Comparative Labour Law and Industrial Relations in Industrialized Market **Economies**

Editor: R. Blanpain

J. Baker G.J. Bamber M. Biagi R. Blanpain G.P. Cella M. Colucci B. Creighton C. Engels J. Dejardin P. Foubert M. Franzen B. Gan A. Gladstone A. Goldman F. Hendrickx S.E. Jackson A.T.J.M. Jacobs S.K. Pursey J. Rojot G. Rynhart R.S. Schuler J.-M.Servais P. Sheldon L. Swepston I. Tarique M. Tiraboschi T. Treu P. Wickramasekara J.P. Windmuller

Xth and revised edition 2010



KLUWER LAW INTERNATIONAL

Comparative
Labour Law
and
Industrial
Relations
in
Industrialized
Market
Economies

Editor: R. Blanpain

J. Baker
G.J. Bamber
M. Biagi
R. Blanpain
G.P. Cella
M. Colucci
B. Creighton
C. Engels
J. Dejardin
P. Foubert

M. Franzen B. Gan A. Gladstone

A. Goldman F. Hendrickx

S.E. Jackson A.T.J.M. Jacobs

S.K. Pursey
Ji.Rojot
G. Rynhart
R.S. Schuler
J.-M. Servais
E.-Sheldon
L. Swepston
I. Tarique

M. Tiraboschi T. Treu

P. Wickramasekara J.P. Windmuller

Xth and revised edition 2010



Law & Business

Published by: Kluwer Law International PO Box 316 2400 AH Alphen aan den Rijn The Netherlands Website: www.kluwerlaw.com

Sold and distributed in North, Central and South America by:
Aspen Publishers, Inc.
7201 McKinney Circle
Frederick, MD 21704
United States of America
Email: customer.service@aspenpublishers.com

Sold and distributed in all other countries by:
Turpin Distribution Services Ltd.
Stratton Business Park
Pegasus Drive, Biggleswade
Bedfordshire SG18 8TQ
United Kingdom
Email: kluwerlaw@turpin-distribution.com

Printed on acid-free paper.

ISBN 978-90-411-3348-9

© 2010 Kluwer Law International BV, The Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

Permission to use this content must be obtained from the copyright owner. Please apply to: Permissions Department, Wolters Kluwer Legal, 76 Ninth Avenue, 7th Floor, New York, NY 10011-5201, USA. Email: permissions@kluwerlaw.com

Printed in Great Britain.

Notes on Contributors

Jim Baker is Coordinator of the Council of Global Unions, composed of Global Union Federations, the International Trade Union Confederation, and the Trade Union Advisory Committee to the OECD. (E-mail: jim.baker@global-unions.org).

Greg J. Bamber is a Professor at Monash University, Melbourne, Australia. His publications include many co-authored articles and books as: International and Comparative Employment Relations (Sage/Allen & Unwin, 2011); 'Regulating Employment Relations, Work and Labour Laws: International Comparisons between Key Countries' (Special Issue of the Bulletin of Comparative Labour Relations, Vol. 74, Kluwer, 2010) and Up in the Air: How Airlines Can Improve Performance by Engaging their Employees (Cornell University Press, 2009) (E-mail: GregBamber@gmail.com).

Marco Biagi (†) was a Professor of Labour Law at the University of Modena and Adjunct Professor of Comparative Industrial Relations at the Johns Hopkins University School of Advanced International Studies, Bologna Centre (Italy).

Roger Blanpain is Professor Emeritus of Law at the University of Leuven and teaches at the Universities of Tilburg (The Netherlands) and Modena (Italy). He is Honorary President of the International Society for Labour and Social Security Law. (E-mail: roger.blanpain@cer-leuven.be)

Gian Primo Cella is a Professor of Economic Sociology at the University of Milan (Italy). (E-mail: gianprimo.cella@unimi.it).

Michele Colucci is Associate General Editor of the International Encyclopaedia of Laws, and Professor of European Union Law at the College of Europe in Parma (Italy), Lessius – Antwerp (Belgium) and Tilburg University (The Netherlands). (E-mail: info@colucci.eu).

