

# Minimum Wage & Collective Bargaining in Romania 2025

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Romania

Statutory Minimum Wage ✓

• Monthly Min. Wage 814.00€

• Hourly Min.Wage 4.87€

56.00%

• MW as % of Median Wage

41.00%

• MW as % of Gross Average Wage

• Gender pay gap 3.80%

15.00%

• Collective bargaining coverage

• Process of transposition:

For MW: Transposed

For CB AP: Discussion / preparation ongoing

↔ Compare with other countries



# Minimum wage system in Romania

Romania has had a statutory minimum wage, applying to all employees, since before the regime change in 1989. The importance of the minimum wage has grown significantly over the past 15 years, however, and today it is one of the most consequential public policy interventions for both employees and the Romanian labour market. This growing significance can be explained in terms of three main factors:

- (i) Employers’ general opposition to wage increases – this has made public policy intervention increasingly necessary over the years to bring wages into line with labour market realities. This was exacerbated by the pursuit of low wages as the country’s main competitive advantage in recovering from the Great Recession.
- (ii) The decentralisation of collective bargaining and the elimination of sectoral and national collective bargaining at the beginning of the 2010s, which made the statutory minimum wage the only large-scale measure with a collective impact on wages (apart from public sector wage setting).
- (iii) The significant increases of the statutory minimum wage (from 160 euros (€) gross in 2012 to €815 gross in 2025 <sup>[1]</sup>) and the accompanying increases in the number of employees earning the minimum wage (from 500,000 in 2012 to over 1.4 million in 2023). This means that minimum wage policy today has a much broader direct and immediate impact than it had a decade and a half ago.

The minimum wage is regulated by the [Labour Code](#) (Art. 164). The law defines the statutory minimum wage as ‘the country-wide guaranteed minimum gross basic wage’ (salariul de bază minim brut pe țară garantat în plată). The minimum wage is guaranteed for all full-time employees (8 hours per day, 40 hours per week), while part-time employees are paid a pro rata minimum wage. For 2025, the gross minimum wage was set at RON 4050 (€815) per month. Note that this corresponds to a RON 2574 (€517) net wage, after the payment of social contributions (health care and pension) and income tax. The minimum wage for part-time employees is calculated by multiplying the number of hours by the gross hourly minimum wage of RON 24.496 (€4.93). The minimum wage does not include any bonuses or benefits, it is a basic wage.

