EU accounted for 16.6 %, with the forced closure of restaurants, bars and cafes and low tourism activity overall (ELA, 2024). Consequently, HORECA staff turned to other sectors of the economy, and many of these workers did not return to the sector after the lifting of the restrictions connected to the pandemic (ELA, 2024).

The challenges the HORECA sector is currently facing in many countries of the EU are therefore linked to significant labour shortages: the vacancy rate for accommodation and food service activities is in fact on the rise, with an average of 3,3% in EU27, and peaks of 4,9% in Slovenia and 4,8% in Cyprus (Eurostat, 2021).

This constitutes an especially relevant issue, first, because the hospitality sector is particularly labour-intensive – and is therefore one of the top job-creating sectors. Second, employment in the sector is estimated to grow in EU-27 on average by 11,6% over the period 2022-2035 in the EU, with 23 Member States interested by a surge in labour demand (Cedefop Skills Intelligence, 2020).

Over the course of the recent years, the migrant labour force has contributed to filling out the recurrent gaps where the domestic labour supply of the HORECA sector could not meet the demand – being often employed in so-called “shortage occupations”, such as chefs, cooks and waiters (EURES, 2023). However,

this phenomenon as of today is not sufficient to overcome the current labour shortage problem, which might be further exacerbated by the green and digital transitions (ELA, 2024).

According to relevant stakeholders, one of the reasons for the low attractiveness of the hospitality sector is its precarious working and economic conditions (EFFAT, 2022).

Results from the Eurostat Labour Force Survey show for example how the share of low-wage workers (i.e., in the lowest four deciles of income) in the hospitality sector was namely of 74.2% in 2020, against an overall average of 40% in the EU. In fact, hourly earnings in accommodation and food services in the EU (14.10 Euros) are below the average for the EU economy as a whole (22.80 Euros). This is partly due to the lack of high-qualifications jobs in the sector (ELA, 2022).

The hospitality sector is also characterised by more than double of the share of temporary contracts (less than a year – 15% vs. 6,5%) and short part-time work (with less than 20 hours – 8,3% vs. 19%) than the EU average (Müller, Zwysen, 2024), together with has an above-average share (26.7% vs 16.3%) of workers reporting at least 45 weekly working hours (ELA, 2024).

This is of course partly due to the features of the economic activities carried out in hospitality, characterised by a high degree of seasonality, consumer demand peaks and demand for round-the-clock services,

but confirms the previously stated point, i.e., that, generally speaking, some key characteristics of employment in this sector are less advantageous than in other sectors of the economy. This is further confirmed by the data included in the 2015 European Working Conditions Survey (EWCS), which reveals that job quality in the accommodation and food services sector is poorer compared with the rest of the economy (Williams, Horodnic, 2020), especially in terms of pay, career prospects, intrinsic job quality, quality of working time, work intensity, irregularities and/or violations of labour law (ELA, 2024).

It is also to be noted that, how according to a European-level study, undeclared work is an extremely relevant feature of the hospitality sector: 14 % of workers in the accommodation and food services sector are in unregistered employment (compared with 5% of the overall EU workforce), and 12% of all unregistered employment in the EU is to be found in this sector (Williams, Horodnic, 2020). This is partly due to the challenges enforcement authorities face in acting in the HORECA sector, which are related to related to their features and limitations, such as the scope of their mandate and resource constraints, the engagement of mobile workers in the sector, who often hesitate to report violations due to fear of reprisals, distrust towards state authorities, insufficient legal awareness, low union membership and a lack of support networks, and the unique characteristics of the HORECA sec-

tor, such as its variable operational schedules, which cause difficulties in scheduling inspections and verifying the reliability of working hours records, and the increasing reliance on outsourcing and complex subcontracting chains, complicating the tracking of employment relationships and the enforcement of labour and social security laws. (ELA, 2024).

Key features of social dialogue

Trade union density

The characteristics of the HORECA sector (high worker turnover, seasonal work, high prevalence of small businesses), its workforce (prevalence of vulnerable workers) and the disadvantageous working conditions outlined in the previous paragraph play an important role in hindering unionisation in the hospitality sector (ILO, 2017). According to a Eurofound study of 2012, in most EU Member States trade union density in the hospitality sector accounts for less than 15% of workers, which appears to be relatively low if compared to the overall European average of 23% (Eurofound, 2012).

This is also the result of a significant trade union fragmentation: out of 25 countries in the EU in which at least one trade union in the hospitality sector is present, eight countries record more than two trade unions. It is also to be noted that most national sectoral unions cover all the activities, categories and regions, in

the hospitality sector as well as activities beyond the HORECA sector. However, the trade unions' landscape appears to be less fragmented than the employer organisations' one: on the employer side, there are 12 countries in which the study observes more than two employer organisations (Eurofound, 2018).

The low trade union density in the hospitality sector may also be prompted by the high percentage of micro-enterprises (see previous paragraph).

Collective bargaining, bargaining coverage

Both social partner fragmentation and the small average size of businesses significantly influence collective bargaining coverage in the sector, i.e., the total number of employees covered by collective bargaining as a proportion of the total number of employees within a certain segment of the economy (Traxler et al., 2001).

Collective bargaining coverage in the HORECA sector, however, appears also to be related to the different structure of collective bargaining in the EU27 countries. According to a Eurofound study of 2018, in the EU27 there are 13 unions involved only in single employer bargaining (24%), 15 trade unions involved exclusively in multi-employer bargaining (27%) and 27 involved in both single and multi-employer bargaining (49%). Only 8 countries out of 27 in the European Union show a collective bargaining coverage higher than 80% (i.e., the percentage iden-

tified by the European Directive on Adequate Minimum Wages directive as adequate to protect workers from insufficient wages) in the hospitality sector: these numbers are mostly reached in countries with established systems of multi-employer bargaining and those whose labour legislation provides extension mechanisms and practices or functional equivalents (e.g., Italy and Austria). In contrast to the 8 EU Member States already meeting the required bargaining coverage, 11 member States out of 27 are instead characterised by a collective bargaining coverage lower than 35%. In 6 out of 11 of those countries, collective bargaining practice is limited exclusively to the company level (Eurofound, 2018).

The challenges related to collective bargaining coverage in the HORECA sector further exacerbate the national-level challenges in reaching the adequate bargaining coverage. In particular, in the HORECA sector bargaining coverage remains low for several reasons, including the following (ELA, 2024):

- lack of awareness, particularly among migrant workers, of the existence of bargaining as a regulation of working conditions,
- underrepresentation of HORECA workers in trade unions,
- exclusion of non-union members from the benefits of collective bargaining,
- lack of organising on the side of employers – low member-

ship in employers' associations

- contractual dumping practices.

It also needs to be underlined how most national trade unions in the different Member States operate simultaneously in the hospitality industry and in other sectors (e.g., food manufacturing industry, tourism as a whole). Consequently, stipulations from collective agreements often expand beyond the specific needs of the hospitality industry (Eurofound, 2018).

The collective agreements in the HORECA sector deal with several issues, including remuneration, working time, night work, work during weekends and bank holidays, overtime, accommodation and transportation, training and termination (including severance), and flexible working arrangements. These collective agreements apply to workers regardless of their citizenship and they rarely have provisions applicable only to mobile workers (ELA, 2024).

Policy involvement

In terms of participation of the sectoral social partners from the HORECA sector to public policy, research from Eurofound shows that employers' organisations perceive that governments more frequently consult them on sector-specific matters than their trade union counterparts. Bipartite or tripartite sector-specific bodies with the involvement of social partners and dealing with various matters (e.g., welfare, education,

training, health and safety etc.) - are instead present in 17 out of 27 EU Member States (Eurofound, 2018).

EU-level social dialogue in the hospitality sector

With regard to actors of European-level social dialogue in hospitality, the social partner on the employees' side is the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors (EFFAT). EFFAT, which is an autonomous organisation affiliated to the European Trade Union Confederation (ETUC), represents more than 25 million workers in the Food, Agriculture and Tourism sectors, and has 120 national trade union affiliates located in 40 European countries. On the employers' side, the EU-level organisation is HOTREC, which is the umbrella Association of Hotels, Restaurants, Pubs and Cafes and similar establishments in Europe, bringing together 44 national associations in 30 countries. EFFAT and HOTREC participate in the European Social Dialogue Committee for the hotel and restaurant sector.

Since its formal establishment in 1999, the European sectoral social dialogue committee of the HORECA sector has strived to influence the European Union's policies through a variety of joint statements, declarations and recommendations concerning pressing matters related to the sector, such as promoting the employment of young workers, undeclared work, training and skills development etc. The most recent joint statement concerns the

need to overcome labour and skills shortages in the hospitality sector through social dialogue and collective bargaining (EFFAT, HOTREC, 2024).

The hospitality sector in the EU in short

To sum up, this section showed that the hospitality and tourism sector is a key European economic driver. In the EU, the HORECA (hotels, restaurants, cafés) sector plays a strategic economic and employment role, particularly in Southern Member States, representing 4.7% of total employment in 2023. Characterised by a high prevalence of micro-enterprises and a significant share of vulnerable workers—such as youth, migrants, and low-skilled individuals—the HORECA sector also shows high rates of overqualification, temporary contracts, low wages, and labour law violations. The sector was severely affected by the COVID-19 pandemic, leading to long-term labour shortages that persist today. These challenges are further extended by a high prevalence of undeclared work in the sector and weak enforcement due to resource constraints, subcontracting, and irregular work patterns.

Setting the scene for accessing trade union density and collective bargaining in the sector, this section showed that general trade union density and collective bargaining coverage are uneven across the EU Member States, with only eight States meeting the 80% benchmark for bargaining coverage. Social dia-

logue is limited, among others, also because of fragmented representation and low employer organisation density. At the EU level, social partners EFFAT and HOTREC engage in joint dialogue to address issues of European relevance, i.e., training, undeclared work, and labour shortages in the sector.

Addressing these challenges requires stronger enforcement, better data, tailored social dialogue, and improved working conditions to attract and retain a skilled workforce in this essential, yet often undervalued, sector. To develop essential strategies for social partners, the next chapters provide more country-specific insights to sectoral characteristics and trends.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN CYPRUS

3

Trade union density

According to the OECD data, in 2016 trade union density in Cyprus corresponded to 43,3% (% of employees), while for the employer organisations we have more updated data. Their density, for 2018, corresponded to 66.1% (% of employees).

With regard to employees' representation there are three main national trade union confederations: the Pancyprian Federation of Labour (PEO), the Cyprus Employees Confederation (SEK) and the Democratic Labour Federation of Cyprus (DEOK).

The two major confederations, the PEO and the SEK, are of broadly similar size. According to the figures supplied to the trade union registrar, the PEO is the larger with 61,529 members, while the SEK has 55,813 (2016 figures).

The PEO and SEK have been carrying out their activities for more than 80 years. The PEO was established in 1941, it has left-wing ideals. Within the union operates the Cyprus Labour Institute, which is an important study and research centre in the field of industrial relations. The SEK was founded in 1943 and is

closer to the parties of the right and centre.

