

# *An Introduction to Collective Bargaining*



## **Distinguishing collective bargaining from other forms of social dialogue**

- **Social dialogue:** all types of negotiation, consultation or simply exchange of info
- **Collective bargaining:** comprehensive and substantive process of joint decision making between two parties
- **Consultation:** complementary to the CB process, wider scope of issues than CB
- **Tripartism:** negotiations, consultations or exchange of info and views between three parties



# What is collective bargaining?

Negotiations between **an employer, a group of employers** or one or more **employers' organisations**, on the one hand, and one or more **workers' organisations**, on the other, with the purpose of:

- (a) determining **working conditions** and **terms of employment**; and/or
- (b) **regulating relations** between employers and workers; and/or
- (c) **regulating relations** between employers or their organisations and a workers' organisation or workers' organisations.

**Promoting Collective Bargaining Convention, 1981 (No.154)**



# What is a collective agreement (CBA)?

“All agreements in writing regarding working conditions and terms of employment concluded between **an employer, a group of employers** or one or more **employers' organisations**, on the one hand, and one or more **workers' organisations...**”

«Collective agreements should **bind** the signatories thereto and those on whose behalf the agreement is concluded»

Collective agreements take precedence over individual contracts of employment... except of stipulations in the individual contract of employment which are more favourable for workers covered by the collective agreement.



**Collective Agreements Recommendation, 1951 (No. 91)**

## The normative framework: International labour standards

- The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- The right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- The Collective Bargaining Convention, 1981 (No. 154)
- Collective Bargaining Recommendation, 1981 (No. 163)
- Collective Agreements Recommendation, 1951 (No. 91)
- The Labour Administration Convention, 1978 (No. 150)
- Labour Relations (Public Service) Convention, 1978 (No. 151)
- Labour Clauses (Public Contracts) Convention, 1949 (No. 94)
- The Employment Relationship Recommendation, 2006 (No. 198)
- 1998 Declaration on Fundamental Principles and Rights at Work



## The normative framework: ILO principles on the right to collective bargaining

- The right to CB is a fundamental right
- CB is a right of workers' and employers' organizations
- CB requires free and independent trade unions
- Exclusive bargaining rights may be granted to a majority trade union
- Purpose of CB: regulate terms and conditions of employment & relations between parties
- CB assumes a free and voluntary character



# The normative framework: ILO principles on the right to collective bargaining

- The right to CB applies to all workers in the private and public sectors
- Collective bargaining is possible at any level
  - CB can take place at the enterprise level, at the sector or industry level, and at the national or regional level. It is up to the parties themselves to decide at what level they want to bargain.
- The scope of negotiable issues is prerogative of the parties
  - ILO standards regarding CB emphasise the voluntary nature of collective bargaining (no compulsion to bargain, or legal barrier to bargain).
- Effective CB is conducted in good faith
- CBAs bind the signing parties to their provisions
  - A refusal by a union or employer(s) to bargain at a specific level is not an infringement of freedom of association.
- Dispute resolution procedures can be imposed by law
  - e.g., Mediation and Arbitration



## Right to organize and collective bargaining convention, 1949 (no. 98) in a nutshell

- **A fundamental convention which enshrines the right to collective bargaining & provides that:**
  - **ALL workers shall enjoy adequate protection against acts of anti-union discrimination, including requirements that a worker not join a union or relinquish trade union membership for employment, or dismissal of a worker because of union membership or participation in union activities.**
  - **Workers' and employers' organizations shall enjoy adequate protection against any acts of interference by each other, in particular the establishment of workers' organizations under the domination of employers or employers' organizations, or the support of workers' organizations by financial or other means, with the object of placing such organizations under the control of employers or employers' organizations.**
- **164 ratifications, including the 45 European countries both members of the ILO and the Council of Europe**

## **Right to organize and collective bargaining convention**

- **All workers are covered**
- **Only exceptions:**
  - ↪ **Armed forces and the police**
  - ↪ **Civil servants engaged in the administration of the state**
- **(civil servants employed in government ministries and other comparable bodies and officials acting as supporting elements in these activities)**

