

Sheet 7: Extension of collective agreements

The extension of collective agreements is used here to refer to the extension of the provisions of collective agreements to enterprises, organisations and employees that are not party to the collective agreements. In most European countries extensions are possible, in some they are not.

Countries where extensions are possible: Austria, Belgium, Estonia, Finland, France, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain

Countries where extensions are not possible (or not practiced): Cyprus, Czech Republic, Denmark (no practice of extensions in the private sector), Ireland, Italy (the Constitution provides for extension but the relevant article was never enacted), Sweden (no practice of extensions in the private sector), United Kingdom (no practice of extensions in the private sector).

Extensions normally concern sectors or branches of the economy, and sometime occupations. The decisions on extensions are made by the government, with the exception of Austria where it is the Federal Arbitration Office. In most cases the government extends agreements only after a request from one of the parties to the agreement. However, in some countries (Finland, Greece, Malta, Poland and Portugal) such a request is not necessary. In some cases, extensions can only be made if a certain percentage of employers or employees in a sector are already covered by the original agreement (Finland, Germany, Greece, Latvia, and the Netherlands), while in Hungary the parties to the agreement have to prove their representativity in the sector concerned. In some cases, extensions are automatic under certain conditions (in Belgium, if agreements are signed by all parties in Joint Industry Councils or in the National Labour Council; in Spain, if they are signed by a majority of the representatives of each party to the agreement). In Austria and Slovenia, they are automatic owing to the obligatory membership of employers of the Chamber of Commerce.

The extension of collective agreements can be very important if it widens the coverage of collective agreements beyond trade union members. Indeed, in some countries there is a large difference between trade union membership and the coverage of collective agreements.