Breen Creighton is a Professor of Law at RMIT University (Melbourne, Australia), and is a former official in the Freedom of Association Branch of the ILO. (E-mail: breen.creighton@rmit.edu.au).

Jean Dejardin is Adviser at the IOE (International Organization of Employers). (E-mail: dejardin@ioe-emp.org).

Chris Engels is a Professor at the School of Law of the Catholic University of Leuven, a lawyer at the Brussels bar, and a partner in the law firm Claeys & Engels (Belgium). (E-mail: chris.engels@claeysengels.be).

Petra Foubert is a Professor at the Law Faculty of Hasselt University (Belgium) and a lawyer at the Leuven bar (Belgium). (E-mail: Petra.Foubert@uhasselt.be).

Martin Franzen is a Professor of Labour Law and Civil Law at the University of Munich (Germany). (E-mail: lehrstuhl.franzen@jura.uni-muenchen.de).

Bernard Gan teaches in the School of Organisation and Management, University of New South Wales, Sydney, Australia.

Alan Gladstone is former director of the Industrial Relations and Labour Administration Department of the ILO as well as Secretary-General of the International Industrial Relations Association (Switzerland). (E-mail: alan.gladstone@bluewin.ch).

Alvin Goldman is Professor of Law Emeritus at the University of Kentucky (US). (E-mail: algold00@email.uky.edu).

Frank Hendrickx is an Associate Professor of European labour law at the University of Tilburg (The Netherlands) and Professor of labour law at the University of Leuven (Belgium). (E-mail: frank.hendrickx@law.kuleuven.be).

Susan E. Jackson is Distinguished Professor of Strategic Human Resource Management at Rutgers University, New Jersey (US) and Lorange Institute of Business Zurich. (E-mail: sjackson@smlr.rutgers.edu).

Antoine Jacobs is Professor of Law of the University of Tilburg (The Netherlands). (E-mail: a.t.j.m.Jacobs@uvt.nl).

Stephen Pursey was Head of the Economic and Social Policy Department of the ICFTU, and is currently a Senior Economic Policy Advisor at the ILO. (E-mail: pursey@ilo.org).

Jacques Rojot is Professor of Management and Director of the Research Centre in Management, at the University of Paris II, Panthéon Assas (France). (E-mail: rojot@wanadoo.fr).

Gary Rynhart is Adviser at the International Employers Organisation. (E-mail: Rynhart@ioe-emp.org).

Randall S. Schuler is Distinguished Professor of Strategic and International Human Resource Management at Rutgers University, New Jersey (US) and Lorange Institute of Business Zurich (E-mail: schuler@rci.rutgers.edu).

Jean-Michel Servais is Honorary President of the International Society for Labour Law and Social Security, Visiting Professor at Liège (Belgium) and Gerona (Spain) Universities, and Former Director at the International Labour Organisation (ILO). (E-mail: jeanmichelservais@sunrise.ch).

Peter Sheldon is Associate Professor, School of Organisation and Management, University of New South Wales, Sydney, Australia. (E-mail: p.sheldon@unsw.edu.au).

Lee Swepston retired in 2007 as Senior Adviser on Human Rights in the International Labour Office, and now is a professor and consultant on human rights. (E-mail: lswepston@gmail.com).

Ibraiz Tarique is Assistant Professor at Rutgers University, New Jersey, US.

Michele Tiraboschi is Professor at the Centro Studi Internazionali e Comparati 'Marco Biagi' of the University of Modena e Reggio Emilia (Italy). (E-mail: tiraboschi@unimo.it).

Tiziano Treu is former Minister of Labour and Professor Ordinarius of Labour Law at the Catholic University of Milan (Italy). (E-mail: t.treu@senato.it).

Piyasiri Wickramasekara was Senior Migration specialist, International Migration programme, International Labour Office, Geneva; and was formerly on the staff of the Department of Economics, University of Peradeniya, Sri Lanka. (E-mail: wickramasekara@ilo.org).

