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► Social Dialogue and Collective Bargaining in Montenegro: A Rapid Assessment

Ada Huibregtse





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23 April 2026

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First published 2026.



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ISBN: 9789220434864 (print); 9789220434857 (web PDF)

DOI: <https://doi.org/10.54394/00034252>

Also available in Montenegrin: ISBN 9789220434871 (print); 9789220434888 (web PDF)

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This publication was produced with the financial support of the European Union through Employment and Social Affairs Platform 3 project. The views and opinions expressed are those of the author(s) and do not necessarily reflect those of the European Union.

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► 1. Introduction¹

Social dialogue is a central pillar of the Decent Work Agenda and an indispensable mechanism for upholding international labour standards. Both the International Labour Organization (ILO) and the European Union (EU) place a strong emphasis on the role of social partners in socio-economic policymaking, industrial relations, and labour rights implementation. In the context of Montenegro's ongoing efforts to align with the European Union Acquis Communautaires, particularly Chapter 19 on social policy and employment, strengthening social dialogue is both a political obligation and a strategic necessity.

This rapid assessment², with a specific focus on Montenegro, is part of a broader initiative to strengthen social dialogue and collective bargaining across the Western Balkans within the framework of the Employment and Social Affairs Platform (ESAP) 3, a project funded by the European Union and implemented by the ILO. Its purpose is to inform key stakeholders and support reform efforts by contributing to Montenegro's institutional development and policy alignment in line with international labour standards and related EU acquis, including in the context of EU accession. It provides a summary overview of the legal framework, institutional arrangements and performance, and practical functioning of social dialogue and collective bargaining in Montenegro. By highlighting strengths, structural weaknesses and areas for improvement, this analytical summary aims to serve as both a reference point and a springboard for policy development and stakeholder engagement.

► Insight Box 1

In Montenegro, strengthening social dialogue is not only a normative commitment aligned with ILO standards, but also a strategic requirement for EU accession, particularly under Chapter 19.

¹ This assessment was prepared by Ada Huibregtse, ILO DWT/CO-Budapest. The author is grateful for comments and suggestions by Lejo Sibbel and Verena Schmidt.

² Hereafter referred to as "assessment".

► 2. Methodology and structure of the assessment

Methodologically, this assessment triangulates evidence across legal, institutional, and behavioral dimensions. It combines reviews of the applicable legislative framework and institutional mandates with analysis of official government reporting and observations from two of the ILO's main bodies responsible for supervising the application of international labour standards, i.e. the Committee of Experts on the Application of Conventions and Recommendations (hereafter the Committee of Experts) and the Committee on Freedom of Association (hereafter the CFA). Additionally, it assesses these sources alongside primary qualitative inputs. These primary inputs include semi-structured interviews and structured questionnaires with representatives of the Ministry of Labour, Employment and Social Dialogue, the Secretariat of the Social Council, and representative employers³ and workers' organizations⁴, allowing cross-validation between "rules on paper," institutional practice, and stakeholder-reported experience.

2.1. Organization of the assessment

The remainder of the assessment is organized into four sections. Section III assesses the performance of the Social Council by examining how its formal mandate and internal functioning translate into policy influence in practice. Drawing on legal provisions, administrative data, and convergent interview evidence, it highlights a persistent gap between consultation and substantive impact, while also identifying the conditions under which social dialogue remains effective.

Section IV assesses the architecture and practice of collective bargaining across national, sector/branch, and enterprise levels, using administrative, secondary and primary data, and shows a system that is institutionally active, supported by the *erga omnes* principle, yet highly uneven in reach, with bargaining outcomes and coverage remaining thin in large parts of the private sector and in sectors dominated by small employers.

Section V synthesizes the main findings into a concise set of evidence-based takeaways, focusing on where Montenegro's system is institutionally established yet constrained in outcomes, particularly the persistent gap between consultation and final policy, uneven bargaining capacity across sectors, and the role of capacity constraints and institutional incentives in shaping tri-partite and bi-partite dialogue performances.

Section VI draws out what the findings imply for the near-term trajectory of social dialogue and collective bargaining in the context of EU accession ambitions, emphasizing the conditions under which dialogue is most likely to remain credible and useful, and highlighting emerging thematic blind spots such as digitalization and structural labour market transitions.

► Insight Box 2

This assessment combines legal analysis, institutional review, and stakeholder experience to capture how social dialogue is designed and how it functions in practice.

3 The Union of Employers of Montenegro.

4 The Confederation of Trade Unions of Montenegro (CTUM) and the Union of Free Trade Unions of Montenegro (UFTUM).

► 3. Social dialogue

3.1. Legal framework

The Constitution of Montenegro provides a robust legal foundation for social dialogue and labour rights, particularly through the formal recognition of the Social Council, which is the national tripartite social dialogue body, as well as trade union rights, and the right to strike. The Constitution defines a comprehensive labour rights framework, essential for decent work and the effective functioning of social dialogue and collective labour relations. This constitutional architecture appears to align Montenegro with core ILO principles and provides a solid base for labour law, policy development, and institutional dialogue.

Furthermore, Montenegro has ratified all ten ILO Fundamental Conventions including the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), as well as the ILO Governance Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), laying the foundations for the recognition in national law and practice of freedom of association, collective bargaining and social dialogue.⁵ These commitments are further bolstered by its declared goal of EU accession, particularly under Chapter 19 of the Acquis, which has prompted the government to start aligning domestic legislation with European Directives on employment and social affairs, in addition to ratifying the Revised European Social Charter⁶.

► Insight Box 3

Montenegro's legal framework for social dialogue is broadly aligned with international standards, but gaps remain in enforcement and practical application.

The Committee of Experts acknowledges meaningful legislative progress since 2018–2019, including the representativeness law, Labour Law reforms, implementing rulebooks, and the General Collective Agreement, and it notes with satisfaction the strengthened statutory prohibitions and remedies against anti-union discrimination (including fines and reinstatement). At the same time, it highlights a persistent implementation gap: trade unions report continued discrimination against representatives and limited enforcement, prompting the Committee to seek concrete evidence on how the new provisions are applied in practice.⁷

Social Council

Legal design and normative alignment

The Law on the Social Council establishes the Social Council of Montenegro as the institutional framework for tripartite social dialogue at both national and municipal levels. Its stated purpose is to promote and develop dialogue on issues affecting the economic and social position of workers and employers, with explicit reference to international instruments. In this respect, the Law seems to be

⁵ Montenegro is bound by ILO Conventions No. 87 and No. 98 through state succession, rather than by a separate post-independence ratification act published in the *Službeni list Crne Gore*. The International Labour Organization, as depositary, records both conventions as in force for Montenegro as of 3 June 2006, reflecting the continuation of treaty obligations inherited from the former State Union of Serbia and Montenegro and its predecessor states. See ILO NORMLEX, accessed January 20, 2026: https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:11200:0::NO::P11200_INSTRUMENT_SORT%2CP11200_COUNTRY_ID:2%2C102734.

