

Adoption of Guidelines on Competition Infringements in Labor Markets





Introduction

Labor markets are crucial for economic efficiency and innovation, but structural imbalances, like fewer employers and weak labor organizations, can limit fair competition. These imbalances may lead to anti-competitive practices that harm workers, hinder innovation, and reduce consumer welfare. Effective enforcement of labor market regulations is needed to ensure fair working conditions, efficient talent allocation, and promote economic growth and social equity.



The Turkish Competition Board highlights the following types of anti-competitive behavior in labor markets:

- Wage Fixing Agreements
- No - Poaching Arrangements
- Information Exchange



Wage Fixing Agreements

- **Wage-fixing agreements** are arrangements where entities agree to fix wages or working conditions, limiting competition in the labor market.



- Third parties facilitating such agreements, such as research firms or employment agencies, may also be fined.



No - Poaching Agreements

- **No - poaching agreements** are arrangements where one company agrees not to hire or solicit employees from another company. These agreements, if deemed anti-competitive, are treated as cartels.
- If a third party facilitates such agreements, it may also face penalties as part of the violation.



Information Exchange

- Any exchange of information regarding working conditions is considered an infringement.
- Working place and time, working hours at the workplace, annual leave periods, supplements to the wage, breaks, social benefits such as wedding, maternity, education, food, disability and death benefits, individual health insurance and individual pension plan are considered part of the working conditions.



Information Exchange (cont'd)

Information exchange is unlikely to create anticompetitive effects if it meets all the following conditions:

- It is managed by a third party.
- The data source or individual data content cannot be identified.
- The information is at least three months old.
- Data from at least ten participants is included.
- No single participant's data exceeds 25% of the total.



Ancillary Restraints

Restrictions in no - poaching agreements may qualify as ancillary restraints and not be considered infringements, provided they meet specific criteria.

To qualify as an ancillary restraint:



- The restriction must be directly related to the main agreement.
- It must be necessary to achieve the objectives of the main agreement.
- It must be proportionate to those objectives.



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