The DEOK is a smaller confederation (7,123 members (in 2016), with links with the socialist party. It was established in 1962 and became active as a trade union after its re-establishment, in 1982. The PEO is organised in 9 federations, while the SEK in 7 federations.

These three confederations are flanked by a fourth umbrella organisation, the Pancyprian Federation of Independent Trade Unions (POAS) (1,422 members in 2015), that unites some independent unions, mainly active in state-owned enterprises and by important autonomous unions, representing public sector workers, bank employees and teachers.

Despite wide union pluralism as well as strong ideological links between trade unions and political parties, the trade unions are generally fully coordinated in promoting by common the rights and interests of their members, primarily those related to the pay claims.

With regard to employer representation, instead, the Cyprus Chamber of Commerce and Indus-

try (CCCI), and the Employers and Industrialists Federation (OEB) are the main organisations that actively participate in industrial relations, representing the interests of their members.

Collective bargaining structure and coverage

The right to collective bargaining is guaranteed and safeguarded mainly by the Constitution of the 1960, that provides that “a law may provide for collective labour agreements of obligatory fulfilment by employers and workers with adequate protection of the rights of any person, whether or not represented at the conclusion of such agreement”.

However, since a law following this provision has never been promoted, the regulatory part of the collective agreements is not directly and necessarily applicable to workers and Cyprus has a long tradition in the development of voluntary procedures.

In practice, the system of free collective bargaining developed in the framework of the Industrial Relations Code, which was agreed between representatives of employers, unions and government in 1977.

The document, which is not legally binding, includes a procedure for the settlement of disputes and some key mutual commitments (e.g., acceptance of the right to organise, right to bargain), and its terms have been effectively observed, in most cases, by both sides.

Collective bargaining in Cyprus takes place at both industry level and company level. Hierarchy between levels is undefined by the law and represents a matter for the negotiating parties.

Key industry-level collective agreements in the private sector mainly cover hotels, metalworking industries, oil and construction. Company agreements can specify, or deviate from, sectoral agreements, guidelines or targets. Even if there is no legal hierarchy between the different levels of negotiation, both unions and employers highlight a constant decentralisation of negotiation processes.

According to the law, collective agreements must be registered with the Department of Labour Relations of the Ministry of Labour and Social Insurance, that holds an archive of collective agreements.

Although no accurate, comprehensive and updated figures are available, the extent of collective bargaining coverage is very close to union density, and some scholars (Ioannou, Sonan, 2019) highlight that the overall trend in collective bargaining coverage is a decline, in tandem with the decline in union density, also considering the absence of extension mechanisms at industry level and of effective *erga omnes* rules at company level. According to Eurofound, estimated collective bargaining coverage in 2019 was 39%, considering the co-existence of sector- and company-level bargaining.

Since 2023, a national minimum

wage is in force, following the Minimum Wage Order of 2022.

In addition to collective bargaining, there is a large number of tripartite bodies, that are composed by the unions, the employers and the government.

A focus on the hospitality sector

PASYXE is the largest employers' organisation in the hospitality sector in Cyprus and it is part of the CCCI. The association negotiates the collective agreements in the hotel industry with the hotel employees' unions of SEK (OUXEKA-SEK) and PEO (SYXKA-PEO). Generally, also STEK, the second employers' association in the industry participate in the negotiations.

Similarly to what happens in other European countries, unionising the hospitality sector in Cyprus is especially challenging, seeing that the majority of labour force is composed of migrant workers whose precarious position makes it harder for them to unionise.

This has been confirmed by a representative of OUXEKA-SEK, who stated that its union faces the worst difficulties in approaching workers who are young, migrant, or European citizens, as they may not be interested in joining. The most common strategies used by trade unionists to attract new members are offering benefits from the welfare fund, issuing brochures, creating local committees, and recruiting representatives in workplaces.

For what concerns collective bar-

gaining in the hospitality industry, OUXEKA-SEK negotiates two national-level collective agreements with employers' associations, one applicable to hotel employees and one to catering employees. The agreements are renewed every three or four years, and some of their articles have been transposed into national law to cover all workers in the sector. According to the previously mentioned respondent, the main goals of current collective negotiations are to increase the provident fund percentage, the compensation for Sundays and public holidays, and the number of articles that become part of the regulation. The main challenges to the success of current negotiations are the resistance of the employers, the influence of the hotels associations, and the political alignment of the government and the other union active in the sector.

Regarding European social dialogue, the respondent namely highlights how European level social dialogue might help to gather information and adapt to new legislation but does not directly contribute to improving the conditions of hospitality and tourism workers.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN CZECHIA

4

Trade union density

Like other Central and Eastern European nations, Czechia has undergone significant changes in the past three decades, transitioning from a centrally planned to a market-oriented economy. This has presented challenges for trade unions, as they grapple with adapting to new economic structures while still protecting workers. After 1989 a number of trade union confederations emerged, with the dominant one becoming Českomoravská konfederace odborových svazů (ČMKOS; the Czech and Moravian Confederation of Trade Unions). This represented almost 300 000 members in 2022, around 70 per cent of all trade union members. Further fragmentation of the trade union movement, resulting from differing views on ČMKOS's internal functioning, led to the establishment of Asociace samostatných odborů (ASO; Association of Independent Trade Unions) in 1995, creating the second largest confederation in Czechia. ASO claimed around 80 000 members in 2018. Trade union density is also difficult to measure, partly because of unreliable past claims from one of the confederations and partly because stated membership

includes pensioners, who make up a significant proportion in some unions but zero in others. In addition, there are organisations that call themselves trade unions and may engage in collective bargaining, but for many of them no reliable data exist on membership. Total trade union membership declined from 2.35 million in 1995 to 500,000 in 2018, with the result that trade union density fell from 45 to 11 per cent (Martišková, Šumichrast 2023). The main functions of employers' organisations are representation and lobbying the government. Two confederations are present in the tripartite structure, claiming together to represent 33,000 employers with 2.6 million employees in 2017. If accurate, this would represent about 67 per cent coverage of all employees. Employers' organisations that sign collective agreements, 20 in 2017 and all members of a larger confederation represented in the tripartite structures, rarely reported the numbers their members employed (Myant 2019).

Collective bargaining structure and coverage

After 1990 the trade unions were re-born within a fairly favourable insti-

tutional framework, which provided their activities with institutional support and gave them tools to protect employees in the transformation period. In 1990, a Collective Bargaining Act (Zákon o kolektivním vyjednávání) was adopted following advice from the International Labour Organization, creating a framework for social dialogue in the former Czechoslovakia (from 1993 Czech Republic) (Martišková, Šumichrast 2023). There had been early expectations that the importance of the law would fade over time as collective bargaining took on a bigger role. In fact, collective bargaining developed to a great extent as a supplement to legal protections, giving slightly better conditions but still covering the same themes. As a result, much of the activity of representative organisations involved ensuring that labour law was respected as much as negotiating, and ensuring implementation of, collective agreements. A major reason for this was a general decline in membership and weakening organisational strength in workplaces. As of today, collective bargaining coverage corresponds to 38% (ETUI, n.d.). Collective bargaining in Czechia is primarily decentralised so that negotiating improvements in working conditions is carried out at company level. The agreements stipulated at industry level, meaning with employers' organisations, cannot foresee worse conditions for employees than are provided by law. This decentralisation of collective bargaining causes difficulties in terms of the trade union coordination of wage increases and advances

in working conditions. Coordination at sector level is legally supported but carried out only in some. Even then, the negotiated terms do not significantly differ from what is set out in the legislation. Despite a favourable institutional setting for collective bargaining, trade unions often opted for legislative solutions for improving working conditions (Martišková, Šumichrast 2023). Only three employees are needed to set up a trade union and initiate collective bargaining, which can increase the likelihood of trade unions forming but also weaken their legitimacy (Drahokoupil et al. 2015). This may even lead to the emergence of organisations that demand collective bargaining rights without representing a significant number of employees.

A focus on the hospitality sector

The main Czech trade union in hospitality is ČMOS PHCR (Czech-Moravian Trade Union of Catering, Hotels and Tourism), which covers all workers of the sector. It is a member of the largest central trade union organisation in the Czech Republic ČMKOS.

On the employers' side, Asociace hotelů a restaurací České republiky (AHRČR; Association of Hotels and Restaurants of the Czech Republic) is affiliated to Association of Hotels, Restaurants and Cafés in Europe (HOTREC), while Svaz obchodu a cestovního ruchu ČR (SOCR; Confederation of Commerce and Tourism of the Czech Republic) is not.

ČMOS PHCR is involved in social

dialogue and collective bargaining – mainly carried out at multi-employer level – both with employers' organisations AHRČR and SOCR, covering different subsectors in hospitality. It is namely involved in negotiations concerning one higher-level collective agreement and, for 2023, ten collective agreements at the company level. The sectoral agreement is supplementary, with primary agreements being company collective agreements where wage-setting is negotiated.

The hospitality sector in Czechia faces significant challenges in terms of trade union organisation and collective bargaining, largely due to its low wages and fragmented representation. The ČMOS PHCR primarily represents hotel workers, with limited success in organising workers in restaurants, where wages are even lower (for restaurant sector, there is also an institute for individual members, organised through a local group that unites these members). The Covid-19 pandemic severely disrupted collective bargaining, particularly during the extensive hotel closures, but it also led to conditions that enabled wage indexation to outpace collective agreements in 2023. Despite efforts by the union, issues such as envelope wages and a large number of agency workers, especially in cleaning and maid services, complicate transparency and wage negotiations.

Collective bargaining in the hospitality sector is primarily focused at the company level, with sectoral agreements largely avoiding wage issues due to a lack of consensus

among employers. On the other hand, company-level collective bargaining faces many challenges, while in this sector, unlike in many other countries in Eastern Europe, there is also sectoral collective bargaining, which operates virtually without issues. But sectoral collective agreement does not address wages, and negotiations on wage adjustments have stalled in recent years. Only 30% of company-level agreements include wage developments, often resulting in modest nominal wage increases that struggle to keep pace with inflation. The sectoral union plays a methodological role in helping draft enterprise agreements, but wage components such as overtime, night work, and weekend premiums are typically handled at the company level. Employers withdrawing from employer organisations to avoid sectoral negotiations has occurred but remains a limited issue (Šumichrast, 2024). Generally, the higher-level collective agreement covers about sixty thousand employees, approximately fifty percent of the workforce in this industry. At the company level, the agreements cover only about six thousand employees.

Organising and recruiting workers in hospitality sector presents several challenges. The segment is poorly organised, with issues such as a lack of interest in union organising, high labour turnover, the prevalence of envelope wages, and, in part, the presence of labour migrants who are unwilling to organise. Additionally, young people are not interested in trade unions and do not rec-

ognise their importance. To attract members in general, unions have introduced incentives, such as contributing to domestic recreation activities, but there are no other special recruitment efforts. In hotels, even in large hotel chains, unions face union busting, not to a small extent, which poses a problem for organisation. The Labour Code provides strong protection for union officials, but court enforcement is very slow, often taking years. This delays justice and encourages employers to act in this way, even though they know they will ultimately lose in court. The organised membership is composed more of women than men.