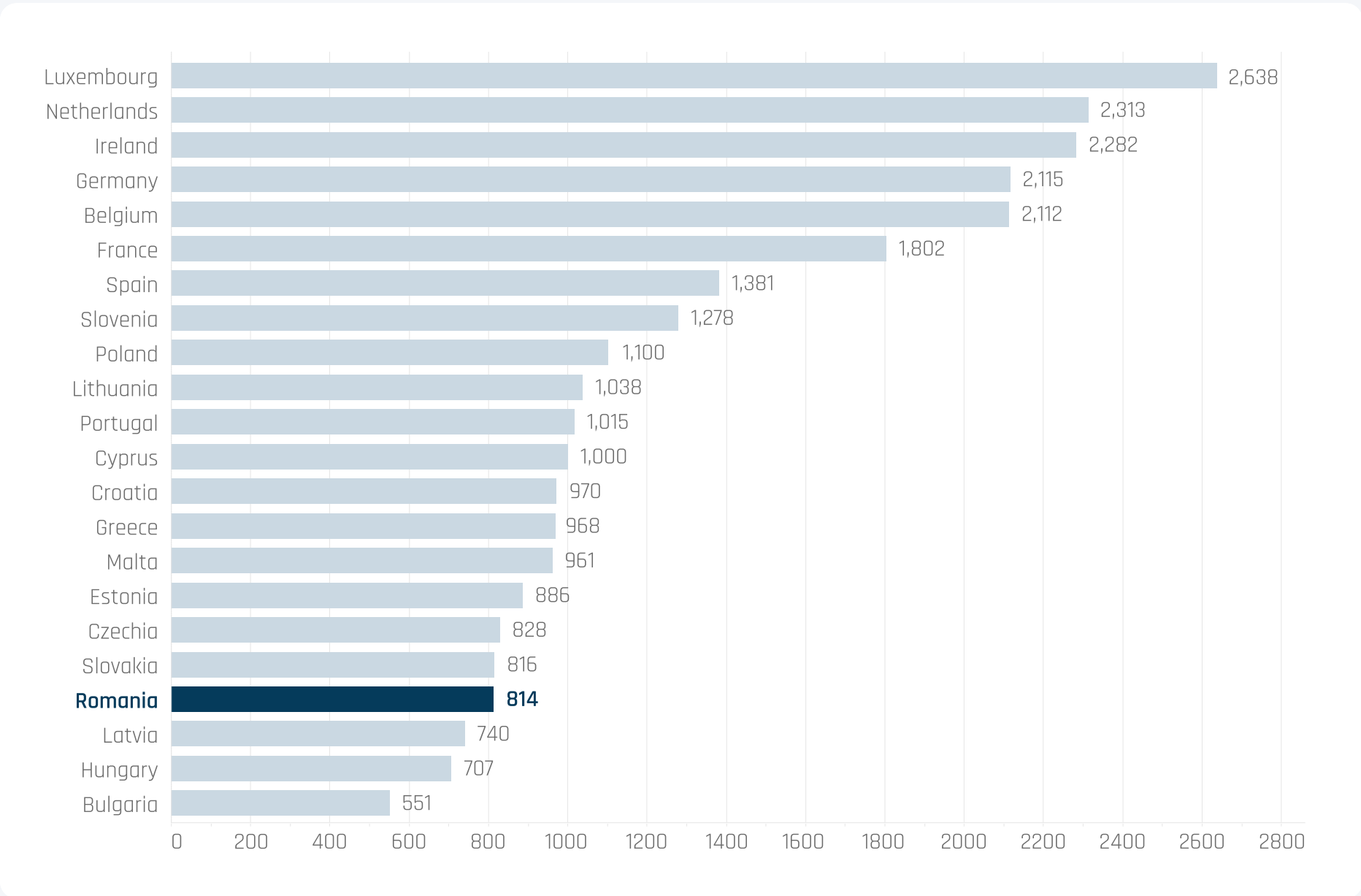
Legally, no employee may be paid less than the minimum wage; Romanian legislation does not allow for any exceptions. Conversely, the law forces employers to pay higher minimum wages in some situations:

- For all employees whose individual labour contracts run for more than two years, employers are obliged to pay more than the minimum wage. The law does not stipulate how much more. This provision was introduced in 2022 and was intended to address the fact that, as the minimum wage was raised, more and more employees were paid at that level. At the time, approximately one-third of the total number of full-time individual labour contracts stipulated a basic wage equal to the minimum.

- Employees in the construction sector have a higher gross minimum wage, RON 4582 (€921). This measure was introduced in 2018, allegedly to address labour shortages and the widespread use of informal labour in construction. Employees in the construction sector also benefitted from certain fiscal exemptions (lower pension contributions, no income tax), which were eliminated as of January 2025.
- Employees in agriculture and the food industry also had a higher minimum wage (and tax exemptions, similar to the construction sector) between 2022 and 2024. This measure was intended to address labour shortages in sectors considered increasingly important (‘key’) during and after the Covid-19 pandemic. Starting from January 2025, this measure no longer applies.

[1] Note that important fiscal changes were made in 2018 (employers’ social contributions were eliminated almost entirely and employees’ social contributions were increased significantly). The gross minimum wage was raised by 20 per cent to compensate for these measures, without any impact on net after-tax income or total labour costs. However, this has made wage growth in Romania seem much stronger than in reality.

Monthly Minimum Wage (€) per Country



Wage inequality (inter-decile Ratio P90/P10)  
4.60

Gender Pay Gap  
3.80%

Nominal Growth rate of Wages  
23.00%

In-work poverty rate  
15.00%

Real Growth rate of wages  
15.90%

% of workers covered by minimum wage  
13.30%





# Minimum wage system in Romania

These exceptions show that the minimum wage is a key labour market policy for the Romanian government. In this way, the government has tried to compensate for the lack of sectoral and national collective bargaining and various ‘dysfunctionalities’ of the labour market (wages lagging behind despite growing labour shortages).

