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# SOCIAL PARTNERSHIP IN ENSURING DECENT LABOR REMUNERATION

#### Abstract

The paper focuses on the development of social partnership in the process of ensuring decent labor remuneration for employees. It highlights the development perspectives of the social partnership institute in the context of decent work concept implementation. The aim of the study is to evaluate and develop recommendations for improving the collective and contractual regulation of remuneration policy in Ukraine in view of the decent work concept. The analysis of the stages of social partnership development in Ukraine has proved that social partnership is currently characterized by features of the forming stage. Some characteristics of the development stage are also traced, but they have not yet fully manifested themselves in Ukraine. The analysis of the conditions for social and labor relations in Ukraine, the practice of collective bargaining procedures, the structure and content of collective agreements and contracts showed a low level of social partnership development and low social responsibility of social partners. The research showed that the practice of developing a compensation package at most enterprises was carried out without the participation of social partnership or with minimal participation. Existing social partnership practices cause inadequate social protection for employees and negatively characterize labor remuneration policy in terms of decent work. A number of proposals were developed to overcome the negative trends inherent in the institute of social partnership and collective agreements at different levels. Recommendations include granting agreements the status of normative acts, regulating the procedure for concluding agreements at different levels, determining the procedure for informing employees about the content of agreements and contracts, and disseminating an ideology of social responsibility among social partners.

#### **Keywords**

social partnership, decent work, labor remuneration

JEL Classification J38, J52, J81

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## СОЦІАЛЬНЕ ПАРТНЕРСТВО В ЗАБЕЗПЕЧЕННІ ГІДНОЇ ОПЛАТИ ПРАЦІ

#### Анотація

Стаття присвячена питанням розвитку соціального партнерства в процесі забезпечення гідної оплати праці працівників. Висвітлено перспективи розвитку інституту соціального партнерства в контексті імплементації концепції гідної праці. Метою дослідження є оцінка та розробка рекомендацій щодо вдосконалення колективно-договірного регулювання політики оплати праці в Україні з погляду концепції гідної праці. Аналіз етапів розвитку соціального партнерства в Україні показав, що соціальному партнерству на сьогодні притаманні характеристики етапу формування. Простежуються також деякі характеристики етапу розвитку, але вони ще не повною мірою проявляються в Україні. Аналіз стану соціальнотрудових відносин в Україні, практики колективних переговорів, структури та змісту колективних угод і договорів засвідчив низький рівень розвитку соціального партнерства та низьку соціальну відповідальність соціальних партнерів. Дослідження показало, що практика розробки компенсаційного пакета на більшості підприємств здійснювалася без участі соціального партнерства або з мінімальною його участю. Сучасна практика соціального партнерства обумовлює недостатній соціальний захист працівників та негативно характеризує політику оплати праці з погляду гідної праці. Розроблено низку пропозицій щодо подолання негативних тенденцій, притаманних інституту соціального партнерства та колективним угодам на різних рівнях. Рекомендації містять: надання угодам статусу нормативних актів, регулювання послідовності укладення угод на різних рівнях, визначення порядку інформування працівників про зміст угод і договорів, поширення ідеології соціальної відповідальності серед соціальних партнерів.

#### Ключові слова

соціальне партнерство, гідна праця, оплата праці

Класифікація JEL

J38, J52, J81

## INTRODUCTION

An important direction of remuneration policy formation on the basis of decent work is to ensure equal representation of the main partners of social and labor relations and the development of social partnership. Social partnership is the most effective and civilized form of building social and labor relations, since it involves reconciling the interests of the main partners to these relations, equality of partners, recognition of the rights and obligations of each partner. In addition, the development of the institute for social partnership is one of the priority directions for forming the institutional framework of the remuneration policy development.

### **1. LITERATURE REVIEW**

Among the main areas covered by the concept of decent work, announced by Somavia (1999) at the International Labour Organization (ILO) Conference in June 1999, is the development of a system of tripartism and social dialogue, in particular through the strengthening of the positions of all partners of social and labor relations (social actors).

Strategic priorities that ensure decent work and economic growth, according to Majid (2001), include ensuring representation in social dialogue.

ILO (2001) experts believe that one of the factors that cause a decent work deficit is the deprivation of work rights and the imperfection of social dialogue.

