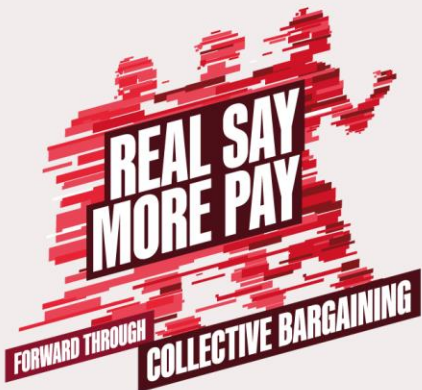


NO PUBLIC CONTRACT WITHOUT COLLECTIVE AGREEMENT

**A snapshot report for the 6th UNI Europa Conference
Belfast, 25-27 March 2025**



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Under the slogan '***No public contract without collective agreement***', 106 trade union leaders from 59 countries called on the European Commission President to change the public procurement rules. This call, signed during the last UNI Europa conference in April 2021, was followed by an intensive and ambitious campaign pushing the issue to the top of the political agenda.

Now, four years later, UNI Europa is moving from the agenda-setting to a policy-shaping phase as the European Commission has announced an imminent revision of public procurement rules.

This is a major success, but nothing has been won just yet. The political campaign around collective bargaining and public procurement promises to be challenging and drawn out. A united effort by UNI Europa affiliates, together with the ETUC and the entire trade union movement, will be essential if we are to make a real difference for workers.

This report provides a description of the motivations behind UNI Europa's campaign on public procurement (section 1), UNI Europa's demands (section 2) and an overview of the campaign itself (section 3).

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1 Motivation

The UNI Europa 2021 regional conference “Forward through collective bargaining” set strengthening collective bargaining as the guiding priority for the federation in the coming years.

At the policy level, UNI Europa identified two important drivers to achieve this goal. First, the ongoing discussion on a directive on adequate minimum wages, which includes a political target of 80% collective bargaining coverage. EU member states with less coverage are obliged to draft national action plans for the promotion of collective bargaining. Secondly, UNI Europa identified public procurement as a key driver to promote collective bargaining by leveraging the purchasing power of European public authorities.

Public procurement is the process by which public authorities purchase goods, services or works from private companies. In order to ensure quality purchasing decisions and avoid corruption, this process is highly regulated by European and national legislation.

There were three key reasons to launch UNI Europa's campaign on collective bargaining and public procurement. **First**, in a number of sectors (e.g. property services, graphical, arts and entertainment), working conditions are under pressure, partly as a result of procurement policies. The emphasis on the lowest price in public procurement means that contracts are often awarded to the lowest bidder.

Second, robust and comprehensive public policy instruments are needed to promote collective bargaining. Organising and building strong trade unions is necessary as a foundation, but so is a supportive legal framework for collective bargaining. The spending power of European public authorities could and should be used to strengthen collective bargaining. The potential impact of this leverage is significant, as around 15 per cent of European GDP, or €2 trillion, is spent annually through public procurement.

Third, current policy ideas and initiatives on public procurement are framed in terms of promoting so-called 'sustainable' public procurement (which refers to environmental, social and economic sustainability). However, they focus almost exclusively on [environmental or green initiatives](#). It is therefore necessary to

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give more weight to the 'social' part of sustainability in order to achieve a more balanced outcome.

At the same time, UNI Europa's analysis shows that the current European legal framework for public procurement is **not fit for purpose**. While one of the objectives of the 2014 Public Procurement Directives, which replaced the 2004 version, was to enable and guarantee more social public procurement, in reality the objectives of ensuring transparency and maximising competition hinder social procurement. As a result, around 50% of public tenders are still awarded on the basis of the lowest price, and in some countries this reaches a whopping 95%. Opting for the lowest price comes at the expense of the quality of services, quality jobs and a more social Europe as a whole.

The main problem with the current EU legal framework for public procurement is that (1) there is still too much legal uncertainty regarding social public procurement, and (2) it's too dependent on the good will of public authorities whether or not social conditions exist. As a result, rather than being a driver of social progress, public spending too often contributes to social decline and a race to the bottom.