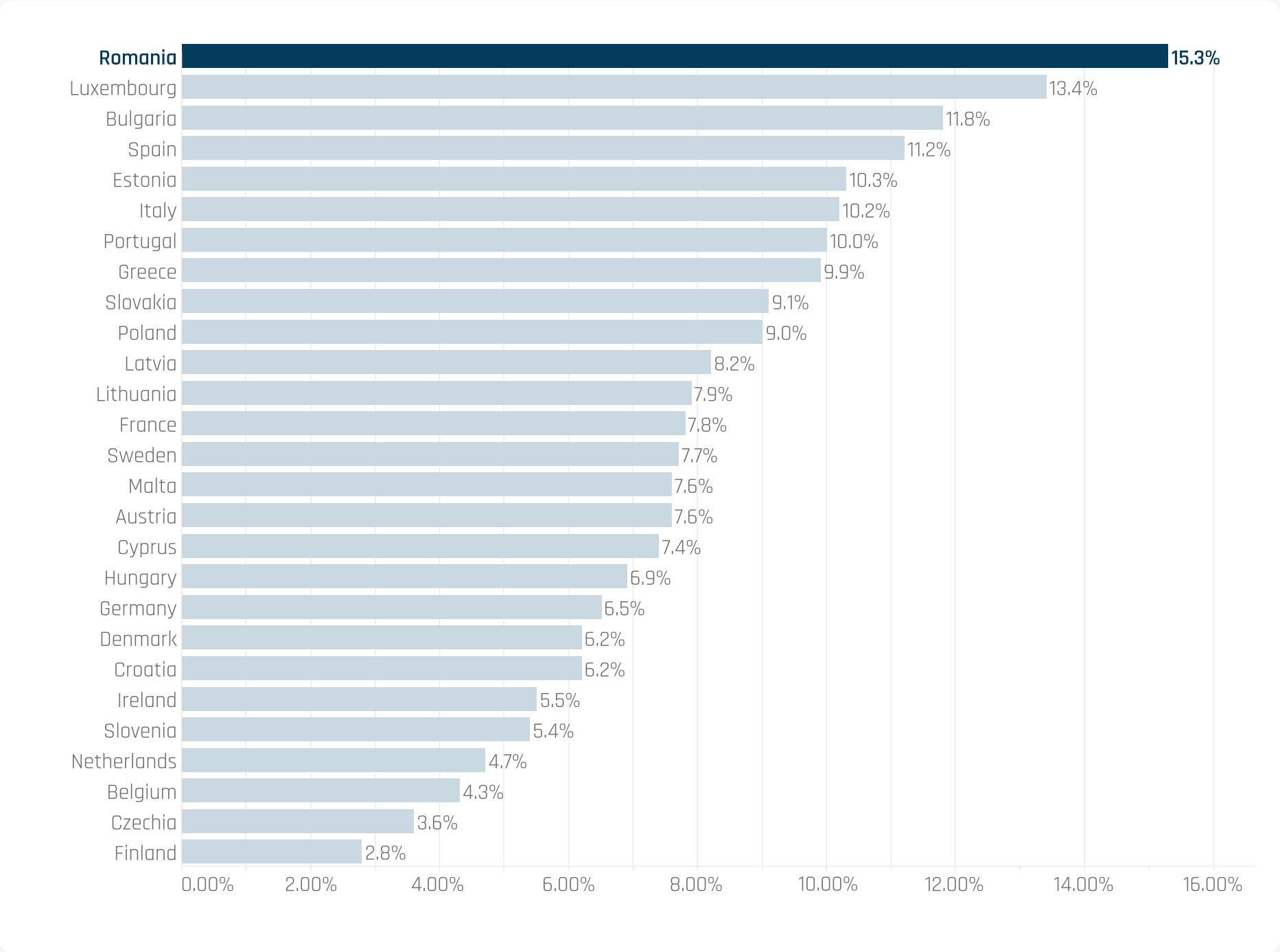
Legally, the minimum wage is set by Government Decision, after consultations with nationally representative trade unions and employers’ confederations in the National Tripartite Council for Social Dialogue. De facto, the government has firm control over minimum wage policy and the social partners have limited legal leverage apart from formal consultation. This has meant that the evolution of the minimum wage over time has been somewhat haphazard, with periods of both strong growth and relative stagnation. Over the past 15 years, the strongest growth was registered in 2015–2017, when the minimum wage grew each year by over 15 per cent above the inflation rate. Since then, the minimum wage has largely kept pace with overall wage growth in Romania.