⁶ Montenegro ratified the Revised European Social Charter on 3 March 2010, accepting 66 of its 98 paragraphs (Council of Europe 2025).

⁷ International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report of the Committee of Experts on the Application of Conventions and Recommendations: Report III (Part A)* (Geneva: International Labour Office, 2025), 283, accessed January 20, 2026, https://www.ilo.org/sites/default/files/2025-02/Report%20III%28A%29-2025-%5BNORMES-241219-002%5D-EN_0.pdf

broadly aligned with the principles concerning social dialogue of ILO Convention No. 144 on Tripartite Consultation and the guidance of its accompanying Recommendation No. 152.

The tripartite principle is embedded in the Council's core institutional design. At national level, the Social Council is composed of an equal number of representatives from the Government, representative trade union organizations, and the representative employers' association, ensuring numerical parity and formal equality of voice. This structure seems

consistent with International Labour Standards (ILS) which emphasize balanced representation and structured consultation. The extension of the national Social Council framework to the municipal level further strengthens, at least in legal terms, the potential reach of tripartite consultation into local policy- and decision-making processes.

The Law provides the Social Council with legal personality and empowers it to adopt its own Statute and Rules of Procedure, establish working bodies, engage experts, and adopt opinions, recommendations, and conclusions. These provisions are formally conducive to effective and informed tripartite consultation and provide a sound normative basis for dialogue.

A central mechanism intended to ensure policy influence is the obligation for authorities which prepare legislation or other acts affecting workers' and employers' social position to submit drafts to the Social Council for opinion and to respond to the Social Council views in writing within a fixed deadline. While this mechanism reflects the consultation principle envisaged under Convention No. 144, it lacks mechanisms for optimizing impact, such as sanctions for non-compliance, and requirements for systematic publication of decisions and reporting or tracking responses. This limits accountability and weakens the practical effectiveness of the consultation process.

► Insight Box 4

The Social Council reflects international standards in its tripartite composition, legal mandate, and procedural autonomy.

Social Council: Functional performance and policy impact

Formal role, internal functioning, and procedural practice

The Social Council is formally positioned as the central tripartite body for consultation on socio-economic legislation. In practice, therefore, its role remains predominantly advisory, with limited institutional assurance that its opinions are reflected in final policy outcomes. While the Council is regularly involved in discussions on draft legislation and policy initiatives within its legal remit, its authority is largely consultative.

From a procedural perspective, interview evidence indicates that the Social Council functions relatively well internally. It operates based on clearly defined rules of procedure, inclusive agenda-setting, and

► Insight Box 5

Internally, the Social Council functions effectively, with structured procedures and consensus-oriented dialogue but this does not often translate into policy impact.

a culture of respectful dialogue among social partners. Disagreements are generally managed constructively, and consensus is frequently achieved within the Council, its Presidency, or ad hoc tripartite working groups. These features contribute to cooperative relations and sustained engagement among participants.

Administrative data, however, points to limits in procedural practice. According to government reporting under the European Social Charter monitoring process, the Social Council held four plenary sessions in both 2023 and 2024, while the Presidency met nine times in 2023

and seven times in 2024. This falls below the minimum frequency required by Article 12 of the Law on Social Council, which stipulates that plenary meetings take place at least once every two months. However, given the heavy volume of legislative and administrative work facing all tripartite actors as Montenegro advances its EU accession agenda, pushing meeting frequency upward could also have the opposite effect: stretching limited time and capacity, encouraging more superficial participation and weaker preparation, and ultimately lowering the quality and impact of social dialogue rather than strengthening it.

Substantively, the Council's agenda was focused on core labour market and socio-economic issues, including tax reform and minimum wage initiatives, price developments, pension and disability insurance reforms, labour law amendments, minimum wage adjustments, internal trade regulations (including Sunday work), public holidays, and annual quotas for foreign workers. These topics fall within the scope defined by Article 7 of the Law on Social Council and demonstrate engagement with issues of immediate relevance to workers and employers.

However, interview evidence also suggests that, despite the Council's formally broad thematic scope, consultation in practice is often concentrated on initiatives falling under the authority of the Ministry of Labour, Employment and Social Dialogue. This contributes to a de-facto narrowing of tripartite discussion, even where draft laws initiated by other ministries have significant implications for the economic and social position of workers and employers⁸.

► Insight Box 6

Even well-functioning deliberation processes cannot compensate for weak institutional links between consultation and decision-making.

A related inclusiveness issue concerns participation in ad-hoc working bodies and consultations outside the Social Council. Stakeholders noted that the Decree on the selection of NGO representatives and on public consultations obliges state administration authorities to enable NGOs, through public calls, to propose representatives to working groups and other bodies dealing with matters of common interest. However, trade unions and employers' organizations, as constitutionally recognized social partners but not being NGOs, are typically not eligible to apply through such calls, and are not consistently invited ex officio when broader socio-economic legislation is prepared outside the labour ministry. This creates an asymmetry in access to policy-shaping processes and may further narrow the effective scope of tripartite dialogue in practice.

Policy impact, implementation gap, and accountability

Despite regular consultation and procedurally sound internal functioning, interview evidence points to a significant gap between Social Council deliberations and final policy outcomes. There is high-confidence convergence across interviews with the Social Council Secretariat, trade unions, and employers' organizations that opinions and recommendations issued by the Council, often reached through consensus, are frequently not incorporated into government proposals or are bypassed once legislation reaches Parliament. Over time, this recurring disconnection between Social Council recommendations and the content of final government or parliamentary actions risks reducing social dialogue to being perceived as a token, consultative formality rather than a functioning mechanism that shapes policy and legislation.

► Insight Box 7

Social Council recommendations are frequently not reflected in final legislation, particularly once proposals reach the high levels of government or Parliament. Repeated non-integration of Social Council inputs risks reducing social dialogue to a procedural formality rather than a policy-shaping mechanism.

⁸ Examples where the Council was not involved include: the Law on the Budget, the Law on Social and Child Protection, the Personal Income Tax Law, the Law on Mandatory Health Insurance, the Law on Contributions for Mandatory Social Insurance.

