

# Glossary

*The purpose of this glossary is to provide a common understanding of the concepts as they are used in the publication. 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.*

**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 from the law and/or from higher level agreements:** opening or derogation 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”).

**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.

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

**Non-standard forms of employment:** refers to all forms of work that are not based on a full-time open-ended employment contract.

**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.).

**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.

**Temporary work agency (TWA) workers:** a worker with a contract (of limited or unlimited duration) under which the employer (i.e. the agency) places that person at the disposal of a third party (i.e. the user firm) in order to engage in work under supervision and direction of that user firm through an agreement for the provision of services between the user firm and the agency.

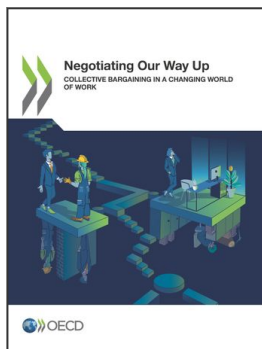
**Ultra-activity or after-life:** refers to the validity of a collective agreement beyond its termination date.

**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.

**Workers' voice:** is made of the various institutionalised forms of communication between workers and managers that offer an alternative to exit (i.e. dissatisfied workers quitting) in addressing collective problems at firm (in this report, "firm" and "company" are used interchangeably) or workplace (in this report "plant", "establishment" and "workplace" are used interchangeably). It can be organised in different ways: in this volume, instances of workers' voice mediated through representative institutions are called "**representative voice**". Representative voice arrangements include local trade union representatives (either appointed by the trade union or elected by the workers), works councils (usually a legally established body elected or appointed by all workers in the firm irrespective of their membership of a trade union), or worker representatives (elected or appointed among the workers, either union members or independent). The prerogatives and rights of the representing entities (from information, to consultation and co-determination) vary across countries. By contrast, when workers' voice takes the form of an institutionalised, regular dialogue between workers and managers (e.g. via participatory town halls meetings, regular direct consultations etc.), it is called **direct voice**. "**Mixed**" systems of voice are those in which both direct and representative arrangements for workers' voice cohabit). Direct and representative forms of voice are not substitutes: they differ notably in terms of the legal protections and rights attached

to the status of workers' representatives (such as protection against retaliation and firing, and information and consultation rights).

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



**From:**

## **Negotiating Our Way Up**

Collective Bargaining in a Changing World of Work

**Access the complete publication at:**

<https://doi.org/10.1787/1fd2da34-en>

### **Please cite this chapter as:**

OECD (2019), "Glossary", in *Negotiating Our Way Up: Collective Bargaining in a Changing World of Work*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/e7180a00-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.