John Windmuller (†) has been Martin P. Chaterwood Professor in the New York State School of Industrial and Labour Relations at Cornell University since 1951, specializing in international and comparative labour relations (E-mail: US).

Editor's Preface

Comparativism is no longer a purely academic exercise but has increasingly become an urgent necessity for industrial relations and legal practitioners, due to the globalization of the economy, the growth of multinational enterprises, and the impact of international and regional organizations aspiring to harmonize rules. The growing need for comprehensive, up-to-date, and readily available information on labour law and industrial relations in different countries led to the publication of the *International Encyclopaedia for Labour Law and Industrial Relations*, in which almost one hundred international and national monographs have thus far been published and which is now online, together with some other twenty encyclopaedias.¹

This book, Comparative Labour Law and Industrial Relations in Industrialized Market Economies, goes a step further than the Encyclopaedia inasmuch as most of the chapters provide comparative and integrated thematic treatment. Our aim is to describe the salient characteristics and trends in labour law and industrial relations in the contemporary world. It is obviously not exhaustive with respect to the coverage of countries and topics; we limit ourselves mainly to the industrialized market economies.

The book is divided into four main parts: first, there is an Introduction relating to methodology and documentation, including the use of Internet. The second part concerns International Actors, such as the International Employers' Organisations and the International Trade Union Movement, as well as Human Resources Management. The third concerns the Sources of Regulation, concentrating on International and European Labour Law as well as on Codes of Conduct for Multinational Enterprises, and describes also the rules in cases of Conflict of Laws.

The last part deals with International Developments and Comparative Studies in not less than fifteen chapters.

^{1.} International Encyclopaedia of Laws: <www.IELaws.com>.

Editor's Preface

Encouraged by the warm reception of the first nine editions, we hope that the tenth edition will also serve as a textbook and reference work to facilitate the task of teachers and students of comparative labour law and industrial relations. We hope, too, that the book will provide labour lawyers with the necessary insights to cope with a world that is increasingly international.

Roger Blanpain, Leuven, 1 May 2010

List of Abbreviations

AFL American Federation of Labor ALO Arab Labour Organisation

AU African Union

BetrVG Betriebsverfassungsgesetz

BIAC Business and Industrial Advisory Committee
CEEP European Centre for Public Enterprises
CFA Committee on Freedom of Association
CGT Confederation Generale du Travail

CGU Council of Global Unions

DGB Deutscher Gewerkschaftsbund (German Federation

of Trade Unions)

EC European Community
EEA European Economic Area

EMF European Metalworkers' Federation

EP European Parliament

EPD Equality and Prohibition of Discrimination

ESC European Social Committee

ETUC European Trade Union Confederation ETUI European Trade Union Institute

EU European Union

EWC European Works Council

TFEU Treaty on the Functioning of the European Union

FDI Foreign Direct Investment

FTAA Free Trade Agreement of the Americas GSEE General Confederation of Labour

GUF Global Union Federation

HRM Human Resource Management ICC International Chamber of Commerce

ICE Regulations Information and Consultation of

Employees Regulations

ICEM International Federation of Chemical, Energy,		
	and General Workers Union	
ICFTU	International Confederation of Free Trade Unions	
IELL	International Encyclopaedia for Labour Law and	
	Industrial Relations	
IFC	International Finance Corporation	
IFTU	International Federation of Trade Unions	
ILO	International Labour Organisation	
IME	Industrialized Market Economy	
IMEC	International Maritime Employers' Committee	
IOE	International Organisation of Employers	
IOM	International Organisation for Migration	
IRRU	Warwick Business School Industrial Relations	
	Research Unit	
IT	Information Technology	
ITF	International Transport Workers Federation	
ITS	International Trade Secretariat	
ITUC	International Trade Union Confederation	
MNC	Multinational Corporation	
MNEs	Multinational Enterprises	
NAFTA	North American Free Trade Agreement	
NCP	National Contact Point	
NGOs	Non-governmental Organizations	
NLRA	National Labour Relations Act	
NLRB	National Labour Relations Board	
OAS	Organisation of the Americas	
OATUU	Organization of African Trade Union Unity	
OECD	Organisation for Economic Cooperation and	
	Development	
OEEC	Organisation for European Economic Cooperation	
RSA	Rappresentanze sindicali aziendali	
RSU	Rappresentanze sindicali unitarie	
SE	Societas Europea (European Company)	
SME	Small and Medium-Sized Enterprise	
SNB	Special negotiating body	
TUAC	Trade Union Advisory Committee to the OECD	
WCL	World Confederation of Labour	
WFTU	World Federation of Trade Unions	