A necessary component of the decent work, according to Anker, Chernyshev, Egger, Mehran and Ritter (2002) is the freedom of collective representation of workers' interests.

Ghai (2003), reviewing the issue of decent work and indicators of its dimensions, appeals to the four priority areas highlighted by the ILO, including social dialogue. Through social dialogue, employees exercise the right to express their views, defend their interests, and participate in negotiations with the purpose to discuss work-related issues with employers and authorities.

Bonnet, Figueiredo and Standing (2003) analyze the issues of decent work at different levels and identify different forms of job security. One of these forms, according to scientists, is representation security.

Among three priorities of Decent Work Program of ILO for Ukraine for 2016–2019 there is promoting effective social dialogue. The results of the implementation of this priority include the following: ensuring compliance of labor legislation with international labor standards and EU directives; improving the collective bargaining system and settlement of labor disputes; strengthening the capacity of social partners and institutions of social dialogue (ILO, 2016).

One of the four priorities of Decent Work Program of ILO for Ukraine for 2020–2024, identified by tripartite partners – government, employers and trade unions – is to ensure effective inclusive social dialogue (CFTU, 2019).

Thus, among the priority areas that underpin the concept of decent work, international organizations and scientists distinguish representation and social dialogue. In view of this, the important direction of implementation of the decent work concept is to ensure equal representation of the main partners of social and labor relations in the formation and implementation of remuneration policy and the development of social partnership.

## 2. METHODS

The research purpose: to evaluate and develop recommendations for improving the collective and contractual regulation of remuneration policy in Ukraine in view of the decent work concept.

The methods of systematic, comparative and critical analysis were used for substantiation of the theoretical section and the results section of this research. The method of synthesis was used for development of the corresponding recommendations.

## 3. RESULTS

Considering the stages of social partnership development in Ukraine, it is necessary to notice that social partnership is characterized by features of the forming stage:

- legislation regulating labor relations based on social partnership, including procedure, content and subjects of collective bargaining has been formed;
- partners and subjects of social partnership have been organized (art. 4 Law of Ukraine "On Social Dialogue in Ukraine" (The Verkhovna Rada of Ukraine, 2010);
- the arbitration system for the settlement of collective labor disputes and conflicts has been regulated by Law of Ukraine "On the Procedure for Settlement of Collective Labor Disputes (Conflicts)" (The Verkhovna Rada of Ukraine, 1998) and formed.

Legal bases of social and labor relations regulation on the basis of social partnership are settled by normative acts:

- Labor code of Ukraine (The Verkhovna Rada of Ukraine, 1971);
- Law of Ukraine "On Collective Agreements and Contracts" as of 01.07.1993 No. 3356-XII (The Verkhovna Rada of Ukraine, 1993);
- Law of Ukraine "On Social Dialogue in Ukraine" as of 23.12.2010 No. 2862-VI (The Verkhovna Rada of Ukraine, 2010);
- Law of Ukraine "On Trade Unions, Their Rights and Guarantees of Activity" as of 15.09.1999 No. 1045-XIV (The Verkhovna Rada of Ukraine, 1999);
- Law of Ukraine "On Employer Organizations, Their Associations, and the Rights and Guarantees of Their Work" as of 22.06.2012 No. 5026-VI (The Verkhovna Rada of Ukraine, 2012);
- Law of Ukraine "On the Procedure for Settlement of Collective Labor Disputes (Conflicts)" as of 03.03.1998 No. 137/98-BP (The Verkhovna Rada of Ukraine, 1998).

The characteristics of the development stage of institutional features of social partnership in Ukraine are also traced:

- principles and norms of the social welfare state have been constitutionally enshrined. In particular, the Constitution (art. 1) proclaims Ukraine as a social state, and human rights and freedoms and guarantees determine the content and orientation of the state's activity (art. 3) (The Verkhovna Rada of Ukraine, 1996);
- the scale of trade union movement has been increased. According to the State Statistics Service of Ukraine (SSSU, 2019), the number of trade unions and their associations has increased by 1.8 times during 2006–2018;
- scientific-methodological and informational support of social partnership has been developed. It has been facilitated by the work of research institutions;
- the negotiation process and the process of concluding collective agreements and contracts have been developed. During 1991–2019, 13 general agreements were concluded.

