

INTERNATIONAL LABOUR ORGANIZATION (ILO)



LETTER FROM THE CHAIR

Dear Delegates,

Hello and welcome to the 72nd session of Berkeley Model United Nations! I am Nicholas Angelici, your Head Chair for the International Labour Organisation (ILO) and I'm excited to dive into the evolving state of labor rights later this year! I am a second year student majoring in Computer Science and likely minoring in any of Math, Statistics, or Data Science. Outside of BMUN I work as part of the course staff for one of our introductory computer science courses, and for fun I like to read, go to the gym and waste hours playing Super Smash Bros. with my roommates at 2 in the morning. This will be my 6th year being involved in MUN and my second working in a THIMUN committee. Along with myself, there will be three Vice Chairs guiding the committee: Steven Luo, Angela Cooley, and Emile Shah.

Hey everyone! My name is Steven Luo, and I'm super excited to be one of your Vice Chairs in ILO! I'm a second-year double majoring in Computer Science and Data Science, with a minor in Public Policy. I've been involved in Model UN since my sophomore year in high school, and this is my second year in BMUN. I actually was a delegate in BMUN's THIMUN committee in 2022! Outside of MUN, I like to cook, watch live symphony performances, and try the food around Berkeley. I'm also on a quest to study in every library on campus by the end of the semester. I hope you all are just as excited for committee as I am, and I look forward to facilitating our discussions and debates!

Hello everyone, my name is Angela Cooley and I am thrilled to serve as your Vice Chair for ILO this year! I am very passionate about labor and workers' rights, and believe that understanding these issues is necessary for navigating the complexities of our current global socioeconomic landscape. I am a senior majoring in Legal Studies with a minor in Data Science. This is my 8th year participating in MUN, and my 2nd year in BMUN! In my free time, I am currently teaching myself music production and am always on the lookout for new food spots in the Bay Area (see me for some food recs!). I also have a huge passion for animals, and have a tarantula collection back in SoCal. I am looking forward to meeting you all, and moderating our discussions towards a weekend of information, fun, and engaging debates!

Hello everyone, my name is Emile Shah, and I am thrilled to serve as your other Vice Chair for ILO this year! I am excited to explore the continuous conflict between labor rights, employers, and countries. I am a freshman majoring in Political Science and Data Science with a minor in Global Studies. This is my fourth year participating in MUN, and obviously my first year in BMUN! In my free time, I try to teach myself Chinese and Korean, read random books I found in the library, search for new boba spots, and scour the dining hall menus for anything edible. I look forward to meeting you all, and good luck in debate!

Best.

Nicholas Angelici

Head Chair of ILO

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TOPIC A: PROTECTING LABOR WORKERS' RIGHTS IN A WORLD OF AUTOMATION

KEY DEFINITIONS

Automation: The use of machines to replace human involvement in tasks previously completed by such.

<u>Industrial Robotics</u>: As defined by the International Organization for Standardization (IOS), they are generally "automatically controlled, reprogrammable multipurpose manipulator, programmable in three or more axes, which can be either fixed in place or fixed to a mobile platform for use in automation applications in an industrial" (About).

<u>Lights-Out Manufacturing</u>: Fully automated production and manufacturing facilities that employ modern technology to reduce the need for human involvement to just maintenance and surveillance (Fogg).

Industry 4.0: A term commonly use to refer to the current era of industrial advancement (which began in the 2010s) that is defined by "connectivity, advanced analytics, automation, and advanced-manufacturing technology" which operates on an international scale and is concerned with technological integration and development ("What Are Industry 4.0...").

White and Blue-Collar Workers: Blue-collar workers are typically those employed in manual labor and are compensated by an hourly wage. White-collar workers are typically employed in an office setting and are compensated by an annual salary (Parietti).

TOPIC BACKGROUND

Automation's History and its Impacts:

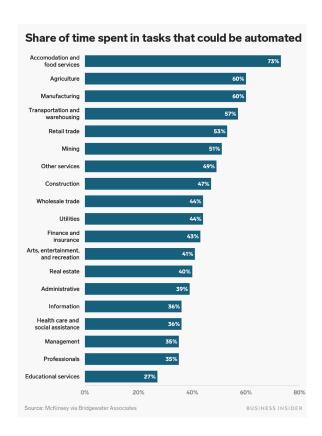
Labor automation is the process by which tasks formerly accomplished by humans are allowed to be performed autonomously or semi-autonomously via the introduction of relevant technologies ("Automation"). Such a concept has long existed in labor industries. Originally stemming from the loom's use in the stocking industry, later technological developments derived in the industrial revolution allowed for the modern notion of labor automation to take form in the 20th century automobile industry ("A Short History..."). In the given production system, simple tasks such as painting, welding, and gluing were aided by the assembly line, where workers and (originally) man-operated machines worked on efficiently subdivided tasks. By the second half of the century, more impressive robotics and conveyor systems pushed productivity even further, as more complex tasks—assembly, machine tending, material handling, and transporting material—were completed by the integrated innovations (Francis). Today, automation continues to grow at an accelerating pace, and it is estimated that 30% of all jobs will likely be automated by the 2030s ("A Short History...").

The involvement of automated systems in labor

industries is closely associated with many positive impacts, such as improvements in operating costs, worker safety, return on investment, production output, and self-sufficiency ("Benefits of Automation"). This effort towards automation, centered around improved productivity and costs, has seen massive success. Since 1930, one-third of all new jobs can be attributed to the involvement of automation; therefore, economic opportunities integrated with automation can command higher wages (Manyika et al.). In addition, the World Economic Forum has noted that automation has previously generated more jobs than it has filled. Yet, as the trend of automation grows at its ever-increasing pace, anxiety surrounding the limitation automation may place on the labor worker has grown as well.

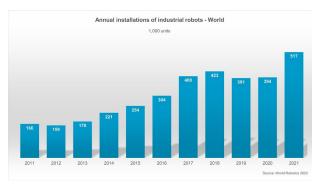
Blue-collar economic opportunities are placed squarely at the forefront of the adoption of automation. Major labor industries such as agriculture, manufacturing, and transportation and warehousing spend an estimated 57–60% of their total production time on those that could be automated ("These are the Industries..."). Considering the process of mechanization and the growth of industrial robotics in a given industry, labor opportunities have seen the greatest proportional growth. The automotive industry, electronics industry, and plastic and chemicals industries

employ 38%, 15%, and 10% of robots active in the general workforce respectively, mitigating the need for human involvement and limiting employment (Brown). Industrial robotics continues to grow at an impressive rate, as the global average proportion of robot workers per 10,000 human workers in the manufacturing industry increased from 66 to 85 from 2015 to 2017—a 28.8% increase (Atkinson). Additionally, the total global number of industrial robots in operation reached 3.5 million in 2022, a record-breaking growth of 31% on the previous year and a total increase of 517,385 robots in all ("World Robotics Report").