Summary of Contents

Notes on Contributors	XXIX
Editor's Preface	xxxiii
List of Abbreviations	xxxv
METHODOLOGY	1
Chapter 1 Comparativism in Labour Law and Industrial Relations R. Blanpain	3
Chapter 2 Comparative Labour Law: Sources and Documentation M. Colucci	25
ACTORS	41
Chapter 3 National, Regional and International Employers' Organizations G. Rynhart and J. Dejardin	43
Chapter 4 The International Trade Union Movement I.P. Windmuller, S.K. Pursey and J. Baker	71

vi Summary	of Contents
Chapter 5 Human Resource Management in Context R.S. Schuler, S.E. Jackson and I. Tarique	97
SOURCES OF REGULATION	139
Chapter 6 International Labour Law L. Swepston	141
Chapter 7 The European Union and Employment Law R. Blanpain	169
Chapter 8 Multinational Enterprises and Codes of Conduct: The OECD Guidelines for MNEs in Perspective R. Blanpain	195
Chapter 9 Conflicts of Laws in Employment Contracts and Industrial Relations M. Franzen	221
INTERNATIONAL DEVELOPMENTS AND COMPARATIVE STUDIES	243
Chapter 10 Protection of Migrant Workers in an Era of Globalization: The Role of International Instruments Piyasiri Wickramasekara	245
Chapter 11 Freedom of Association B. Creighton	285
Chapter 12 Subordinate Employees or Self-Employed Workers?	339

361

Chris Engels

Jean-Michel Servais

Chapter 13 Working Conditions and Globalization

Summary of Contents	vii_
Chapter 14 Equality and Prohibition of Discrimination in Employment P. Foubert	393
Chapter 15 Employment Privacy F. Hendrickx	437
Chapter 16 Security of Employment and Employability Jacques Rojot	459
Chapter 17 National Trade Union Movements G.P. Cella and T. Treu	481
Chapter 18 Forms of Employee Representational Participation M. Biagi and M. Tiraboschi	523
Chapter 19 Transnational Information and Consultation: The Recast European Works Council Directive C. Engels	577
Chapter 20 Collective Bargaining: International Developments and Challenges Greg J. Bamber, Peter Sheldon and Bernard Gan	609
Chapter 21 The Law of Strikes and Lockouts A.T.J.M. Jacobs	659
Chapter 22 Settlement of Disputes over Rights A. Gladstone	721
Chapter 23 Settlement of Disputes over Interests A. Goldman	751
Index	785

Table of Contents

Note	es on Contributors	XXIX
Edit	tor's Preface	xxxiii
List	of Abbreviations	xxxv
ME'	THODOLOGY	1
Cha	pter 1	
Con	nparativism in Labour Law and Industrial Relations	3
I.	In Search of a Definition	4
II.	Uses of the Comparative Method	5
	A. Better Insight into One's Own National System	5
	B. International Private Labour Law	6
	C. Multinational Enterprises and International Unions:	
	Globalization	6
	D. Forecast of Further Developments	7
	E. To Guide or Promote Social Change at Home: Assistance	8