Despite the development of certain formal institutional features of social partnership in Ukraine, the features of development have not been fully manifested. This conclusion is based on the following research findings.

1. In Ukraine, there are negative trends and problems in the negotiation process. One of the negative trends is the delay into concluding collective agreements. There is a time lag between the expiration of an agreement and the term of concluding a new one, due to the difficulty of reaching the mutual arrangements of the social partners on certain issues, first and foremost on the key issues related to labor remuneration. As a consequence, the "validity" of previous agreements prolongates and it does not contribute to solving the existing problems in the social and labor sphere because some provisions of such agreements are outdated and do not

correspond to the realities of the economic situation, the situation on the labor market. This situation has recently been observed on the conclusion of general agreements. Thus, the General Agreement for 2010–2012 was signed by the partners only in November 2010 (The Verkhovna Rada of Ukraine, 2010). A preliminary agreement remained in force during 2013–2015. The General Agreement for 2016–2017 was signed in August 2016 (The Verkhovna Rada of Ukraine, 2016). General Agreement for the new term (2019–2021) was signed in March 2019 (The Verkhovna Rada of Ukraine, 2019).

2. There is weakness of trade unions as a representative and defender of the employees' interests. Sociological surveys conducted by various organizations show a low level of employees' trust in trade unions.

According to a survey conducted by the Sociological Service of Razumkov Center in 2019, only 2.4% of Ukrainian citizens fully trust trade unions, and 20.7% rather trust them. 28.9% of citizens do not trust this public institute at all and 28.6% rather do not trust it. It was difficult to answer for 19.5% of respondents (Razumkov Center, 2019).

- 3. Although the state declares the need to develop social partnership, it often fails to perform its role and function as a guarantor of socio-economic and labor rights of citizens due to the use of the tripartite model of social partnership.
- 4. The imperfection of the Ukrainian legislation regarding the regulation of social and labor relations on the basis of social partnership:
- the legislation of Ukraine does not provide for the extension of the provisions and regulations of the general, sectorial and territorial agreements to enterprises that did not participate in the negotiation process and signing agreements. Art. 9 of the Law of Ukraine "On Collective Agreements and Contracts" (The Verkhovna Rada of Ukraine, 1993) stipulates that the provisions of the general, sectoral and territorial agreements are obligatory for all entities within the scope of the partners, who signed the agreement;
- law of Ukraine "On Social Dialogue in Ukraine" provides for the possibility of not reaching arrangements between the partners of social dialogue, in particular art. 8 (The Verkhovna Rada of Ukraine, 2010) determines that failure to reach a compromise between the partners on the basis of conciliation procedures could not be a reason for hindering the work of social dialogue bodies;
- Ukrainian legislation does not oblige partners of social partnership, in particular public authorities, to implement decisions adopted by tripartite or bilateral bodies of social dialogue. Art. 9 of the Law of Ukraine "On Social Dialogue in Ukraine" (The Verkhovna Rada of Ukraine, 2010) prescribes that such decisions are obligatory only for consideration.

The assessment of the level of regulation of labor remuneration by the General Agreements for 2016–2017 (The Verkhovna Rada of Ukraine, 2016) and 2019-2021 (The Verkhovna Rada of Ukraine, 2019) in accordance with the legislation (The Verkhovna Rada of Ukraine, 1993) is given in Table 1.

**Table 1.** The assessment of the level of regulation of labor remuneration by the General Agreements for 2016–2017 and 2019–2021

Source: Composed by the authors.