The inclusion of industrial robots in the workforce works to improve efficiency and costs as they limit the downtime and high-paying salaries of what workers they may replace. Yet, in consequence, their integration negatively impacts wages and opportuni-

ties for the labor worker. For example, when looking at the United States—a large adopter of industrial robotics that quadrupled their presence from 1993 to 2007—it can be observed that for every robot introduced per 1000 workers, wage and the employment-to-population ratio drops by 0.42% and 0.2%, respectively, culminating in a total loss of around 400,000 jobs up to 2020, (Brown). Similarly, wages and employment in developing countries are predicted to decrease due to the presence of industrial robotics as developed economies move production closer to, or within their borders (Manyika et al.).



Regarding the commonly cited notion of automation creating a greater number of jobs than those it is rendering obsolete, it is important to consider what economic opportunities are becoming available through automation's implementation. Opportunities requiring higher education or training as a basis of admittance are often referred to as "high-skill labor," while those without barriers to entry are labeled as "low-skill labor." However, such terms assigned by economists are not indicative of a job's inherent societal value, and the determination between "high-skill" and "low-skill" is done on the basis of education and training. High-skill labor designed to benefit from or aid the implementation of automation (such as machinists, advanced welders, and other technicians), or otherwise are responsible for upkeep and maintenance are projected to see an uptick in opportunities

(Holzer). Low-skill labor is inversely projected to face the brunt of job losses stemming from automation, as such associated opportunities are those that are to be directly replaced by advancements, like industrial robotics (Holzer). The Brookings Institution, a non-profit research organization which serves to develop and suggest public policies, further notes that workers who currently occupy low-skill labor positions that are set to be replaced will consequently require higher education or training to occupy positions of similar status when reentering the workforce. Workers without a college education have been observed to have been impacted to a greater degree than workers with a college education Compounded with the financial barrier to entry higher education typically maintains, lower-income workers continue to face debilitating circumstances of employment and fewer opportunities to break from the cycle of poverty. In addition, laborers with a degree are also subject to a net negative impact on career opportunities when considering automation (MITSloan). Labor automation is thus pushing labor opportunities towards higher skill requirements, limiting equitable and achievable employment for laborers in its related industries.

Taking into consideration general technological advancements and their involvement in labor industries, an important trend to note is the shift toward fully autonomous manufacturing and shipping facilities. Known as "lights out manufacturing", these facilities are designed to completely remove the human element from their production process and allow for them to exist fully remote and uninterrupted, needing little upkeep from human employees (Fogg). These largely exist as the culmination of automation advancements and are aided by various technologies such as robotic work cells, automatic storage and retrieval systems, and multipurpose floor systems.

Yet, MachineMetrics, an online analytics platform which helps leading automation developers evolve their products, notes that technical challenges, complexity in production, and unexpected maintenance currently hinder the concept's integration, limiting it to mainly companies responsible for large-scale manufacturing. A recent and largely public attempt at realizing the concept was Tesla's 2016 endeavor into a fully-autonomous car plant. The plan for 5000 cars per week fell drastically short, producing just 2000 per week, and Tesla (after facing the previously stated issues associated with lights out manufacturing) subsequently reintroduced human workers to the plant in 2018 (Thales). Success has been found regarding the concept, though, as the Japan-based startup Mujin claimed to have produced the first fully automated production facility in 2018, through its partnership with JD.com (Hornyak). JD.com, a Chinese e-commerce company, claims that through the use of Mujin's technologies (floor systems and humanoid robots), they have reduced the number of employees in a 12,000 square meter warehouse from roughly 500 to just 5 workers. CNBC reported that their success has led to Mujin currently running technical trials in Japanese warehouses with the ambition to expand internationally.

The exponential growth of labor automation continues to threaten achievable and accessible jobs for laborers as the requirements for similar positions rise, wages fall, and the general need for such work begins to dwindle. In an effort to preserve equal employment opportunities for every worker, it is important to consider the role of automation and a balance to the improvements to production and cost, while allowing individuals their guaranteed right to work.

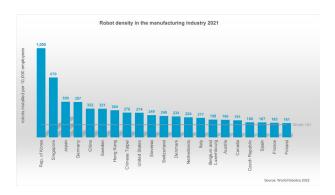
Different Economies, Different Roles, Different Impacts:

Nations of different economic standings will inherently observe different impacts on their economy and labor pool as industries continue to automate at a rapidly growing rate. It is thus imperative to understand how differences in national economies can derive different effects and how different economies have participated in the automation process.

Developed Economies

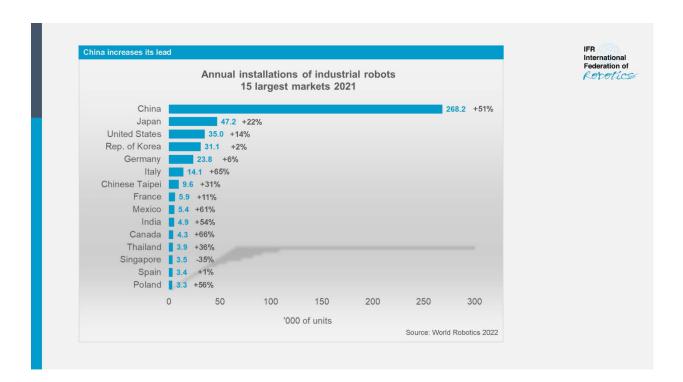
Developed economies are the primary consumers of industrial robotics and other technologies associated with automation. However, the rate of adoption and implementation differs amongst the varying nations. In that regard, developed Asian economies are leading the rate of implementation of industrial robotics, while the United States and Europe still maintain high proportional participation. China, for example, is motivated by continued economic growth to expand their international presence, leading to their rate of automation technology installations to grow by 51% in 2021, making them the leader in industrial robotics growth ("World Robotics Report"). Japan, whose installation of industrial robots grew 22% in 2021, is second to China in adoption, and along with South Korea leads the international community in technological research and development in automation ("World Robotics Report"). Also, looking at the International Federation of Robotics's ("World Robotics Report") report on the number of industrial robots per 10,000 manufacturing workers in 2021, 6 of the top 10 are developed Asian economies. South Korea acts as the largest participant, where for every 10,000 manufacturing workers employed there are 1000 robots. In comparison to the second largest proportion (670 robots per 10,000 workers in Singapore) and the global average (141 per 10,000), South Korea is leading automation participation in the developed world by a wide margin ("China..."). South Korea's status as such stems from direct government

support and development and a desire to retain a leading position in industries such as automobile and electronics manufacturing ("South Korea…"). In all, Asia accounted for 74% of all installed industrial robots in 2021 ("World Robotics Report").



The United States has seen stagnating interest in industrial robotics due to general disinterest and resistance from their working population, and the nation's participation in industrial automation has consequently slowed. Still, the nation maintains the third largest rate of installed robots in the world ("World Robotics Report"). Europe, while maintaining a growing interest, retains a smaller portion of the industrial robotics market, as the ILO notes that their improving participation is not fast enough to keep up with other developed economies.

Through the implementation of such technology, these developed economies enjoy greater manufacturing efficiency and reduced production cost, while also providing incentive to limit outsourcing and move to develop manufacturing plants in their borders, ("Impact of Automation..."). Yet, the individual laborer still faces loss of wages and job security as their occupations are being directly replaced with automation capabilities, (Manyika et al.). Unemployment as a result of such automation can only be mitigated by providing education focused in other sectors, yet the bar will continue to rise for jobs of similar standing in the coming decades, (Manyika et al.).



