

PROGRAMME FOR THE PROMOTION OF COLLECTIVE BARGAINING

The Ministry of Economic Affairs and Communications, the Estonian Trade Union Confederation and the Estonian Employers' Confederation have negotiated an **action plan to promote collective bargaining.**

In drawing up the action plan, the aim is to:

- i) promote social dialogue and collective bargaining, including by increasing the coverage of collective agreements and increasing the membership of workers and employers in representative organisations;
- ii) improve the working conditions of workers, paying particular attention to the need to ensure fair wages.

In drawing up the action plan, account has been taken of the fact that:

- a) Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union requires each Member State with a collective bargaining coverage rate below 80% to develop an action plan to promote collective bargaining after consulting the social partners or by agreement with them, or at the joint request of the social partners in accordance with their agreement, with a clear timeline and concrete measures to gradually increase collective bargaining coverage;
- b) the national social partners are the Estonian Trade Union Confederation (ETUC) and the Estonian Employers' Confederation (ETUC), which, as federations representing the social partners, have played the role of social partners for a long time, have a representative number of members representing different sectors, are actively involved in social dialogue between representative organisations as well as in social dialogue at company, sectoral and national level, conclude relevant agreements and collective agreements and carry out the tasks assigned to them by law, such as agreeing minimum rates of pay;
- c) according to the latest data on the preparation of the action plan, the coverage by collective agreements in Estonia is 19%, the membership of a trade union 6% and the membership of a representative organisation of employers 25%;
- d) better working conditions benefit both workers and employers, as well as society and the economy at large, and are a prerequisite for achieving fair, inclusive and sustainable growth.

In the course of the negotiations, the parties have agreed as follows:

- 1. The Parties jointly recognise the desire to agree on an action plan to promote collective bargaining for the period 2025-2027, with a view to promoting social dialogue and collective bargaining.
- 2. When planning the annual activities in the field of work, the Ministry shall proceed from the priorities of the action plan for the promotion of collective bargaining set out in Annex 1, aiming at the implementation of these activities and involving the social partners in the implementation of the activities according to the possibilities, needs and wishes of the parties.

3. The Parties shall contribute fully, within the limits of their respective competences and capabilities, to the implementation of the Action Plan for the Promotion of Collective Bargaining, in accordance with the principles of good faith.
4. The Parties shall update their action plans to promote collective bargaining as appropriate.

Annexes:

Annex 1. Action plan to promote collective bargaining

Annex 2. List of proposals received for the Action Plan

Roadmap for advancing collective bargaining 2025-2027

The Ministry of Economic Affairs and Communications, the Estonian Trade Union Confederation and the Estonian Employers' Confederation agree that the following activities will be prioritised for the promotion of collective bargaining in 2025-2027:

1. Updating and developing the database of collective agreements (upgrading the database to the web platform of the government portal).

Objective: ensure a functioning database so that information on collective agreements is available to the parties, that collective agreements are easy to record and that the collection of statistics on collective agreements is efficient. An operational database ensures data-driven knowledge of collective labour law policy-making.

2. Additional possibilities to derogate from the law by collective agreement (e.g. working and rest time).

Objective: to allow for additional flexibility when concluding collective agreements, thereby increasing the coverage of collective agreements and encouraging the parties to negotiate working conditions collectively.

3. Reviewing the regulation of the extension of collective agreements:
 - 3.1. Additional conditions to be agreed in the extended collective agreement (in addition to remuneration and working and rest time);
 - 3.2. Simplifying the process of extending collective agreements;
 - 3.3. Instead of a federation, confederations have the right to enter into a sector-specific collective agreement if the sector has a low degree of organisation;
 - 3.4. Strengthen monitoring of compliance with extended collective agreements.

Objective: to allow additional flexibility for the parties when concluding collective agreements, to direct the parties to conclude extended collective agreements by simplifying the process, to ensure compliance with collective agreements and thereby to increase the coverage of collective agreements.

4. Various promotion and information activities on collective labour relations (e.g. optional courses on labour law for upper secondary school students, rewarding research on collective labour relations).

Objective: raising people's awareness of collective labour relations, especially among young people, with a view to increasing the coverage of collective agreements in the long term. Promote research on collective labour law, including input into policy-making.

List of proposals received for the Action Plan

The following are all the proposals received from the Trade Union Confederation and the Employers' Confederation on which activities and measures to reflect in the action plan. This is not a list of activities agreed by the parties; it is an overview of the proposals received. If the Parties periodically update the Action Plan, the proposals below can be negotiated and consideration given to including some proposals in the Action Plan and/or updating the list of proposals received (e.g. adding new proposals or removing old ones).

a) Right to bargain collectively:

- Expanding the circle of persons entitled to conclude collective agreements (e.g. granting the right to conclude collective agreements to persons performing platform work);
- ratification of ILO Conventions C151 "Protection of the right to organise and procedures for determining working conditions in the civil service" and C154 "Promotion of collective bargaining in the civil service";
- To make the law clearer as regards the right of civil servants to conclude collective agreements.

b) Right to strike:

- Review the regulation of the right of officials to strike;
- Enable the organisation of a warning strike to protect the trustee;
- To lay down the areas of minimum service, ensuring both the right to strike and the provision of a minimum amount of services the interruption of which cannot be allowed in the event of a strike.

c) Sectoral negotiations and collective agreements:

- Possibility to extend a clause in a collective agreement not only to workers but also to other persons performing work (e.g. platform workers);
- When concluding an extended collective agreement, pay a fee for concluding a covered (non-organised) agreement, e.g. 0.2% of the wage fund (possibility to pay labour market tax via the Unemployment Insurance Fund);
- Enabling certain rights to be obtained only by means of collective agreements at sectoral level:
 - the foreign labour quota and the working and wage conditions of foreign workers (if there is a Sector Understanding, comply with the Sector Understanding and not with the salary criteria of the Aliens Act);
 - exemption from reimbursement of health expenses;
 - participation in public procurement;
 - exemption from fringe benefit tax of advantages agreed in a collective agreement.

d) Other measures

- State support for social partners to increase their negotiating capacity (structural funds, state budget);
- Exemption from income tax on trade union membership fees;

- Outreach (e.g. information material, campaigns, trainings for young people, trustees, etc.);
- Practical and helpful information material/guide for collective bargaining (e.g. information on professional associations, representativeness, negotiation process, etc.);
- Conducting an analysis of collective labour relations, focusing in particular on: what are the obstacles to the creation of trade unions, to joining them and to recruiting trade union members; what support trade unions need in order to be more successful; how to motivate employers to enter into collective agreements;
- Negotiations and agreements between the social partners on issues related to workers' qualifications: reskilling and upskilling (green transition, digital transformation, innovation).