Outline of the publication

Chapter 1: Overview

Chapter 2: The functioning of collective bargaining systems

Chapter 3: Collective bargaining and labour market performance

Chapter 4: Collective bargaining, workers’ voice and job quality

Chapter 5: Collective bargaining and the future of work
THE FUNCTIONING OF COLLECTIVE BARGAINING SYSTEMS
The actors of collective bargaining

**Trade union density**
% of employees, 2018 or latest available year

**Employer organisation density**
% of employees in the private sector, latest year available
The building blocks of collective bargaining

- **Level(s) of bargaining**
  - Firm
  - Sectoral
  - National

- **Degree of centralisation**
  - Decentralisation
  - Organised decentralised
  - Centralisation

- **Degree of flexibility** (extensions, opt-out and favourability principle)

- **Degree of co-ordination**
  - No co-ordination
  - Co-ordination
  - Poorly enforced and/or low quality of labour relations
  - Enforced and/or high quality of labour relations

- **Representativeness of social partners**

- **Governance**
  - Enforcement capacity and quality of labour relations
## The different modes and degrees of co-ordination

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<th>Degree of co-ordination</th>
<th>State imposed / induced</th>
<th>Pattern bargaining</th>
<th>Inter/Intra-associational</th>
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A taxonomy of collective bargaining systems…

Five main types of collective bargaining systems:

1. Predominantly centralised and weakly co-ordinated
2. Predominantly centralised and co-ordinated
3. Organised decentralised and co-ordinated
4. Largely decentralised
5. Fully decentralised
...and workers’ voice arrangements in OECD countries

- **Workers’ voice**: the alternative to exit
- **Representative** (mediated) forms of voice
- **Direct** forms of voice: regular, institutionalised, participatory meetings
- **Key distinction**: legal protections and rights of workers’ representatives
- 37% of European workers in 2015 were covered by “mixed” systems of voice
- **More mixed voice** in well-coordinated systems, less voice of any sort in decentralised and weakly-coordinated systems
KEY TRENDS AND CHALLENGES
Trade union density has more than halved on average since 1975

% of employees who are union members, 1975-2018

Collective bargaining coverage has also shrunk

% of employees covered by a collective agreement, 1985-2018

A rising number of workers are in non-standard jobs, and they are not unionised

Estimated trade union density for standard and non-standard workers (% of employees, latest year available)

Does collective bargaining still matter in the future of work?
Collective bargaining can ease transitions in a changing world of work

When social partners work co-operatively and anticipate new challenges, in a framework guaranteeing fundamental labour rights, collective bargaining can:

- Help companies respond to demographic and technological changes in a more flexible and pragmatic – but yet fair - manner than labour regulation.
- Shape the design and definition of new rights (e.g. the right to disconnect), improve existing ones (e.g. training)
- Complement government efforts in strengthening labour market security and adaptability
Collective bargaining can foster inclusive labour markets and enhance job quality.

- Lowest wage inequalities with sectoral bargaining
- Wage premium of firm-level bargaining
- Centralisation associated with lower productivity growth
- Co-ordination linked with ↑ employment & ↓ unemployment
- Co-ordination also increases labour market resilience
- Higher quality of the work environment
Collective bargaining perform **functions** that are **still relevant today**

- **Employers and workers still need a mechanism to negotiate compromises** as issues emerge.
- Imbalances in bargaining power still risk creating **market failures** (e.g. monopsony power, or decoupling between wages and productivity).
- The right to organise and bargain collectively remains a **relevant protection** for workers in **vulnerable positions**.
KEY AREAS FOR ACTION AND POLICY RESPONSES
Revamping collective bargaining: three key messages from the report

1. **Design matters**: the architecture of bargaining systems should balance inclusiveness & flexibility
   - Maintaining high coverage…
   - …while leaving some margins of flexibility

2. **Access to bargaining** should be reformed to ensure a large coverage in a changing world of work
   - Enforcing the correct classification of workers and fighting misclassification
   - Adapting existing regulations to grant the right to bargain to vulnerable non-salaried workers

3. **Social partners** also need to adapt
Thank you

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