Developing Economies

Developing economies—economies whose labor pool generally accounts for a large portion of their economy—are likely to face the greatest proportion of job automation and subsequently, the greatest impacts from such. Due to larger economies often outsourcing to developing economies for inexpensive labor and the automation process leading to developed economies moving their production plants back within their borders, it is estimated that 85% of jobs are at risk of automation in developing economies ("Impact of Automation…"). As a result, blue collar workers within developing economies will likely face drastic job losses, plummeting wages, and stagnating opportunities for individual economic improvement

(Condliffe). However, the given conclusion is not shared by all researchers, as developing economies are not as heavily involved in automation as developed economies. A report from the University of Cambridge noted that due to a lack of native implementation of industrial technologies and a lack of affordability for wide scale integration of industrial robotics, job losses in developing countries will be minimized compared to developed countries. Instead, job security will improve as developing economies will grow to accommodate the changing industrial landscape ("Don't Fear the Robots..."). Overall, the role developing economies play in the international economic community will change, yet the impact is a subject of contention for economists.

NOTABLE CORPORATIONS AND TECHNOLOGIES:

Amazon / Amazon Robotics

As the largest online retailer in the world, Amazon is responsible for managing, packaging, and shipping 1.6 million packages per day ("57 Amazon Statistics..."). The company continues to maintain its massive international market through operating over 175 fulfillment centers (warehouses) globally and employing roughly 1.5 million people worldwide (Bishop ; "List of Amazon Fulfillment Center Locations"). Consequently, Amazon has sought to work towards automating large portions of their shipping and storage facilities in order to save on costs and develop a greater system of efficiency. In that endeavor, the company created their subdivision Amazon Robotics to develop and deploy relevant industrial robots within their global fulfillment centers (Heater). Since its formation, Amazon Robotics has successfully deployed over 520,000 robotic drives across all fulfillment centers, developed prime industrial technology, and helped to define and motivate robotics startups like Berkshire Grey, Locus, and Fetch (Heater).

Amazon Robotics's two modern flagship products are Proteus and Cardinal. Proteus is an autonomous multipurpose floor system designed to navigate factory floors and maintain safe and minimal interactions with its human companions. Primarily used for in-facility package transportation, it is designed to navigate around workers and to operate throughout the entirety of its assigned fulfillment center. Cardinal, able to move items weighing up to 23 kilograms, is a robotic work cell designed for sorting and scanning packages. It is currently in its testing phase, but is likely to be implemented into facilities this year (Heater). Amazon cites a greater need for efficiency

derived from the increasing numbers of packages it handles and delivers each year for the development and implementation of these products. In turn, this means that workers in Amazon's warehouses could face diminishing economic opportunities as the company turns to autonomous mechanisms for tasks long accomplished by human workers.

Boston Dynamics

Boston Dynamics is a large robotics researcher and manufacturer based in Waltham, Massachusetts, that is well-known for their public displays of innovation and advancements in the field of robotics. The organization also directly sells and distributes an industrial robot known as "Stretch." Stretch is a multi-purpose and mobile robotic work cell designed for material transportation. Its robotic arm is capable of moving up to 800 boxes per hour for 16 hours on a single charge; it is designed primarily for unloading, loading, sorting and other general purpose activities, ("Warehouse Automation"). Boston Dynamics exists as a large public-facing organization that provides a glimpse into the industry of industrial robotics, and allows the public to observe and understand devices that could potentially impact 23.11% of all workers worldwide-those that are currently employed in labor industries ("World -...").



DAIFUKU

The Japan-based company is one of the world's largest material handling system providers and currently operates in the sector of factory and warehouse automation supply. The organization develops and distributes various types of industrial robotics, such as: high-speed sorting systems, smart conveyor belts and automated storage and retrieval systems built to custom specifications ("History of Automated Warehouses"). As a leading provider in the industry, DAIFUKU outlines the growing capabilities of labor automation and the ever-increasing demand for its associated technologies. In addition, its part in the continually dominant Japanese research and development sector of industrial robotics highlights the nation's growing share of the market.

FANUC

FANUC is the world's leading global manufacturer of factory automation systems, holding 18% of the global market share alone. The company has been responsible for the installation of over half a million industrial robots (including robotic work cells akin to Cardinal and Stretch and various other automated floor systems), and roughly 4 million industrial computer systems ("Japan Leads..."). While based in Japan, over 65% of its profits originate overseas ("Japan Leads..."). FANUC currently operates a successful light-out manufacturing plant, wherein its own automated systems are used to, recursively, manufacture manufacturing automation systems (Fogg). The company operates on the forefront of its own technology, developing automation technologies to better improve efficiency and cost. It is a glimpse into what the future of automation may look like and serves to highlight the lack of a human element that would be needed in wide scale manufacturing if automation were to be fully integrated.

PAST UN ACTIONS/INTERGOVERNMENTAL ORGANIZATION RESPONSE:

Key Resolutions

In an effort to secure laborers the right to work, the United Nations has primarily directed their effort towards advocating for the needed resources to train workers as to ensure their ability to properly participate in the ever-evolving labor market. Of the United Nations' stated goals, updated as recently as 2023, goal eight is established to "[p]romote sustained,

inclusive and sustainable economic growth, full and productive employment and decent work for all" ("Goal 8..."). What this amounts to, when regarding labor automation, is the retention and development of safe and equitable work; efficiency and financial savings do not eclipse the right to work.

The International Labour Organization has instituted similar declarations regarding the need to ensure the

right to work via the proper means of education and training that will allow workers to adapt to evolving labor market conditions. In the past decade, the resolution A/RES/70/1, "Transforming our world: the 2030 Agenda for Sustainable Development," established the ILO's ongoing stance on the issue. Adopted on October 21, 2015 by the General Assembly, the resolution takes aim at the rapidly evolving economic landscape and calls upon nations to consider how to properly integrate technological progress while allowing workers continued access to fair and equitable employment and working conditions ("Transforming our world..."). The statement was later reaffirmed by the resolution A/RES/72/342, adopted on September 20, 2019, cementing the ILO's dedication to ensuring workers' right to work in the face of changes to economic opportunities ("The Future of Work"). The ILO has further attempted to raise awareness on the issue through frequent publications of literature related to the topic, analyzing the impact of continued automation in various sectors while outlining the threat to job security that such advancements may pose.

These resolutions, while clear in their intent and stance, have produced little impact on the international community as a whole. They have established the desire of larger intergovernmental bodies but provide only suggestions as to the goals other nations should seek to achieve. Typically, when attempting to establish standards accomplished by various governments internationally, united agreements and bodies that have each nation work with one another or keep one another accountable serves to better allow for such guidelines to be successful. One example is the Organisation for Economic Co-operation and Development (OECD) which is an intergovernmental organization representing 38 nations which has helped to shape economic policy and development worldwide through direct collaboration and agreement.

