



**COLLECTIVE BARGAINING
AGREEMENT: TRENDS
ACROSS THE GLOBE**

Table of Content



1. Introduction 3

2. Essentials Features of Collective Bargaining Agreement 3

3. Collective Bargaining and ILO5

4. Interdependence between Labor Law and Collective Bargaining Agreement6

5. International Law and Collective Bargaining7

6. Collective Bargaining Framework - North America.....7-10

7. Collective Bargaining Framework - Europe..... 10-13

8. Collective Bargaining Framework - China 13

9. Collective Bargaining Framework - Developing Countries..... 13

10. Collective Bargaining in Latin America 14

11. Conclusion 15

INTRODUCTION

Labour laws are designed to offer employees with adequate minimum labour standards, including gain access to collective voice and representation in establishing working conditions. One of the best means of collective representation of working conditions which provide decent labour standards is through collective bargaining.

According to Somers (1980:553- 556), “Collective bargaining is defined as the continuous relationship between an employer and a designated labour organization representing a specific unit of employees for the purpose of negotiating written terms of employment”.

Beatrix and Webb in Bendix (2001:233) have described collective bargaining as "...one method whereby trade unions could maintain and improve their members' terms and conditions of employment". Hence the main objective of collective bargaining is to represent employees on employment matters.

Through collective bargaining, employees have the prospect, by uniting their negotiating power to counterbalance the larger power of the employer, to govern the acceptance of (some of) the demands and the contractual regulation of fair wages and working circumstances, in relation to the opportunities and needs of each party.

Labour Union

A labour union, also known as a “labour organization,” is a unit created by employees in a specific trade, industry, or company for the goal of improving pay, benefits, and working conditions. It is also called a “trade union” or a “worker’s union.” A labour union chooses representatives to reach a deal with employers in a procedure recognized as collective bargaining. When effective, the bargaining results in an agreement, specifies working requirements for a period of time.

The genesis of labour unions as described by Alder (2006:312),

“The framers of the U.S. Constitution and the interests they represented may have wanted to ‘form a more perfect union’ but that desire did not extend to organizations of workers and skilled trade associations. As the new country began to grow, it saw the rise of merchant capitalist and the factory system. Workers sought to protect their earning power and their marketable skills by forming worker associations, mechanic societies, and fledgling unions of skilled craft workers.”

A labour union exemplifies the collective benefits of employees, bargaining with employers over such matters as wages and working conditions.

As an established movement, trade unionism (also called organized labour) began in the 19th century in Great Britain, Europe, and the United States. British trade unionism got its legal groundwork in the Trade-Union Act of 1871. In the United States the same impact was achieved, although more slowly by a string of court rulings that carved away at the use of injunctions, conspiracy laws, and other devices against unions. In 1866 the establishment of the National Labor Union (NLU) exemplified an early effort to construct a federation of American unions.

A trade union, often simply called a **union**, is a group of employees who have come together to attain many common objectives, such as defending the integrity of their trade, refining safety standards, and accomplishing better wages, benefits (such as vacation, health care, and retirement), and working conditions through the improved bargaining power exercised by the creation of a monopoly of the labours.

Bargaining occurs in many ways. For example, it can happen between trade unions and individual businesses (single-employer bargaining), or between union associations and employer organizations (multi-employer bargaining).

Furthermore, these levels are not automatically commonly exclusive: various concerns can be taken up at separate levels. Unions in the United States tend to bargain with company management over detailed terms of employment. In countries with a practice of “corporatism”, trade union confederations frequently negotiate national wage agreements with central employer organisations and occasionally enter into supplementary agreements with governments forming wage or incomes policy guidelines. Japanese business unions each year initiate wage claims in their common **Shunto Offensive***. German industrial unions deal with industry-wide contracts by region; and in Australia, unions and employer associations contend wage cases before arbitration tribunals.