The impact of European-level social dialogue is very limited. Given the state of organisation and the union's own capacities, ČMOS PHCR functions as a coordinating methodological centre without freed or paid trade union functionaries at the company level. It perceives its membership in EFFAT as passive and does not foresee any changes in this situation in the near future.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN ESTONIA

5

Trade union density

According to OECD data, in 2019 trade union density in Estonia corresponded to 6%, while employers' organisation density, for 2017, corresponded to 50,5%.

Estonia has two trade union confederations EAKL, that was founded in 1990 after the fall of the Soviet Union and generally represents manual workers and TALO, made up of unions which left EAKL in 1993, that includes several non-manual unions, mainly representing employees in the fields of culture, education and science.

EAKL represents its members' interests in major industries (manufacturing, public services, transport, private services), it is recognised by the public authorities and employers at the national level, and it is affiliated with ETUC, ITUC, and to BASTUN (Baltic Sea Trade Union Network).

In addition, there are some important independent trade unions, such as: the Estonian Doctors Union (EAL, Eesti Arstide Liit), the Estonian Educational Personnel Union (EEMU, Eesti Haridustöötajate Liit), the Estonian Nurses Union (EÕL,

Eesti Õdede Liit), and the Federation of the Estonian Universities (Eesti Kõrgkoolide, Teadus- ja Arendusasutuste Ametiliitide Ühendus, UNIVERSITAS).

Overall, Estonia's unions are strongly concentrated in the public sector, among the older workforce and in a few specific sectors, such as health care and social work, education, transportation and storage, and mining and energy sectors, while there are still no unions in the construction sector, ICT and real estate management. Unionisation in small and medium enterprises is quite scarce. According to international-level observatories, most industry-level unions lack human and resources to perform their functions effectively (FES, 2023). The popularity of trade unions is generally low, given their perceived anti-worker behaviour during Estonia's Soviet past (Lindma and Siniväli, 2024).

The main employers' association is the Estonian Employers' Confederation (ETK-Eesti Töoandjate Keskliit).

Collective bargaining structure and coverage

The decline in trade union membership observed in the last years

has been accompanied by a decline in the number of collective agreements signed in the country, as confirmed by the low number of agreements registered every year by the Estonian Ministry of Social Affairs, that manages a national register. At the moment, 671 collective agreements are included in the database, which however has not been updated since January 31, 2022.

In Estonia, company-level bargaining is considered predominant, both in the private sector – in as far as bargaining takes place at all – and in the public sector. The minimum wage rates and working/rest time conditions agreed upon collectively by trade unions and employers' associations at either sectoral- or national-level can be made legally binding for all the employers and workers in the particular sector if the parties to the collective agreement decide to use the extension procedure laid down in the Collective Agreements Act. However, only two sectoral collective agreements – for health care and for local bus transportation – have been extended as of today (FES, 2023).

Since the beginning of the 2000s, the minimum wage is set after regular negotiations between the union confederations and the employers at national level, that are extended through the country. Regular bargaining on the minimum wage is conducted by the Estonian Employers' Confederation (ETK, Eesti Tööandjate Keskliit) and the Trade Union Confederation of Estonia (EAKL, Eesti Ametiühingute Keskliit): the results of this kind of nego-

tiations is then ratified by the state through a decree. Other issues have moved to the sphere of bipartite or tripartite social dialogue and result only occasionally in agreements.

Considering all the mentioned factors, the estimated coverage of collective bargaining in Estonia is around 6% (Lindma and Siniväli, 2024).

A focus on the hospitality sector

On the employers' side, the Estonian Hotel and Restaurant Association (EHRA) is affiliated, at a national level, to the Estonian Employers' Confederation, and at a European level to Hotrec.

As far as it concerns employees, there are two relevant associations that operate in the hospitality sector: the Estonian Trade Union of Commercial and Servicing Employees (ETKA) and the Estonian Seamen's Independent Union (EMSA) – covering less than 10% of employees in the sector. Both unions are involved in collective bargaining and are not affiliated to EFFAT, but to Uni Europa.

The hospitality sector represents a valid example of the scarce cooperation between unions, who operate in the same industry at company level, to develop a united industry policy. As an example, ETKA regularly conducts collective bargaining with hotels in Tallinn – and in parallel EMSA, whose main activity is the operation of passenger ships on the Baltic Sea, also entered into an agreement with the company that

manages the majority of hotels in Tallin.

Collective bargaining is not common in the Estonian hospitality sector: in 2017 the estimated collective bargaining coverage was 3.6% (Eurofound, 2018). According to Estonian industrial relations experts, this is probably due to the high share of seasonal workers in the sector, which increased after the COVID-19 pandemic, and the fact that the industry's working hours are largely subject to fluctuations (Lindma and Siniväli, 2024).

The average wage in the Estonian hospitality sector is 1198 euros, as compared to a national minimum wage of 820 euros (Lindma and Siniväli, 2024).

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN GREECE

6

Trade union density

According to the OECD data, in 2016 trade union density in Greece corresponded to 19% (% of employees), while for the employer organisations we have more updated data. Their density, for 2017, corresponded to 52,7% (% of employees).

There are only two major confederations. On the one side, the GSEE, which organises private sector employees and employees in firms and sectors under public control. This confederation comprises about 150 second level organisations (sectoral/professional federations and regional work centres). On the other side, the ADEDY, which exclusively gathers the memberships of civil servants and is organised in federations, according to the different ministries.

The main employer organisations are: the Hellenic Federation of Enterprises(SEV), that represents not only the main industrial undertakings, but also major undertakings in other sectors; the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE), for small industry and craft SMEs in particular; the Hellenic Confederation of Commerce and Entrepreneurship (ESEE), representing in particular

SMEs in trade and the Association of Greek Tourism Enterprise (SETE), representing the tourist trade (hotels, travel agencies, transport).

Recently, with Law 4808/2021, the Greek government established the creation of a database with a general Registry of Trade Unions of Employees maintained by the Ministry of Labour. With this law, trade unions are obliged to register to such a database in order to get a legal status (for the trade unions established after the entry into force of the Law) and to be able to enjoy and exercise the constitutional rights such as collective bargaining, organisation of strikes and protection of union representatives against anti-union measures.

Collective bargaining structure and coverage

The right of freedom of association in Greece is first and foremost guaranteed by the country's constitution. Article 12.1 of the Greek constitution in fact stated that: *"Greeks shall have the right to form non-profit associations and unions, in compliance with the law, which, however, may never subject the exercise of this right to prior permis-*

sion". How this right can be enjoyed and unfold its effects is then regulated by the law. The main law concerning the operation of trade unions, trade union rights and workers' representation in Greece is L1464/82 which establishes that a trade union has to have at least 21 members, establishes the structure of second degree trade unions that may be at local level (Labour Centres) or at sectoral/intersectoral level (Trade union Federations) and establishes the way it is assured that each worker may be represented through a sole trade union to the second degree trade unions and each trade union through a sole second degree trade union to the General Workers' Confederation GESEE.

The basic provisions for collective bargaining are contained in Law 1876/1990 ('Free collective bargaining and other provisions'), that has been amended many times since Greece entered the Financial Stability Mechanism.

With Act No. 3845/2010, the government decided to abolish the '*favourability principle*' according to which professional and enterprise collective agreements' clauses cannot deviate from the relevant clauses of sectoral and general national agreements. It also establishes that sectoral collective agreements' clauses cannot deviate from the relevant clauses of national general collective agreements, and in doing so, reducing the mandatory applicability of collective agreements' clauses. In addition, with Act No. 4024/2011, the government stated that if no trade union is present in the company, an

association of persons can conclude collective agreements. While the minimum number of affiliates to form a trade union is 20, the minimum number to form an association of persons is 5.

Due to the nature of the Greek fabric industry in which small enterprises prevail over medium and large ones, representing approximately 90% of the workforce, the provision of association of persons in addition to the abolition of the favourability principle created the possibility of bypassing representative trade unions to bargain directly with workers' representatives.

In consequence to these main changes, Eurofound considers Greece as the only country changing cluster between 2008–2017 moving from the State Centred Model of high collective bargaining coverage with State intervention to a voluntaristic associational governance model characterised by low collective agreement coverage and weaker voluntaristic associational governance. According to Eurofound the share of sector-level bargaining in 2019 lead to a coverage of between 54 and 57%.

A focus on the hospitality sector

On the workers' side, the Panhellenic Federation of Food and Tourism Workers (POETT) is the federation affiliated with the General Confederation of Workers of Greece (GSEE). In the last years, this union has been able in several cases to prevent employers from taking advantage of legal-institutional changes and the

successful opposition of POETT to the introduction of the gig economy model in food delivery is a valid example of this approach.

On the employers' side, the Association of Greek Tourism Enterprise (SETE), represents the tourist trade (hotels, travel agencies, transport). Considering the HORECA and contract catering sectors only two organisations claim to cover the same domain (the Hellenic Hotel Federation (HHF) and Hellenic Chamber of Hotels (HCH), with different purposes. HCH is a chamber whose membership is mandatory while HHF is a social partner, affiliated to SETE, involved in collective bargaining.

According to a Greek union representative affiliated to EFFAT, the main challenge to unionisation in the hospitality sector is to be found in the limited size of businesses, which hinders the creation of workers' representation at company level. It is to be noted, however, how the lack of company-level representation is made up by the presence of sectoral-level trade unions, covering all workers in the hospitality industry.

The current collective agreement of the hotel sector was negotiated between workers' representative POEET and employers' representative POX (Hellenic Hoteliers Association) – and was extended to cover all hotel businesses by the Greek Minister of Labour in 2023. The agreement covers four categories of employees and foresees an increase in basic wages starting from January 2023 and January 2024, which may

include additional allowances for seniority, marriage, tourism training, seasonal employment, uniform, unhealthy work, food and lodging (ELA, 2024).

From the interview with a Greek trade union representative, several important insights emerged concerning recruitment strategies, communication practices, and European engagement.

In terms of recruitment, the union representative acknowledged that attracting new members - particularly young workers - remains a major challenge. Many younger employees, especially those entering the hospitality sector for the first time, are unfamiliar with trade union structures and tend to focus on their individual employment relationships. This is exacerbated by the high prevalence of small and micro-enterprises, where union presence is difficult to establish. To address this, the federation launched a communication campaign in 2019 based on printed leaflets, aimed at showcasing their achievements in collective bargaining and improving visibility among newcomers to the sector. Although the initiative helped highlight the union's role, the representative noted the need to modernise their outreach, moving beyond printed materials towards more dynamic and digital forms of communication. There is growing recognition of the importance of adopting more pervasive and youth-oriented strategies, including the use of social media plat-

forms such as Instagram and TikTok, to connect with younger generations.