INTERNATIONAL ACTION AND RESPONSE:

Governmental Response

Most key nations lack legislation that explicitly cover the role automation plays and will continue to play in the development of their economies; as automation begins to rapidly fill more labor positions, nations are now becoming cognisant of what issues integrating an ever growing number of industrial technologies may pose to their labor pool. As such, most nations are allowing legislation that was designed without labor automation in mind, legislation that indirect-

ly relates to the topic, to guide their response and involvement in the modern economic landscape. However, some nations have developed legislation that directly covers the topic.

The United States has allowed for the automation of labor opportunities to become a profitable alternative to human involvement when considering the difference in the way the nation has historically trended while taxing human labor and capital. Comparing the two, labor has averaged a tax of around 25% in

the last decade, while capital (which covers automation technologies) was only taxed at an average rate of 5%, creating an average disparity of 20%, (Brown). Coinciding with industrial ambitions, this has allowed for the United States to be the third largest integrator of industrial robotics—according to the IFR—and to enable companies such as Amazon and Tesla to attempt to develop lights-out manufacturing plants (Fogg). The United States exists as a leader in the realm of labor automation and has enabled the private sector's prioritization of automation over the growth of labor opportunities through legislation indirectly involved with labor automation as a whole.

China has gained its status as the largest adopter of industrial robotics, passing Japan in 2013, through direct legislation intended to facilitate the growth of automation technologies within its workforce ("World Robotics Report"). In an effort to further its nation's manufacturing capabilities and expand its role in the international economy, China has prioritized the integration of industrial robotics and similar technologies in its 13th and 14th five-year-plan (which concerns the years of 2016 to 2025), (Automation). By placing emphasis on research, development, and the purchasing of industrial technologies, China has accelerated its role in the automated world through intentional pursuit of such.

The European Union is currently being guided by the 1989 Machinery Directive when regarding automation. The directive's most recent revision in 2022 is designed to secure the smooth integration of autonomous machinery into the European workforce; a key point being to "ensure machines are safe and increase users' trust in new technologies, reduce administrative burden and costs for manufacturers, foster legal certainty, and establish more effective market surveillance" ("Press Corner"). This general statement

of intent is a recent legislative effort to guide the European Union through labor automation and to focus on the cohabitation of the human and technical elements.

Non-Governmental Response

In an effort to develop proper legislation tackling labor automation, and its impact on economic opportunities, most non-government organizations directed at the issue are concerned with the development of reports. These studies supply critical information on the topic, analyze the role the leading governments in automation play, and identify the means through which a nation may mold such information into meaningful and impactful legislation.

The International Federation of Robotics (IFR), founded in 1987 Frankfurt, Germany, is a non-governmental collective of various organizations operating in the realm of robotics. The IFR's primary goal is to create awareness of robots' positive societal impacts, to increase accessibility to robots, and to enable collaboration in the robotics industry on a global scale, allowing for further developments and implementations ("World Robotics Report"). In that pursuit, the IFR publishes a yearly "World Robotics Report" alongside frequent newsletters, which act as premier sources of information surrounding the implementation of industrial robotics around the world, international market data, the history of the industry, methods of networking, and promoting legislative development ("World Robotics Report"). The IFR is concerned with the positive impact of robotics and what they can enable in the ever-evolving global economy.

The World Economic Forum (WEF) acts in a similar manner to the IFR: the non-governmental body works towards providing key resources surrounding

the future of industrial automation through frequent publications concerning market data, country participation, and impacts on the workforce. Inversely, the Switzerland-based WEF finds greater concern regarding the future of the labor market and looks to provide a healthy, inclusive, and sustained work environment. To do so, the WEF lobbies to develop legislation that will both preserve economic growth and opportunities for employees and employers, respectively, to future-proof livelihoods amidst rapidly growing developments in a world of automation ("Future of Work").

CASE STUDIES

Case 1: Germany

Within the past decade, Germany has been proactive in addressing a comprehensive approach to workforce transition in the face of automation and the rise of technological development. In 2010, the country's government established the German vocational training system initiative as a cooperation with private companies and public vocational schools ("Skills Initiative - Federal Foreign Office"). Since its implementation, the dual system has been widely recognized by the international community as a highly effective model for vocational training. Many of Germany's industrial heavyweights have implemented a variety of retraining and upskilling programs to equip workers with the necessary skills to address the country's changing labor market as part of this initiative.

Currently, more than 36 of Germany's major companies are working together to retrain workers to fill a growing skills gap and avoid layoffs (Waldersee). The German dual system has demonstrated its success over a long period in its propensity to adapt quickly and effectively to the various changes currently affecting the country's economy. According to Eurostat data, Germany held the highest vocational education

and training (VET) participation rate among European Union countries in 2019. An estimated 51% of German upper-secondary students were enrolled in VET programs, twice as much as the EU average of 26.7% ("Vocational education statistics - Statistics Explained").

By providing workers with new skills and knowledge, retraining and upskilling programs allows workers to increase their employability and reduce the risk of job displacement as a result of automation. These programs' success is found through direct government involvement and support, efforts directed at skills and education with intent to improve employability, and Germany itself possessing economic opportunities for workers to move into. Workers who possess relevant and in-demand skills are able to perform tasks and stay relevant in their current positions that may have been automated otherwise. Since automation often replaces repetitive tasks, upskilling programs allow workers to transition to higher-skilled and more complex positions that emerge alongside technological advancements.

Case 2: The United States

California's Gig Economy Legislation (Assembly Bill 5, or AB 5) is a notable example of legislative efforts in the United States with the intention of protecting workers' rights, specifically in the gig economy (a concept wherein workers find employment on an individual or on-demand basis) where automation and digital technology play a critical role. The California Legislature passed AB 5 in 2020 which extends employee classification status to certain groups of gig workers by requiring companies—like Uber, Lyft, and DoorDash—to use a three-pronged test, the "ABC test," to determine whether workers are eligible to be classified as independent contractors rather than employees (Lake). By using this test, companies are required to assess working conditions like the level of control exerted by employers over workers and the nature of the work performed.



Although AB 5's primary focus is not specifically on protecting workers from threats of automation, the legislation redefined employment classification, further strengthening labor rights and providing a level playing field. AB 5 promotes workers' rights by granting them stronger labor protections, like the right to

unionize, authorizing them to collectively bargain and advocate for their interests. Additionally, workers have the right to file complaints for labor violations. These protections permit workers to redress if their rights are violated as a result of automation-related job changes or displacements ("Worker classification and AB 5 frequently asked questions").

However, AB 5 has been the subject of ongoing debate and has been criticized for its negative impacts on stakeholders and the flexibility given to independent contractors. If independent contractors are required to be reclassified as employees, critics argue that companies will have more authority over workers treated as employees, potentially compromising their autonomy, and the reclassifying costs would raise prices for consumers. As a result, the additional costs on employers may create pressures to bring automation into the workforce more rapidly (Zaller).

The intricacies and debates regarding AB 5 underline the need for careful consideration and balanced implementations when carrying out legislation meant to protect workers' rights. Balancing the interests of workers, employers, and consumers necessitates a more varied approach that takes into consideration the distinctive characteristics of the gig economy and the evolving role of automation. While AB 5 aims to protect workers' rights, it is important to consider alternative solutions and address the concerns brought about by critics in order to achieve a fair balance for workers and employers.