## **Protection against acts of *anti-union discrimination* (art. 1)**

- **No person shall be prejudiced in his employment by reason of his/her trade union membership or legitimate trade union activities**
- **Protection against acts of anti-union discrimination requires to be effective:**
  - ↪ **Broad enough protective provisions in legislation**
  - ↪ **Procedures ensuring that complaints are examined promptly, impartially and inexpensively**
  - ↪ **Sufficiently dissuasive sanctions**

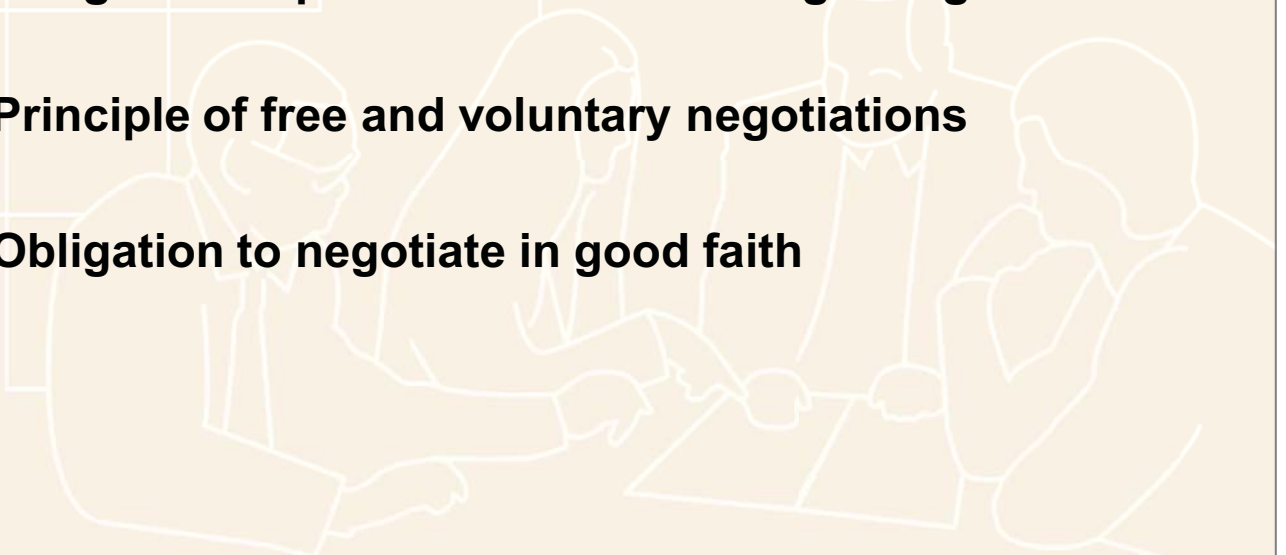
## **Protection against acts of interference (art. 2)**

- **Total independence of workers' organizations from employers and their organizations in exercising their activities and vice versa**
- **Effective and dissuasive sanctions**



## **Promotion of Collective Bargaining (art. 4)**

- **Process to create standards to govern labour relations**
- **Obligation to promote collective bargaining**
- **Principle of free and voluntary negotiations**
- **Obligation to negotiate in good faith**



## A widely recognized principle for its economic and social impacts

- “Ensuring the freedom of association and collective bargaining can go a long way toward promoting labour market efficiency and better economic performance. And there are obvious economic and social reasons for banning slavery and all forms of forced labour.” – World Bank, 2004

## The benefits of collective bargaining

- Balances the bargaining power in employment relations
- **Job quality:** wage, P-P, work/life balance, social and employment security
- **Regulations** that reflect & respond to reality
- Builds **trust** and **respect** between employers and workers
- **Enterprise performance:** W’ commitment , information-sharing, ‘voice’
- **Training**
- **Macroeconomic:** Inequality



### Flexible work practices

#### Wage flexibility

- Variable pay schemes
- Performance based payments
- Open clauses

#### Working time

- Annualized working hours
- Flexitime and working-time accounts
- Short-time work

#### Work organization

- Technological change
- Prevention of shrinkage
- Quality control and standards
- Productivity and responsiveness of production

#### Job evaluation systems/categories

### Income, employment and equal treatment

#### Wages and purchasing power

#### Social benefits

#### Employment security

- Continuity of service
- **Regularizing employment: contract workers**
- Voluntary retirement
- Retirement age
- Leave and financing for training