At the same time, the union expressed a clear intention to re-engage in European-level social dialogue. After withdrawing from international federation activities in the aftermath of the financial crisis - mainly for budgetary and organisational reasons - there is now renewed interest in joining EU-level social partners like EFFAT to exchange good practices and amplify the Panhellenic Federation of

Food and Tourism voice in shaping the future of the sector.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN LATVIA

7

Trade union density

According to the OECD data, in 2018 trade union density in Latvia corresponded to 11,6% (% of employees), while the employers' organisation density, for the same year corresponded to 54,4% (% of employees).

In Latvia, on the employees' side there is just one trade union confederation, the Free Trade Union Confederation of Latvia (LBAS), that was founded in 1990 after the fall of the Soviet Union and replaced the former union structure operating under the communist regime. The LBAS has 20 individual unions affiliated, normally based on the specific industry or occupation of the employees.

In addition, there are smaller unions that are not affiliated to the LBAS, considering that a union can be founded, outside a company by just 50 people, while company unions can be founded by at least 15 people or at least a quarter of the employees.

On the employers' side, instead, we find the Employers' Confederation of Latvia (LDDK). In 2022, it represented 105 sector leaders – companies which employ more than 50

employees - and 62 sector-based and regional business associations and federations. LDDK members employ 44% of Latvia's employees.

Collective bargaining structure and coverage

The development of the current social dialogue system in Latvia started in 1993, when the first agreement between partners on consultations on labour protection issues was concluded. During the years, as in other Baltic states, the collective bargaining system has been mainly developed at the decentralised level, although recent developments suggest the increasing importance of industry-level bargaining.

Collective agreements are generally negotiated by trade unions, although labour law also allows non-union trusted representatives, who can be elected as employee representatives in companies with at least 5 employees, to conduct negotiations with employers.

According to Eurofound, estimated collective bargaining coverage in Latvia in 2019 was 22%, considering the co-existence of sector- and company-level bargaining.

As well as negotiations between employers and unions, there is also a national tripartite structure involving the government. In these terms, we have to consider the role of the National Tripartite Co-operation Council (NTSP), a tripartite social dialogue institution working at the national level, where representatives appointed by the government, the LDDK and LBAS collaborate as social partners. The NTSP has ten thematic sub-councils that are also organised according to the tripartite principle. It also discusses the national minimum wage.

On the employees' side, operates the Latvian Trade Union of Public Service and Transport Workers (LAKRS), affiliated to LBAS at the national level and to EFFAT at the European level.

A focus on the hospitality sector

The Association of Latvian Hotels and Restaurants (LVRA) is affiliated to Hotrec and in 2018 it signed a cooperation agreement with the Ministry of Finance and the Latvian Restaurant Society to foster the conclusion of an industrial agreement in the hospitality industry. This agreement was part of the government's strategy to foster and extend industrial agreements, in a country where company agreements have a major role. For this reason, the Ministry of Finance agreed to work towards reducing the VAT rate for the catering industry, if the agreement manages to provide for an increase in the average wage in the sector. However, as reported in some researches, in 2023 the agreement had not yet become binding.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN LITHUANIA

8

Trade union density

According to the OECD data, in 2019 trade union density in Lithuania corresponded to 7,4% (% of employees), while the employers' organisation density, in 2016, corresponded to 33% (% of employees).

With regard to workers' representation, after the country's independence process, the trade unions are now divided into three main confederations, that are considered representative according to the criteria defined in the Labour Code.

First of all, the Lithuanian Trade Union Confederation (LPSK) is the largest trade union, that was founded in 2002 by the merger of LPSC and LPSS, the two organisations that were established on the basis of the unions of the former Soviet Lithuania. LPS "Solidarumas", instead, developed from the Trade Union Reform Movement, that was established in 1989, following the movements for the renewal of trade unions arisen at the end of the 1980s, and changed its name in 2002. Finally, LPSF "Sandrauga", a confederation of smaller dimensions, established in 1999. The confederations present ideological-political differences and are organised along

industrial lines, although they also have important regional structures. The picture is completed by a smaller confederation, the RJPS and by some independent trade unions.

On the employers' side, we find 6 national employer organisations meeting the representativeness criteria set out in legislation. These are: the Lithuanian Confederation of Industrialists, the Lithuanian Business Employers' Confederation, the Chamber of Agriculture of the Republic of Lithuania, the Association of Lithuanian Chambers of Commerce, Industry and Crafts, the Association "Investors' Forum", and the Lithuanian Business Confederation.

Collective bargaining structure and coverage

In Lithuania, collective agreements can be concluded by the employers, the employers' organisations and trade unions at the following five levels: national or cross-industry; territorial; industrial; company; workplace or plant. On the practical level, however, the collective bargaining system has been mainly developed at the decentralised level, with a peak in the companies with

unionised workers.

The estimated collective bargaining coverage in 2019, according to Eurofound, was 14%. However, some scholars point to a change of pace in the last period, due to several collective agreements signed mainly in the public sector, even if their contents primarily repeat the existing legal norms, considering the very incisive role of the law in regulating the main issues concerning labour relations and working conditions.

As well as negotiations between employers and unions, there is also a national tripartite structure involving the government. In these terms, we have to consider the role of the Tripartite Council of the Republic of Lithuania (LRTT), that was established in 1995 and that represents the seat where all the most important labour market-related regulations and other employment-related decisions are discussed, including proposals to the government on the minimum wage.

A focus on the hospitality sector

On the employers' side, the Lithuanian Association of Hotels and Restaurants (LVRA) is affiliated to Hotrec but it is not involved in collective bargaining activities.

On the employees' side, instead, before the 2008 crisis, there were two sectoral trade unions that previously had some members in the sector: the Trade Union of Lithuanian Food Producers (LMP) and the Accommodation and Hotels Trade Union 'Solidarumas' (AIVPS Solidarumas).

However, they lost their members during the crisis and did not attract new ones.

With regard to current challenges concerning unionisation, a representative from Solidarumas (representing in particular tourist guides and tour leaders in Lithuania) referred to the Soviet past as a factor that affects the attitude of the people towards social dialogue in Lithuania – which needs to be taken into account together with the self-employed status of the guides and the subsequent lack of solidarity among them. In order to contrast these phenomena, the Solidarumas union tries to attract new members by offering consultations, legal support, presentations, and discounts for vacations, but also by taking up actions against illegal guides.

With regard to European-level social dialogue, the interviewee expressed Solidarumas' interest in joining the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) – which the union is currently not a part of – also in light of the fact that being part of the European Union helps them to advocate for more social policies and collective agreements in Lithuania.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN MALTA

9

Trade union density

Data from the latest Report of the Maltese National Registrar of Trade unions shows that, in 2022, in Malta a total of 39 trade unions and 12 employers' associations was registered.

One of the most relevant pieces of information that can be acquired by reading the Report, is that, compared with the previous year, trade union membership in Malta has risen: between 2021 and 2022, 107,920 Maltese citizens were part of a union (around 40% of the working population). This corresponds to OECD data from 2019, according to which trade union density in Malta corresponded to 42,9% (OECD n.d.). Contrary to the trend in most European countries, trade union membership in Malta has indeed been characterised by a steady increase over the last years.

The largest trade union in Malta is the General Workers Union (GWU), established in 1943, to which around 50% of unionised workers of the nation belong. GWU is structured in internal "Sections" covering different sectors of the economy. Another big trade union is the Union Haddiema Maghqudin (Voice of the Workers, UHM), which represents workers

belonging to the education, health-care, transport and public services sectors. Among Maltese trade union organisations, also Forum Unions Maltin (FOR.U.M.) needs to be mentioned, encompassing clerical workers and professional employees such as nurses, teachers, architects, engineers and university academic staff. GWU, CMTU and FOR.U.M. are all affiliated to the European Trade Union Confederation (ETUC).

With regard to employer representation, instead, the Report of the Maltese National Registrar of Trade Unions shows a declining trend, with 9,546 employers being part of an employers' association in 2022 compared with 9,277 of 2021. The most important cross-sectoral employers' association in Malta are the Malta Chamber of SMEs, with more than 7,000 members, and Malta's Employers' Association (MEA) (865 members).

Collective bargaining structure and coverage

As of today, only the Maltese public sector benefits from a sectoral collective agreement. In the private sector, instead, collective bargaining takes place at company level –

especially in sectors where workers are strongly unionised. The practice of single-employer bargaining makes articulation and coordination of collective agreement levels not applicable in the country.

According to the Maltese Employment and Industrial Relations Act of 2002 (EIRA), collective agreements need to be negotiated between “an employer, or one or more organisations of employers, and the organisation or organisations of employees”. However, the Recognition of Trade Unions Regulations (2016), establishes specific rules to identify which union the employer should “recognise” when negotiating a collective agreement, primarily based on the proportion of employees who are members of the unions seeking recognition.

There is no official data regarding collective bargaining coverage in Malta: however, a 2018 study at the Centre for Labour Studies in the University of Malta estimated that the proportion of workers covered by collective bargaining ranged “between 50% and 61%” of the labour force (Debono, 2018). Collective agreements regulate a wide range of issues including pay, working time, health and safety, grievance and disciplinary procedures, bonuses and sick pay. A large percentage of workers not covered by collective agreements are, however, covered by government-issued “wage regulation orders”, applying to specific industries (such as private security, construction, travel agencies and food manufacturing) or “national standard orders” which have more

general application: they both set minimum conditions of employment. Going into more detail, wage regulation orders are issued following recommendations from sectoral Boards composed of unions, employers and government-appointed experts, and cover issues such as minimum rates, breaks, annual leave rights, overtime premia and sick pay, while national standard orders usually deal with pay indexation, through the so-called “cost-of-living adjustment” (COLA), linked to inflation and calculated on the basis of the Retail Price Index (ETUI, n.d.).

A focus on the hospitality sector

The main union in the hospitality sector in Malta is the GWU (General Workers’ Union), one of whose sectors represents workers employed in Food and Hospitality. This sector represents around 2000 workers employed in clubs, hotel, bars, but also cleaning contractors. About 57% of them are female and 43% are male, and most of their members is aged between 25 and 45. Among them, a significant percentage is composed of foreign workers and third country nationals.

According to a high-level representative of GWU – Food and Hospitality, informal strategies, such as events and gatherings organised by the union, would be effective in recruiting younger workers in the hospitality sector. However, as of today, GWU mainly relies on their representatives on the shop floor and other staff to spread the word and recruit new members.

GWU – Food and Hospitality is involved in social dialogue and single-employer bargaining with individual companies. The content of these collective agreements is mostly focused on wage setting and health and safety issues. It is to be noted that Maltese law sets minimum standards for wages and working hours, ensuring that all workers – included those which are not covered by collective agreements, are protected to some extent.