QUESTIONS TO CONSIDER

- 1. Has labor automation in your nation been a matter of domestic or foreign ambition? How have such pursuits impacted blue-collar opportunities, and how have they impacted your economy overall?
- 2. What legislation from your government has directly or indirectly addressed automation? Has certain legislation enabled labor automation, and was this intentional or unintentional? How would this contribute to your nation's perspective on automation regulations?
- 3. Though automation is often cited as the death of low-skill labor jobs, many cite a potential growth in relevant skilled-labor opportunities. Is this sufficient to replace the lost economic opportunities, or are labor jobs important to your economy?
- 4. Has the rate of automation grown or stagnated in the last five years? How has your economy reacted to such?

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TOPIC B: ENABLING THE USE OF COLLECTIVE BARGAINING IN DEVELOPING ECONOMIES

TOPIC BACKGROUND

Collective Bargaining's Origin and Impact

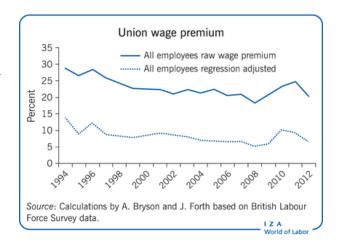
Prior to the Industrial Revolution, labor agreements were defined by contracts outlined on the basis of each individual worker. However, the era's technological advancements enabled great improvements in the production of goods, moving typical labor opportunities from homes to industry-managed factories and causing large population spikes in major cities (Hayter). The result of this economic and residential shift was intense working conditions, child labor, unfair wages, and various other detriments to workers' quality of life, necessitating greater representation of

workers and their interests in fair wages and reduced labor intensity. This resulted in the creation of the first workers' organizations (Hayter). Deriving their power from the ability to withhold labor and possessing clear and unified demands, these organizations originally faced backlash and resistance from employers, but they nonetheless made progress on issues that plagued industry laborers (Hayter). Following the Industrial Revolution's technological, social, and economic developments throughout the 18th and 19th centuries, the root of the employee-employer relationship shifted from one that is negotiated solely by the individual worker to one that can be shaped by collective bargaining (Hayter).

Collective bargaining, as defined by the International Labour Organization (Hayter), is outlined to be the practice whereby an organized body represents a group of workers in the negotiation and development of agreements surrounding employment policies including, but not limited to, wages, working conditions, expectations, and time off. In the modern economic landscape, these organizations, known as unions, represent groups of workers at different levels of centralization; unions can operate at the national, regional, or local level as well as represent workers in a specific profession, industry, or organization ("Collective Bargaining"). The impacts derived from collective bargaining's integration into a nation's workforce varies from nation to nation. However, overall, the practice is associated with positive outcomes for those employed, where better working conditions, fairer wages, and improved job equality are attributed to unionization ("Negotiating..."). Generally, collective bargaining's implementation and legality also varies when regarding different nations. France, Germany, and Australia (among other nations) may require that all firms in a given industry be subject to the terms settled in negotiations related to that industry. Other governments place a weaker emphasis on the legality of such agreements; in the United Kingdom, for example, employee-employer relationships and arbitrations are fully dependent on the goodwill of the involved parties ("Collective Bargaining"). In other cases, some nations maintain direct efforts against the proliferation of collective bargaining in their economies, making efforts to block the development of unions and encouraging worker contracts developed by the individual and the employer. In 2022, 113 nations were recognized as having legislation which restricted individuals from establishing or joining trade unions, a 6.6% increase from the previous year ("2022...").

In an effort to maintain greater wage and employment flexibility in their workforces, some governments and their leading politicians have called for more power afforded to the employer at the expense of the employee, citing collective bargaining as a limitation when attempting to realize economic growth (Bryson). Additionally, evolving technologies have de-emphasized the importance of human involvement in various industries. The ability for a company to reduce the amount of workers through technological supplementation (primarily in labor industries) has allowed corporations to regard workers with less importance, limiting unionization's power ("How..."). An increasingly connected global economy has also enabled corporate interests to shift away from maintaining a strong relationship with local workers, as outsourcing work to other nations has become a common and cost effective tactic ("How..."). As a result, collective bargaining coverage and union participation have both seen a downturn in recent decades (late 20th century and onwards), reducing what rights are allotted to impacted workers (Bryson). For instance, developing economies in Eastern Europe have seen a substantial increase in non-standard employment, and a loss of overall coverage by unions and collective bargaining (Magda). Surrounded by a negative public perception in Eastern European nations, such economies' union infrastructure has become fragmented, weakening the coverage and capability of their unions—despite the premium wages they have continued to generate for those associated with their organizations. In addition, many nations—even those who provide legal guidelines for the practice of collective bargaininghave fallen into a pattern of impeding workers' rights to collective bargaining, organization, and representation. In 2022, 79% of nations worldwide violated the right to collective bargaining, a 14% increase from 2014 ("2022..."). That same year, 74% of nations saw their authorities inhibit the registration of unions, up 15% from 2014 ("2022..."). These efforts against collective bargaining have therefore limited the growth of new collective representation and impacted existing organizations. In all, it is estimated that from 2000 to 2019, the density of trade unions has decreased from 20.9% to 15.8%—nearly a 25% drop in density over the span of two decades ("Trade Union Dataset"). Thus, governments are making an effort to accelerate economic development via de-emphasizing the use of collective bargaining in their economies, successfully diminishing the practice's coverage and protection in recent years (Bryson).

This trend has proven detrimental to the worker. A diminution in the presence and use of collective bargaining is associated with a loss of wage equality and standardization; in the absence of unified representation for the workforce, labor relations tend to favor the employer, enabling employee mistreatment and worsened working conditions (Bryson). Corporations advocating for such change cite benefits of improved returns, employment growth, and expanded economic control (Bryson). Countering the notion of losing wage premiums gained through unionization (wage increases associated with being represented by a union), some companies also bring up evidence of greater wage premiums when contracts are negotiated at the firm level, rather than industrial or general levels (Lamarche). On average, those who negotiated their employment directly with the firm rather than through a union also have a greater rate of productivity—workers in non-unionized conditions accomplish their work at a higher rate than those in unions (Lamarche). There are links between weakened collective bargaining and general economic growth and corporate profits. In the absence of unionization, corporations can exercise greater control over their workforce, saving money on wages, working conditions, healthcare, and other attributes of employment (Bryson). The loss of this ability to participate in employment terms and conditions weakens the economic mobility of the working class, culminating in corporation-driven economic growth at cost of the employee (Bryson).



Wage premium trends from 1994 to 2012, (Bryson).