**Shunto is the Japanese word for the yearly spring round of wage discussions organized between big business and trade associations. Shunto - the spring wage offensive - is a unified crusade by the labour unions, guided by Industrial Unions. Shunto gives a structure that exceeds internal individual business negotiations, as an alternative establishing a bargaining technique whereby remuneration increases could be protected throughout the whole industry.*

The objective of a CBA is to concur upon rules to help compromises between contradictory interests over the terms and conditions of employment. Establishing institutions to enhance the negotiating position of employees, has in the past been an important motivation to collective bargaining. In substituting one-sided decision-making by the employer, bargaining has introduced an aspect of industrial democracy into the workplace.

ESSENTIAL FEATURES OF A COLLECTIVE BARGAINING AGREEMENT

Collective Bargaining is a method of repairing the conditions of employment by means of bargaining between an established body of employees and an employer or union of employees working usually through lawful agents. There are a number of essential prerequisites for collective bargaining, some of which are given below:

1. Presence of a powerful representative trade union in the business that believes in constitutional method for resolving the disputes.
2. Availability of a fact-finding attitude and inclination to utilize new techniques and tools for the resolution of industrial difficulties.
3. Presence of solid and open-minded management which can incorporate the different parties, i.e., employees, owners, consumers and society or Government.
4. Deal on basic goals of the organisation between the employer and the employees and on joint rights and liabilities should be there.

In order for collective bargaining to function properly, unethical labour practices must be prevented by both the parties. Appropriate records for the problem should be maintained. The main features of collective bargaining are as follows -

1. Collective bargaining is a group action as contradicted to individual cases. Both the sides of settlement are characterized by their groups.
2. Collective bargaining is a nonstop process and does not come to an end with one agreement. It offers a tool for ongoing and organised relationship between administration and trade union.
3. Collective bargaining is a two-party method. Both the parties, employers and employees—collectively take some action. There is no involvement of any third party.

4. Collective bargaining is a process with the starting point being the presentation of a charter of requirements by the employees and the final step is the reaching of an agreement which would act as the basic law regulating labour-management relations over a period of time in an organization.
5. Another feature of Collective Bargaining is fluidity. There is no hard and fast rule for reaching an agreement. There is plenty of scope for compromise.
6. Collective bargaining is based on the theory of industrial democracy where the labour union signifies the employees in discussions with the employer or employers.
7. Collective bargaining is not a competitive process, but it is essentially a complementary process i.e., each party requires something which the other party has, namely, labour can put bigger productive effort and management has the capability to pay for that effort and to organise and guide it for achieving the enterprise's objectives.

COLLECTIVE BARGAINING AND ILO

Collective bargaining Agreement (CBA) is well-defined in the International Labour Organisation Convention No. 154 of 1981 article 2, as expanding to all discussions which take place amongst an employer, a group of employers or one or more employers' organizations on the one hand, and one or more employees' organizations on the other for -

- Deciding working conditions and terms of employment; and/or
- Standardizing relations between employers and employees; and/or
- Setting relations between employers or their organizations and employees' organizations or employees' organizations.

According to the International Labour Organisation (ILO), Collective representation and bargaining laws offer employees a chance, in association with their members, to improve the circumstances under which they provide labour. It is a method, aiding employee expression, assisting industrial democracy and conquering market breakdowns which would otherwise give employees with little individual capacity positively to impact their working conditions.

The International labour organization does not lay down any rules or regulations for the functioning of a CBA. The main aim of ILO standards is to simply promote collective bargaining culture and help to ensure that good labour relations benefit everyone. The Collective Bargaining Convention (No. 154) promotes free and voluntary collective bargaining and also its correlation with labour regulations.

During the preliminary work for Convention No. 154, it was established that collective bargaining could only operate efficiently if it were done in good faith by both sides; but as good faith cannot be enforced by law, it "could only be accomplished as a consequence of the intended and continued attempts of both parties". The ILO supervisory bodies have specified that the parties to collective bargaining are permitted to select, independently and without any intrusion from the authorities, the level at which the negotiation is to be directed (central, sectoral or enterprise level), and that trade union alliances and confederations should be able to conclude collective agreements.