Several interviewees cited concrete examples where legislative initiatives were advanced directly through parliamentary procedures without prior or subsequent consideration of Social Council positions. These include statutory adjustments to the minimum wage and amendments to the Law on Internal Trade. Such practices underscore the limited institutional weight of tripartite dialogue in the final stages of decision-making and illustrate the advisory, rather than co-determining, character of the Council.

► Insight Box 8

The absence of systematic follow-up mechanisms prevents assessment of how Social Council recommendations are used and of their impact on policy or legislation formulation.

An important contributing factor is the nature of consultation itself. Government reporting under the European Social Charter monitoring process often characterizes its work with the Social Council as involving “informing,” “introduction,” or “presentation” rather than “consultation,” particularly with respect to major policy initiatives, such as the draft State Budget or economic recovery programs.⁹ While information exchange plays a valuable role, it does not seem to meet the standard of tripartite consultation envisaged under Article 15 of the Law, which implies an obligation to seek and respond formally to social partner opinions.

The absence of systematic follow-up and accountability mechanisms further limits policy impact. Interview evidence confirms that no structured tracking of Social Council opinions or recommendations exists, making it difficult to assess implementation rates or patterns of governmental responsiveness. Council decisions are described as authoritative, but often only partially reflected in final policies. Moreover, when the Council formally requests follow-up information from the responsible ministries on the implementation of its initiatives, proposals, or recommendations, it frequently receives no response for extended periods. These dynamics place a strain on confidence in the usefulness and effectiveness of social dialogue, even where cooperative relations among social partners remain intact.

Capacity constraints, limited exceptions, and structural gaps

Capacity limitations represent a critical bottleneck in the effectiveness of the Social Council and, more broadly, of social dialogue. The Secretariat operates with extremely limited human and material resources, consisting of a single staff member responsible for legal, administrative, and analytical tasks. The lack of dedicated meeting space, limited technical infrastructure, and absence of analytical capacity significantly constrain institutional memory, communication, monitoring, and policy support functions, despite the responsibilities assigned to the Secretariat under Article 18 of the Law to provide expert, administrative, and technical support to the work of the Social Council.

Employers’ and trade union organizations similarly report limited staffing and analytical resources, particularly in relation to monitoring implementation and engaging in complex or forward-looking negotiations. Recent government initiatives, including the establishment of a Directorate for Social Dialogue and plans for digital platforms, implicitly acknowledge these capacity gaps, but also appear to illustrate a willingness to address them.

► Insight Box 9

Limited staffing, analytical resources, and infrastructure constrain both the Social Council Secretariat and social partners.

⁹ Council of Europe, *European Social Charter: 13th National Report Submitted by the Government of Montenegro* (Strasbourg, 24 March 2025), pp. 36–39, accessed January 20, 2026, <https://rm.coe.int/rap-rcha-mne-13-2024/1680b4fa42>; see also Council of Europe, *Answers of the Government of Montenegro to Additional Questions Concerning the 13th National Report* (Strasbourg, 24 October 2025), accessed January 20, 2026, <https://rm.coe.int/answers-to-additional-questions-to-nr-13-montenegro-2024/4880293af1>.

Within these constraints, there are nevertheless instances where the Social Council has exerted tangible, albeit limited influence. In 2023, a working group of the Council prepared a recommendation on amendments to the Law on Internal Trade allowing Sunday work during tourist seasons, which was formally forwarded to the competent ministry and parts of the recommendation were integrated into legislation. The Council also gave approval for annual quotas of foreign workers for 2024 and 2025 and initiated analysis of the structural drivers of increased foreign labour inflows. These cases suggest that technically focused working arrangements and clearly formulated recommendations are sometimes translated into policy consideration.

Finally, the thematic scope of the Council's work remains relatively narrow. Government and social partner responses indicate that issues related to digitalization transition, including technological

change and the growing role of artificial intelligence have largely been handled through separate bodies and consultation channels rather than the Social Council. While broader consultation can be valuable, routing these labour market-shaping issues into forums where social partners are not consistently central can dilute tripartite dialogue on core employment issues and limit the Council's ability to anticipate and shape emerging labour market transformations, such as skills restructuring, platform work, and new occupational health and safety risks.

► Insight Box 10

Limited resources restrict the ability of actors to engage in forward-looking, evidence-based dialogue.

Trust and cooperative relations among tripartite actors

Despite structural limitations and persistent challenges in policy influence, interview evidence indicates that the quality of interpersonal and institutional relations among tripartite actors remains relatively strong. Across interviews with the Social Council Secretariat, trade unions, employers' organizations, and government representatives, respondents consistently emphasized a climate of mutual respect, constructive engagement, and willingness to compromise within formal social dialogue settings.

► Insight Box 10

Despite institutional limitations, interpersonal and working relationships between actors are constructive and cooperative.

Internally, the functioning of the Social Council is characterized by clear procedural rules and predictable interaction patterns, which contribute to maintaining trust among participants. Interviewees highlighted inclusive agenda-setting practices, the regular use of consensus-based decision-making, and the ability to manage disagreements without escalation. Even when consensus cannot be reached, discussions are described as professional and respectful, with differing positions articulated openly and without undermining the legitimacy of other actors. Several respondents underlined that this procedural culture distinguishes Montenegro's social dialogue from more adversarial models.

Trust is also reinforced through frequent informal interaction and continuous negotiation, particularly among experienced representatives of social partners. Employers and trade unions alike noted that repeated engagement over time has fostered a shared understanding of constraints and priorities, facilitating compromise even in sensitive areas such as wage coefficients, sectoral benefits, or implementation timelines. In this sense, trust operates as a functional asset that allows dialogue to continue.

However, interview evidence equally suggests that this trust is under strain, especially vis-a-vis the Parliament and government. Repeated experiences in which agreed or widely supported Social

Council positions fail to translate into legislative or policy outcomes, most notably when proposals are advanced directly through Parliament without tripartite consultation, have generated frustration across all sides. While these practices have not led to a breakdown in social dialogue, several interviewees noted that the repeated disregard of Social Council outcomes could gradually erode confidence in the value of participation and good-faith engagement in social dialogue.

► Insight Box 11

Confidence in social dialogue increasingly depends on whether discussions lead to tangible policy results.

Importantly, these dynamics do not reflect declining trust among social partners themselves, but rather a disconnect between dialogue processes and political decision-making. Interview evidence suggests that social partners perceive core tripartite dialogue as more effective and predictable than broader consultative formats involving additional actors, particularly when discussions are technically focused and clearly linked to decision-making.