Collective Bargaining in Developing Economies

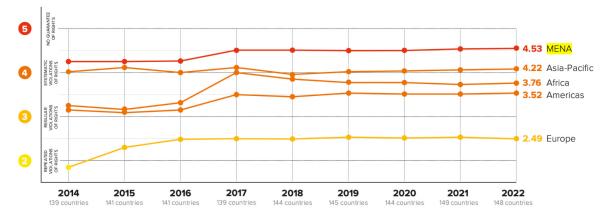
Legislation and general political sentiment in nations with developing economies trends towards impeding the use of collective bargaining and unionization, limiting the rights of the worker. The motivation for restricting the policy is ultimately summarized by the notion that such governments are looking to maintain strong economic control; at the expense of the prosperity of their working-class citizens, developing nations are able to better steer their own economies during critical periods of development ("2022..."). While these nations tend to lean in one direction, it should be noted that developing economies are placed on a wide spectrum of participation and acceptance of the practice. For example, organizations such as the World Economic Forum (WEF) have continued to recognize Chile's labor-oriented legislation, the Chilean Employment Act and the

Chilean Labor Code, as greatly effective at upholding key labor rights for the nation's working population. These government works enable employees to discuss and establish working conditions with employers via a collective body under the protection of the government (Gajjar). This in addition to the nation establishing minimums on wages, hours, maternal and paternal leave, vacation time, and other employment aspects that are relatively high when compared to other developing economies within South America.

The International Trade Union Confederation (ITUC) acts as the largest trade union federation in the world and produces an annual report on international activity surrounding collective bargaining and associated violations of workers' rights. The ITUC, as outlined in their 2022 report, identified Africa, Asia-Pacific, and the Middle East and North Africa (MENA) as the three worst regions regarding the empowerment of collective bargaining. On the ITUC's worker's rights rating (where higher scores are indicative of greater rates of workers' rights violations), the three regions scored 3.76, 4.22, and

4.53 out of 5, respectively. These regions contain the majority of developing economies in the global community and such scores indicate both their lack of integration of collective bargaining and their efforts to violate the right that workers have to the practice. Also, the last 8 years have seen a notable rise in the workers' rights rating in each of the 5 rated regions (where a higher rating correlates to worsened working conditions), further highlighting a decline in the preservation of collective bargaining as a prominent economic tool. Developing economies' continued effort against collective bargaining can be seen in their violation of workers' right to the practice, and attempts to limit what power it holds as a negotiating tactic ("2022..."). According to the ITUC, 100% of developing MENA economies, 83% of developing Asian-Pacific economies and 93% of developing African economies violated the right to collective bargaining. This was in conjunction with over 90% of the economies within the three regions also impeding their workers' right to strike and to establish and join trade unions ("2022...").

Nine-year trends: Regional ratings



Regional ratings of the five main regions as identified by the ITUC from 2014 to 2022 ("2022...").

Collective bargaining in developing countries largely operates on an industry-wide scale with government involvement that encourages deals favoring employment flexibility and national economic development. However, some nations are making efforts to decentralize the process, encouraging lower-level agreements focused on firm-level negotiations over standardized industry expectations—primarily Latin America countries such as Argentina, Mexico, and Venezuela (Lamarche). Decentralized bargaining has acted as the norm in many other nations, in contrast, as Asian countries such as Indonesia, Korea, China, and Singapore have historically favored local,

firm-level bargaining. Yet, those nations are looking to adopt more control via higher levels of centralization (Lamarche). Coverage, it should be noted, does vary greatly among developing economies, and the numerous forms the process takes creates myriad economic environments that each hold unique circumstances for those who participate in them. Yet, the opportunity for collective bargaining jobs continues to rise, as outsourcing of manufacturing jobs and similar opportunities from developed economies has provided a steady increase in typically-unionized jobs in developing economies ("Trade Unions…").

Region	Collective bargaining agreement coverage			
	Less than 15%	15-50%	51-70%	More than 70%
East Asia	Korea		China	
South Asia	Nepal	India		
Southeast Asia	Indonesia			
	Malaysia			
	Philippines			
	Singapore			
	Thailand			
North Africa	Morocco	Ghana	Guinea	Sudan
Sub-Saharan Africa	Burundi	Togo	Lesotho	Ethiopia
	Mauritania			Senegal
Central America	El Salvador			
	Mexico			
	Nicaragua			
South America	Brazil	Venezuela		Argentina
	Chile			Bolivia
	Colombia			Uruguay
	Peru			

Coverage of collective bargaining agreements in developing countries (Lamarche).

KEY CONCEPTS

- 1. Collective Bargaining: Explicitly stated by the ILO as "all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations on the other, for: determining working conditions and terms of employment; and/or regulating relations between employers and workers; and/or regulating relations between employers or their organizations and a workers' organization or workers' organizations" ("What…").
 - Collective bargaining is recognized as a fundamental right by the ILO in the ILO constitution, and the organization recognizes the practice as a key mechanism for fair wages and working conditions.
 - Centralization: The level at which an organization represents a given group regarding an industry or business; an organization that is defined by representing the shared interests of such a group. Typically, centralization occurs at the firm, local, regional, or national level ("Collective Bargaining.").
- 2. Labor Relations: The relationship between employer and employee. The dynamic the two entities share and cultivate via individual communication or communication through representative third parties. Wages, working conditions, working time, and other aspects of employment are determined by labor relations ("Collective Bargaining and Labour Relations").
- 3. Trade Union: An organized body representing a trade, industry, or company. It is a collective of workers attempting to set standardized expectations for employment and its benefits in their particular work—wage equality and security, social benefits, working conditions, and others—with such accomplishments derived from the ability to withhold labor and provide unified demands through collective bargaining ("Trade Union").
 - Trade unions operate at varying levels of inclusion and maintain different titles reflecting these differences. General unions pertain to workers of varying industries and workplaces; industry unions typically consider workers in a given profession or trade; firm unions are those that represent workers in a single company, or multiple companies under a corporate group ("Trade Union").
 - Union Federations: A larger organization representing a collection of lower-level trade unions and
 their associated workers. It is a political entity commanding more power in order to better provide
 the influence needed to reach what unified demands it represents on a national and/or international
 scale ("Trade Union").

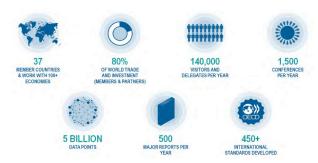
NOTABLE ORGANIZATIONS

Organisation for Economic Co-operation and Development (OECD)

The OECD is an intergovernmental organization operating in Paris, France, and serves to represent 38 member nations and 5 key partner nations in various economic initiatives throughout the international community. Primarily, the OECD focuses on economic growth and development while advocating for collaboration between key economic entities worldwide. The organization originated in 1948 as the Organisation for European Economic Co-operation (OEEC) following the Second World War. Its original purpose was to administer the American and Canadian aid organized and provided through the Marshall Plan for the reconstruction of Europe after World War II. Following the completion of its original initiative, the OEEC was officially retitled the OECD in The Convention on the OECD on 14 December 1960—the transformation officially went into effect a year later on 30 September 1961 and signaled its change in objective to one with broader ambitions ("OECD 60th Anniversary") ("The OECD at 60").

Today, the OECD focuses on developing key standards and policies to be followed by corporations and governments in their continued effort to ensure fair and equitable economic opportunities for workers worldwide. The OECD compiles and publishes roughly 500 major reports per year, holds 1,500 conferences per year, and has received pledges to follow their economic guidelines from nearly 50 nations, influencing over 100 economies in all ("About the OECD"). Considering collective bargaining and its use in developing economies, the OECD con-

tinues to track its coverage and integration into the economies it observes and updates its guidelines and suggested policies to confirm its place in the modern economic environment, leading intergovernmental discussion and legislative development.



