

Summary of the Rapid Assessment of Social Dialogue and Collective Bargaining in Montenegro

► Introduction

Social dialogue and collective bargaining are central pillars of the Decent Work Agenda and key mechanisms for upholding international labour standards. Both the International Labour Organization (ILO) and the European Union (EU) emphasize the role of social dialogue, representative employers' and workers' organizations in socio-economic policymaking, industrial relations, and the implementation of labour rights. In Montenegro, where EU accession obligations, including under Chapter 19 (Social policy and employment), require credible consultation and predictable labour¹ market governance, effective tripartite and bipartite dialogue is both a political requirement and a practical condition for sustainable reform. This brief condenses the Rapid Assessment of Social Dialogue and Collective Bargaining² prepared for Montenegro under the Employment and Social Affairs Platform (ESAP) 3, a project funded by the EU and implemented by the ILO and highlights those findings most directly linked to the Conclusions and Forward Looking Observations.

Social dialogue: Strengths and challenges

Montenegro's social dialogue system rests on a comparatively strong legal and institutional foundation, but its effectiveness depends on the capacity and predisposition of the tripartite actors. The Law on the Social Council establishes the Social Council of Montenegro³ as the institutional framework for tripartite social dialogue at both

national and municipal levels with the purpose of promoting and developing dialogue on issues affecting the economic and social position of workers and employers, with explicit reference to international instruments. Montenegro has two representative trade union confederations and one representative employers' organization. Unionization is reported at 17.82 per cent⁴. The Confederation of Trade Unions of Montenegro (CTUM) has 31,520 members and the Union of Free Trade Unions of Montenegro (UFTUM) 19,750⁵, while Montenegrin Employers Federation (MEF) reports 76 employers' associations and more than 1,500 direct company/individual members. Accounting for its collective members, MEF has around 6,000 members, including almost all large enterprises, and employing 80,000⁶ workers, comprising around 10.2 per cent of 58,998⁷ individual companies in country and 32 per cent⁸. These figures show a real organizational base, but also uneven representation in an economy dominated by micro and small firms.

Trade unions and Employers and Business Membership Organization's representativeness criteria remain a central issue for well-functioning social dialogue. Employers' Organizations are representative if they have a 25 per cent share of GDP and 25 percent share of total employment⁹, while a trade union is representative if it covers at least 20 per cent of workers at enterprise level, 15 per cent of workers at branch/group/subgroup level, and 10 per cent of all workers and five branch-level unions at national level.

The current review of these criteria is an important reform to strengthen social dialogue in Montenegro.

Normative and legal foundations: The Constitution recognizes key labour rights and the Social Council and Montenegro has ratified all ten ILO Fundamental Conventions¹⁰ and the revised European Social Charter. Observations from the [ILO supervisory system](#) note legislative progress in recent years, including strengthened statutory prohibitions and remedies against anti-union discrimination, though stakeholders continue to report uneven application and enforcement of these rights. This gives social dialogue a comparatively solid legal basis. The challenge remains whether representative organizations can translate formal rights into real policy influence.

Institutional design of the Social Council: The Law on the Social Council embeds the tripartite principle through numerical parity between government, employers and trade unions and gives the Council a formal mandate to consider draft laws, strategies and socio-economic policies. This is a clear institutional strength because it provides a stable venue for consultation among the principal organizations. 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.

Representativeness and organizational base: Interviews show that Montenegro's social partners remain actively engaged in tripartite and multipartite working groups on key labour legislation, including strikes, representativeness, trade union rules and equal pay, which reflects a continued willingness to resolve difficult issues through dialogue. The draft framework could strengthen social dialogue by clarifying who is entitled to bargain and participate, but only if representativity thresholds are calibrated carefully. In relation to Montenegro's demanding thresholds for employers' organizations and trade unions at enterprise level, the ILO supervisory bodies have cautioned that they should not be set so high as to "hamper the promotion and development of free and voluntary collective bargaining¹¹" and to "hinder in practice the establishment of trade union organizations¹²" in micro and small enterprises.

Internal functioning: Administrative reporting indicates that the Council's plenary sessions have at times been below the statutory minimum frequency, while the Presidency has met more

regularly. However, meeting frequency reflects the heavy EU accession related legislative workload across ministries and social partners. Increasing the frequency of the meetings, without corresponding capacity and preparation time, may dilute the quality of deliberation.

Thematic focus and emerging blind spots: The Council's agenda has covered many immediate labour market and socioeconomic issues, such as labour law amendments, minimum wage adjustments and tax reform, pensions, foreign workers quotas, internal trade rules. However, discussion is sometimes limited and Council sessions are only about the government "informing", "introducing," or "presenting" policy initiatives or reform packages to other members of the Social Council. Furthermore, medium to long-term structural issues, such as digitalization, skills forecasting, green transition, or the employment and social protection impact of the demographic transition, are not consistently integrated into tripartite agendas, which reduces the system's capacity to shape the country's development trajectory.

Policy impact, consultation channels and accountability gap: Interviews consistently describe a disconnect between Social Council opinions and final policy outcomes. A key concern is the parliamentary bypass of tripartite dialogue either by the government with some initiatives reportedly moving forward through parliamentary procedures without prior or substantive discussion in the Social Council, or by the social partners who are reported to engage in lobbying parliament promoting positions that are not in line with what was agreed upon through social dialogue. Consultation also follows a dual track: issues under the Ministry of Labour are more likely to pass through tripartite channels, while issues outside its direct authority, even when they have clear economic and social effects on workers and employers, are often handled through ad hoc ministry-led processes conducted through civil society consultation channels, where social partners have weaker or no structured access.