Legislative rules of remuneration	General Agreen	nent for 2016–2017	General Agreement for 2019–2021	
that must be regulated by General Agreement according to art. 8 of the Law of Ukraine "On Collective Agreements and Contracts"	norms of agreement	assessment of the level of regulation (yes, no, partially)	norms of agreement	assessment of the level of regulation (yes, no, partially)
Minimum social guarantees of remuneration and income for all groups of the population that would provide a decent living standards	2.4, 2,5, 2.6, 2.21, 2.22, 2.26, 2.27, 2.28, 2.29, 2.30	yes	2.1, 2.2, 2.3, 2.4, 2.5, 2.7, 2.19	yes
Amount of living wage	2.10	partially	-	no
Amount of minimum normatives	2.7, 2.12, Annex 3	partially	2.15, 2.20, Annex 3	partially
Social insurance	-	no	-	no
Conditions for the growth of wages funds	2.1, 2.2, 2.3, 2.20, 2.32	partially	2.6, 2.11, 2.12, 2.13, 2.19, 2.34, 2.36	partially
Establishment of cross-industry ratios in remuneration	2.5	partially	2.34	partially
Ensuring equal rights and opportunities for women and men and prohibiting discrimination	_	no	-	no

As the data in Table 1 shows, not all principles and provisions of labor remuneration, which should be regulated by the agreement at the national level in accordance with the legislation of Ukraine, are normalized by the General Agreements. There is a lack of norms on social security and ensuring equal rights and opportunities for women and men and prohibition of discrimination in the agreements. In addition, in the Agreement for 2019–2021 the amount of the living wage is not settled.

The regulation of minimum standards, conditions for the growth of wages funds, cross-industry ratios in remuneration can be considered only partially. This is based on the following conclusions.

Firstly, the vast majority of provisions regarding the principles and rules are formulated in the form of common arrangements. This formulation of commitments does not contribute to their fulfillment, since there are no specific responsible people.

Secondly, a lot of provisions regarding the commitments of the social partners are of a general, non-specific nature, especially it relates the such provisions as "ensure" and "take action" without specifying the concrete measures.

Thirdly, the provisions on issues that should be negotiated at the sectoral, territorial and local levels and included in collective agreements and contracts are only recommendatory, which does not oblige the social partners to regulate these issues at the appropriate level.

In order to assess the level of development of collective bargaining regulation, we will determine the ratio of the number of general agreement provisions on remuneration that contain concrete obligations (figures, amounts, percentages, documents, procedures, programs) to the total number of social partners' obligations. The General Agreement for 2016–2017 (The Verkhovna Rada of Ukraine, 2016) contains 44 provisions of social partners concerning the principles and rules for implementing the policy of labor remuneration. Only 19 (43.2%) obligations contain the concrete ones. Regarding the General Agreement for 2019–2021 (The Verkhovna Rada of Ukraine, 2019), 18 (48.6%) of 37 provisions contain specific obligations of social partners.

The lack of specific tools and the lack responsible people for the implementation of the obligations (measures) leads to non-fulfillment of them, impossibility to control over the implementation of obligations and punish guilty people for breaking the rules.

Comparison of the number of social partners' obligations for remuneration according to the general agreements, concluded during 2002-2019, is shown in Table 2.

**Table 2.** Comparison of the number of social partners' obligations for remuneration according to the general agreements, concluded during 2002–2019

Source: Composed by the authors.

Agreement	Common obligations/ partners have agreed	Obligations of owners (employers)	Obligations of Cabinet of Ministers of Ukraine (CMU)	Obligations of trade unions	Total
General Agreement for 2002–2003		1	6	1	14
General Agreement for 2004–2005	13	4	8	3	28
General Agreement for 2008–2009		3	6	2	19
General Agreement for 2010–2012	16	4	3	3	26
General Agreement for 2016–2017	25 + 4 (common obligations of CMU and employers)	0	9	6	44
General Agreement for 2019–2021	30	0	0	7	37

According to the data of Table 2, before the conclusion of the General Agreement for 2019–2021, there was an increase in the total number of partners' obligations on labor remuneration, which could be considered positive from the point of view of forming social and labor relations on the basis of social partnership. The new General

Agreement (for 2019–2021) contains fewer partners' obligations. In addition, the employers and the Cabinet of Ministers of Ukraine are not personally responsible for any obligations on labor remuneration, but only in the form of common obligations. The formulation of obligations in the form of common arrangements does not contribute to the development of collective bargaining regulation of labor remuneration.