Law 174/2020 stipulates – although it has never been enforced – that minimum wage policy must prioritise the value of ‘the consumption basket for minimal decent living’, which effectively means that the minimum wage should be equal to the living wage. To date the Romanian government has ignored this provision.

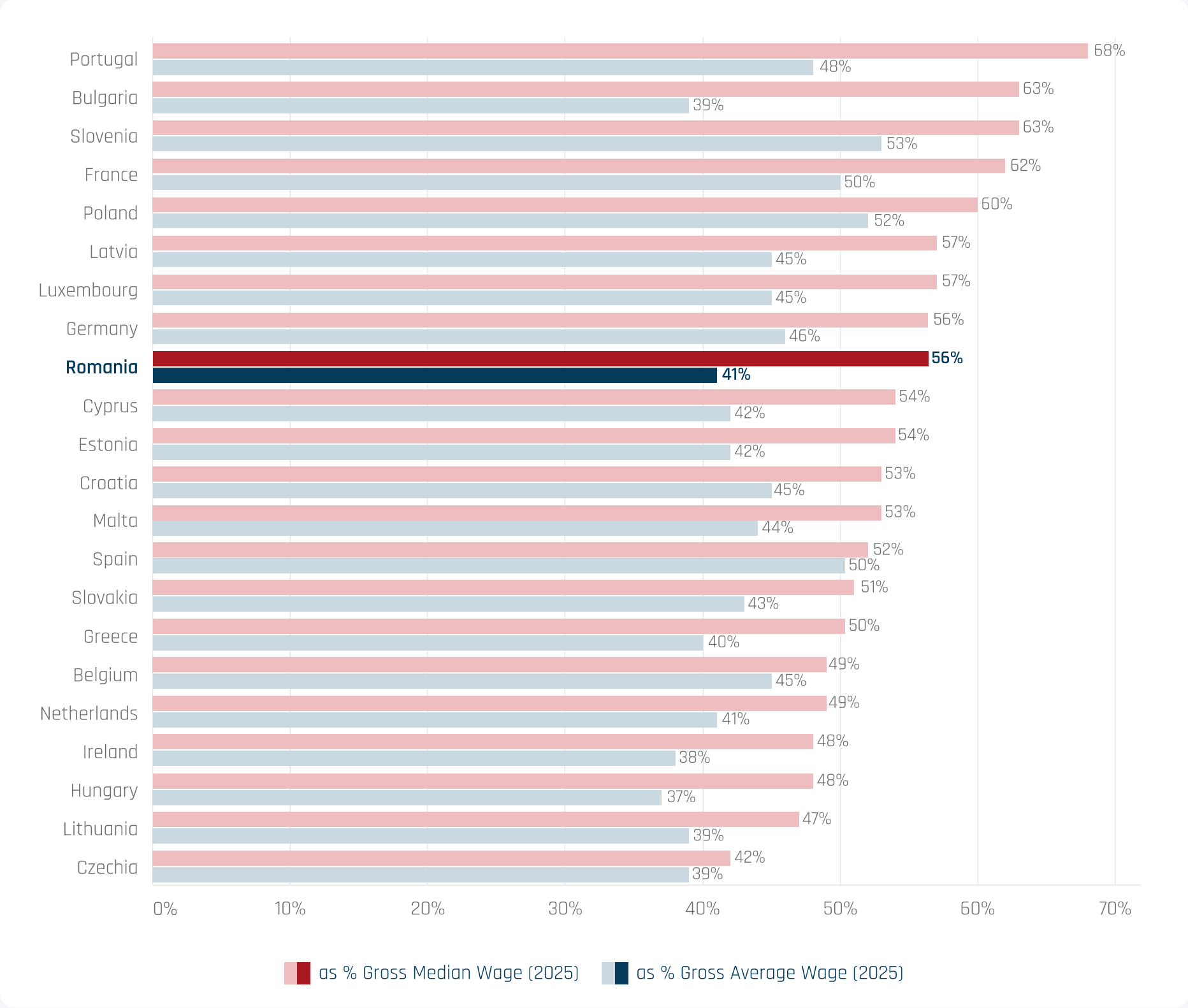
Transposition of the European Directive on Adequate Minimum Wages at the end of 2024 brought some significant legal changes to minimum wage policy in Romania:

