

Luxembourg

Main indicators and characteristics of collective bargaining

This note presents the main indicators and characteristics of collective bargaining in Luxembourg for 2019 or the latest year available. The purpose of this note is to provide a snapshot of the functioning of collective bargaining in Luxembourg 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 Luxembourg 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. For any information or correction, please contact CollectiveBargaining@oecd.org.

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The actors and scope of collective bargaining

<i>Trade union density (% of employees)</i>	28.2% (in 2019)
<i>Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)</i>	56.9% (in 2018)
<i>Employer organisation density (% of employees)</i>	81.8% (in 2018)

Wage setting

<i>The predominant level at which wage bargaining takes place (in terms of coverage of employees)</i>	Intermediate or alternating between sector and company bargaining
<i>The combination of levels at which collective bargaining over wages takes place</i>	Sectoral (separate branches of the economy) and company, with company agreements that specify, or deviate from, sectoral agreements, guidelines or targets
<i>Reach or incidence of additional enterprise bargaining</i>	No additional enterprise-bargaining
<i>Favourability</i>	Hierarchy between agreement-levels is strictly applied and defined in law: lower level agreements can only offer more favourable terms
<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 used in many industries, but there are limitations (e.g. thresholds or the government can (and sometimes do) decide not to extend (clauses in) collective agreements)
<i>Is there a statutory minimum wage in your country?</i>	Yes, there is one or more statutory minimum wage rate(s) that cover(s) all or most employees

Wage co-ordination

Coordination of wage-setting

Some coordination of wage setting, based on pattern setting by major companies, sectors, government wage policies in the public sector, judicial awards, or minimum wage policies

Type of coordination of wage setting

Government sets signals (public sector wages, minimum wage)

Works councils and employee representation in the enterprise

Status of works council

Existence and rights of works council or structure for (union and non-union based) employee representation within firms or establishments confronting management are mandated by law or established through basic general agreement between unions and employers

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

Works councils is formally (by law or agreement) barred from negotiating (plant-level) agreements and involvement of works councils in negotiating (plant-level) agreements is rare

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

Tripartite council with representation from the trade unions, employers' associations, and independent experts or government (-appointed) representatives