ILO through its Convention on the Right to Organise and Collective Bargaining Convention (1949), provides protection against discrimination for joining a trade union, promotion of voluntary collective agreements, taking collective action. There are several other conventions on collective bargaining provided by ILO:

1. C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948
2. C151 - Labour Relations (Public Service) Convention, 1978

INTERDEPENDENCE BETWEEN LABOUR LAW AND COLLECTIVE BARGAINING AGREEMENT

Since the early 20th century collective bargaining has been the foundation of labour law. Labour law is intimately linked to collective bargaining. For example, in France, the birth of Collective Bargaining was marked by the procedure by which, together with prosperous state interventionism, collective independence, gradually absorbed individual autonomy, the union replacing itself to the individual employee as speaker for the employer, collective bargaining accompanying and strengthening the individual employees.

Over the past few decades Collective bargaining has been instrumental in raising the minimum wages and benefits for low-wage workers for many countries. This has invariably resulted in changes to labour laws across the globe, incorporating terms and conditions of CBAs as law of the land.

Labour law deals with the issue of law governing relationships, unequal cooperation, and conflict amongst the partners, including their rights and duties about info and shared discussion, collective bargaining as well as the pressure tools that are available to employees during the course of these discussions.

A contrast between Labor Law and Collective Bargaining surely has a great benefit of emphasizing the significant differences that exist. Their comparative importance varies significantly from country to country. The more labour legislation thrives, the more limited is the number of points controlled by means of collective agreements. The United States has, for example, has no legislation on paid holidays, but the matter is dealt with by collective agreements.

In the United States, the labour law states, *“it shall be an unfair labour practice for an employer, to refuse to bargain collectively with the representatives of his employees”*. In many of the other countries no such requirement to bargain exists, but the law provides, on the other hand, governmental aid to promote a bringing together of the discussion points of parties.

In case of individual work relations, the applicable laws of the country typically provide that the requirements in the individual work contract which are less favourable than those of the collective agreement, must be made null and void and automatically replaced by the subsequent provisions of the agreement. Sometimes they even provide, as in the case of the legislation adopted in Israel, that those provisions which are more beneficial than those of the collective agreement can only be deemed valid if not explicitly prohibited by the agreement. Although in the United Kingdom there is no legal requirement for the employer to apply the requirements of the collective agreement to the individual employee, and the only means of carrying out the collective agreement are the employer's wish to keep his word, and the authority of the trade unions.

Such a component of labour law permits employees to make use of the various liberties (freedom of association, freedom to strike, freedom of expression etc.) to subcontract divergences beyond the workplace itself.

INTERNATIONAL LAW AND COLLECTIVE BARGAINING

The United Nations' Universal Declaration of Human Rights emphasizes the significance of collective bargaining rights for all employees, including public employees. This is supported by the 1998 International Labour Organization **Declaration on Fundamental Principles and Rights at Work**. The International Labour Conference of 1948 executed the Freedom of Association and Protection of the Right to Organise, Convention 1948 acknowledging the "right to organize" for employees in both the private and public sectors.

Article 2 of this Convention identifies that, "Workers and employers, without distinction whatsoever, shall have the right to establish ... organisations of their own choice without previous authorisation".

A brand-new method was devised to promote collective bargaining in the public sector – the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). It was established that collective bargaining in the public service has special attributes that are found to be in varying degrees in most countries. The United Nations through the Convention no. 98 provides for the Freedom of Association which is the right of employees and employers to freely form and join Workers Organisations such as trade unions, worker associations and worker councils or committees for the promotion and defence of occupational interests. The right to freedom of association is proclaimed in the Universal Declaration of Human Rights. Those employees who do not want to join unions also have their rights protected and may not be coerced into doing so against their will.

Freedom of association is provided in Article 20 of the Universal Declaration of Human Rights (1948), which states that everyone has the right to freedom of peaceful assembly and negotiation, and that no one may be compelled to belong to an association. Article 23.4 specifically provides for the right to join a trade union.

COLLECTIVE BARGAINING FRAMEWORK – NORTH AMERICA

The strict competition brought about by scientific revolution and globalization has led to lessening the impact exercised in many nations by sectoral arrangements and gave added reputation to collective bargaining at the enterprise level taking into account the specific nature of business, standards of efficiency and output. At the same time, there has been a growing need for two-sided and multilateral agreements at national level since certain matters of collective interest cannot be treated in enterprise.