Smaller, technically oriented tripartite working groups were frequently cited as producing more tangible results than larger or more expansive forums, precisely because their outputs are more likely to be reflected in final legal texts. This experience reinforces the view that confidence in social dialogue is sustained where participation is clearly connected to outcomes and weakened where dialogue is more diffuse or weakly anchored in decision-making processes.

Interview evidence from employers' and workers' organizations also highlights a more subtle source of tension affecting trust within social dialogue. They noted that confidence in negotiated compromises can be weakened when the other party pursues parallel engagement with legislators on the same issues that are under discussion within tripartite or bipartite dialogue structures. While such engagement is understood as part of broader interest representation, it was emphasized that overlapping negotiation channels may reduce predictability and create perceptions that agreements reached in social dialogue risk being overtaken by parallel political processes. From this perspective, trust is strengthened when dialogue channels are clearly delineated and when negotiated positions are pursued consistently across institutional arenas.

3.2. Social partners and their capacities

Montenegro has two representative trade unions, and one representative employers' organization. The degree of unionization stands at 17.82 per cent.¹⁰ The Confederation of Trade Unions of Montenegro (CTUM) is one of Montenegro's two national trade union confederations participating in tripartite social dialogue. Recent baseline figures put its membership at 31,520 workers¹¹. CTUM brings together a range of sectoral unions, including, among others, education, financial-sector unions, and construction and industry unions, reflecting a broad cross-sector profile.

The Union of Free Trade Unions of Montenegro (UFTUM) is the second national trade union confederation and is reported to have 19,750 members¹². It is composed of 19 sectoral unions and three occupational unions, suggesting broad (multi-branch) but fragmented coverage across the labour market; its sectoral base includes areas such as education, university, telecommunications and ICT, metalworkers, commerce, trade, banking, and health and social protection. UFTUM's capacity is constrained by the lack of any property or assets of its own. It operated from rented premises (2007–2019) and, since 2019, has used government-granted premises under a temporary arrangement that can be revoked at any time, creating ongoing operational insecurity.

¹⁰ Authors calculations, using membership number declared by the trade unions and the total number of employees in 2024 as published at [Statistical Office of Montenegro - MONSTAT](#).

¹¹ International Labour Organization (ILO), *Decent Work Country Programme: Montenegro 2024–2027* (Geneva: International Labour Office, 2024), p.22. accessed 21 January 2026, <https://www.ilo.org/sites/default/files/2025-10/DWCP-Montenegro-EN-10-09-2024-proof3.pdf>.

¹² Ibid.

The Montenegrin Employers Federation (MEF) is Montenegro's representative employers' organization in national social dialogue. Official baseline figures describe its membership as 76 employers' associations and over 1,500 companies/individual members¹³. When all collective members are included, MEF has 6,000 members with 80,000 workers, comprising around 10.2 per cent of 58,998¹⁴ individual companies in the country and 32 per cent¹⁵ of people employed in the private sector. Its membership covers almost all large companies and has a strong representation in the smaller business system. It spans a wide spread of sectors, including agriculture, processing industry, services, banking and insurance, energy, Information and Communication Technology, tourism, trade, construction, and transport, illustrating an economy-wide representation of employers.

Interview evidence suggests that both trade unions and employers' organizations in Montenegro possess core representational and negotiating capacities but face significant resource and structural constraints that limit their effectiveness, particularly beyond established sectors. Among the main strengths, both sides demonstrate experience in collective bargaining at national and sectoral levels, familiarity with legal frameworks, and an ability to engage constructively in tripartite dialogue. Employers' organizations reported systematic consultation with member companies, use of comparative data and official statistics, and a willingness to compromise in negotiations, while trade unions highlighted their role in securing sectoral agreements that improve upon statutory standards.

At the same time, capacity limitations are evident on both sides. Trade unions face persistent difficulties in organizing and representing workers in small and fragmented private-sector enterprises, which weakens enterprise-level bargaining and limits coverage. Employers' organizations similarly reported limited staffing and analytical resources, constraining their ability to monitor implementation and engage in more strategic, forward-looking negotiations. Overall, while social partners are capable interlocutors within formal dialogue structures, resource constraints, uneven membership coverage, and limited analytical capacity reduce their leverage, particularly in sectors and enterprises where their presence and collective bargaining are weakest.

► Insight Box 12

Social partners possess core negotiation capacities but face structural and resource constraints, especially in the private sector.

3.3. Institutional pre-conditions for social dialogue: Pending reforms and representativeness challenges

Interviews indicate that Montenegro's social partners have been actively engaged in several tripartite/multipartite working groups to draft or revise key labour laws (including the Law on Strikes, representativeness rules, trade union legislation, and reforms such as equal pay), showing willingness to address difficult issues through dialogue. This engagement matters because effective social dialogue depends on a few institutional preconditions: clear and broadly accepted rules on who represents workers and employers, freedom of association, credible, democratic and transparent procedures for participation and decision-making, mandates to negotiate and represents group interests, and a stable legal environment that protects organizational autonomy and enables bargaining to function predictably. However, these processes have not yet produced agreement on core frameworks such as the laws on representativeness, strikes, and trade unions. While existing rules continue to apply, the absence of agreed reforms can limit improvement and modernization of social dialogue and collective

¹³ Montenegrin Employers' Federation submitted updated data on 24 February 2026.

¹⁴ MONSTAT (Statistical Office of Montenegro), *Number and Structure of Business Entities in Montenegro, 2024*, Release 42/2025 (Podgorica: MONSTAT, 31 March 2025), PDF, accessed January 21, 2026, <https://monstat.org/uploads/files/publikacije/registri/Number%20and%20structure%20of%20enterprises%202024.pdf>.

¹⁵ Authors' calculations using MEF data and MONSTAT data from the *2023 Census of the Population, Households, and Dwellings, 2025*, Release 87/2025, (Podgorica: MONSTAT, 10 June 2025), accessed on 26 February 2026 https://www.monstat.org/uploads/files/popis%202021/saopstenja/POPIS_zanimanja%20i%20djelatnost10062025enz.pdf.

► Insight Box 13

Representativeness rules aim to strengthen social dialogue but risk narrowing participation if thresholds are too high.

bargaining by leaving unresolved ambiguities not only about who is entitled to represent workers and employers, but also about the procedures that make dialogue workable in practice. Over time, this can weaken incentives to invest in tripartite mechanisms and shift pressure toward courts or administrative decision-making instead of predictable, structured negotiation.

The draft Law on Representativeness seeks to clarify which trade unions and employers' organizations are entitled to participate in collective bargaining and social dialogue. In principle, such a framework can strengthen social dialogue by improving predictability, reducing fragmentation, and ensuring that representative actors engage in formal consultation and negotiation. The initiative therefore addresses a genuine institutional gap in Montenegro's industrial relations system.

