

# Iceland

## *Main indicators and characteristics of collective bargaining*

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This note presents the main indicators and characteristics of collective bargaining in Iceland for 2019 or the latest year available. The purpose of this note is to provide a snapshot of the functioning of collective bargaining in Iceland that can be used for comparisons with other countries in the database. Therefore, this note does not provide a precise description of the legal provisions or standard practices in Iceland but only a general summary.

The first version of the OECD and AIAS, Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) database has been released in February 2021 and has been produced with the financial assistance of the European Union Programme for Employment and Social Innovation “EaSI” (2014-2020), VS/2019/0185. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

The OECD/AIAS ICTWSS database together with its codebook, a note on methodology and sources and a glossary is publicly available at [www.oecd.org/employment/ictwss-database.htm](http://www.oecd.org/employment/ictwss-database.htm). For any information or correction, please contact [CollectiveBargaining@oecd.org](mailto:CollectiveBargaining@oecd.org).

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## ***The actors and scope of collective bargaining***

<i>Trade union density (% of employees)</i>	92.2% (in 2020)
<i>Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)</i>	90% (in 2019)
<i>Employer organisation density (% of employees)</i>	78.2% (in 2018)

## ***Wage setting***

<i>The predominant level at which wage bargaining takes place (in terms of coverage of employees)</i>	Bargaining predominantly takes place at the sector or industry level
<i>The combination of levels at which collective bargaining over wages takes place</i>	Sectoral (separate branches of the economy), with sectorally determined binding norms or ceilings to be respected by all further agreements
<i>Reach or incidence of additional enterprise bargaining</i>	No additional enterprise-bargaining
<i>Favourability</i>	Hierarchy between levels is undefined and a matter for the negotiating parties (not fixed in law)
<i>Opening clauses in sectoral collective agreements</i>	Agreements contain no opening clauses
<i>Crisis-related, temporary opening clauses in collective agreement</i>	Agreements contain no opening clauses
<i>Mandatory extension of collective agreements to non-organised employers</i>	Extension is virtually automatic and more or less general (including enlargement)
<i>Is there a statutory minimum wage in your country?</i>	No, no statutory minimum wage

## ***Wage co-ordination***

*Coordination of wage-setting*

Non-binding norms and/or guidelines (recommendations on maximum or minimum wage rates or wage increases) issued by a) the government or government agency, and/or the central union and employers' associations (together or alone), or b) resulting from an extensive, regularized pattern setting coupled with high degree of union concentration and authority

*Type of coordination of wage setting*

Inter-associational by peak associations

## ***Works councils and employee representation in the enterprise***

*Status of works council*

Works council or similar (union or non-union) based institutions of employee representation confronting management do not exist or are exceptional

*Involvement of works councils (or similar structures) in wage negotiations*

Not applicable (no works councils)

## ***Social pacts and agreements***

*A social pact or central agreement is signed in specified year*

No

*Existence of a tripartite council for the purpose of negotiation, consultation or information exchange over social and economic policies*

No permanent council