Data on the significant presence of collective bargaining agreements for a set of 75 countries shows a noteworthy difference in coverage, from just about 1 or 2 percent of employees in Malaysia, Philippines, Peru, and Ethiopia to nearly 100 % in France, Belgium, Austria, and Uruguay. There is substantial variation in bargaining coverage extending from very less usage in Turkey, the United States, the Republic of Korea, and Mexico; medium-low usage in Japan, Canada, South Africa, and the United Kingdom; medium-high levels in Brazil, Germany, and Australia; and high levels in Italy and France.

Collective bargaining rules vastly vary when measured from local, sectoral, and national or regional and global viewpoints. In some countries working social exchange of ideas includes developing new plans to improve labour protection, the alteration of work is so deep that it adds pressure to adopt new and more effective bargaining plans and schemas.

Some of the countries which have collective bargaining coverage at a substantial level are:

United States

Collective bargaining has an extended past in the United States, although it was not empowered and protected by legislation up until the 20th century. Initially in the 20th century, American society started looking to federal legislation to talk around the continuing labour conflict and to grow a unified national policy with respect to collective bargaining in the private sector. Rules of public sector collective bargaining came in the second half of the 20th century.

Today the United States has three separate rules of collective bargaining: one for the railroad and airline industries, one for the rest of the private sector, and one for the public sector.

The Railway Labor Act of 1926 (RLA)

The first noteworthy national legislation on collective bargaining ascended in the railroad industry. The industry was extremely vital to the national economy. In order to stop labour conflict, Congress passed the Railway Labor Act of 1926 (RLA). Today, more than 500,000 airline employees and 250,000 railroad employees are shielded by the RLA.

The National Labor Relations Act (NLRA)

In 1935 Congress implemented the National Labor Relations Act (NLRA) covering most private sector workers separate from the railroad and airline industries. It also formed the National Labor Relations Board (NLRB) to administer the Act.

The NLRA defines and forbids five “unfair labour practices”:

- interfering with employees’ concerted activity.
- employer dominion of a labour organization.
- discrimination against workers for union activity.
- reprisal against employees for filing unfair labour practice petitions or giving testament in NLRB proceedings; and
- refusal to bargain.

The NLRA requires employers and unions to express their collective agreement in a written contract. The law does not specify any length of time for a labour contract, but in practice, all collective agreements have a specified length.

U.S. labour law is presently designed in a way that places important difficulties in front of employees and unions looking to bargain largely with employers in their industry to set ideals for their industry. In the United States, an employee may not be a member of a union but nonetheless may be covered by a collective bargaining agreement since by law a union must represent all workers at a firm, even those who decline to join the union. NLRB act makes it illegal for employers to discriminate, spy on, harass, or terminate the employment of workers because of their union membership or to retaliate against them for engaging in organizing campaigns or other "concerted activities", to form company unions, or to denies to participate in collective bargaining with the union that represents their employees. It is also illegal to need any employee to join a union as a requirement of employment.

Collective Bargaining in The Public Sector

Collective bargaining for public employees began to take origin in the 1960s. But genuine collective bargaining between trade unions and public authorities did not exist. The first law yielding public employees the right to collective bargaining took effect in the state of Wisconsin in 1960. Today, 31 states permit some level of collective bargaining for public employees, while 19 states prohibit it.

Collective Bargaining in Private Sector

Collective bargaining exposure in the United States is in many ways a regional phenomenon. Most collective bargaining in the private sector takes place at the level of the individual organisation. Unlike Europe, the United States does not have sector wise bargaining between high level social partners. Instead, unions typically bargain with administration at the enterprise level. Approximately, 10.3% of U.S. employees are union members, whereas 33.6% of public sector employees are unionized, against 6.2% for the private sector. Today about 10 million private sector employees are protected by collective agreements.

Despite the obstacles established by the law and the problems formed by anti-union employer manoeuvres and deteriorating union density, many unions have however been able to win and uphold bargaining that covers employees beyond an individual workplace.