- The minimum wage is set once a year, starting with 1 January.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country



# Minimum wage system in Romania

– The government is supposed to use a specific procedure to set the minimum wage. The procedure should include an assessment of certain economic and social indicators, as well as an impact assessment of minimum wage policy. At the end of January 2025 (the time of writing), the procedure had not yet been adopted.

A preliminary proposal presented in 2024 was to increase the minimum wage annually by a rate equal to the sum of inflation and labour productivity growth. Note that this was exactly the formula used by the government in 2019 but subsequently abandoned.

– The minimum wage is supposed to be set at a level between 47 and 52 per cent of the average wage. The Labour Code stipulates that this interval is approximate (‘orientativ’). The minimum wage for 2025 was set at 47 per cent of the average wage estimated by the National Commission for Strategy and Prognosis for 2025. However, the real average wage was significantly higher at the end of 2024 than the Commission’s projections for 2025 – the 2025 minimum wage was in fact 46 per cent of the November average wage. The ratio between the minimum wage and the average wage will continue to decline throughout 2025.



# Collective Bargaining system in Romania

Since January 2023, collective bargaining in Romania has been regulated by [Law 367/2022](#), replacing [Law 62/2011](#). The same piece of legislation regulates the functioning of trade unions and employers’ organisations, as well as social dialogue broadly speaking. The main purpose of Law 62/2011 was to decentralise collective bargaining, which since then has taken place almost exclusively at the company level. Law 367/2022 ostensibly attempts to reverse the situation, notably by fostering sectoral bargaining. More than two years after the new law’s entry into force, the situation has not changed in any meaningful way and collective bargaining is almost always confined to the company level.

There is no official data source on collective bargaining coverage. The latest [ICTWSS/OECD database](#) mentions a 15 per cent coverage rate, which is a realistic estimate. The majority of employees covered by collective agreements are in the public sector (education, health care, public administration). By contrast, most private sector employees are not covered by any collective agreement. The impact of Law 62/2011 on collective bargaining coverage was massive because it removed the possibility of having a national collective agreement. The previous agreement expired in 2010 and was not renewed. This means that, technically speaking, before 2011 collective bargaining coverage was 100 per cent.