At the same time, the usefulness of a representativeness framework depends heavily on how its thresholds and eligibility conditions are set: if they are too demanding or too rigid, they can narrow participation and weaken autonomy of social partners rather than consolidating social dialogue and collective bargaining. The minimum membership thresholds must be calibrated, so they do not exclude legitimate actors or undermine autonomy.

On the employers' side, the proposed thresholds, particularly those combining 25 per cent workforce coverage and 25 per cent GDP share¹⁶, are unusually demanding and may exclude legitimate sectoral or SME-based organizations, potentially narrowing representation rather than strengthening it. The Committee of Experts has considered that "too high a percentage for representativeness to be authorized to engage in collective bargaining may hamper the promotion and development of free and voluntary collective bargaining¹⁷". It has also underlined that, for an employers' association to negotiate, it should be enough to show it is sufficiently representative at the appropriate level "regardless of its international or regional affiliation or non-affiliation¹⁸."

On the trade union¹⁹ side, the draft's requirement that a minimum of five employees is needed to establish/register a trade union merits particular scrutiny in a labour market dominated by micro and small enterprises. Even a seemingly low threshold may, in practice, make initial organization difficult in workplaces with only a handful of employees, dispersed worksites, or high turnover, slowing union formation precisely where representation is already weakest. Introducing a minimum membership

requirement for establishing a trade union, particularly where none existed before, can have outsized effects on whether workers can organize in practice. The Committee on Freedom of Association's (CFA) guidance is that: "The legally required minimum number of members must not be so high as to hinder in practice the establishment of trade union organizations.²⁰" and that "While a minimum membership

► Insight Box 14

Restrictive eligibility criteria can exclude legitimate actors and reduce system inclusiveness.

¹⁶ Montenegro, *Labour Law*, Article 198.

¹⁷ International Labour Office, Committee of Experts on the Application of Conventions and Recommendations, *Report of the Committee of Experts on the Application of Conventions and Recommendations: Report III (Part A)* (Geneva: International Labour Office, 2025), p. 284.

¹⁸ Ibid.

¹⁹ According to the Law on Representativeness, a trade union is representative if it covers at least 20 per cent of employees at employer level, 15 per cent at branch/group/subgroup level, and 10 per cent of all employees and five branch-level unions at national level.

²⁰ International Labour Office, *Freedom of Association: Compilation of Decisions of the Committee on Freedom of Association*, 6th ed. (Geneva: International Labour Office, 2018), para. 435, 80, accessed January 20, 2026, https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40normes/documents/publication/wcms_632659.pdf Ibid., para 441.

requirement is not in itself incompatible with Convention No. 87, the number should be fixed in a reasonable manner so that the establishment of organizations is not hindered. What constitutes a reasonable number may vary according to the particular conditions in which a restriction is imposed.” In Montenegro’s context, this requires considering the prevalence of MSMEs when setting any minimum.

The CFA has consistently treated union membership as a matter of worker choice, including the possibility of belonging to more than one union²¹. In practical terms, rules that restrict multiple memberships can narrow pluralism and reduce “real-world” access to representation, especially in small workplaces, by forcing workers to choose between workplace-level support and broader sectoral/occupational organization. Over time, restrictive membership rules, combined with exclusions of certain categories of employees and reliance on detailed membership lists can thin out union presence, weaken representativeness in social dialogue forums, and make collective bargaining and social dialogue more fragile and less adaptable.

Another issue likely to affect the autonomy and effective functioning of social partners is the strong role assigned to state bodies in verifying representativeness. While administrative verification is legitimate, the concentration of authority in public institutions, combined with limited safeguards, risks weakening perceptions of independence and undermining trust among social partners. This could reduce the legitimacy of representativeness determinations and, by extension, of social dialogue outcomes.

► **Insight Box 15**

Strong state involvement in verifying representativeness may undermine trust in the autonomy of social partners.

In addition, the draft includes provisions that may intrude into the internal autonomy of organizations, particularly regarding financial oversight and internal governance. While transparency is important, excessive statutory regulation risks blurring the line between public oversight and self-governance.

²¹ Ibid., paras.546-548, p.101.

► 4. State of collective bargaining in Montenegro

Montenegro's collective bargaining framework appears to be legally developed and formally aligned with international standards. However, interview evidence highlights significant unevenness in practical application across sectors and bargaining levels. Its domestic framework for collective bargaining is reinforced by its international labour commitments. In addition to the ratification of the ILO's fundamental conventions on freedom of association and collective bargaining, C No. 87 and C No. 98, Montenegro has also ratified the Labour Relations (Public Service) Convention, 1978 (No. 151), strengthening the normative basis for collective bargaining and protection of public employees' trade union rights. However, Montenegro has not ratified the Collective Bargaining Convention, 1981 (No. 154), which frames collective bargaining as a proactive policy instrument and emphasizes measures to promote bargaining coverage and effectiveness across sectors.

► Insight Box 16

Montenegro's collective bargaining framework is well-developed in law but uneven in practice across sectors.

Montenegro's system is structured around three interconnected levels of negotiation: the General Collective Agreement at national level, branch-level collective agreements for specific sectors, and enterprise-level collective agreements. On paper, this architecture provides a comprehensive and inclusive basis for regulating wages, working time, leave, occupational safety, and trade union rights across the labour market. Collective agreements concluded at general and sectoral levels have *erga omnes* effect, meaning that their provisions apply to all employees and employers within their scope, regardless of union and employers' membership²².

A structural issue flagged by the ILO Committee of Experts concerns the role of the Government in negotiating the General Collective Agreement (GCA). While noting that recent Labour Law reforms have shifted many topics formerly regulated by the GCA into legislation, suggesting a narrower GCA focused mainly on wage-setting, the Committee observes that the Government still envisages the GCA regulating additional employment conditions (for example limits on overtime and increases in leave) in sectors where branch agreements are absent. In the Committee's analysis, this approach risks blurring the line between tripartite concertation and bipartite collective bargaining: it emphasizes that Convention No. 98 is designed primarily to promote bargaining between employers (and their organizations) and workers' organizations, with public authority involvement limited to broad policy questions such as legislation, economic/social policy, or minimum wage setting, and it therefore reiterates the need to align the legal basis for the GCA with that bipartite logic.²³

Recent years have seen a notable intensification of collective bargaining activity, particularly since the conclusion of the General Collective Agreement in December 2022. As of 1 November 2024, a total of 31 collective agreements were registered, including 6 branch-level agreements²⁴ and 23 employer-level agreements, as well as amendments and supplements to existing sectoral agreements. This indicates that collective bargaining in Montenegro is institutionally active. However, a closer examination of

²² Montenegro, *Labour Law* (Official Gazette of Montenegro, No. 74/2019 (30 December 2019), as amended by Nos. 08/2021 (26 January 2021), 59/2021 (4 June 2021), 68/2021 (23 June 2021), and 145/2021 (31 December 2021), accessed January 20, 2026, https://www.cbcbg.me/slike_i_fajlovi/eng/fajlovi/fajlovi_brzi_linkovi/propisi/laws/other/zakon_o_radu_145-21en.pdf

²³ International Labour Office, Committee of Experts on the Application of Conventions and Recommendations, *Report of the Committee of Experts on the Application of Conventions and Recommendations: Report III (Part A)* p. 283.