Canada

Collective bargaining in Canada is designed by a tight statutory structure used to regulate almost every facet of the union-management relationship. Labour laws, in both federal and provincial jurisdictions, were motivated by the passage in the United States of the National Labor Relations Act (usually called the Wagner Act*) in 1935. The legal framework created by the Wagner Act later became the basic model for the present system of Canadian labour relations law.

**The Wagner model is a legislated labour regime of collective bargaining with several distinctive features. A single, exclusive bargaining agent is recognized for employees in a "bargaining unit" through a certification application to an independent labour board.*

In 1943, a collective bargaining law modelled on the Wagner Act was legislated in the province of Ontario. In 1944, the province of Saskatchewan was the first government in Canada to acknowledge the right to collective bargaining, awarding collective bargaining rights to both public and private-sector employees. In Quebec, all workers, private and public, fall under the Quebec Labour Code. In Manitoba and Prince Edward Island, public servants are awarded the right to collective bargaining through their respective civil service laws. The remaining 7 provinces have special public-sector labour relations statutes, which grant the right to collective bargaining.

This legislation diligently controls the establishment of the collective bargaining relationship, manages the conduct and timing of the bargaining process, places limitations on economic dispute, and may, in some cases, mandate certain terms of the collective agreement.

In Canada there is a wide-ranging variety of laws governing employees in the public and private sectors. In the private sector, 11 statutes regulate the process of collective bargaining. In Quebec, Saskatchewan and British Columbia, one statute governs all employers and all employees; the Quebec Labour Code, The Saskatchewan Trade Union Act, and perhaps the British Columbia Industrial Relations Act, all apply equally to the public and private sectors. In every other jurisdiction there are at least two separate laws, one for private sector employees and one for public-sector employees.

Collective bargaining statute in Canada gives a fairly straightforward certification procedure whereby a trade union can obtain collective bargaining rights. The usual method used to establish the representative person for union certification is through evidence of membership such as the signing of membership cards. Nova Scotia and Alberta require an employee vote.

Collective bargaining is governed by three institutions:

1. the labour relations board or administrative tribunal, a public agency created by statute which has some independence from the executive branch of government.

2. grievance arbitration, and
3. the courts.

Canadian law identifies collective bargaining and the right to protest as protected essentials of the right to freedom of association. Due to the constitutional division of legislative authority, most private sector employees in Canada fall under the jurisdiction of the labour laws of the province in which they work. Approximately 90% of private sector workers are provincially regulated.

COLLECTIVE BARGAINING FRAMEWORK - EUROPE

Germany

The collective bargaining structure in Germany is supportive of collective representation of employees' interests. Collective bargaining law depends on the freedom of association, which is protected and supported by Article 9(3) of the Constitution.

The labour relations are shaped by the works council in Germany. A works council works like a trade union in Germany. They are elected in Germany in operations normally having at least five employees. Whether a works council should be selected in an undertaking is decided solely by the employees. Blocking a works council election in Germany is punishable under criminal law. The volume of the works council to be elected depends on the number of employees in the corporation and can comprise up to 35 members. If there are multiple operations in one company, a joint works council, or a group works council in a corporate group, can be established.

The works council signifies all employees. In contrast, the works council does not speak for managing directors, managing boards, or senior staff members.

Some individual characteristics of collective bargaining rule in Germany are noteworthy: for example, entering into worthwhile collective agreements requires a precise 'collective bargaining capacity.' Moreover, collective agreements apply only to followers of an employers' association or trade union. In practical terms, the significance of collective bargaining is still fairly high. But this is fading in the face of an ever-weaker readiness to establish membership in trade unions and employers' organizations.

France

Collective agreements in France, also called national collective agreements (*Conventions Collectives Nationales* or *CCN* in French), describe all employment and working requirements, as well as social assurances for the employees in France. These contracts are recognized between employee unions and groups of employers. French bargaining coverage rate of 92 per cent in the private sector is today among the highest in the OECD countries.

