

OECD/AIAS ICTWSS Database

Glossary



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GLOSSARY

The purpose of this glossary is to provide a common understanding of the concepts used in the OECD/AIAS ICTWSS database. Definitions provided below should not be taken as validated/legal ones in any specific country. In fact, these concepts may differ across countries and industrial relations contexts.

Articulation: degree of control of firm level bargaining by an outside union. It refers to the mutual dependence of union negotiations at different bargaining levels such that the actions of the centre are frequently predicated on securing the consent of lower levels, and the autonomous action of lower levels is bounded by rules of delegation and scope for discretion ultimately controlled by successively higher levels.

Collective bargaining: according to Article 2, ILO Convention No. 154, collective bargaining extends to all negotiations which take place between an employer, a group of employers or one or more employer organisations, on the one hand, and one or more worker organisations, on the other, for:

- determining working conditions and terms of employment; and/or
- regulating relations between employers and workers; and/or
- regulating relations between employers or their organisations and a worker organisation or worker organisations.

Collective bargaining normally results in a written document (*collective agreement*) that is mutually binding for a stipulated time.

Cross-sectoral (or national) agreement: collective bargaining agreement signed by peak-level social partner organisations, covering the entire economy, the entire private sector or several sectors.

Derogations: possibility to deviate by collective agreement from statutory minimum standards of labour protection setting less favourable conditions for workers.

Dual-channel works councils: type of firm-level worker representation where works councils co-exist with local trade union or workers representatives

Erga omnes: literally in Latin, “towards everybody”. In labour law, the term refers to the extension of agreements for all workers, not only for members of signatories unions. For cases where agreements are extended to workers in non-signatories firms, please, refer to “extension”.

Extension or administrative extension: corresponds to the act of extending the terms of collective agreements at sectoral level also to workers in firms that have not signed the agreement or are not affiliated to an employer organisation that signed the agreement. This also includes automatic extensions which therefore do not need a formal legal act but rely on standard administrative practice or jurisprudence (for instance, relating to the setting of minimum wages, working hours or social insurance contributions and entitlements).

Favourability principle: refers to the fact that the most favourable conditions to should apply in case of diverging standards in different agreements covering the same worker.

Firm-level agreement: company-level collective agreements between an employer and a trade union or between an employer and an employee body, elected and/or mandated by the company’s staff. In this report, “firm” and “company” are used interchangeably.

Opening clauses: clauses which allow to set lower standards, i.e. less favourable conditions for workers, in a generalised way and not specifically related to economic difficulties (in this latter case see “opt-out”).

Opt-out clause: temporary “inability to pay” clauses which allow the suspension or renegotiation of (part of) the agreement in cases of economic hardship.

Peace clause: clause in the collective agreement which states that unions which have signed the agreement, and their members, cannot lawfully strike on issues regulated in the agreement.

Retroactivity: refers to the extension of the provisions of a newly signed agreement to a period before its actual signature or extension (usually to the period between the expiration of the previous agreement and the entry into force of the new one). Usually it implies the payment of arrears corresponding to the increase in negotiated wages.

Sectoral agreement: collective bargaining agreement signed by trade unions and employer organisations which represent workers and employers of a specific sector (e.g. metal sector, chemical sector, etc.).

Single-channel works councils: type of firm-level workers’ representation where works councils are the sole eligible employee representative structure.

Social dialogue: is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Collective bargaining, and workers’ voice, which are the focus of this volume, are specific forms of social dialogue. Social dialogue can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers’ organizations), with or without indirect government involvement. Social dialogue processes can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of these.

Social pact: a peak-level deal (for instance at national level) over a comprehensive public policy package negotiated between governments, trade unions and/or employer’s organisations.

Social partners: representatives of employers and workers, usually employer organisations and trade unions.

Split-channel works councils: type of firm-level workers’ representation where employee elected works councils are mandatory where there is no or insufficient union representation, as a structure supplementary to the union.

Tripartite (or Bipartite) Social-Economic Councils: nation-wide institutions founded for the purpose of social dialogue between the government and the central organisations of trade unions and employers (tripartite) or between unions and employers’ organisations (bipartite).

Ultra-activity or after-life: refers to the validity of a collective agreement beyond its termination date.

Wage co-ordination: co-ordination between and/or within trade unions and/or employer organisations (sometimes with some role of the government) to set formal or informal objectives on wage increases or wage freezes/cuts. Wage co-ordination can take different forms, i.e. “pattern bargaining”, where first a sector or a region starts and the others follow; formal or informal inter- or intra-associational guidelines to follow when negotiating; or wage increases or cuts agreed with a social pact or national agreement.

Works council: official firm-level body which represents workers (often directly elected by workers and different from unions or union branches at firm level).