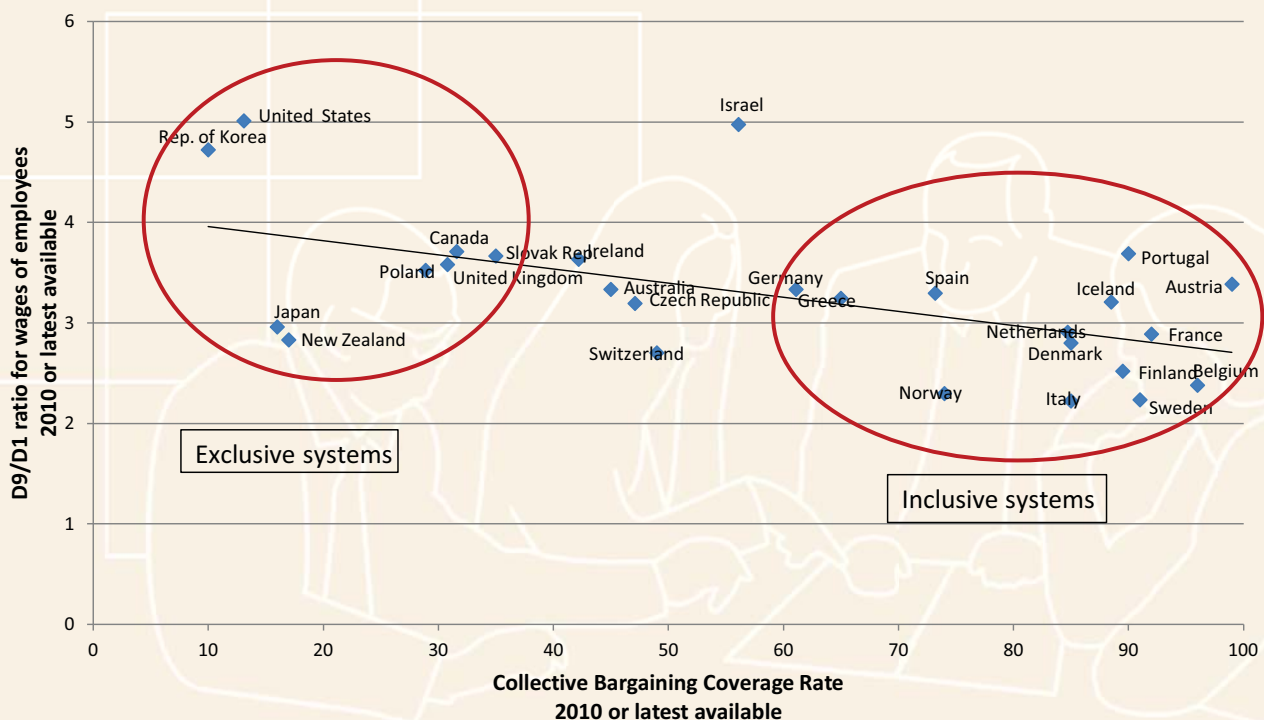
#### Gender and equal treatment

- Workplace policies on HIV/AIDS
- Parental leave and family responsibilities
- Sexual harassment
- **Wage parity for contract workers**
- Gender and racial equality

**Expanded collective bargaining agenda**

## Collective bargaining associated with less wage inequality

D9/D1 ratio and collective bargaining in developed economies (2010 or latest available)





# The role of the ILO

## The supervisory system

- Regular supervisory mechanism
- Special procedure for freedom of association

## **Some examples of the role of the ILO supervisory bodies**

- Foreign workers in an irregular situation are fully covered by convention 87
- Right of private employment agencies workers to be jointly unionized with the workers from the main company
- Acceptable restrictions to the right to strike
- Definition of anti-union discrimination acts

## Technical assistance

- Advisory services
- ILO research projects and publications
- Advanced training
- ILO technical cooperation programmes



**THANK YOU FOR YOUR ATTENTION!**

**Konstantinos Papadakis**  
**Senior Liaison Officer for Cyprus and Greece**  
**International Labour Organization (ILO)**  
**Tsakalof 14, 106 73, Athens**  
**email: [papadaki@ilo.org](mailto:papadaki@ilo.org)**