A collective agreement is compulsory in two circumstances:

1. If the activity of the company falls below a category protected by a collective agreement, meaning that the collective agreement has been expanded to your activity by order of the Ministry of Labor, published in the Official Journal.
2. If the company adheres to the employers' organization that endorsed the collective agreement, in the absence of a national extension decree.

Globalisation and current liberal amendments have decentralised collective bargaining to a great extent in order to expand flexible employment rules. The sectoral-level bargaining still determines labour regulation in small companies, while large companies took the opportunity of greater company level

autonomy and relaxation of centralised labour market regulation on working time. Company-level bargaining has become a way of operation for employers more easily because the balance of power now favours them at the company level. This priority given to the company has slowly eroded the solidarity among employees in the same industry.

The latest changes in French labour law, such as the theory of favour which suggests that the rule which offers the biggest protection to the employee takes preference in cases where several different rules are pertinent. On the workplace level, disparaging flexible agreements are now supported and the old-fashioned union monopoly on bargaining is bypassed with increasing frequency.

Finland

Collective agreements in Finland are universally effective. This basically means that a collective agreement in an economic sector becomes a unanimously applicable legal minimum for any individual's employment agreement, whether or not they are a union member. In order for this condition to apply, half of the labour force in that sector needs to be union members, thus supporting the agreement.

Employees are not bound by law to join a union in a particular workplace. Nonetheless, with 70% unionization, most of the economic sectors are under a collective labour agreement. Additionally, a national income policy agreement is frequently, but not always reached, which includes all trade unions, employers' associations, and the Finnish government.

Switzerland

A collective labour agreement (CLA) is the best guarantee for good working conditions in Switzerland. A CLA provides employees with an instrument with which they, together with the union, can secure fair wages and better working conditions. A CLA gives employees a tool with which they, together with the union, can guarantee fair wages and improve working conditions. The regulations on collective bargaining are provided in the Code of Obligations (SR 220) and the Federal Act on Declaring Generally Applicable Collective Bargaining Agreements (SR 221.215.311).

Trade unions are accepted if they meet certain requirements. The following conditions must be met for trade or labour union recognition:

1. Unions must have a legal capacity.
2. Unions must be unbiased from employers.
3. Unions must be independent from third parties (e.g., governmental authorities).
4. Membership must be voluntary.
5. By statute, the union must be competent to reach a deal and enter into a collective labour agreement.

The Federal Constitution sets out the requirements for collective actions. Unions may set up strikes or employee lockouts. The below requirements must be met to avoid illegal collective action:

1. Only recognised unions are permitted to organise collective actions.
2. The aim of the collective action must be to revise an existing collective labour agreement or to frame a new collective labour agreement.
3. As a rule, unions have a duty to negotiate before taking collective action. Article 357(a)(2) of the Code of Obligations provides for a duty of the parties to keep peace and to refrain from collective actions concerning matters already regulated by the collective bargaining agreement.
4. The collective bargaining agreement may provide for an expansion of the duty to maintain peace to any other item for a limited period. Further, statutory laws may generally ban strikes in sectors which are vital to maintain public security and health.

5. Collective actions must be fair. Criminal acts are banned at all times.

Czech Republic

Collective bargaining in the Czech Republic occurs at both industry levels, where the agreements made are known as “higher level collective agreements” and at company level, even though a majority of companies are not covered by any collective bargaining. The discussions occur between the unions, which can be workplace union organisations as well as unions nationally, and employers, which can be either individual employers or employers’ associations. Collective agreements at company level typically run for a year. At industry level, agreements are usually signed for periods of two years or more, even though the pay element is still usually for 12 months, with pay rates being updated annually through a supplementary agreement.

Pay is usually the main subject of collective bargaining even though there are also negotiations on other issues such as working time, work organisation, health and safety, work-life balance, and employers’ contributions to pensions.

Industry level agreements are typically only compulsory for those employers who are members of the employers’ association that signed the agreement. However, the Collective Bargaining Act (Act No. 2/1991), permits industry level collective agreements to be extended to all employers in the same industry if certain conditions are met.