Signed new agreements do not always improve the material welfare of employees compared to previous ones. Thus, the General Agreements for 2004–2005 (paragraph 2.2) (The Verkhovna Rada of Ukraine, 2004) and 2008–2009 (paragraph 2.8) (The Verkhovna Rada of Ukraine, 2008) provide for wage of the first rate (excluding budget-ary institutions) on the level 120% of the minimum wage. The General Agreement for 2010–2012 (The Verkhovna Rada of Ukraine, 2010) stipulates that the wage of a non-skilled employee of non-budget sphere for fully fulfilled standard hours under normal working conditions should exceed the living wage for employable people, and the specific minimum wage of the first rate is established in sectoral agreements and collective contracts (paragraph 2.2). The General Agreements for 2016–2017 and 2019–2021 do not include a guarantee for the amount of the wage of the first rate (The Verkhovna Rada of Ukraine, 2008).

Let us analyze the implementation by the social partners of the main provisions of the General Agreement for 2016–2017 in the field of labor remuneration.

It is impossible to assess the level of provisions implementation that are general in nature and contain no concrete obligations. As we have noted, only 19 of 44 provisions are concrete. 6 of the 19 obligations relate to provisions that should be implemented at enterprises and organizations or be regulated by sectoral (territorial) agreements.

Considering the level of fulfillment by the social partners of the remaining obligations, we should admit that paragraph 2.15 states that the partners agreed during 2016 to develop and adjust a Methodology for calculating the minimum wage. Such a methodology did not exist in Ukraine at the end of validity of the General Agreement. It indicates that the partners did not fulfill that obligation.

Similarly, paragraph 2.16 deals with drafting and submission of legislative proposal to the The Verkhovna Rada of Ukraine during 2016 concerning a wage protection in accordance with Convention of ILO No. 173 "The Protection of Workers' Claims (Employer's Insolvency)" (ILO, 1992). The draft of law was not elaborated, which also indicates that the social partners have failed to comply with this paragraph.

Paragraph 2.19 contains commitments to increase the share of basic salary in the wage fund by 62% by the end of 2016, and to 64% by the end of 2017. According to the data of the State Statistics Service of Ukraine (SSSU, 2019), the share of the basic salary in the wage fund in 2016 was 58.7%, in 2017 – 58.4%. This indicates that partners did not fulfill this obligation.

Paragraph 2.22 of the General Agreement for 2016–2017 is particularly ambiguous. It states that during the validity of Agreement, the proportion of employees receiving wages below two minimum wages will reduce by at least 3% annually and the proportion of employees who receive wages higher than four minimum wages will increase by not less than 2%. Firstly, due to the change of the essence and role of the concept of "minimum wage" in the labor remuneration, since 2017, it is impossible to assess the level of social partners' fulfillment of this obligation. Secondly, there is a lack of relevant data from the State Statistics Service of Ukraine regarding the proportion of employees receiving wages.

Despite a number of social partners' obligations concerning taking action on paying wage arrears, this problem has not yet been resolved in Ukraine.

Thus, the analysis showed that most of the provisions of the General Agreement for 2016–2017 on labor remuneration remained unfulfilled. Analysis of fullfilling the provisions of the General Agreement for 2010–2012 on labor remuneration also showed that almost all obligations remained unfulfilled (Tsymbaliuk, 2015).

Due to the negative trends inherent in the institute of social partnership and collective agreements at different levels, it has been developed a number of proposals.

1. It is necessary to provide the status of normative acts to agreements of different levels, for fullfilling the basic provisions of which the officials should be responsible in accordance with the current legislation. With this purpose, it is recommended to extend the obligations and regulations of general, sectoral and territorial agreements to enterprises that did not participate in the negotiation process and signing agreements. It is required to make the appropriate changes to the Ukrainian leg-islation, in particular, in art. 9 of the Law of Ukraine "On Collective Agreements and Contracts". It should be provided that the provisions of a general, sectoral, territorial agreements are obligatory for all entities within the scope of the partners, and not only for those who signed the agreement.

Among the powers of the Cabinet of Ministers of Ukraine under the Law of Ukraine "On the Cabinet of Ministers of Ukraine" (The Verkhovna Rada of Ukraine, 2014) is ensuring compliance with the provisions of the General Agreement within the framework of the undertaken commitments (art. 20). In this regard, in order to strengthen the responsibility of the Cabinet of Ministers of Ukraine for the implementation of the General Agreement provisions on the realization of socio-economic policy in general and the commitments on labor remuneration, in particular, it is meaningful to supplement Section III "Delegation of power and resignation of the Cabinet of Ministers of Ukraine" with an article, which should regulate the resignation of the Cabinet of Ministers of Ukraine in the case of failure to comply with the provisions of the General Agreement.