Collective Bargaining Coverage

15.00%

Trade Union Density

21.40%

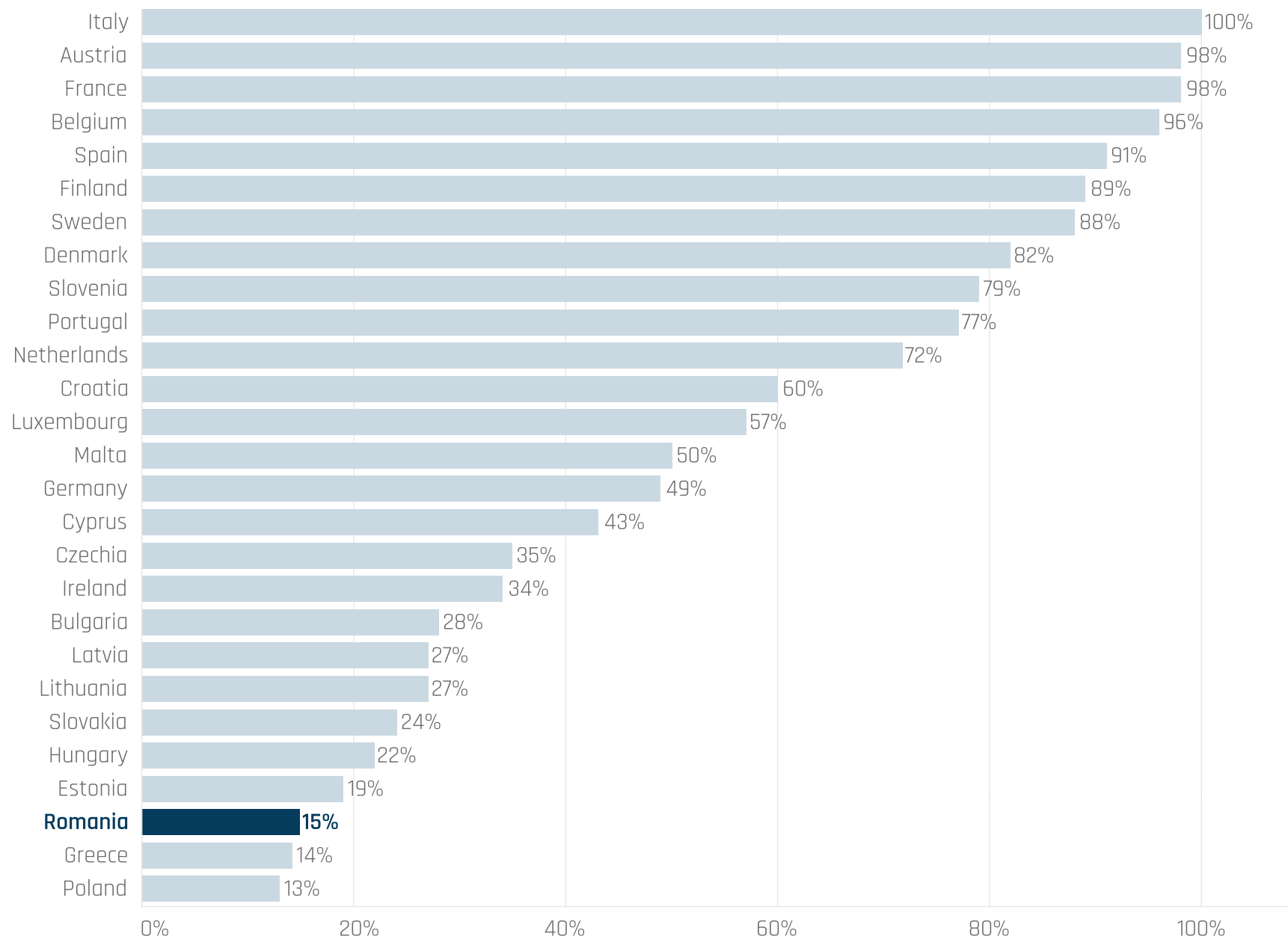
Call to introduce or strengthen sectoral system of collective bargaining

In progress

Valididy of Collective Agreements after expirations?

No

Collective Bargaining Coverage per Country (%)







# Collective Bargaining system in Romania

Law 62/2011 was certainly the most important immediate cause of the decline in collective bargaining coverage, but it was not the only one. The presence of trade unions at company level has become increasingly weaker over time, as the economy has shifted from one dominated by large state-owned enterprises to one dependent on foreign capital and the proliferation of small- and medium-sized enterprises. In the private sector, stronger trade unions can generally be found in older state-owned companies that were privatised and still exist today (primarily in industry, but also in services, such as banking), but important breakthroughs have been made in the IT sector and in food retail. Such positive examples nonetheless remain isolated. Sectoral federations tend to be quite weak across the private sector, but can be quite strong in the public sector.

Employers are generally opposed to the very idea of collective bargaining and tend to refrain from joining sectoral organisations. The weakness of sectoral organisations on both the trade union and employer sides makes sectoral collective bargaining particularly difficult, which is why it is still not happening despite a legal obligation introduced in 2023. The banking sector is an exception; they have had a sectoral agreement since April 2024.