In terms of the numbers covered, the latest statistics produced by the Czech Statistical Office, for 2018, show that 44.5% of all employees are covered by collective bargaining, of which 40.2% definitely not covered, and for the rest 15.3%, the position is unclear. Since 2008 the industries in which agreements have been extended have stayed largely unchanged. In 2018 five kinds of agreements in industries were extended which covered: agriculture, glass, and ceramics; construction; and textiles, clothing and leather and transport, where the agreement signed in 2017 continues until 2020.

Spain

Collective bargaining in Spain is categorised by a multi-level bargaining structure and high-level coverage rates.

One of the basic characteristics of the collective bargaining system in Spain is that it is separated into numerous bargaining levels. Given the way in which collective bargaining is prearranged in Spain, the collective agreements can be negotiated amongst the representatives of employees and employers either at the company level or at the more centralised industry level at its diverse geographical levels: local, provincial, regional, or national. The trade union representation in bargaining occurs from electoral strength, i.e., from the votes obtained in trade union elections.

According to the European Company Survey for Spain, the bargaining coverage rate is close to 90%, which closely corresponds to SES data (92%). Most workers are covered by multi-employer collective agreements completed at national, regional, and provincial level.

The labour market reform in 2012 lessened the importance placed on collective bargaining agreements. Now it is possible to overrule these collective agreements by giving importance to company agreements. In case of any economic or technical problems relating to the organisation or production, the company may relinquish the working conditions defined in the sectoral collective bargaining agreement or from relevant companies for all aspects related to working time, work schedule.

COLLECTIVE BARGAINING FRAMEWORK - CHINA

China

The *collective consulting system* in China performs an equal function to collective bargaining. Supported by the Chinese government and trade unions, the collective consultation system has become an essential aspect of labour regulation in China. Collective agreements have been broadly signed in different sectors. But the real impacts of collective discussion and collective agreements are often called into doubt.

The collective consultation system in China meets many serious challenges in operating as an effective means to regulate unstable industrial relations. The problem is also aggravated by economic globalization, as a result of which employees' power to bargain is poorly affected. A number of legislative and institutional enhancements are wanted with a view to further refining the system, including, for example, combining regulations on collective consultation into a sole piece of law, solidifying the representativeness and involvement of trade unions, and endorsing transnational unity among labours.

COLLECTIVE BARGAINING FRAMEWORK - DEVELOPING COUNTRIES

Developing countries have a long practice of deciding wages and working schedules through industry-wide collective bargaining agreements. While collective bargaining is not as complicated and versatile in developing countries as in developed countries, there are still major differences among developing countries in the intensity of negotiation of collective bargaining and its coverage, with trends also differing.

In several Asian countries, labour and industrial relations were subject matter to fundamental planning, with little space for bargaining at the organization level. Industry-wide bargaining continues to be significant in several Latin American countries to this day, while in Asia business associations have been regionalized, allowing for bargaining at the corporation level. Thus, home-grown or organization-level bargaining has turned out to be the greatest common level of negotiation in China, Indonesia, Korea, the Philippines, and Singapore.

India

The collective bargaining in India remained limited in its scope and restricted in its coverage by a well-defined legal structure. The labour laws systematically promoted and perpetuated a duality of labour, wherein the formal sector workers enjoyed better space for collective bargaining and informal sector with no room for collective bargaining.

The collective bargaining in India stayed mostly decentralized, i.e., company or unit level bargaining rather than Business level bargaining. But in some of the sectors (mostly public sector industries) the industry level bargaining is assertive and dominant. Nevertheless, privatization of the public sector altered the industry level bargaining to company level bargaining. On the other hand, due to radical change of labour force and cut back in the industries, the force of the trade unions is heavily slashed.

A new surge of laborers struggling for unionization is rising from below by and large independent from the central trade unions. This is mainly developing in the formal sector. The employees are realizing by their own capabilities that they cannot alter their outcome without unifying themselves in a trade union. In many cases the employees do not get the legal benefits like minimum wages, premium rate of

overtime and vacations and leaves. Once the union is established, at least the bare minimum benefits guaranteed by law will certainly be available to all employees.