The legislation of Ukraine also should provide for the social partners', especially public authorities' obligations on implementing decisions adopted by the tripartite or bilateral bodies of social dialogue. It is necessary to make changes to art. 9 of the Law of Ukraine "On Social Dialogue in Ukraine", which should stipulate that such decisions are obligatory, not just for review.

- 2. It is recommended to regulate the sequence of concluding agreements at different levels and collective contracts and timelines for collective bargaining on the conclusion of agreements. In this case, it is advisable to provide a norm for concluding agreements in the year before the year of their validity. The general agreement may contain norms that oblige the social partners to regulate certain issues by sectoral, territorial agreements and collective contracts. In addition, sectoral and territorial agreements and collective contracts may include norms higher than those stipulated by the general agreement. In this regard, the conclusion of a general agreement should precede the conclusion of agreements at other levels and collective contracts. This is correct for the terms of collective contracts conclusion in relation to the conclusion of agreements at the sectoral and territorial levels.
- 3. It is necessary to give trade unions additional rights and powers in the field of protection of the employees' interests, to expand the list of trade unions' obligations in the regulation of social and labor relations.
- 4. It is recommended to determine the procedure for informing employees about the content of agreements at different levels and collective contracts. It is advisable to give an opportunity to get acquainted with the basic provisions of sectoral and territorial agreements to the general public, to all interested people, to place agreements, not only on website of the Ministry of Social Policy of Ukraine, but as well on the websites of the Federation of Trade Unions of Ukraine, local executive bodies, sectoral trade unions, enterprises, institutions and organizations.
- 5. It is recommended to regulate at the legislative level a clear procedure and mechanism for monitoring the implementation of the main provisions of general, sectoral, territorial agreements and collective contracts, as well as the criteria for assessing the level of fullfilling social partners' commitments.
- 6. It is necessary to specify at the legislative level the types of responsibility of officials for violation of the law on collective agreements and failure to fulfill their commitments, in particular, for violation of the social partners' rights during collective bargaining, obstruction of control over the implementation of the basic provisions of collective contracts and agreements at different levels.
- 7. It is advisable to involve qualified lawyers, scientists, experts in collective bargaining regulation, social and labor relations in the development of the content of general, sectoral, territorial agreements and collective contracts in order to provide appropriate recommendations to the social partners.
- 8. It is recommended to raise employees' awareness of their rights, in particular in the field of remuneration and social security through conferences, roundtables, seminars, training events, etc.
- 9. It is necessary to form a culture of social dialogue, disseminate the ideology of social responsibility among social partners: public authorities, employees, employees, representative bodies (employers' organizations and trade unions), etc.

At the legislative level, it is also advisable to prevent in the general, sectoral, territorial agreements and collective contracts the inclusion of norms that worsen the employees' material welfare compared to the norms that contained previous (previously valid) ones.

The important role in the collective and contractual regulation of labor remuneration plays documentary consolidation of the norms and provisions developed and adjusted by the partners in the collective agreements and contracts. When drafting the content of collective agreements and contracts at different levels, it is necessary to strictly adhere to the legal rules that regulate labor remuneration issues and which should be negotiated by the social partners at different levels.

Developing the content of collective agreements and contracts at different levels, it is advisable to limit the practice of formulating norms and provisions in the form of common obligations of the partners, to avoid the practice of forming provisions of general (non-specific) nature, such as "to promote", "to seek", "to strive", "to study the issue", "to direct the activity for creation of conditions", "to make efforts", "to prevent", "to provide", "to take measures" without specification of actions, etc.

If it is not possible to specify the measures and to personalize the responsibility for the implementation of specific obligations at the stage of development and signing agreements, the agreements should contain the norms on the developing by the partner (partners) the program (measures) of relevant arrangements' implementation within a clearly defined period.