- **Legal uncertainty:** Under current rules, public authorities that include clear references to collective agreements in the selection or award criteria, face a complex legal framework and are often challenged in [court](#). As a result, public authorities are still reluctant to take risks and thus opt for the lowest price criterion. This gives employers who underpay workers and deny fundamental rights a competitive advantage in public procurement and leads to a race to the bottom. A clear legal framework allowing for such references would significantly help to simplify the regulatory framework for public authorities.
- **Voluntary nature:** Social procurement is mostly based on voluntary action by public authorities. As such, even respect for fundamental labour rights is a discretionary rather than a mandatory exclusion criterion. This legitimises the tacit acceptance of social dumping and makes it harder to prevent the exclusion of non-compliant companies from public contracts.

2 Approach

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The UNI Europa approach is based on the conviction that it is in the public interest for public contracts to only be awarded to companies that are party to collective agreements, covering at least wages and general working conditions. Public funding should not go to companies that seek a competitive advantage through low wages and low working conditions. Indeed, it should be used to achieve decent pay and working conditions instead of undermining both. Our aim is change to EU public procurement rules to provide a European framework that is conducive to achieving this. In practical terms, we seek a revision of EU public procurement legislation that firmly establishes the following:

- Member states and national authorities should be obliged to provide for public procurement rules that promote collective agreements and collective bargaining. In particular, EU law must clearly state that such provisions cannot be judged as discriminatory and do not need to be linked to the subject matter.
- Regarding the award criteria, public authorities should be obliged to give preference to companies with collective agreements in place, but also to give further preferences in line with how favourable a company's agreements are to workers.
- Regarding the selection criteria, public authorities should be obliged to ensure that at least wages and working conditions are in line with the standards laid down in the prevalent collective agreements in sectors and regions covered according to national law and practice.
- Companies that refuse to negotiate or implement collective agreements should be excluded from public contracts. Public contractors must be obliged to ensure full respect for ILO core labour rights as a condition of the public contract, including effective enforcement mechanisms for all economic operators, including in the subcontracting chain. Violations must be a mandatory ground for exclusion.
- The EU must set ambitious and progressive targets for the coverage of collective agreements in public procurement, considering that public procurement gives the EU enormous leverage to achieve 80% collective bargaining coverage, as set out in the minimum wage directive.

In addition, the European Commission legislator should engage with the sectoral social partners in labour-intensive sectors on whether it is appropriate

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to enact specific legislation on procurement in labour-intensive sectors, amplifying the improvement set out in points 1-5 above.

3 The UNI Europa public procurement campaign

UNI Europa has chosen a message focused on the role of public funding in relation to collective bargaining and trade union organising rights.

The campaign has three main strands. First, **knowledge creation** and dissemination to inform the public and institutions about how the current rules are failing to ensure quality services, good jobs, fair competition and legal certainty to contracting authorities. Secondly, mobilising **trade unions and social partners**. Thirdly, an **advocacy campaign** aimed at the EU institutions to increase pressure on the EU to act on the issue.

3.1 Arguments and information

Data, examples and solutions. Whenever UNI Europa has set out to explain the work and demands on public procurement, the first question asked has been about concrete data, good and bad examples and policy solutions.

Accordingly, UNI Europa has been actively collecting, analysing and disseminating all this information for the last four years. A first [factsheet](#) on public procurement was published in 2021, quickly followed by a [report](#) entitled "Putting your money where your mouth is". In parallel, UNI Europa submitted and received EU funding for a project to collect examples of good practices in social public procurement in the cleaning and security sectors ([PROCURFAIR](#)). In addition to research, UNI Europa successfully lobbied the European Parliament's EMPL Committee to launch a study on the subject ([The Social Impact of Public Procurement](#)). In 2023, another [report](#) comparing green and social public procurement (*Green pave the way for social*) was published, as well as an online [map](#) collecting examples of where public tenders have gone wrong. All reports and publications can be found on the UNI Europa [website](#).

These combined efforts have put UNI Europa on the map on this issue and an authority for technical and policy information. Increased awareness-raising also led to some knock-on effects, with clear references to public procurement included in a recent [ELA report](#) on undeclared work.