²⁴ The branch agreements include: the Branch Collective Agreement for maritime transport, port-handling services, and nautical tourism ports, the Branch Collective Agreement for tourism and hospitality activities, the Branch Collective Agreement for amendments and supplements to the collective agreement for student and pupil welfare institutions, the Branch Collective Agreement for amendments and supplements to the collective agreement for education, the Branch Collective Agreement for amendments and supplements to the Branch Collective Agreement for construction and the construction materials industry, and the Branch Collective Agreement for amendments to the Branch Collective Agreement for telecommunications. See: *European Social Charter: 13th National Report Submitted by the Government of Montenegro* (Strasbourg, 24 March 2025), pp. 35, accessed January 20, 2026, <https://rm.coe.int/rap-rcha-mne-13-2024/1680b4fa42>.

bargaining practice reveals a persistent gap between the formal legal strength of collective bargaining and its practical capacity to shape working conditions in a strategic and forward-looking manner, particularly outside the public sector.

4.1. Formal strength of the legal framework versus practical bargaining capacity

From a formal perspective, Montenegro's collective bargaining system is legally dense and comparatively well developed. Labour Law provides a broad mandate for collective bargaining, allowing social partners to regulate most aspects of employment relationships and, in several areas, to establish broader rights and more favorable working conditions than those stipulated by law. The hierarchy between the law, collective agreements, and individual employment contracts is clearly defined through the principle of *in favorem laboratoris*, ensuring that lower-level agreements may only deviate from higher-level norms in a more favorable direction for employees. In addition, the legal framework offers protection for trade union organizations, safeguards against anti-union discrimination, and institutional mechanisms for the peaceful settlement of collective labour disputes.

► Insight Box 17

The system allows extensive bargaining, but capacity constraints and sectoral differences limit its effective use.

In practice, collective bargaining capacity remains uneven, reflecting a gap between the legal potential of the framework and its effective use across the economy. Where sectoral collective agreements exist, they frequently improve statutory provisions, including higher wage coefficients, additional social benefits, and more favorable employment conditions than those prescribed by law. However, the coverage of such agreements remains limited, particularly in the private sector, and their positive effects are not systematically extended to enterprise level. As a result, many employers and

workers, especially in small and fragmented sectors, remain reliant primarily on statutory regulation. Moreover, even where bargaining activity is relatively frequent, it is often reactive, driven by fiscal reforms, inflationary pressures, or changes in wage calculation rules, rather than by a longer-term strategic agenda. Consequently, collective bargaining tends to function more as a mechanism for adjusting and supplementing statutory standards than as a consistently proactive tool for shaping labour market outcomes.

Sectoral differences: public versus private sectors

The effectiveness and impact of collective bargaining in Montenegro vary sharply between the public and private sectors. In public services, particularly health care and education, collective bargaining is more institutionalized, more detailed, and more consequential for workers' everyday conditions. Recent branch-level agreements in these sectors have produced substantial and quantifiable outcomes, including significant increases in salary coefficients, harmonization of wages across institutions, and targeted improvements for lower-paid occupational groups.

Recent sectoral and branch-level collective agreements demonstrate the substantive role of collective bargaining in the public sector. The branch collective agreement for public administration and the judiciary, which entered into force in February 2023, increased salary coefficients by approximately 25% for around 12,000 employees, representing the first general adjustment of this magnitude since the adoption of the Law on Salaries in the Public Sector in 2016. In the healthcare sector, amendments to

► Insight Box 18

Collective bargaining is strong and outcome-oriented in the public sector but weak and fragmented in the private sector.

the branch collective agreement resulted in salary increases of 30–40% for medical staff and 13–26% for non-medical staff, with further adjustments introduced through subsequent amendments. In the education sector, amendments to the sectoral collective agreement introduced a 20% increase in job complexity coefficients from January 2023, followed by additional planned increases of 10% in 2024 and 2025, alongside targeted increases for lower-paid occupational groups (including increases of up to 45% for cleaning staff and 25% for selected support staff) and the introduction of mandatory anniversary awards. Taken together, these developments underscore the central importance of sectoral and branch collective agreements as effective instruments for improving wages and working conditions, reflecting relatively strong trade union organization, high bargaining coverage, and the capacity of public-sector collective bargaining to deliver outcomes that surpass statutory minimum standards.²⁵

At the same time, bargaining autonomy in the public sector remains constrained by the centralized wage-setting system. Key parameters of pay determination, including the calculated value of coefficients, are ultimately shaped by government decisions, limiting the scope for a more autonomous wage bargaining. Public-sector collective bargaining therefore combines strong coverage and tangible distributive outcomes with structurally limited room for independent negotiation.

In contrast, private-sector collective bargaining, particularly in tourism, hospitality, construction, and road transport, is significantly weaker. While branch collective agreements exist, they are often less comprehensive, frequently outdated, and tend to defer crucial issues to employer-level agreements or unilateral employer acts. In practice, enterprise-level bargaining remains uneven and underdeveloped, leaving many workers with protections that do not go beyond statutory minima. The private sector thus illustrates a pattern of formally available bargaining structures without equivalent bargaining power or coordination, resulting in limited regulatory innovation and uneven protection across sectors.

Taken together, the current legislative and reform context shapes social dialogue in Montenegro less through the existence of tripartite forums than through who can participate and how participation is validated. Where representativeness rules are unsettled or designed with high thresholds, restrictive membership conditions, and strong administrative gatekeeping, they can narrow the range of actors able to engage, weaken perceptions of autonomy, and increase contestation over legitimacy—shifting attention from bargaining substance to procedural disputes. In practice, this makes social dialogue more vulnerable to fragmentation and delays, with greater reliance on administrative determinations or courts to resolve questions that could otherwise be managed through predictable, trusted tripartite processes.