It is necessary to extend the practice of developing a plan of measures for the implementation of the collective agreements' provisions with the specification of the measures, timing of implementation and responsible people. The partners responsible for the implementation of such activities should prepare reports listing the work within the planned activities and the obtained results. These reports should be presented periodically, in clearly defined terms, at common meetings of the partners.

The important direction of strengthening the role of collective agreements and contracts in the regulation of labor remuneration is the rejection of the practice of duplication of legal provisions in collective agreements without providing employees with additional guarantees, expanding the list of benefits and increasing the amount of payments. The appropriate norms and regulations on labor remuneration should be included if the they contain higher levels of payments in comparison with the legal norms, expand powers of employees or trade unions, etc.

The logical continuation of the previous direction is the rejection of the practice of duplication of norms and regulations of the general agreement in the sectorial and territorial agreements and collective contracts, as well as the norms and regulations of the sectoral and territorial agreements – in collective contracts without increasing the amount of payments, expanding their list, implementing additional guarantees, extending rights.

The important direction of improving collective bargaining regulation is to limit the practice of developing arrangements in the form of recommendations. Instead, at the sectoral level, it is advisable to expand the practice of developing scientific and methodological recommendations on the designing compensation and social packages, the construction of flexible payment system, the implementation of a grading system, bonuses based on key performance indicators, considering specifics of activity and industry, etc.

It is important to adjust the provisions of sectorial and territorial agreements with the norms of the general agreement, especially with regard to issues that should be regulated by them in accordance with the general agreement, and to determine the order of using the norms of sectorial and territorial agreements in collective contracts.

## DISCUSSION

Social partnership, which is a part of collective bargaining, should play a leading role in the formation of labor remuneration policy. Determining the size and structure of wages, conditions and rates of growth, the procedure for providing social guarantees to employees using the tools of collective bargaining regulation is a key principle

of forming remuneration policy on the basis of decent work. At the same time, the analysis of the state of social and labor relations in Ukraine, the practice of negotiating procedures, the role of different partners, the structure and content of collective agreements and contracts has revealed the low level of development of social partnership and low social responsibility of partners. Despite the long-time practice of collective bargaining and the conclusion of contacts and agreements, the institute of social partnership is only at the stage of formation, characterized by underdeveloped institutional features.

#### CONCLUSION

Based on the analysis of the state of social and labor relations in Ukraine, a number of problems in the negotiation process, the weakness of trade unions and the failure of the state to perform its functions have been identified. Among the main problems of collective agreements at different levels are the lack of specific measures, the lack of responsible people, and duplication of legislative provisions by agreements without providing additional guarantees and extension of compensation, lack of comprehensive social development programs. The research showed that the practice of designing compensation and social packages in the most enterprises was carried out without the participation of social partnership or with minimal participation, which caused inadequate social protection of employees and negatively characterized labor remuneration policy in terms of decent work.

Due to the negative trends inherent in the social partnership and collective agreements, a number of proposals have been formed, in particular on granting agreements the status of normative acts, regulating the sequence of concluding agreements at different levels, determining the procedure for informing employees about the content of agreements and contracts, dissemination ideology of social responsibility among social partners.

Improvement of collective and contractual regulation of labor remuneration and strengthening of the role of social partnership will promote reconciliation of interests of the main partners of social and labor relations, ensuring a decent level and objective differentiation of wages, enhancing their individualization, increasing transparency of labor remuneration, and, therefore, the implementation of the basic principles of decent work.

#### **AUTHOR CONTRIBUTIONS**

Conceptualization: Svitlana Tsymbaliuk. Data curation: Svitlana Tsymbaliuk. Formal analysis: Svitlana Tsymbaliuk, Tetiana Shkoda. Funding acquisition: Svitlana Tsymbaliuk, Tetiana Shkoda. Investigation: Svitlana Tsymbaliuk, Tetiana Shkoda. Methodology: Svitlana Tsymbaliuk. Project administration: Svitlana Tsymbaliuk. Resources: Svitlana Tsymbaliuk, Tetiana Shkoda. Software: Tetiana Shkoda. Supervision: Svitlana Tsymbaliuk. Validation: Tetiana Shkoda. Visualization: Tetiana Shkoda. Writing – original draft: Tetiana Shkoda. Writing – review & editing: Tetiana Shkoda.

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