COLLECTIVE BARGAINING IN LATIN AMERICA

Collective bargaining structures in Latin America span from a very unified system in Argentina to a decentralized structure in Chile. The bargaining systems in Argentina, Bolivia, and Mexico include considerable state involvement. Mexico has a centralized bargaining arrangement with vast synchronization between the state and unions.

For several years, Argentina had centralized bargaining and dominant unions shielded by the state. After market-oriented changes were established in the early 1990s, a decentralized bargaining structure was introduced, with discussions based on efficiency.

Bolivia and Mexico have no limits on union formation, but unions need the permission of the Department of Labor to negotiate with employers. In juxtapose, Uruguay has been decentralizing the bargaining structure with no obvious restrictions on the formation of unions. Chile and Panama lightly regulate the formation of unions. These countries have decentralized systems that allow bargaining by employees who are not represented by unions. In many of these Latin American countries, government labour market changes altered collective bargaining and other labour market institutions significantly and relatively quickly, which is beneficial for the survey of collective bargaining, including how work methods affect efficiency.

Brazil

There are two main mechanisms of collective bargaining in Brazil, which are the Collective Bargaining Convention, directed to Labor unions and trade associations, and Collective Bargaining Agreement, for discussion between companies and Labor unions.

The uniqueness of the system of union representation in Brazil is a matter of great importance due to its impact on the collective bargaining system as a restricting factor of authenticity and efficacy of collective Labor instruments.

With regards to the formation of collective bargaining, several points are notable, such as limits of effectiveness, coercive powers, as well as the detailing of the topics that are usually negotiated collectively in Brazil. The restricted role of collective bargaining in determining minimum working conditions is also a focal point, alongside the important impact of the levels of workers' organization on the regionalization of the collective bargaining system in Brazil.

Comparative Analysis between Developed and Developing Countries

There are large discrepancies in the foundations and effects of collective bargaining across various geographies. In some countries, unions have not been effective bargaining representatives because of interferences to the democratic process. In other countries, wages have got more awareness than work practices in discussions and finally in collective bargaining agreements because of the economic disruptions caused by stints of moderate and high price increases. As is the situation in developed countries, collective bargaining does not adhere to a particular model across all developing countries. That can make analysis more complicated because the changes are likely to be related with the way local labour market institutions are designed by local economic circumstances. In developing countries collective bargaining institutions have drastically changed within a short period of time.

CONCLUSION

Collective bargaining produces structures for negotiated elasticity and modifications required for safeguarding employability as well as business effectiveness and efficiency. A country may embrace or highlight various means of boosting collaborative labour relations than those implemented or accentuated by other countries, with distinct outcomes. The collective bargaining model delivers a valuable platform for examining- the influence of unions on output in numerous countries, the standards underlying the labour laws of numerous countries, and the success of the employees employed by different countries to promote cooperative labour relations.

Under the bargaining standard, unions have both positive and negative impacts on productivity. Also, the creation of unions can be thought of as generating "equity" in bargaining power between employers and employees. Hence, Employees cannot expect to obtain a share of employer rents or play a role constructively in the implementation of long-term implicit agreements or the discussion of workplace public goods unless they unite together in a union.

It is not an ideal system. At best, it is an inadequate institutional process that works fairly well in an imperfect society. But there has been no discovery of an alternative process that may work better. Collective bargaining is necessarily a rational process. It is a reciprocal give and take rather than takes it or leave it method of landing on a settlement of a dispute. Both sides are involved in it. A stiff position does not make for an amicable settlement. It is a constant process that gives a tool for continuing an organized relationship between the management and trade unions. Collective bargaining starts and ends with the writing of a contract.

Constant changes in collective labour law rules affect the way labour law is construed. As a result of this, de - collectivization of industrial affairs is taking place as, at the regional level, new forms, and methods of establishing terms of employment are developing in a way that highlights employer preference and bargaining as a personalized process between employer and employee.

When employers and employees converse with each other for attaining an agreement it is an outcome of collective bargaining. Collective bargaining is the process in which union members of the employees talk with employers for getting benefits. It is an essential component in industrial relations. Collective bargaining facilitates in making the relationship between employees and employers easy. A strong relationship between the employers and employees contributes to the fruitful working of a company.

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