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3.2 Trade union activity and social dialogue

Another line of action focused on trade unions and social dialogue. As such, during the UNI Europa Congress in 2021, [union leaders](#) from affiliates signed the previously mentioned open letter. In addition, property service workers were mobilised around the International Day of Justice for Cleaning and Security Workers (15 June) with a rally in front of the European Parliament in 2023 and again on 1 October 2024.

Essential workers taking the streets: 1 October 2024

On the 1st of October 2024, over 1,000 key workers – cleaners, security guards and food service employees – from nine European countries rallied in Brussels, demanding better pay and conditions for millions of workers through procurement reform.

Workers, trade union leaders and members of the European Parliament condemned the “race to the bottom” caused by the EU’s current procurement rules, which prioritise the lowest price at the expense of workers’ well-being.



The rally came one day after an open letter from over 100 leading economists around the world, including Thomas Piketty and Isabella Weber, [calling](#) for “a reform of the EU public procurement rules that strengthens collective bargaining and improves working conditions in labour-intensive sectors such as cleaning, security and food services”. On the morning of the rally, members of the European Parliament met with some key workers during a breakfast meeting to discuss the need to revise the public procurement directive.

Secondly, joint statements on the issue have been agreed in European sectoral social dialogues. The two sectoral social dialogue committees for [private security](#) and [cleaning](#) agreed on joint statements calling on the European Commission to, among other things, “*consider adapting public procurement*

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rules for essential services and labour-intensive industries (...) to ensure that collective agreements are respected, protected and promoted through public procurement¹.

Following these joint UNI Europa declarations, EFFAT (the European Federation of Food, Agriculture and Tourism Trade Unions) also agreed a joint declaration on public procurement in the catering sector. These declarations show the employers' interest in having a level playing field in the public procurement market, where companies without collective agreements cannot undercut companies that respect collective agreements.

At cross-industry level, the European Trade Union Confederation (ETUC) has also made public procurement a focus of its work. In the negotiations on the Adequate Minimum Wages Directive, the ETUC lobbied hard for the inclusion of an ambitious article on public procurement and collective bargaining, and the need for greater social conditionality in public spending also feature prominently in the ETUC Action Plan. Similarly, other ETUFs such as [EFFAT](#), [EFBWW](#), [EPSU](#), ETF and [industriAll](#) are also actively pushing for a revision of the public procurement directive.

At national level, a number of UNI-Europa affiliates have been vocal in pushing for national solutions on public money and collective bargaining. Examples of such work can be found in Belgium, Denmark, Spain, the UK, Germany and Sweden. In Germany, ver.di has been a vocal advocate of so-called *Tariftreue Gesetze*, laws that allow or require public tenders to require compliance with collectively agreed standards.

UNI Europa has also been active in promoting high-quality public procurement under the current legal framework by co-publishing 'Best-Value' guides in [cleaning](#) and [private security](#). With the help of UNI Europa, the EESC published an own-initiative opinion on public procurement in the cleaning and facility services sectors.

3.3 Targeting the European institutions

Strategically, the campaign aims to influence the **EU institutions** on social public procurement issues, with a twofold objective. Defensively, the campaign aims to ensure that the social dimension of sustainable procurement receives sufficient attention in any future revision of the Public Procurement Directive or

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related directives. Offensively, the campaign seeks to ensure that the revision of the Directive focuses on defending and promoting collective bargaining through public spending.

UNI Europa's campaign focuses on the three main legislative institutions in the European Union: the European Parliament, the European Commission and the Council of the European Union. In short, all three play an important role in adopting or amending European legislation. The European Commission alone has the right to take legislative initiatives. Any changes to the Public Procurement Directive must therefore be initiated by the European Commission. The European Parliament plays a role in drawing attention to issues and problems through written and verbal questions, hearings, resolutions etc. The Council represents the Member States and is therefore made up of representatives of their governments. Together, the European Parliament, the Council and the Commission adopt legislation.

UNI Europa actively engaged with **Members of the European Parliament** (MEPs) by trying to get as many MEPs as possible behind our general demand. After the launch of our campaign, a 'pledge' was written and proposed to the MEPs. By signing the pledge, the MEPs agreed to support our demand in the European Parliament. This effort contributed to multiple references to collective bargaining in relation to public procurement which were recently included in the resolution on strengthening social dialogue (2023/2536), the report on the European semester (2022/2151), the resolution on an EU strategy to boost industrial competitiveness, trade and quality jobs (2023/2513) and the resolution on the EU action plan for the social economy (2021/2179). Moreover, the Committee on Employment and Social Affairs (EMPL) decided to commission a study on collective bargaining and social public procurement and organised a public hearing on the subject.