The interviewed representative of GWU – Food and Hospitality affirms that the Maltese legal framework supports trade unions, and that GWU has a good level of dialogue with the government: they have recently successfully lobbied to resolve some issues linked to undeclared work, and they have been proactive in addressing abuses related to migrant workers in the sector – for example by lobbying with the biggest employer of migrant workers in Malta in order to make him join the Slave-free Alliance. Regarding minimum wages, the union has been the main advocate for the introduction of a National Living Income, a proposal which is currently being discussed by Maltese policy-makers.

The largest employers' organisation in hospitality is MHRA (Malta Hotels and Restaurants Association), which is active only in accommodation, restaurants, and mobile food service activities: however, MHRA is not directly involved in collective bargaining.

Both GWU and MHRA are affiliated to their European-level umbrella organisations, EFFAT and HOTREC. The interviewed representative of GWU – Food and Hospitality had a generally positive approach towards European-level social dialogue, stating that there are many broad-ranging initiatives that could be taken by European-level social partners. He stressed, however, the lack of practical outcomes and effects of the many discussions held.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN THE NETHERLANDS

10

Trade union density

According to OECD data, trade union density in the Netherlands corresponded to 15,9% of employees in 2019 (OECD, n.d.), with a significant decline from the 1980s, when it was above 35% (ETUI n.d.). A study from the Dutch Central Statistical office showed how the 35% trade union density rate is still in force for workers between 55 and 65, while only around 13% of workers between 25 and 35 are members of a union (Gielen, Floris, 2018).

Despite these data, Dutch trade unions still cover a central role in the Netherlands' economy, given their – though declining – embeddedness in the nation's institutions. The three major Dutch confederations are namely all represented in the Netherlands' major tripartite body, the Social-Economic Council (SER), advising the Dutch Government and Parliament on social and economic policy together with representatives of the employers and Crown-appointed independent experts, and in the Labour Foundation, a national consultative forum where they discuss relevant issues in the field of labour and industrial relations with

the three main employers' associations. Moreover, Dutch Trade unions are still accepted by the large majority of employers as their main negotiating partner, partly due to their usually moderated stance and their willingness to compromise (De Beer, Keune, 2018).

The most relevant trade union confederation in the Netherlands is the FNV (Netherlands' trade union confederation) with around 1 million members. The FNV emerged from the merger of the socialist and the catholic union federations in 1975. It is complemented by several sectoral trade unions representing workers from different sectors. The other main union confederations are the CNV (Christian National Trade Union Federation), which comes from a tradition of Protestant trade unionism and the VCP (Trade union federation for Professionals). Both the CNV and the VCP represent around 200.000 workers.

Collective bargaining structure and coverage

Despite the declining trade union density, the collective bargain-

ing coverage in the Netherlands is around 72% (CBS, 2018). The collective bargaining structure is articulated in two levels, i.e., industry-level and company-level.

The higher share of Dutch workers is covered by sectoral-level collective bargaining. The Ministry of Social Affairs and Employment reported that 173 sectoral level collective agreements were registered with the ministry in 2022: these agreements covered 91,6% of all employees covered by a collective agreement (Besamusca, 2024).

Company-level collective agreements cover only 8.4% of workers. This kind of agreements can exist in sectors where sectoral-level bargaining is not present or in sectors that do negotiating a sectoral level collective agreement. The latter case is mostly common in the country's largest companies (Besamusca, 2024). There has been no significant increase in the number of workers covered by company-level agreements in recent years (De Beer, Keune, 2018).

Seeing these characteristics, collective bargaining in the Netherlands can be described as centralised and prescriptive (Besamusca, 2024): however, during the last years, an increase in the number of clauses in industry-level agreements that allow companies to deviate from the conditions in the collective agreement if the works council gives its consent has been registered (De Beer, Keune, 2018). This, together with other factors, has been considered a sign of an ongoing process in

the Dutch collective bargaining system, and namely that of “organised decentralisation” (Ibsen and Keune, 2018).

The reasons for such a high collective bargaining coverage in the Netherlands can be linked to some characteristics of the Dutch legislative framework on the topic. Firstly, collective agreements apply to all employees of the companies that are involved in collective bargaining, whether they are union members or not. Secondly, industry-level agreements are declared generally binding by the Minister of Social Affairs and Employment if the bargaining coverage in the industry is already 55 per cent or higher (De Beer, Keune, 2018).

A focus on the hospitality sector

The most recent available data on the matter states that, in 2011, in the Dutch hospitality sector, trade union density is below 10%, in decline from 15% from 1995 (De Beer, Keune, 2018). Employees who hold (vocational education) qualifications in the hospitality field represent the core of the trade union membership, also given the engagement of trade unions in recruiting workers still enrolled in vocational training centres (e.g., hospitality schools) (Besamusca, 2024). Unions face instead several difficulties in recruiting platform workers – a relatively large share of the workforce employed in the Dutch hospitality sector.

The main union in the sector is FNV Horeca, representing workers in hotels, bars, restaurants and cafes.

Together with FNV Catering and FNV recreation, it is part of the FNV Horeca Federation, which is in turn a member of the FNV confederation. However, also trade union CNV Vakmensen - a federation under the CNV confederation, affiliated to EFFAT - is active in the sector. FNV Horeca was a member of EFFAT but decided to disaffiliate from EFFAT after the pandemic for financial reasons.

CNV Vakmensen and FNV Horeca are involved in multi-employer collective bargaining with the main employers' organisation in the hospitality sector, i.e., Koninklijke Horeca Nederland (KHN) (Dutch Hotel, Restaurant and Café Association) - which is affiliated to HOTREC.

Social dialogue in the Dutch hospitality sector is conducted by trade union and employers' associations at sectoral level, while company-level collective bargaining is not common.

The working conditions of Dutch hospitality workers employed in hotels, restaurants, cafes and bars are currently regulated by a sectoral level collective agreement signed by KHN, FNV Horeca and CNV Vakmensen in 2024. This agreement was extended to all workers in the sector by the Ministry of Social Affairs and Employment, following a request of the signing parties. The request for the extension was due to the presence of a competing sectoral collective agreement containing inferior working conditions. In fact, there are cases of yellow employer organisations that while rep-

resenting only about 500 employers, negotiated a separate collective agreement with a union covering hospitality staff but unaffiliated to CNV and FNV confederations. However, this separate collective agreement does not fix pay scales and contains inferior working conditions compared to the agreement between KHN, CNV Vakmensen and FNV Horeca.

The Dutch Ministry of Social Affairs and Employment, after having promoted the 'representativeness check', which evaluates the extent to which the signatories in the employers' side are representative of all employers in the sector, has granted the request of the signing parties of the main collective agreement (KHN, FNV Horeca and CNV Vakmensen), extending it to all the workers of the sector. The extended collective agreement now includes a clause stating that it covers all workers in the sector, excluding those who are covered by a different collective agreement guaranteeing them comparable levels of protection to the main one. (Besamusca, 2024).

The contents of the new agreement include an increase in line with the new statutory minimum hourly wage of EUR 13.27 for employees aged 21 years and over, a mandatory internship allowance of at least 350 per month, and the regular payment of overtime hours (ELA, 2024).

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN PORTUGAL

11

Trade union density

According to OECD data, in 2016 trade union density in Portugal corresponded to 15,3% (% of employees). For employer organisations, only less updated data is available: their density, for 2014, corresponded to 51,2% (% of employees).

On the employees' side, the General Confederation of Portuguese Workers (CGTP) and the General Union of Workers (UGT), are the only authentic cross-sector confederations that are recognised by the government and by employers as social partners at national level. The CGTP emerged after the 1974 revolution and initially had close links with the communist party, while the UGT was created in 1978, with the support by unions in the services sector and by 'parallel unions', to challenge the hegemony of the CGTP and to provide an alternative to the CGTP's political approach (Campos Lima and Naumann, 2023).

Despite a very strong initial conflict between the different confederations, nowadays some forms of mutual recognition and first occasional joint actions can be observed, even if competition and divergence between the unions remains. For ex-

ample, UGT is much more prepared to sign national tripartite agreements with the employers and the government than the CGTP.

Employers instead have four main associations that participate in tripartite concertation: the Confederation of Portuguese Business (Confederação Empresarial de Portugal), dominant in manufacturing, the Portuguese Trade and Services Confederation (Confederação do Comércio Português), the Portuguese Confederation of Farmers (Confederação dos Agricultores de Portugal) and the Portuguese Tourism Confederation (Confederação do Turismo Português).

Collective bargaining structure and coverage

To present the development of collective bargaining in Portugal, it is essential to make a preliminary statement on the crucial role of the State in regulating industrial relations. The key principles included in the Constitution and in the Collective Bargaining Act of 1979 are: the exclusive prerogative of unions to negotiate collective agreements; the favourability principle to apply in the relationship between statuto-

ry regulations and collective agreements; the principle of the continuing validity of collective agreements and the principle of extending agreements to all companies and workers (Campos Lima and Nauermann, 2023).

However, these principles were gradually eroded in the reforms of subsequent years, as is evident from the 2003 Labour code, that eliminated the favourability principle and made it possible to terminate agreements at the unilateral request of one of the signatory parties, and from the 2009 Labour code, that limited the after-effect period of terminated agreements. These reforms, together with the freeze in the use of extension mechanisms, and the contents of the Memorandum of Understanding (MoU) signed by the Troika as an aftermath of the crisis of 2008-2010, caused a sharp downfall in collective bargaining coverage – from around 2 million to 200.000 workers covered by an updated contract (Leonardi, 2024). Regarding the latest developments, the change in government in 2015 has led to the rolling back of some provisions in order to restore and improve the union influence in collective bargaining, although the situation has not returned to the position that existed pre-crisis.

Recent data (2022) shows that 83% of all workers in the private sector are covered by a CBA and that 83% of the total of workers covered by collective agreements are covered by sectoral agreements (Leonardi, 2024). This is consistent with the tradition of collective bargaining in

Portugal, which has primarily taken place at the sectoral level, with local/company level collective bargaining being largely of secondary importance.

Collective negotiations are primarily carried out between employers and unions. However, overall coordination in this sense is provided by a national tripartite structure involving the government, i.e., the Standing Committee for Social Concertation (CPCS), where many relevant agreements preceding important political reforms about the labour market have been reached (Leonardi, 2024).

A focus on the hospitality sector

On the employers' side, the Association of Hotels, Restaurants and Similar Businesses of Portugal is the largest and most representative hotel association in Portugal. Moreover, we have to consider some employer organisations that are only active in some regions and subsectors, as the Associations of Hotels and Tourist Resorts of the Algarve (AHETA) and the Association of Hotel Operators and Similar Services of the Algarve (AIHSA). These associations are involved in collective bargaining, but they are not affiliated to Hotrec. The only employers' organisation that is a member of Hotrec is the Associação Portuguesa de Hotelaria, Restauração e Turismo (APHORT), that represents companies in the hotel, restaurant and tourism sector, with particular emphasis in northern Portugal.