4.2. Enterprise level collective bargaining

Enterprise-level collective bargaining is most consistently reported as the weakest layer of Montenegro's bargaining system, especially in the private sector and among smaller firms. This assessment aligns with the structure of the enterprise population: micro enterprises (1–9 employees) accounted for 94.4% of enterprises in 2017 (with SMEs overall at 99.8%)²⁶. Administrative register data similarly show that “small” firms (under 50 employees) make up 99.33% of active business entities in 2024.²⁷ In such a setting,

► Insight Box 19

The dominance of micro and small enterprises makes enterprise-level collective bargaining structurally difficult.

²⁵ Council of Europe, *European Social Charter: 13th National Report Submitted by the Government of Montenegro* (Strasbourg, 24 March 2025), pp. 36–39, accessed January 20, 2026, <https://rm.coe.int/rap-rcha-mne-13-2024/1680b4fa42>; see also Council of Europe, *Answers of the Government of Montenegro to Additional Questions Concerning the 13th National Report* (Strasbourg, 24 October 2025), accessed January 20, 2026, <https://rm.coe.int/answers-to-additional-questions-to-nr-13-montenegro-2024/4880293af1>.

²⁶ European Commission, *2019 SBA Fact Sheet: Montenegro* (Brussels: European Commission, 2019), accessed January 20, 2026, https://enlargement.ec.europa.eu/system/files/2019-11/sba-fs-2019_montenegro.pdf.

²⁷ MONSTAT (Statistical Office of Montenegro), *Number and Structure of Business Entities in Montenegro, 2024*, Release 42/2025 (Podgorica: MONSTAT, 31 March 2025), accessed January 20, 2026, <https://monstat.org/uploads/files/publikacije/registri/Number%20and%20structure%20of%20enterprises%202024.pdf>.

characterized by fragmented workplaces, limited union presence, capacity constraints, and in some sectors, overt employer resistance, enterprise-level bargaining is more likely to remain sporadic and concentrated in the public sector and a limited set of organized industries. Interview evidence repeatedly points to sectors such as retail/trade and banking as areas where bargaining is absent. In these conditions, sectoral agreements become salient because they can set common standards across many small employers simultaneously, partially compensating for the practical limits of negotiating enterprise-by-enterprise in a micro-enterprise-dominated economy.

4.3. Systemic weaknesses, legal inconsistencies, and institutional constraints

Despite a formally protective framework for freedom of association and collective bargaining, several systemic weaknesses undermine the practical effectiveness and normative authority of collective agreements in Montenegro. A central issue is the incomplete and uneven harmonization of branch-level collective agreements with the Labour Law and related legislation. Some agreements have not been updated and as a result they continue to rely on outdated concepts or terminology that no longer exist in statutory law²⁸, or that directly contradict mandatory legal norms. An example concerns provisions allowing monetary compensation in lieu of unused annual leave, which are incompatible with the Labour Law's explicit prohibition of such substitution except upon termination of employment.²⁹ These inconsistencies generate legal uncertainty for workers, employers, labour inspectors, and courts, and weaken confidence in collective agreements as reliable regulatory instruments.

The findings under Articles 5 and 6 of the European Social Charter further shed light on structural constraints affecting collective bargaining. While the Constitution and the Labour Law guarantee freedom of association and the right to collective bargaining in broad terms, the practical reach of these rights is uneven across the labour market. In sectors characterized by low union density, such as hospitality, retail, construction, and emerging forms of work in the platform or gig economy, no targeted measures have yet been implemented to actively promote trade union organization or collective bargaining. The government acknowledges these gaps and reports planned awareness-raising and dialogue-oriented activities through the newly established Directorate for Social Dialogue and Collective Bargaining, but, given the short time in which this Directorate has been at work, tangible outcomes remain limited so far.

► Insight Box 20

Inconsistencies between collective agreements and labour law weaken confidence in the collective bargaining system.

Institutional design also places significant constraints on bargaining pluralism and inclusiveness. The legal framework on representativeness sets relatively high thresholds for employers' organizations and trade unions to participate directly in collective bargaining, particularly at sectoral and national levels. Employers' organizations must represent at least 25% of total employment and GDP, while trade unions must meet specific membership thresholds depending on the level of organization. While intended to ensure stable and representative social partners, these rules tend to concentrate bargaining power and marginalize smaller or sector-specific organizations, whose participation is often indirect and mediated through larger representative bodies.

²⁸ The *Branch-level Collective Agreement for Road Traffic* (2004) still uses the concept of "minimum labour cost" as a wage-setting reference. This concept was removed from the Labour Law and the General Collective Agreement more than ten years ago yet remains in force in this sectoral agreement.

²⁹ Article 5 of the *Branch-level Collective Agreement for Road Traffic* (2004) states, "If the employer, due to the needs of the work process, has not enabled the employee to use annual leave in full or in part, in accordance with the law, the employer is obliged to compensate the employee for the damage in the amount of the salary earned by the employee in the month in which the compensation is paid, increased by 20%."

4.4. Statutory wage-setting and the constrained role of collective bargaining

A recurrent theme across interviews is the predominance of statutory wage-setting over negotiated outcomes. Key wage decisions, most notably in relation to the minimum wage, are primarily shaped through legislative processes rather than through collective bargaining mechanisms. Both trade unions and employers reported that statutory wage increases have, on several occasions, been adopted without substantive tripartite consultation, thereby constraining the role of collective bargaining as an effective instrument for wage determination. As a result, collective bargaining tends to play a complementary or reactive role, adjusting to legislated parameters rather than shaping wage-setting outcomes proactively.

► Insight Box 21

Wage-setting is largely determined by legislation, leaving collective bargaining in a reactive role.

► 5. Conclusions

Montenegro has a comparatively developed legal and institutional architecture for social dialogue and collective bargaining, including established tripartite structures and formal mechanisms for issuing opinions and recommendations. They seem to be broadly aligned with ILO Conventions and Recommendations and related EU acquis, but their effectiveness is constrained at the level of policy outcomes rather than institutional design.

► Insight Box 22

Montenegro's social dialogue system is structurally sound but limited in its ability to influence final policy outcomes.

The Social Council demonstrates a relatively high quality of internal dialogue characterized by respectful engagement, consensus-oriented procedures, cooperative dialogue culture and predictable working methods.

A persistent implementation gap characterizes social dialogue: Social Council opinions are often not reflected in final legislation once proposals reach higher level of government and, especially, Parliament, where decision-making largely occurs outside tripartite consultations, weakening the transmission of agreed dialogue outcomes into binding end-products.