	F.	As an Instrument in the Formulation and the Application of International Labour Standards: Horizontal and Vertical Comparison 1. The International Labour Organization 2. The Council of Europe and the European Union	8 9 10
III.	Wh	at and How to Compare?	12
111.	A.	Comparison of Functions Rather Than Institutions	12
	В.	Comparison of What Is 'Going On'	13
	C.	Looking for 'Models'	13
	D.	An Integrated and Global Approach	14
	E.	Group Collaboration	15 16
	F.	Educational Visits	16
IV.		e Traps	16
	A.	Language and Terminology	17
	В.		18
V.	The	e Transplantability Issue	20
VI.		e Status of the 'Academic Art'	20
VII.		Comparatione Ferenda: Guidelines	21
	Α.	Teaching	21
	В.	Research	22
		nclusions	22
Selec	cted 1	Bibliography	
Con	pter i ipara Coluce	tive Labour Law: Sources and Documentation	25
	¥ 4	ur Arration	25
I.	A.	roduction International Sources	25
	Α.	1. ILO Publications	25
		2. The Organization for Economic Cooperation and	
		Development	28
	В.	- · · · · · · · · · · · · · · · · · · ·	29
	ъ.	1. The European Union	29
		2. APEC	30
		3. Africa and South America	31
	C.	- · · · · · · · · · · · · · · · · · · ·	31
	D.		32
	E.		32
	F.		33
	G.		34
	H		3.

Table of Contents		<u>xi</u>
	I. Research Websites	
	1. International, Comparative, and Foreig	n Law 35
	2. United States Government Sites	36
	3. ILO Publications	37
	4. International Institute for Labour Studi	ies 37
	5. European Union	38
	6. Private Collections	38
	7. Books	38
	8. Journals	38
ACT	TORS	41
Natio Orga	npter 3 ional, Regional and International Employers' ganizations Rynhart and J. Dejardin	43
_		43
I.	Introduction: Definition	· ·
И.	Historical Development: From Guilds to Employ	44
111	Organizations Functions of Employers' Organizations	46
III.	A. Promoting Business Interests	46
	B. Representative Function in the Political Str	
	C. Representative Function in the Industrial	
	Relations System	48
	D. Internal Functions of Employers' Organizat	tions 51
	E. Speaking for All Business	52
	F. Technical Assistance	52
IV.	Structure of Employers' Organizations	53
	A. Unity of the Central Organization at Nation	
	1. Coverage of the Central Organization	53
	2. Parallel Organizations	54
	B. Membership of Employers' Organizations	54
	1. Small and Medium-Sized Enterprises	54
	2. Public-Sector Enterprises	56
	C. Employers' Organizations at the Sectoral a	na
	Regional Levels	57
	D. Means and Resources	58 58
	E. Mergers and Changing Structures	38

xii		able of Contents
V.	Regional Employers' Organizations	59
v. VI.	International Employers' Organizations	61
V 1.	A. Historical Development	61
	B. International Employers' Organizations	
	at the Global Level	62
	C. The International Organisation of Employers (IOE)	62
VII.	Future Challenges for Employer Organizations	65
V 11.	A. Service Delivery	66
	B. Collective Interests versus Individual	66
	C. Role of Business in Society	66
	D. Changing Trends in Trade Unions	67
	E. Explaining Change	68
Selec	cted Bibliography	69
	Labour Relations Series	69
Chaj	pter 4 International Trade Union Movement	71
	Windmuller, S.K. Pursey and J. Baker	
I.	Historical Overview	71
	A. To 1914	71
	B. From 1914 to 1939	72
	C. After 1939	73
II.	The International Trade Union Confederation	74
	A. Aims and Activities	75
	1. Overall Goals	75
	2. Representational and Organizational Work	76
	B. Structure and Government	77
	1. Membership and Finances	77
	2. Governing Bodies and Secretariat	78
	3. Regional Organizations	78
III.	The World Federation of Trade Unions	78
	A. Aims and Activities	79
	B. Structure and Government	80
	1. Membership and Finances	80
	2. Governing Bodies and Secretariat	80
	3. Trade Union Internationals	. 81
IV.	Other International, Regional or Sub-regional Organizat A. The Trade Union Advisory Committee to the OEC	
	(TUAC-OECD)	81
	B. The European Trade Union Confederation	82
	C The Organization of African Trade Union Unity	84