Law 367/2022 is clearly aimed at increasing collective bargaining coverage, probably in part in anticipation of the implementation of the European Directive on Adequate Minimum Wages, which sets a target of 80 per cent coverage. It does so by removing many of the restrictions on sectoral bargaining from Law 62/2011 and, at least formally, making sectoral bargaining (but not the signing of agreements) mandatory.

Key structural features of the Romanian collective bargaining regime include:

### Validity of collective agreements after their expiry

The provisions of a collective agreement no longer apply after it expires. Trade unions sometimes manage to include in their agreements a clause ensuring that they still apply after they expire and until new ones are negotiated, but this is very rare.

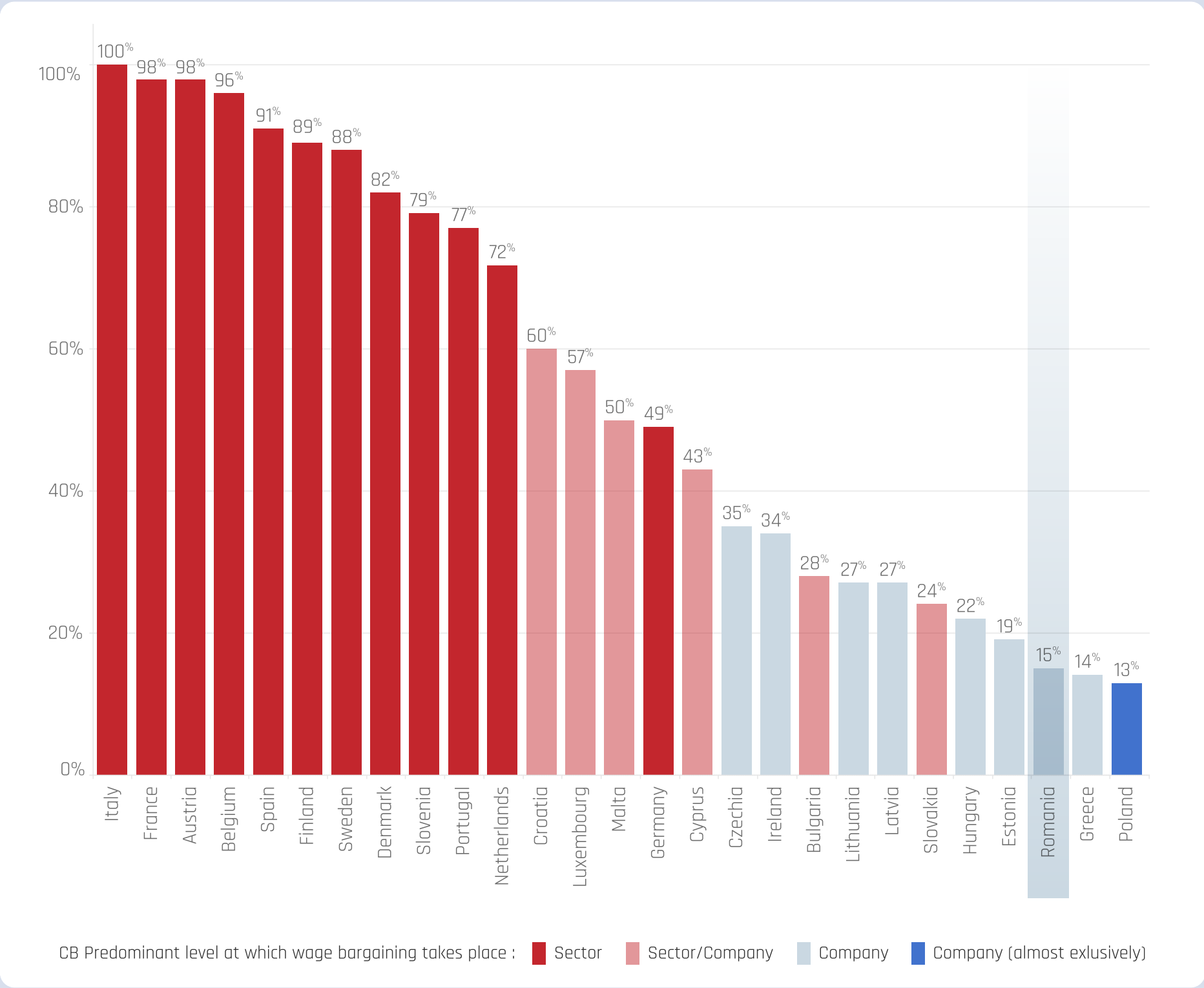
### Exclusion of groups of employees from collective bargaining

