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Improving Industrial Relations through Good Faith Bargaining

JAKARTA (ILO News): Key officials representing government, employers and trade unions will meet at J.W. Marriott Hotel, Jakarta, Tuesday (7/2), to look at ways of promoting effective good faith negotiations and collective bargaining in line with the Manpower Act No. 13/2003 and, the newly implemented, Industrial Dispute Settlement Act No. 2/2004.

The aim of this workshop is to improve industrial relations system by sharing comparative information on how to conduct negotiations and collective bargaining through good faith for the improvement of terms of employment, working conditions, and overall labour-management relations.

The workshop will be officially opened by Secretary General of Ministry of Manpower and Transmigration, Harry Heriawan Saleh. The ILO's international specialists on social dialogue and labour administration, Giuseppe Casale and Alagandram Sivananthiram, both based in Geneva, will conduct the workshop. They will present comparative overview on the law and practice of collective bargaining in good faith and the Asian perspectives.

Carmelo Noriel, ILO Chief Technical Advisor on Industrial Relations, said, "Collective bargaining can only function effectively if it is conducted in good faith by both parties. Good faith could not be imposed by law, but could only be achieved if employers and workers make voluntary and persistent efforts to come to an agreement."

The notion of bargaining in good faith receives different appreciation depending on the industrial relations system. This notion is commonly called "duty to bargain" or "obligation to negotiate". The main difference, if any, lays between those countries, which, for historical reasons, have felt the necessity to specify in their legislation, that "duty to bargain" meant, "to bargain in good faith", and those who did not need to introduce such a specification.

In Malaysia, for example, the Industrial Relations Act, in force since 1967, includes a comprehensive list of workers' and employers' rights, particularly related to organizing trade unions and taking part in their activities. Similarly, in the Philippines, unfair labour practices are explicitly enumerated in the Labour Code of 1974. The duty to bargain consists of an obligation to negotiate an agreement but does not however impose an obligation on parties to agree.

Meanwhile, in Singapore, the Industrial Relations Act prescribes the time limit for acceptance of invitation to negotiate. In case of non-acceptance, a conciliation procedure through notification of the Commissioner for Labour and the Minister of Labour has been put in place.

The legal explicit duty to bargain in good faith has been in place in countries such as the United States and Canada. The practice shows that good faith negotiations work especially well in a framework that provides dispute resolution through mediation and other mechanisms. In cases not resolved by the parties themselves, labour boards and courts issue decisions based on consistent principles and interpretations.

The one-day training is organized by the ILO under its ILO/USA Declaration Project on Industrial Relations. A similar event will also be held in Balikpapan, East Kalimantan, on Thursday, 9 February 2006.