OECD accomplishments ("The OECD at 60").

International Trade Union Confederation (ITUC)

Operating as the largest trade union federation in the world, the ITUC was formed on November 1, 2006 through a merger between the International Federation of Free Trade Unions and the World Confederation of Labour—the leading international trade union federations prior to the ITUC ("The International Trade Union Confederation..."). Based in Brussels, Belgium, the ITUC currently represents 190 million workers and 336 national affiliates located in over 165 nations. The ITUC has established that its primary objective is the "promotion and defense of workers' rights and interest, through international cooperation between trade unions, global campaigning and advocacy within the major global institutions" ("The International Trade Union Confederation..."). In terms of collective bargaining and its use in developing economies, the ITUC has continued to advocate for the organization and unification of

workers towards common goals and demands a higher standard of working conditions and wages while citing the ILO Constitution's declaration of collective bargaining as a fundamental right.

In order to achieve its stated goals, the ITUC produces their annual "Global Rights Index", compiling data from nations around the world concerning how collective bargaining and trade unions are handled within their borders. The report provides critical data that denotes how the international community trends in regards to collective bargaining and serves as a key basis for the development of legislation and policy recommendations for government and non-governmental bodies, respectively. Alongside many other publications produced throughout the

year, the ITUC also runs the Trade Union Development Cooperation Network (TUDCN). The TUDCN works with prominent global figures in economic policy development to aid in the creation and coordination of trade unions internationally, improve their capabilities, and to advocate for ILO's Decent Work Agenda and 2030 Agenda, which both aim to improve economic opportunity and equity, globally ("DEVELOPMENT..."). In order to enable international cooperation, the TUDCN works with intergovernmental organizations such as the United Nations, the Global Partnership for Effective Development Effectiveness, the European Union, and the Development Assistance Committee to the OECD, as well as the ITUC's various regional organizations.

PAST UN ACTIONS/INTERGOVERNMENTAL ORGANIZATION RESPONSE:

Key Resolutions

In the case of low and middle-income countries (LMIC), where labor rights may be less established, the United Nations is a key actor in advocating for collective bargaining practices and promoting workers' rights. Many of the resolutions established by the UN have provided a timeline of the development of the ILO's recognition of collective bargaining.

With ratification by 168 countries, the Right to Organize and Collective Bargaining Convention in 1949 (Conference No. 98) provides measures for national conditions that promote the development of collective agreements regarding the conditions of employment and the use of machinery. Conference No. 98 grants workers the right to protection from anti-union persecution in the workplace, empowering them to form unions and negotiate collectively without the fear of retaliation. In 1978, the Labour Relations (Public Service) Convention (Conference No. 151) addressed specific aspects of collective bargaining regarding mediation, conciliation, and arbitration (impartial mechanisms to resolve employment disputes). Ratified by 58 countries, this resolution has been instrumental in emphasizing the need for fair la-

bor practices and inclusive representation in negotiations between public authorities and employees. Most recently, the Collective Bargaining Convention in 1981 (Conference No. 154) provides a modern and comprehensive definition of collective bargaining. The convention advocates for its inclusion in various sectors to apply to a wider range of industries and increase social dialogue around collective bargaining (Hayter).

In examining the efforts of the UN and IGOs, it is necessary to note a key issue. Despite the significance of the key resolutions adopted by the UN, these resolutions explicitly state that they will have no impact on national legislation in the countries that ratified them. Although these resolutions serve as essential guidelines and suggestions, their effectiveness relies on the willingness of member nations to incorporate and implement these principles into their own legal frameworks. This underscores the voluntary nature of their adoption and emphasizes the need for increased collaborative efforts between governments, IGOs, and NGOs to translate these resolutions into tangible developments in workers' rights and equitable labor conditions.

INTERNATIONAL ACTION AND RESPONSE:

Governmental Involvement

Collective bargaining has seen a notable decline in developing economies; many corporations and government figures have gone against the practice, citing studies that denote that labor agreements decided by negotiation with the individual worker helps to improve productivity, returns, employment flexibility, and potential for national economic growth (Bryson). Though, this is not indicative of a lack of professions that are typically found to be union jobs in developing economies. Similar opportunities are prevalent within developing nations as outsourcing of labor from developed economies has, in recent years, provided an increase in typically unionized jobs such as manufacturing, agriculture and some white-collar work (Reviere). In addition, continued outsourcing from wealthy economies helps to provide some

developing nations with economic opportunities with historical precedence for unionization ("Trade Unions..."). It should be considered how each region and nation possesses their own motivation for their actions surrounding the practice of collective bargaining.

The MENA region has been regarded as the worst region for the use and protection of collective bargaining, noting massive violations of fundamental rights identified by the ITUC in their 2022 Global Rights Index. The ITUC attributes their reluctance to adopt the economic measure to conflict and historic systematic abuses of workers' rights within the region's nations—such as the Kafala system which gives private entities near-total control over migrant workers, and still retains relevance in the region ("What Is..."). Economies in the MENA region are primarily

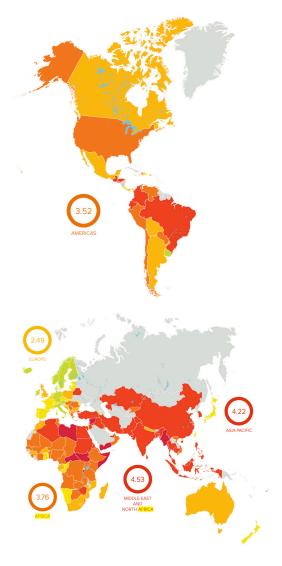
driven by government control with little emphasis on workers' rights, limiting the proliferation of collective bargaining. Saudi Arabia, for example, has officially banned the practices of unionization, collective bargaining, strikes, and public demonstrations of any kind regarding employment conditions. The nation has continued to rely on migrant workers, providing them access to only "workers committees", which hold little power and fail to uphold the fundamental rights of the worker as identified by the ILO (""Saudi..."). Morocco, in contrast, is a MENA nation whose recent efforts have allowed for their domestic trade unions to find stronger footing in their social and economic landscape. The Moroccan New Development Model (NMD) is legislation aimed at curbing inequalities prevalent within the nation improving wages, private investment, women in the workforce, etc.—and has allowed for the proliferation of collective bargaining by assigning greater power to the nation's various trade unions, which already cover most major industries ("Profile...").

Asia-Pacific has, historically, favored labor relations which place control in the hands of the employer over the employee, as to prioritize national economic growth ("2022..."). Typically, what collective bargaining occurs in the region happens at the industrial level, though many developing economies in Asia-Pacific have made efforts to decentralize discussions, making firm-level and regional bargaining possible (Lamarche). This can be seen in the Philippines, whose constitutional guarantee to the right to collective bargaining and unionization has enabled the creation of over 600 trade unions within the nation, allowing discussion at the firm and regional levels as well as industry level bargaining ("Philippines"). However, these unions represent less than 10% of the nation's workforce, and uncertainty surrounding

employment and aggressive corporate stances limit the proliferation of collective bargaining to a greater extent.