On the employees' side, Effat does not represent any trade union, but

we observe the collective action of the Federation of Unions in Food, Beverages, Hotels and Tourism of Portugal (Fesaht) and of the Union of Workers and Staff in Services, Commerce, Restaurants and Tourism (Sitiese). The former is affiliated to Cgpt, and it negotiates both single and multi-employer agreements, while the latter is affiliated to Ugt and negotiates only multi-employer agreements.

Trade union density in the Portuguese hospitality sector (accommodation and food service activities) was 3,4% in 2018, sensibly below average in the country for that period (Campos Lima and Naumann, 2023).

Further insights from an interview with a representative of the Confederação do Turismo de Portugal (CTP) help to better understand some structural features of the sector and current social dialogue dynamics. According to the respondent, employment in tourism is largely made up of young people, with a predominance of women and a significant share of low-skilled workers. These characteristics, along with the high number of micro and small businesses in the sector, shape both the challenges and the focus of collective bargaining.

The CTP participates in national-level dialogue with unions and government institutions, while sectoral associations engage in collective bargaining. The respondent highlighted that current priorities include ensuring the sector's contribution to economic growth, revisiting some legal aspects of the right to strike, and continuing ongoing national efforts to combat undeclared work and regularise migrant employment.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN ROMANIA

12

Trade union density

Trade union density in Romania is 16%, with trade unions remaining strong in the traditionally dominant public sector and large state-owned or former state-owned enterprises (Guga-Trif, 2023, p. 920). In the light of the regulatory framework envisaged on the matter (L. n. 367/2022 regarding social dialogue), trade union confederations and employers' organisations are obliged to communicate membership data for gaining national representative status. According to the latest data released by the Ministry of Labour and Social Protection, five confederations are representative on the workers' side, with several industry federations affiliated to them: the National Confederation of Free Trade Unions of Romania "Cartel Alfa," the National Union Bloc, the National Confederation of Free Trade Unions "Frăția," the Confederation of Democratic Trade Unions of Romania, and the National Confederation of Meridian Trade Unions. The five main union confederations are all of broadly similar size, with no significant difference in terms of doctrine, affiliated sectors or composition. However, there are some links between the confederations

and political parties (e.g., the National Confederation of Free Trade Unions "Frăția" and the Social Democratic Party, the National Union Bloc and the Greater Romania Party, a right-wing party).

On the employers' side, there are two confederations: the Confederation of Employers Concordia and the National Confederation of Small and Medium-sized Enterprises of Romania.

Collective bargaining structure and coverage

Since 2010, collective bargaining in Romania has been greatly weakened, despite extensive protests. The new law on social dialogue in Romania (L. n. 367/2022) introduced important innovations to promote social dialogue and the development of collective bargaining. In the area of our interest, we point out that multi-employer bargaining has been facilitated, and sectoral agreements (multi-employer agreements negotiated by representative social partners) can now be made generally binding for the entire sector.

In this way, the reform re-establishes the age-old tradition of strong

social dialogue in Romania, after the hostile legal framework of the past decade. It is also an important example of how to implement the 2022 directive on minimum wages and collective bargaining, in order to reach the 80% bargaining coverage target.

So far, in Romania company-level bargaining was considered predominant, with around 20% estimated coverage (Guga-Trif 2023, 913).

A focus on the hospitality sector

The overall challenging environment for unions in Romania (Guga-Trif 2023, 911) is also reflected in the hospitality sector, which remains largely non-unionised due to its fragmented structure and specific legislative requirements for union formation. According to Romanian law, a local union can be organised with a minimum of 15 members, but most hotels typically employ fewer than this threshold, with only larger hotels having around 20 to 50 employees. Consequently, only a few local unions exist within these larger hotels, and, as of now, no federation coordinates or organises these local unions across the sector. CarTEL ALFA has been working on legislative initiatives to simplify union formation, but these efforts have so far been unsuccessful. However, the situation has recently improved. Legislative changes were passed that now allow local unions to be organised with just five employees from each of three different companies, as long as all the companies

are within the same economic sector. This development marks a positive step forward in simplifying the unionisation process.

In general, with the exception of a few private sectors (such as commerce), recruitment campaigns in the private sector have been infrequent. In recent years, these campaigns have focused more on maintaining membership numbers due to high labour turnover, rather than on strengthening unions (Guga-Trif 2023, 921). Another structural challenge for organising remains challenging due to the small size and high fragmentation of businesses. Romania is facing significant labour shortages, particularly in the hospitality sector, due to a large migration of its workforce to Western Europe. As a result, the Romanian government has been importing labour, mainly from Southeast Asian countries. These workers, who are willing to accept minimum wage jobs, are also more difficult to organise (with the exception of large hotels where trade unions exist and some foreign workers join the union for protection). The sector is also affected by turnover, which is also related to low wages.

After the collective bargaining system was disrupted due to the consequences of the financial crisis and influenced by interventions from the International Monetary Fund, recent legislative reforms, driven by the European Commission, aim to revitalise collective bargaining and social dialogue. The national trade union confederation is currently working on strategies to take

advantage of these changes to organise employees in the hospitality sector and beyond. At present, discussions are ongoing with the Romanian government regarding the implementation of the European Directive on Minimum Wage. In the union view, Romania could reach the 80% coverage, but only if negotiations begin with employer confederations. Reintroducing a national framework collective agreement, similar to the one in place before 2010, and ensuring it applies universally across the economy, would be key to achieving this goal and covering more employees. There is no sectoral collective agreement in the hospitality sector.

Cartel ALFA recognises the importance of European social dialogue and supports initiatives like the European Works Councils directive. Although participation at the European level is seen as beneficial, it predominantly involves larger enterprises where such structures exist (Cartel Alfa have a member federation that is part of EFFAT, but in the agriculture and food industry). Despite the legal and organisational problems, there is hope for improvement in unionisation rates and working conditions. The new legislation allows some flexibility in forming unions, which Cartel ALFA plans to utilise. They are also focusing on encouraging regional federations to be proactive in organising efforts across various sectors, including hospitality.

In addition to these first evidences, a recent study by Eurofound has identified one trade union with members in the sector (FST Minerva), that is neither involved in collective bargaining nor affiliated to EFFAT. In parallel, on the employers' side the same study has considered one sector-related employer association (the Federation of Romanian Tourism Employers (FPTR), that is not involved in collective bargaining and is not affiliated to HOTREC.

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN SLOVAKIA

13

Trade union density

Trade unions in Slovakia have been an important part of the country's economic and political development since the transition from state socialism to democracy and a market economy in 1989. The former unitary structure of trade unions was gradually transformed, leading to the emergence of the current, more fragmented landscape. Today, unions are established as genuine representatives of workers' interests at the enterprise and industrial levels, but their institutional powers are strongly entrenched in legal regulations. The newly established trade union confederation Joint Trade Unions of Slovakia (KOZ SR) represents several so-called "modern" professional and company-level unions that emerged by breaking away from the long-established unions in their industries or establishments. KOZ SR remains committed to its traditional strategies in social dialogue and bargaining but has also begun to engage in public protests/campaigns and workplace unionism. Despite these economic changes, there has been a decline in trade union density in Slovakia. This decline can be linked to historical developments and recent trends. In

the first period of state socialism in Czechoslovakia, unionisation rates were high, but independent collective bargaining, industrial democracy, and tacit knowledge essential for the emerging market economy were lacking (Myant, 2010). Union density declined from 32% in 2000 to 13% in 2015, and latest OECD data (2018) show another decline to 11,3% (OECD n.d.) while employers' association rate has remained relatively stable at above 30% over the past two decades (Kahancová-Uhlerová 2023). KOZ SR as of 2021 recorded a total of nearly 240,000 members of production trade unions accounting for more than 57% of the membership base, which is approximately 137,000.

Collective bargaining structure and coverage

Similarly to union density, Slovakia has also seen a continuously decline in collective bargaining coverage since 1989, halving between 2000 and 2015 (Kahancová et al 2019). Latest ETUI data shows that the coverage is now around 35% (ETUI, n.d.). Collective bargaining was affected by the privatisation of state-owned enterprises and the inclusion of labour interests in policymaking in ex-

change for labour acquiescence in economic reforms. This period was also marked by Slovakia's accession to the European Union and the inflow of foreign direct investment. Post-crisis developments after 2008 intensified bargaining decentralisation, but also legislative changes related to the extension of bargaining coverage (Martišková ETUI BAR 2019). While multi-employer and industry-level bargaining are still important in Slovakia, the importance of company-level bargaining is increasing.

A focus on the hospitality sector

The main Slovak union active in hospitality is OZ POČR (*Odborový zväz pracovníkov obchodu a cestovného ruchu*, Trade Union Association of Workers in Commerce and Tourism), covering all employees of the sector. With regard to employers' associations, the main ones are the Slovak Association of Commerce and Tourism (*Zväz obchodu a cestovného ruchu* - ZOČR SR) and AHRS (*Asociácia hotelov a reštaurácií Slovenska* - The Slovak Association of Hotels and Restaurants). However, since collective bargaining in the Slovak hospitality sector is exclusively carried out at the company level, employers' organisations are not directly involved in interaction with unions or coordinated bargaining.

Trade union activities in the tourism sector in Slovakia face significant challenges. There is no sectoral collective agreement, and the restaurant segment is entirely uncovered. Only a few larger hotel chains are

covered by company-level collective agreements, resulting in minimal coverage, with about nine base trade union organisations operating in the sector. A significant number of members are organised independently, as individuals, through the institution of a coordinators at the sectoral union in the districts, ensuring they are covered by at least basic labour law protections and then they just address any problems individually. There is also a reluctance to form base trade union organisations because of a hesitancy to operate within workplace trade union structures in relatively small work teams and to take on responsibility and exposure to potential threats as a union representative. This is also significantly related to the widespread practice of envelope wages in the sector. Also, in the hotel segment, third country nationals, especially Ukrainian women, often work as cleaners. Migrants, particularly from third (non-EU) countries, are not interested in organising and the unions lack capacities toward systematic recruitment activities, e.g., explaining the workers what their rights are. People solve common problems in the workplace by fluctuation to a new employer, which seems easier for them.

Membership has dropped by more than three-quarters compared to the previous period. It was related to the reality of reliance on envelope wages in the sector, where during the Covid-19 period, employees received only 60% of their official salary, which was not enough to make

a living, and they left the sector. The gender ratio in the sector (pre-Covid-19 data) is approximately 60:40 in favour of women.

Overall, the limited level of organisation in the sector can be attributed to the severe impact of the Covid-19 crisis and the subsequent energy crisis. Many workers left for other sectors of the economy and have not returned. Organising and recruiting workers in the tourism sector is particularly challenging due to the economic nature of the sector, specifically in the restaurant segment. Small restaurants, as well as small hotels and guesthouses, are often family-run, which causes them to generally not have unions. Another problem is that large hotel chains, in particular, have contracts with students who work for them and are happy to earn extra money. These students are not interested in organising, as it would mean an additional cost for them in the form of a membership fee.