Capacity constraints: Capacity remains a systemic weakness across the social dialogue architecture. The Social Council Secretariat is not sufficiently resourced to provide the level of analytical, monitoring and follow-up support envisaged by law, which limits institutional memory and weakens the Council's ability to track whether its inputs shape policy. Similar constraints affect both trade unions and employers' organizations. While

they are established and experienced interlocutors, limited staffing, research support and technical capacity reduce their ability to prepare evidence, monitor implementation and engage strategically in complex or forward-looking reforms. These weaknesses are particularly consequential outside established sectors and help explain why dialogue often remains reactive rather than more anticipatory and policy-shaping.

Trust dynamics and pending reforms: The Social Council demonstrates a relatively high quality of dialogue characterized by respectful engagement, consensus-oriented procedures, a cooperative dialogue culture and predictable working methods. Trust and cooperative relations among social partners remain comparatively resilient within Council procedures, supported by continuous interaction and a professional dialogue culture. However, confidence in social dialogue is increasingly conditional on predictability of institutional behavior, such as whether recommended positions are reflected in government and parliamentary action. At the same time, unresolved debates on representativeness rules, trade union legislation and the law on strikes show that the institutional preconditions of dialogue are still contested.

Collective bargaining: Strengths and challenges

Montenegro's collective bargaining framework appears to be legally developed and formally aligned with international labour standards. However, interview evidence highlights significant unevenness in practical application across sectors and bargaining levels. The domestic framework for collective bargaining is reinforced by Montenegro's ratification of the ILO's fundamental conventions on freedom of association and collective bargaining, Conventions Nos 87 and 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.

Architecture and bargaining actors: Montenegro's bargaining system is structured around the General Collective Agreement at

national level, branch agreements for specific sectors and enterprise-level agreements. General and branch agreements have erga omnes effect, while the *in favorem laboratoris* principle protects more favorable standards at lower levels. This gives the system a strong formal architecture and allows bargaining outcomes to extend beyond signatory members. In practice, however, the effectiveness of this structure depends on the presence of representative and capable bargaining actors at each level. The same organizations that anchor national social dialogue also underpin collective bargaining, which helps explain why bargaining is more functional at national level and in better organized sectors than at enterprise level or in fragmented parts of the private economy. A further structural issue noted by the ILO [Committee of Experts](#) concerns the continued role of the Government in negotiating the General Collective Agreement (CGA), which risks blurring the distinction between tripartite concertation and bipartite collective bargaining.¹³

Level and number of agreements: Recent data show intensified bargaining after conclusion of the CGA in December 2022. As of 1 November 2024, 31 collective agreements were registered, including 6 branch-level agreements and 23 employer-level agreements¹⁴, as well as amendments and supplements to existing sectoral agreements. This shows that bargaining is formally active. At the same time, the number remains modest relative to the size and fragmentation of the economy, indicating concentration in a limited set of sectors and employers.

Public sector bargaining outcomes: 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 increased salary coefficients by about 25 per cent for around 12,000 employees. In health care, amendments produced salary increases of 30–40 per cent for medical staff and 13–26 per cent for non-medical staff. In education, amendments introduced a 20 per cent increase in job-complexity coefficients, followed by additional increases and targeted gains for lower-paid categories. These outcomes show that where unions are organized and bargaining structures are established, collective bargaining can deliver substantial results beyond statutory minima.¹⁵

Private sector reach and uneven coverage: The private sector presents a different picture. Branch agreements exist in tourism/hospitality,

construction and transport, but they are often less comprehensive, less regularly updated and more likely to defer key issues to enterprise-level agreements or unilateral employer initiatives. In an economic structure dominated by micro and small firms, enterprise-level bargaining remains difficult to sustain. Many private sector workers therefore continue to rely primarily on statutory protections rather than negotiated improvements.

Predominance of statutory wage-setting over negotiated outcomes: A recurrent theme across interviews is that key wage decisions, especially 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.

Enforcement environment: The Committee of Experts acknowledges that legal protection against anti-union discrimination has improved, including fines and reinstatement. Yet enforcement remains uneven, particularly in smaller private enterprises where union presence is weak. Indeed, trade unions report continued discrimination against representatives and limited enforcement, which prompted the Committee of Experts to seek concrete evidence on how the new provisions are applied in practice.¹⁶

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. Looking ahead, the priority is not to expand dialogue forums, but to increase the policy impact of existing ones. Strengthened early consultation, Government and social partner ownership of agreed Social Council conclusions, systematic follow-up, and the capacity of social partners to

engage with Parliament would help ensure a more effective link between deliberation and decision-making and increased capability of influencing policy choices before they are finalized.

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.

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.

The limited presence of 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, and skills transformation 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. It will require strengthening

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 future of work, digitalization and demographic change.

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.

Endnotes

- 1 Methodology: The assessment triangulates evidence across legal, institutional, and behavioral dimensions, combining review of legislation and institutional mandates with analysis of official reporting (including supervisory observations of the ILO Committee of Experts on the Application of Conventions and Recommendations and the ILO Committee on Freedom of Association), alongside primary qualitative inputs (semi-structured interviews and structured questionnaires with the Ministry of Labour, Employment and Social Dialogue, the Social Council Secretariat, and representative employers' and workers' organizations).
- 2 ILO 2026. *Social Dialogue and Collective Bargaining in Montenegro: A Rapid Assessment*. Geneva: International Labour Office, 2026.
- 3 Hereafter referred to as the Council.
- 4 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](#).
- 5 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>.
- 6 Montenegrin Employers' Federation submitted updated data on 24 February 2026.
- 7 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>.
- 8 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.
- 9 Montenegro, *Labour Law*, Article 198.
- 10 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.
- 11 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.
- 12 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.
- 13 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.
- 14 Council of Europe, *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>
- 15 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>.
- 16 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



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