Conflicts within developing nations in Africa have led to a de-emphasis on collective bargaining and unionization. The region has consequently worsened in the ITUC Global Rights Index, and has failed to maintain proper protection of the fundamental right to collective representation ("2022..."). In October 2021, Sudanese military official Abdel Fattah al-Burhan released an order officially dissolving trade unions and occupational federations within the nation. Resulting in a greater concentration of strikes, the action has limited the economic potential of Sudan's working class citizens and has led to unrest derived from worsening economic conditions ("Sudan..."). Yet, other African countries have made efforts towards ensuring the use of collective bargaining, such as Kenya. Kenya's 2007 Labour Relations Act cemented its population's right to collective bargaining and representation through trade unions, enabling the creation of industry-level trade unions and preventing figures of authority within industries from holding sway over such organizations ("Trade Unions.").

Some Latin American nations have made a push to decentralize the process of collective bargaining, hoping to allow for improved productivity and economic returns through firm-level terms of employment ("2022..."). Argentina has made such a shift, as after 1990s market-related reforms changed the nation's stance from centralized to decentralized, employ-ee-employer agreements have become deregulated and moved focus onto short-term contracts negotiated by through the corporation (Lamarche).



Non-Governmental Organizations Involvement:

The primary non-governmental organizations involved in the promotion and preservation of collective bargaining are trade union federations: organizations which represent many smaller trade unions, typically on a national scale, and command greater political influence through their sway over large portions of a nation's economy. The ITUC is

the largest international trade union federation in the world, representing over 330 national trade unions in over 160 countries ("International..."). The Trade Union Advisory Committee to the OECD (TUAC) is an international trade union federation of 58 national organizations in 30 OECD member countries representing over 50 million workers ("About Tuac."). The TUAC acts as the primary party promoting labor movements to the OECD as they hold consultative status to the OECD ("About Tuac."). Global union federations are trade union federations concerned with the representation of a single given trade or industry on a national or international level ("Global Unions..."). Created at the first meeting of the ITUC in 2006, the Council of Global Unions (CGU) is a platform comprising the ITUC, TUAC and 10 global union federations, and serves to facilitate collaboration between the leading organizations to protect the right to collective bargaining and unionization ("Global Unions..."). The CGU is the premier organization representing the largest breadth of trades and workers internationally, in an effort to promote unionized working conditions and the spread of collective bargaining through policy recommendations developed through research and collaboration at their annual meetings. Trade union federations and global union federations work to unify, protect and represent the interests of the smaller organizations that they are composed of. This mainly refers to the independent research projects they conduct which support their given objectives and help shape policy recommendations that these organizations champion. In addition, such organizations typically maintain a line of communication and work with governments and various international bodies, allowing for bargaining to occur at a more direct level and ensure its proper legislative integration.

CASE STUDIES:

Case 1: The Czech Republic (Czechia)

For a concrete example of collective bargaining, we turn to the Czech Republic. Czechia provides a glimpse into the role collective bargaining plays in a developing economy that endured an economic crisis a decade prior, and how collective bargaining can be promoted and implemented in other countries.

Czechia is a member of the European Union, and has a high quality of labor relations as well as a collective bargaining coverage rate of about 45% ("Czech Republic - OECD"). Unions are typically organized within each industry, and collective bargaining occurs at the company level—such agreements then apply to all of that company's workers ("Czech Republic:..."). Works councils also exist as alternatives to trade unions when no such union exists. While these councils can represent workers and their interests, they are formally barred from directly participating in the development of an industry or firm-level agreement. They exist to monitor and confront industry management, developing general tentative agreements surrounding work-place issues, while holding no legal power to issue demands or initiate strikes-powers reserved for trade unions ("Czech Republic - OECD").

Czechia is uniquely well-positioned to strengthen collective bargaining due to its position as a nation in the best region for workers' rights, as well as its own protections and existing union influence. However, economic challenges affected workers' livelihoods, and led to the closure of production facilities and other job sites throughout Czechia. Protests from unions and employees led to agreements between employers and unions on how employees would be

affected and paid in the event that a facility closure resulted in the loss of jobs, creating guidelines for the flexible reduction of working time, providing the opportunity for workers to train and re-skill, and negotiating exemption rules to temporarily deviate from negotiated pay rates ("National..."). By negotiating responses to the economic crisis, unions shaped the way Czech companies dealt with the 2008 global economic crisis, using increased negotiations to allow flexibility for individual companies to adjust their operations accordingly and helping to avoid the worst-case outcomes for workers. However, existing collective bargaining agreements and unions were often a prerequisite for these negotiations and agreements between workers and employers. In that regard, Czechia's historically strong unions (who gained power following Czechia's departure from the Soviet Union and through aid received from the European Union) enabled negotiations to favor the success of the worker, facilitating government action aimed at ensuring a thriving workforce in the event of economic losses. Prioritization of the employee over the employer standardized economic conditions in a developing economy amidst turmoil, a stark contrast to the current situation endured by many developing economies. As developing economies regard collective bargaining as a hindrance to economic growth, Czechia may prove otherwise. However, developing economies do not typically have trade unions with such an influential history.

Case 2: China

The People's Republic of China has seen massive growth over the past few decades, and workers have played a major role in the nation's economic success. The ITUC has identified that nearly half of Chinese workers are represented by a union. Furthermore, China has a singular legally mandated trade union—the All-China Federation of Trade Union—which is also the largest trade union in the world.

However, for most of modern Chinese history, labor relations have been conducted through "collective consultation"—in fact, the ILO defined concept of collective bargaining is not commonly practiced in China. Collective consultation is a process typically considered a formality as a result of top-down requirements from higher entities like the government or higher-level trade unions (Chan). In that sense, collective consultation is the process by which management will develop and propose agreements for union standards based on recommendations by trade unions. Collective consultation often does not even involve employee-employer negotiation; the agreements are accepted without any discussion and are simply "approved" by trade unions. As a result, wage bargaining rarely occurs, as trade unions propose standards that they believe will be palatable to

employers. Workers are hardly consulted, and unions typically serve to ensure labor laws are not violated, attempting to balance the interests of the workers, employer and government.

Significant improvements for workers in recent years have emerged as a result of pressure from the bottom-up. Laborers responsible for strong economic growth were subjected to poor working conditions and low pay, necessitating such economic reform that has taken place in the last decade. Reforms in labor laws have enabled greater levels of worker participation in collective consultation, but in practice workers are still subject to restrictions derived from strong government focus on economic development. In addition, improvements for workers also have been a result of state-led collective bargaining, where government influence serves as a powerful intervention on behalf of workers (Chan). For countries with a strong central government, direct intervention on behalf of workers may be an effective tool in bolstering workers' rights.

QUESTIONS TO CONSIDER

- 1. What national legislation does your delegation maintain regarding collective bargaining / unionization? What type of control does this grant your government and/or the private sector?
- 2. Does your delegation's nation have a national union federation? A regional union federation? How have they impacted your economy?
- 3. Consider how collective bargaining affects the worker, employer and economy at large. Is it an effective tool for economic growth?
- 4. The range of collective bargaining has been decreasing in the last few decades. What are the motivations for such and how has your nation participated?

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