Another structural challenge for organising in the hospitality sector is the common practice of disguised employment through self-employment, which is particularly prevalent in ancillary and lower-skilled positions, though rare in higher-skilled roles. Certain positions, such as those of high-quality chefs, may also allow individuals to negotiate independently and secure higher wages. For the sector, the establishment of a minimum wage structure as well as the higher levels of job difficulty (six in total) are very important, as they directly affect workers.

Youth organising efforts, particularly educational initiatives led by the Confederation of Trade Unions' Youth Council, are underway. However, high turnover remains a significant challenge, as many young people view the sector—especially in the summer season, when restaurants rely heavily on temporary workers, university students, and other young people—as a short-term stop. This gives them little incentive to engage in organising.

OZ POOCR currently has no specific organising activities directed at workers, aside from some 'self-promotion' through positive experiences with the union shared among workers themselves, as seen with the individual memberships mentioned above. Instead, in light of the new coalition government that came to power in autumn 2023 and the creation of a Ministry of Sport and Tourism, the union is focused on working with government officials to develop a concept for promoting tourism and stabilizing the sector, with the additional goal of reducing turnover. At the moment, according to union estimates, labour turnover in the sector is well in excess of 40 percent; the aim is to reduce it to 20 or 30 percent, which would stabilise the workforce and create better conditions for union organising.

Trade unions see the European Directive on adequate minimum wages positively but are aware of the risks, such as the formation of yellow unions by employers (but they can be recognised by the statutes, which specify that they are to protect the employer's assets), which

is already a trend. From a trade union perspective, company collective agreements are crucial. They also draw attention to the influence or dependence on domestic legislation, where, for example, in 2021, the extension of higher-level collective agreements was abolished (at the time of the interview, there was no knowledge of the adoption of new legislation in support of collective bargaining).

The OZ OPCR positively views European social dialogue. Despite this,

they have suspended their membership in EFFAT due to the currently poor state of organisation in the sector.

Trade union density

TRADE UNIONS, SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN SLOVENIA

14

The latest OECD data concerning trade union density in Slovenia states that in 2015, only 23,8% of workers were members of a union (OECD, n.d.). However, the Centre for Public Opinion Research at the Faculty of Social Sciences of the University of Ljubljana show how this data has further declined in more recent years: in 2019, the total union membership accounted for 17.8% of the active population (University of Ljubljana, 2020).

The largest union confederation in Slovenia is ZSSS, which is organised in 22 federations: seven in the industrial sector, six in private services, six in the public sector and three covering other groups, such as pensioners. The largest federation in ZSSS is SKEI, whose sectors of activity are the metal and electrical engineering industry (ETUI, n.d.).

ZSSS is a relatively centralised organisation, which regularly participates in the work of the Economic and Social Council – a tripartite body composed by representatives of unions, employers' associations, and the national government – and is thus systematically involved in the public policy formulation process. It is also to be noted how ZSSS has

recently promoted initiatives directed at specific target groups (e.g., migrants, young workers) with the goal of rescaling and innovating union activities (Samaluk, B., 2018).

The largest union body outside ZSSS is KSJS, stemming from the unification of five of the largest unions in the public sector. Other important confederations are KNSS – Neodvisnost, Konfederacija, SZS-Alternativa and Solidarnost (ETUI, n.d.).

The largest trade union active in the hospitality sector in Slovenia is SI Sindikat GiT (Slovenian tourism and hospitality workers' union), covering all employees in hospitality. Sindikat GiT is also affiliated to ZSSI on the national level and was affiliated to EFFAT but had to disaffiliate for financial reasons.

With regard to employers' associations, the main ones are SI SGT OZS (Chamber of Craft and Small Businesses of Slovenia), SI TGZS (Tourism and Hospitality Chamber of Slovenia), SI ZDOPS (Association of Craft and Business Employers of Slovenia), covering all employees of the sector and engaging in multi-employer bargaining with trade unions. Only SI TGZS is affiliated to

HOTREC.

Collective bargaining structure and coverage

Collective bargaining in Slovenia is traditionally strong and highly centralised. Up until 2005, the collective bargaining system was based on two general collective agreements: one for the private sector, and one for the public sector (Stanojević, Poje, 2018). Today, collective bargaining in the private sector predominantly takes place at the sector or industry level, and lower-level agreements (such as company collective agreements) must by law offer more favourable terms than the higher-level ones, and derogation is permitted only under specific conditions, defined by the industry-level agreements themselves (OECD, n.d.).

Despite the economic crises that hit the national economy in 2008-2010, which caused a significant decline in collective negotiations, the overall coverage remains high, accounting for 79% of workers (ETUI, 2018). This is also due to an extension mechanism in Slovenian legislation (Collective Agreements Act – 2006): if a collective agreement is concluded by representative unions and associations of employers that employ more than half the workers in the industry they represent, then the Ministry of Labour can, on the initiative of one of the contracting parties, decide whether the collective agreement should be extended to all employers in one or several industries (Stanojević, Poje, 2018).

Regarding the hospitality and tourism sector, the sectoral collective agreement was signed in December 2024 after two years of negotiations and came into effect in January 2025 and it is valid until the end of 2028. In Slovenia, an extension mechanism applies to the hospitality sector, meaning the agreement also covers segments such as casinos. However, it does not apply to restaurants due to the low membership density in the employers' organisation. The wage section of the collective agreement is typically renegotiated annually through an annex. It also applies that company collective agreements are mainly found in hotels, but also, for example, in casinos. As for restaurants, they are less common but can be found in larger restaurant chains.

A focus on the hospitality sector

The hospitality sector in Slovenia was among those with the highest share of non-standard or atypical employment arrangements. Other common issues in the industry included envelope wages, high workforce turnover, and the resulting challenges in skill development. However, in recent years, the situation has improved, with more employees now holding regular employment contracts.

In recent years, the hospitality and tourism sector in Slovenia has experienced significant turbulence also due to the impact of the COVID-19 pandemic. During this time, trade unions carried out various activities, including petitions, calls to the government and relevant ministries,

and participation in protests in Ljubljana, where they also took the floor as speakers.

Union organisations were also highly involved in the fight against the sale of Slovenia's most valuable tourism companies to Hungarian investors. Additionally, they achieved important successes in negotiations for raising the lowest base wages. In 2022, they managed to secure the highest percentage increase in wages in the industry, raising the lowest basic salary from €504 to €800 gross. However, unions continue to demand that the lowest-paid work in the sector be aligned with the minimum wage, and that proportional increases be applied to other pay grades. Over the past two years, they have also been successful in negotiating annual holiday bonuses.

In Slovenia, a significant portion of hotels remain under state ownership, and the outsourcing of cleaning workers has become a major issue. While working conditions in hotels are generally better than in restaurants, they are still far from ideal. Problems related to outsourcing escalated in 2023, marking a turning point for the union. That year saw the first historic strike of outsourced housekeepers at the Bernardin Hotels in Portorož. By the end of the year, union representatives walked out of negotiations for the collective agreement in the hospitality and tourism sector, as employers offered only minimal concessions. Eventually, the sectoral collective agreement was signed in December 2024.

For unions, it is crucial to emphasise

the importance of having a union established within the workplace. Building trust among employees is essential and personal approach can be an effective tool in encouraging employees to join the union. Presenting examples of successful union activities, such as achievements, negotiated improvements, and prevented issues, can further demonstrate the union's value. Employees should be informed that the union provides access to up-to-date information, guidance, and legal support when needed. Empowering workers and convincing them that union organisation is necessary to secure and advance their rights is vital.

Regarding young workers, Sindikat-GiT recently took part in activities aimed at organising young workers. For example, they participated in an event organised by the trade union Mladi Plus (Sindikat Mladi Plus) and another youth organisation, "Družstvo Iskra." These organisations were gathering people for the protest on May 1, 2024, focusing on the issues faced by low-paid workers.

In Slovenia, there is little enthusiasm for European-level trade union organisations. Trade unionists often believe that EU-negotiated agreements are weaker than national standards and that local institutions are more effective. Slovenian unions are not opposed but see EU regulations more as acts of solidarity rather than meaningful improvements. They generally have low expectations from them.

UNDERSTANDING SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN HOSPITALITY: CORE FINDINGS AND CROSS- COUNTRY REFLECTIONS

15

This section provides, first and foremost, a comparative summary of country-specific evidence presented above, with concern to the characteristics of social dialogue in the hospitality sector.

Table 1 summarises the main trade unions and employer organisations operating in the hospitality sector across the studied countries. Some

of these unions are already EFFAT members, others currently lack membership. On the employers' side, the common characteristics are that a large share of the hospitality sector is not organised, while membership in employers' organisations where available mostly applies only to (larger) hotel chains.

Table 1 *Main trade unions, their link to EFFAT and main employer organisations active in the hospitality sector*

Country	Main Trade Unions and Affiliations	Link to EU-level social dialogue and to EFFAT	Main Employers' Associations
Cyprus	OUXEKA-SEK	EFFAT affiliation	PASYXE
Czechia	ČMOS PHCR	Minimal impact, coordinating role	AHRČR, SOCR
Estonia	ETKA and EMSA	Limited, no EFFAT affiliation	EHRA (affiliated to Hotrec)
Greece	POETT	EFFAT affiliation	SETE, HHF, HCH
Latvia	LAKRS (affiliated to LBAS)	EFFAT affiliation	LVRA (affiliated to Hotrec)

Lithuania	Solidarumas	Interest in joining EFFAT	LVRA (affiliated to Hotrec)
Malta	GWU	EFFAT affiliation	MHRA (affiliated to Hotrec)
Netherlands	FNV Horeca, CNV Vakmensen	Only CNV Vakmensen active in EFFAT	KHN (affiliated to Hotrec)
Portugal	Fesaht (affiliated with CGPT), Site-se (affiliated with UGT)	Minimal	AHETA, AIHSA, CPT (not affiliated to Hotrec); APHORT (affiliated to Hotrec)
Romania	FST Minerva; Cartel ALFA for sector support	Positive but limited	FPTR (not affiliated to Hotrec), FIHR (affiliated to Hotrec)
Slovakia	OZ POCHR	EFFAT affiliation, but recently put membership on hold due to very low number of hospitality workers covered by the union and lack of union capacity	ZOCR SR, AHRS (affiliated to Hotrec)
Slovenia	Local unions and national federations involved	Limited, historical tension with EU-level topics	National tourism associations

Source: the authors.

Regarding unionisation level and union strategies of worker recruitment as well as challenges to union organising and bargaining, Table 2 shows that unionisation in the hospitality sector across these countries remains generally low, with **Cyprus'** workforce being hard to engage in unions, **Czechia** and **Slovakia's** workforce seeing mini-

mal representation outside major hotel chains, while **Malta** showcases a higher unionisation rate, with a focus on gender representation. Recruitment strategies vary, from **Czechia** offering recreational incentives to **Malta** hosting events and shop-floor recruitment. **Greece** leverages demonstrations to prevent gig economy expansion, while

Estonia and **Portugal** focus on enforcement due to low density. Challenges include fragmented representation and envelope wages in **Czechia**, high seasonal workforces in **Estonia**, and political divisions in **Greece**. Countries like **Lithuania** and **Romania** struggle with a legacy of low solidarity and complex legislation, while **Slovenia** and **Slovakia**

face high turnover, compounded by migrant workforce dynamics. In general, post-COVID instability and structural challenges like high turnover and low engagement further hinder union efforts across the board.