Legally, all employees have the right to collective bargaining. The law stipulates a specific kind of agreement for public servants, but the difference is mostly formal. The law does, however, exclude certain employees (magistrates, military personnel) from joining trade unions.

### Collective bargaining clauses in public procurement

No such clauses are currently in force in Romania, nor have there ever been serious discussions to introduce them.

CB Predominant level at which wage bargaining takes place per Country



# Collective Bargaining system in Romania

## Right of access to workplaces for trade unions

One of the significant changes introduced by Law 367/2022 was the granting of access to companies where trade unions have members (the previous law did not stipulate any such rights). No minimum number of members is mentioned, which in theory means that it applies to all companies in which trade unions have members. The law states that while trade union officials are on a company’s premises, they have to abide by its internal regulations. The implications of this still relatively new legal provision are unclear. Normally, it should contribute significantly to unionisation efforts.

## Protection of workers and trade union representatives against dismissal/discrimination

The Labour Code (Art. 220) stipulates that trade union leaders shall be legally protected ‘against any form of conditions, constraints or limitations in exercising their mandate’. It also mentions that during the period of their trade union mandate they cannot be dismissed for reasons related to it. Law 367/2022 (Art. 10) also stipulates that employers cannot discriminate against trade union members (based on this membership) when it comes to dismissals, refusals to hire, targeting for transfer or demotion, refusal of training opportunities, or any other prejudicial action.

## Obligation for employers to engage in collective bargaining

Legally, collective bargaining is mandatory in all companies with at least 10 employees (Law 367/2022 lowered this threshold from the 21 employees stipulated in Law 62/2011). According to the new law, sectoral collective bargaining is also mandatory. In practice, however, it is unclear how effective these provisions are. The law says that bargaining per se is mandatory, but not the signing of an agreement, which is partly why collective bargaining coverage remains very low in the private sector. At sectoral level, the weakness of trade unions and especially employers’ organisations makes this legal provision largely inconsequential.



# Transposition of the European Directive on Adequate Minimum Wages in the EU

The European Minimum Wage Directive was transposed on 13 November 2024 with the coming into force of Law 283/2024. This law introduced changes to the articles in the Labour Code regulating the minimum wage, changes to Law 108/1999 that regulates the functioning of the Labour Inspectorate, as well as several other pieces of existing legislation.

Regarding minimum wage setting, Law 283/2024 stipulates that the minimum wage should be set at ‘approximately 47–52% of the average wage’. It also sets a fixed calendar for changing the minimum wage, namely annually, on 1 January. Transposition does not change the main features of the procedure for setting the minimum wage: this remains in the hands of the government and requires consultation with nationally representative trade unions and employers’ organisations.

Law 283/2024 does mention that a more precise mechanism for setting the minimum wage will be defined at a later date and will be based on the use of data and impact assessments provided by a specialised research entity. At the time of writing, this procedure has not yet been finalised. An initial draft currently under consultation stipulates that the minimum wage will be increased each year based on the sum of inflation and labour productivity growth. Law 283/2024 also explicitly empowers the Labour Inspectorate to check whether employers are in compliance with the minimum wage legislation. It also stipulates that the number of labour inspectors will be increased within 90 days of the coming into force of the law.

At the time of writing, the action plan for increasing collective bargaining coverage has not been published.



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**WAGE-UP is the ETUC Monitoring Tool** presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

[www.wage-up.etuc.org/](http://www.wage-up.etuc.org/)



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