Confidence in social dialogue is shaped less by social partners' participation than by whether agreed positions are predictably carried through into legislation and policy, with repeated non-integration reducing incentives for continued engagement.

Continuous participation of government, employers and trade unions in multiple working groups across major labour law and industrial action reform areas reflect an ongoing commitment to resolving contested issues through dialogue rather than unilateral action. Social partners, however, view core tripartite dialogue, especially technically focused working groups, as more effective and credible than broader consultative formats with weaker links to decision-making.

Despite institutional constraints, interpersonal trust and cooperative relations among social partners remain resilient, enabling continued engagement even in the absence of strong policy influence.

Rules and proposed reforms about representativeness of employers' and workers' organizations function as key gatekeepers for who can participate in collective bargaining and social dialogue. High thresholds and restrictive eligibility conditions can narrow participation and can thereby constrain the breadth and resilience of social partners and collective bargaining.

Collective bargaining in Montenegro is strongly shaped by the General Collective Agreement (GCA). The structural tension created by the government's participation in negotiating the GCA, especially where it is used to regulate employment conditions beyond wage setting in sectors without branch agreements, can blur the line between tripartite concertation and the Convention No. 98 model of bipartite collective bargaining.

► Insight Box 23

The value of social dialogue depends on whether agreed positions are reflected in policy and legislation.

The *erga omnes* principle of collective agreements creates a formal basis for broad applicability of negotiated standards, supporting coherence and avoiding fragmentation in coverage once agreements are concluded.

Statutory regulation, especially in the field of wage-setting, continues to play the dominant role in the system, while collective bargaining largely operates in a reactive manner, adjusting to outcomes determined by legislation.

Collective bargaining capacity is uneven. It is comparatively stronger in those areas of the public sector where sectoral agreements are in place and can secure conditions above statutory minima, including higher wage coefficients and additional social benefits. By contrast, in the private sector, collective bargaining remains limited, with restricted sectoral coverage and with weak enterprise-level bargaining, particularly among micro, small, and medium-sized enterprises.

Legal framework for protection against anti-union discrimination has been strengthened, including explicit prohibition, remedies and fines. However, supervisory observations point to an ongoing enforcement gap, which can weaken practical deterrence, and in turn, negatively affect union capacity and bargaining power.

Severe capacity constraints within the government Social Council Secretariat and social partner organizations constitute a significant limitation on analytical depth, monitoring, and follow-up on social dialogue processes and outcomes.

Social dialogue agendas remain largely focused on immediate socio-economic issues, with limited engagement on medium-term structural challenges such as digitalization, labour shortages, skills transformation, and the green transition.

► 6. Forward-looking observations

The analysis suggests that Montenegro's social dialogue system has reached a stage where procedural consolidation is no longer the main challenge. Legal alignment, institutional design, and dialogue culture are largely in place. The central question moving forward is whether tripartite dialogue can evolve from a strictly consultative mechanism into a more outcome-oriented governance tool, capable of shaping policy choices before they are politically finalized. The reported persistence of parliamentary bypass and limited follow-up indicates that future effectiveness will depend less on expanding dialogue forums and more on strengthening the link between deliberation and decision-making.

As Montenegro advances in the EU accession process, social dialogue increasingly intersects with time-sensitive reform agendas driven by *acquis* alignment, fiscal constraints, and macroeconomic coordination. The analysis implies that social dialogue will be most relevant where it can contribute to policy sequencing, impact assessment, and social sustainability of reforms, rather than being confined to ex-post consultation. This places a premium on early engagement, technical depth, predictable consultation channels, and systematic follow-up of Social Council recommendations, particularly for reforms affecting wages, public administration, and labour market regulation.

► Insight Box 24

The next phase of development requires strengthening the link between social dialogue and decision-making.

This analytical summary highlights a structural reliance on statutory regulation, especially in wage-setting, alongside a legally strong but under-utilized collective bargaining framework. Looking forward, the effectiveness of Montenegro's labour market governance will likely depend on whether collective bargaining can gradually assume a more strategic and anticipatory role, complementing legislation rather than merely adapting to it. This is particularly relevant in areas where uniform statutory solutions may struggle to reflect sectoral diversity or evolving work patterns.

► Insight Box 27

Addressing digitalization, demographic shifts, labour shortage, and skills transitions through social dialogue will be key to maintaining its relevance.

The limited presence of digitalization and future-of-work issues in tripartite agendas suggests that social dialogue has not yet been fully mobilized as a tool for anticipating structural change. As demographic shifts, labour shortages, platform work, skills transformation and green transition intensify, the analysis points toward a growing need for social dialogue to engage with medium-term adjustment challenges, rather than focusing predominantly on immediate distributive or compliance issues.

The analysis shows that interpersonal trust among social partners remains resilient, but increasingly conditional on predictable institutional behavior. Effectiveness will depend on whether social dialogue processes provide clear expectations about when, how, and with what effect participation matters. Over time, confidence in dialogue is likely to be shaped less by the quality of discussion and more by the consistency with which agreed positions are considered by decision-making institutions and reflected in policy and legislation.

The state of collective bargaining in Montenegro reflects a system that is institutionally established but with limited use of collective bargaining as a strategic tool for managing labour market change, especially in the private sector. Its strengths lie in broad legal coverage, formal inclusiveness, and relatively strong outcomes in parts of the public sector. Its weaknesses stem from uneven sectoral capacity, outdated or inconsistent agreements, limited coordination across bargaining levels, and a continued reliance on statutory regulation in areas where collective bargaining could add value.

From a policy perspective, strengthening collective bargaining will require more than legal adjustments. Strengthening of strategic capacity of social partners especially in the private sector, improving coordination between bargaining levels, and expanding the role of collective agreements in addressing emerging challenges such as digitalization, demographic change, and the green transition arise as areas of great importance.

Viewed in this light, collective bargaining in Montenegro remains not fully utilized. Its future relevance will depend on whether social partners and public authorities can transform a formally strong legal framework into a thriving system of consultation and negotiation capable of responding to and influencing economic change, social risk, and evolving patterns of work.

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► 8. Interviewees

Confederation of Trade Unions of Montenegro: Vladimir Krsmanović, International Relations and Projects Coordinator

Ministry of Labour, Employment and Social Dialogue, Dragana Vojvodić, Acting Director General, Directorate for Social Dialogue and Collective Bargaining

Montenegrin Employers Association, Suzana Radulović, Secretary General

Montenegrin Employers Association, Filip Lazović, Deputy Secretary General

Social Council of Montenegro, Aleksandra Damjanović, Secretary

Union of Free Trade Unions of Montenegro, Ivana Mihajlović, Deputy General Secretary