In the run-up to the European elections, work continued to influence the future European Parliament by working with European parties to include strong language on public procurement and collective bargaining in their election manifestos. Thus, the Public Procurement Alliance, consisting of the coordinators of the Left, the Greens, the S&D and the EPP groups in Committee on Employment and Social Affairs, was [launched](#) in April 2024 and [re-launched](#) in July 2024, after the EP elections, in order to influence the agenda of the European Commission.

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This brings us to the second main institution, the **European Commission**. The campaign sought to raise awareness of the Commission through open letters, written questions and public forums. As discussed, the campaign began with an open letter from trade union leaders to Commissioner Thierry Breton. Consequently, a number of MEPs asked written questions to the Commission on the issue. Next, the Commission and its staff were asked to comment on the issue in public forums such as UNI Europa and ETUC meetings, public hearings in the European Parliament and responses to open letters. While for a long time the Commission did not stray far from its initial position, a breakthrough came on 15 January 2024 when Commissioner Nicolas Schmidt announced that the Commission would look at solutions, including legal ones, to ensure social public procurement. Moreover, the political program presented by Von der Leyen for 2024–2029 included a revision of the public procurement directives, without, however, being specific on the social nature of such a revision.

Specific [written](#) and [verbal questions](#) were included in the hearings of EU commissioners-designate Roxana Mînzatu and Stéphane Séjourné. Positively, both declared they were going to seek a social revision of the public procurement directives, without specifying how.

4 Prospects

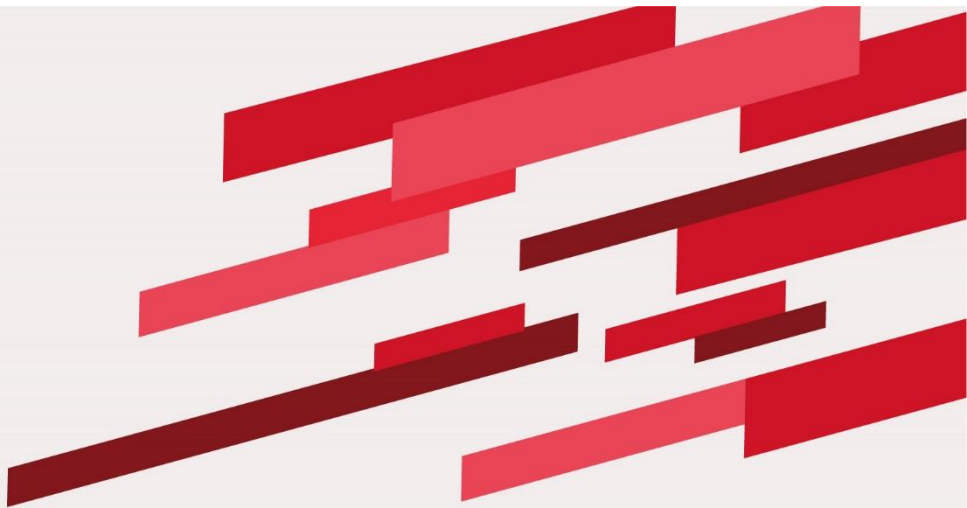
The coming months and years will be decisive in shaping public procurement in Europe and whether it will either drive, or continue to obstruct, social progress. The outlook is a cause for concern. Recent EU initiatives are focused on cutting red tape, deregulation and increasing competitiveness, while social priorities seem sidelined.

And yet, both vice-presidents of the commission, Séjourné and Mînzatu, acknowledged the importance of social issues during their hearings. Public procurement rules promoting collective bargaining contribute to this. Now, it's up to us to turn that acknowledgment into action. The next phase of policy development will be a battle for the future of public procurement, and we cannot afford to sit back.

No public contract without a collective agreement. UNI Europa will continue mobilising, and pushing for procurement policies that protect workers and

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strengthen collective bargaining. The reason is simple: collective bargaining is the most effective way in which unions can make a difference for workers.



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