Table 2 *Unionisation level, organising strategies and challenges to unionisation and bargaining in the hospitality sector*

Country	Unionisation Level	Union Recruitment and Organisation Strategies	Challenges in Unionisation and Collective Bargaining
Cyprus	Low	Offer of benefits from the welfare fund, issuing of brochures, creation of local committees, recruitment of representatives in workplaces	High presence of young and migrant workers
Czechia	Low, mainly in the hotel sector	Incentives for domestic recreation	Low wages, fragmented representation, envelope wages
Estonia	Around 10%	Minimal joint strategy, separate union agreements	High seasonal workforce, limited collaboration
Greece	Moderate	Prevent gig economy, demonstrations, communication campaigns	Small business size, political divisions
Latvia	Low	Limited efforts	High turnover, low density

Lithuania	Minimal, almost non-existent	Consultations, legal support, services	Legacy of Soviet past, lack of solidarity
Malta	About 57% female, 43% male	Events, shop-floor recruitment	High turnover, undeclared work
Netherlands	Below 10%	Limited due to low density	Low density, tipping decline
Portugal	3.4%	Focus on enforcement	Diverse workforce, small business size
Romania	Minimal	Legislative advocacy	Fragmented, legislative issues
Slovakia	Minimal	Youth council education	Fragmentation, migrant workforce
Slovenia	Minimal, recovering post-COVID	Personal approach, historic strikes	High turnover, instability post-COVID

Source: the authors.

Finally, collective bargaining structures in the hospitality sector vary widely among the covered countries (see Table 3). **Cyprus** is characterised by the presence of two national-level collective agreements, some of whose provisions are extended to all workers in the sector. **Czechia** employs a multi-employer approach with company-level bargaining, achieving approximately 50% coverage at the sectoral level and 10% at the company level. **Greece** focuses predominantly on sectoral-level bargaining, which provides relatively high coverage, while **Estonia** and **Latvia** have mainly company-level bargaining with minimal coverage, 3.6% and low coverage, respectively. **Lithua-**

nia, Romania, and Slovakia exhibit minimal coverage, with Lithuania lacking active collective bargaining and Slovakia relying exclusively on company-level agreements. **Malta** operates through single-employer agreements with moderate coverage ensured by legal standards, and **Portugal** uses a mix of single and multi-employer agreements with limited coverage. In the **Netherlands**, a sectoral-level agreement extends broadly across the sector, though company-level bargaining is rare. **Slovenia** primarily relies on company-level bargaining with emerging sectoral influence, showing gradual improvement in coverage.

Table 3 *Bargaining structure and coverage (hospitality sector)*

Country	Collective Bargaining Structure	Coverage Percentage
Cyprus	Sectoral-level predominant	Not extended
Czechia	Multi-employer; mainly company level	Approx. 50% sectoral, 10% company level
Estonia	Primarily company-level	3.6%
Greece	Sectoral-level predominant	High at sectoral level
Latvia	Company-level focused, first attempt to sign	Low, minimal coverage
Lithuania	No active collective bargaining	Minimal
Malta	Single-employer, company-level	Moderate (legal standards apply)
Netherlands	Sectoral with company-level bargaining rare	Extended sectoral agreement
Portugal	Single and multi-employer agreements	Evidences not available*
Romania	Minimal company-level agreements	Minimal
Slovakia	Exclusively company-level	Minimal
Slovenia	Company-level; sectoral collective agreement for hospitality and tourism (not applied to restaurants)	Minimal but improving

Source: the authors.

* The only available evidence on the collective bargaining coverage rate in Portugal refers to the private sector (without distinctions) and indicates that collective bargaining covers 83% of the workforce.

To extend and support the evidence from the previous country sections, it may be useful to extend the focus to other national systems as well, which have been the subject of other research projects², in order to summarise the key developments in collective wage bargaining in the hospitality sector.

This evidence partially overlaps with the countries studied in Chapters 3-15. Regardless of the overlap, it provides country snapshots on the wage bargaining practice and related developments in social dialogue and collective bargaining. These data help contextualizing the findings of evidence collected exclusively for this research report.

In **Italy**, this sector is economically vital but plagued by unstable jobs, low wages, and exploitative practices. Nationwide agreements aren't renewed as often as they should, leaving wages lagging behind inflation and failing to recognise workers' skills. Employer representation is fragmented, and "pirate" agreements signed with yellow unions contribute to wage suppression, especially through involuntary part-time work. Unions are calling for urgent contract renewals, fair wages, and reforms for better working conditions, as the sector holds potential for more stable employment with systemic changes.

In **France**, hospitality employs around one million people, main-

ly in catering, hotels, and collective dining facilities. The sector has a high rate of part-time and seasonal work, with unionisation around the national average of 9%. The latest national agreement in 2023 set a median wage, though 65% of workers earn close to minimum wage. Wage structures are organised into detailed job classifications, with negotiations at both national and company levels.

In **Spain**, collective bargaining in tourism and hospitality is mostly regional, resulting in wage disparities across the country. The sector includes a large informal economy, affecting many young and migrant workers. Wages are generally set at the minimum required by regional agreements, with unions working to ensure compliance and combat practices like fraudulent part-time work. The latest agreement in the Balearic Islands, for example, covers many seasonal workers but faces non-compliance issues from some employers. Moreover, some particularly interesting examples of collective bargaining on working time and working conditions have recently been observed in the sector.

Noteworthy examples on the subject also emerge from the case of **Belgium**, where trade unions have successfully negotiated mechanisms of temporal flexibility aimed at stabilizing the conditions of seasonal workers. These agreements

²Most of the cases to be presented in this section have been studied and analysed as part of the research of M. Besamusca, M. Kahancová, *Wage Bargaining in the Context of Liberalisation of Industrial Relations in Europe: A comparison of nine countries and four sectors*, BARWAGE Project Report 12/2024, Amsterdam: WageIndicator Foundation.

offer a bargaining model to address the challenges of labour turnover and seasonal instability. Significant attention to the issue is also evident in **Denmark**, through collective bargaining strategies aimed at limiting precarious employment contracts.

Austria has a unified collective agreement for its hotel and restaurant industries, though regional wage differences remain. The sector struggles with limited works councils in smaller businesses, which hampers wage negotiations. The union Vida is focused on improving wages and working conditions, although issues like lump-sum overtime payments complicate negotiations. Austria's structured, regulated wage-setting system is generally appreciated by both unions and employers.

Finally, **Bulgaria**'s hospitality sector has the lowest average wages, with minimal collective bargaining coverage. The workforce is largely composed of short-term and seasonal workers, with a significant number of women who generally receive lower wages. Collective bargaining is limited to a few company-level agreements, with wage setting typically done through individual negotiations, especially in international businesses.

CONCLUDING REMARKS

16

The hospitality and tourism sector is a crucial economic sector globally, accounting for 10% of GDP and generating over 284 million jobs in 2015, projected to rise to 370 million by 2026. In Europe, the HORECA sector (hotels, restaurants, and cafes) is strategic, contributing 2.5% to the EU's gross value added and employing 9.3 million workers in 2023, with significant regional variations. Mediterranean countries, such as Greece, have a larger share of workers in this sector compared to Northern and Eastern European countries. The sector is characterised by a predominantly young, migrant, and low-skilled workforce, with overqualification and low wages being widespread issues. Women also have a higher employment rate in hospitality compared to the broader EU economy.

Despite its economic importance, the sector faces challenges due to its reliance on microenterprises, fluctuation of workers and labour shortages across all studied countries, a high incidence of seasonal and unreported work, and limited collective bargaining coverage primarily due to the dominance of small and medium-sized enterprises. Moreover, it is confirmed that the hospitality sector was heavily impacted by the COVID-19 pandemic everywhere. The COVID-19 pandemic caused a significant drop in

employment and further deepened the persistent labour shortages after workers relocated to other sectors. Although migrant workers partially bridge this gap, the sector struggles with precarious working conditions, such as low wages, temporary contracts, and undeclared work. These challenges, coupled with seasonal demand and operational complexities, hinder enforcement of working standards and contribute to the sector's low attractiveness for a permanent job for workers.

In these conditions, it remains a challenge to build stronger social dialogue, trade union membership and bargaining coverage in the hospitality sector. To address this challenge, this report provides useful evidence on understanding the current state of social dialogue, trade union structure and bargaining in the hospitality sector. It is based on original research collected and analysed for the purpose of strengthening labour relations in the hospitality sector across 12 selected countries.

The findings show that across the analysed countries, the hospitality sector faces consistent challenges, such as low union density, high labour turnover, and wage-related issues, often influenced by tipping practices and regional disparities.

In countries like **Cyprus**, unionisation of hospitality workers is low,

given the diverse composition of its workforce and provisions included in national-level collective agreements cannot be extended to all workers given the absence of legislative mechanisms aimed at this. In **Czechia** and **Estonia**, union density in the sector remains low, and collective bargaining occurs mostly at the company level, with coverage limited by the seasonal and fragmented workforce. **Greece** and **Portugal** feature sectoral agreements, but unionisation is hindered by small business sizes and political divisions. **Malta** and **Netherlands** have relatively more structured collective agreements yet face challenges from digital tipping declines and low union participation.

Romania and **Slovakia** struggle with workforce fragmentation and legal barriers to unionisation, while **Slovenia** and **Lithuania** face post-COVID instability and difficulties in union recruitment, partly due to reliance on seasonal and migrant workers. **Latvia** and **Lithuania** have minimal union presence, while efforts are being made to improve sectoral agreements in **Latvia**.

Good practices from countries such as **Denmark** and **Belgium** show that collective bargaining can address not only pay and working time but also broader working conditions, such as housing, health and safety, and gender-based violence. Some restaurant chains in **Belgium** have implemented flexible scheduling systems and worker representation through long-term social dialogue, while Danish agreements now regulate zero-hour contracts and sea-

sonal worker protections with clear conditions. Examples from **Denmark** also show that awareness raising and future trade union membership can be increased by direct interaction of unions with young workers still in education.

The findings also confirm earlier evidence that the COVID-19 pandemic aggravated existing challenges, particularly by increasing turnover and disrupting collective bargaining where it was practiced and prevented worker organising in conditions of uncertainty and worker turnover. European-level social dialogue, through organisations like EFFAT seeks to identify strategies to address the above challenges across the EU Member States. However, the impact of EU-level strategies and actors needs to be improved across the studied countries, and strengthening the hospitality sector needs to identify strategies tailored to the particular sectoral needs in each country.

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