



**MODULE 1**  
**LECTURE 4**

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## Contents

- IR and ILO
- Conditions for Successful IR
- Causes for Failure of IR



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## IR and ILO

- Sound industrial relations and effective social dialogue are a means to promote better wages and working conditions as well as peace and social justice.
- As instruments of good governance they foster cooperation and economic performance, helping to create an enabling environment for the realization of the objective of Decent Work at the national level.
- Indicators on industrial relations are an important element in measuring progress of Decent Work, which is why ILOSTAT presents statistics on trade union density and collective bargaining coverage rates resulting from an ILO data compilation effort.
- ILOSTAT also includes statistics compiled from national sources on the number of strikes and lockouts that took place every year, the number of workers involved in strikes and lockouts, the number of days not worked due to strikes and lockouts and the ratio of days not worked due to strikes and lockouts per 1000 workers, all of them disaggregated by economic activity.

## Method of computation

- ILOSTAT presents statistics on three calculated indicators on industrial relations, namely, the trade union density rate, the collective bargaining coverage rate and the days not worked due to strikes and lockouts per 1000 workers, calculated as follows:

**Trade union density rate =  $\frac{\text{Number of employees union members} \times 100}{\text{Total number of employees}}$**

- For comparability purposes (and as mentioned above) the scope of trade union density statistics in ILOSTAT is employees only (excluding persons not in paid employment), unless otherwise stated in the notes.

**Collective bargaining coverage rate =  $\frac{\text{Number of employees covered by collective bargaining} \times 100}{\text{Number of employees with the right to collective bargaining}}$**

- For comparability purposes the scope of collective bargaining coverage statistics in ILOSTAT is employees only (excluding persons not in paid employment), unless otherwise stated in the notes.

## Causes for Poor IR

- Narrow Focus of the Employer.
- Inflexibility of the Employer.
- Division.
- Mistrust between the parties.
- Mishandling of situation by Trade Unions

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## Conditions for Successful IR

- Trust between the Parties.
- Proactive Role of the Government.
- Compliance
- Relation Building
- Proper Grievance handling
- Collective Bargaining

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## Factors for a sound Industrial Relations System

- Existence of strong, well organized and democratic employees unions
- Existence of sound and organized employers unions
- Spirit of collective bargaining and willingness to resort to voluntary arbitration
- Maintenance of industrial peace.

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