

Sheet 6: Coordination of wage bargaining

There are several forms in which unions, employers or governments can engage in the coordination of collective bargaining on wages. Such coordination concerns stronger and weaker forms of harmonisation of bargaining procedures, targets and outcomes. Coordination can be explicit or implicit.

Explicit coordination: where the social partners, with or without the government, agree on joint rules or joint targets for wage bargaining, e.g. in the form of national wage agreements, social pacts or sectoral wage agreements.

Implicit coordination: where a particular union, employers' group or sector dominates or is taken as the main example to follow in collective bargaining in a country, and hence sets the trend, norm or target for others. In this way, certain sectors or multinationals can set the pattern for wage bargaining in the rest of the economy. Also, a particular union can set the trend for the rest of the unions through its wage demands. The trend or norm for pay developments can also be determined by the government through explicit guidelines, a legal pay indexation mechanism and/or the statutory minimum wage.

The table below gives the situation concerning coordination of wage bargaining in Europe in 2003 (in some countries, important changes have taken place in some forms of coordination).

	Types of coordination of wage bargaining, 2003
Finland	Explicit coordination through national wage agreements and sectoral coordination
Belgium	Explicit coordination in National Labour Council, little sectoral coordination
Slovenia	Explicit coordination through bipartite and tripartite national agreements
Denmark	Some explicit coordination and broad sectoral agreements and pattern setting
Netherlands	Some explicit, but mostly implicit coordination and some pattern setting by large employers and unions.
Sweden	Implicit coordination within confederations (unions) and pattern setting, aided by joint institutions
Austria	Implicit coordination through synchronisation of bargaining rounds and pattern setting between sectors
Ireland	Explicit coordination through national wage agreements, but no sectoral coordination
Germany	Implicit coordination through comprehensive sectoral bargaining and pattern setting
Spain	Some explicit coordination between confederations of unions and employers in recent years and a small degree of pattern setting in sectoral bargaining
Italy	Implicit coordination between major employers (through strongest regional and sectoral federations) and, in principle, trade union confederations
Portugal	Implicit coordination between major employers, little coordination between unions.
Luxembourg	Implicit coordination among employees and employers, no sectoral coordination

Greece	Some explicit coordination, with government assistance, little sectoral coordination
France	Irregular implicit coordination through pattern setting in the public sector and nationalised industries
Cyprus	Some pattern setting between sectors
Malta	Implicit coordination among unions and employers
Slovakia	No national coordination since 2000, some sectoral coordination
Hungary	Some national coordination through the tripartite body, no sectoral coordination
Latvia	Some national coordination , mainly on minimum wages
Poland	No national or sectoral coordination
UK	No national or sectoral coordination
Estonia	No national or sectoral coordination
Czech Rep.	No national or sectoral coordination
Lithuania	No national or sectoral coordination