

[CN] YUEPING SUN

Contact Information:

Address: Economy Department of Jiangsu Administrative Institute, 168 Jianye Avenue
Nanjing, Jiangsu 210004, P.R., China

Telephone: 025-84469988-5625

Mobile: 13915976871

Email Address: sunyp5628@163.com

Yueping Sun is Director/Professor in Economy Department of Party College of Jiangsu Province Committee of CPC.

Exploration of Improving Collective Negotiating Wage Institution

[CN] Yueping Sun

I. The Economic Analysis of Collective Negotiating Wage Institution

1. The essence of wages opens up a space for collective wage negotiations

According to the thinking of Marx's "Das Kapital", under the capitalist system, the essential of wage is not the value or price of labor, but the modified form of value or price of labor power. The value of labor force is internal foundation that determines the wage. The supply and demand of labor in the market decides fluctuations in the level of wages. But in the modern market economy, the staff hold economic form including stock plan, Appearance of share economic enables the worker not only to obtain own labor force value, moreover also share the surplus value. The wages broke through the value of labor boundary. The labor force already displayed the partial capitalization development tendency.

No matter the wage reflects the price and value of labor force, or it reflects the capital price of labor force, this kind of value or price is decided by the supply and demand of this special merchandise(labor force). Therefore, the balanced wages of different kind labor force will inevitably also present difference. Western scholars think this kind of difference is by the difference of quality in people. In the same way, the difference in aspect of intelligence, physical strength, education and training etc. causes it. Because of the existence of the difference of this kind of quality, it make the productivity of workers different, so wages are different. In actual life, the market of labor force are not perfect competitive, the different wages is not all belonged to compensation wages difference.

Workers are lack of employment information or the firm monopolizes the labor force, this situation may cause wages of labor forces higher or lower than competitive wage rate. Both sides equally consult with each other and reach consistent through labor relation. This way makes workers not only get value and the price of labor force to reply wages, and let the principle of the distribution according to factor of production embody into wages agreement, it makes workers share the wages which surplus value translate into reasonably, and it may avoid the phenomenon that the profit corrodes wage. It is a effective channel that establishing wages consultation system, bargaining for labor force in each other, and eventually to definite a satisfactory price which both sides identify with, so it is for "supply" and the "demand" of this special merchandise (labor force) to find one best

chalazas, and it locates the reasonable price of labor force with special collective contract of wages (or wages agreement) form.

2. Trade theory of property right has offered foundation for collective negotiating wage

Market economy may be called as trade economy to some extent. The essence of its social relation lies in the mutual transfer of various property rights between different parts. Collective negotiating institution is a basic system that adjust mutual benefit, and it more met the rule of this kind of trade. Under market economic condition, the firm and the labor mutual negotiated usefulness according to the change of market supply and demand. This is the trade behavior that internal enterprise regulates distributes between capital and labor, and it is also the major form of definite labor-capital relations. Mutual right, responsibility and duty gets to make clear in the unceasing negotiation process. So collective negotiation is the major way that mutual contract produces and carries out, and it becomes the major means which definite labor-capital relations.

Collective consultation negotiation is a kind of trade behavior that occurs continuously, it has solved some problems that price mechanism can not solve, and it is a kind of regulation mechanism based on the supply and demand of product market to reflect employment situation.

The result of collective consultation negotiation produces collective contract or wages special contract (wages agreement).

Enterprise is the combination of the property right of means of production and the owner trade contract of labor force of property right. This kind of contract form has two characteristics: One is that contract mutual own right and benefit will occur change in the process of fulfilling contract. The other is the decision that labor supply side how after the details of supply labor are buyer when signing a contract, when fulfilling the right in contract process. Purchase has right management, the control owner of labor force of property right works. So the process that the mutual trade of property right forms contract has deduced to negotiate negotiation collectively, have offered basis for wages consultation negotiation system.

3. Pareto optimum state has established standard for wages collective negotiation

We have the assumption that the effectiveness of staff is concerning wages only, and it increase along with the increase of wages. It is the wages between the level of wages when profit of enterprise is zero between the minimum wages that maintain minimum survival of the staff. Under the condition that win-win, both sides have the motivation of negotiation. Then the definite wages are the balanced wages of negotiation. It is not the idea that the more wages are low, the more the profit of enterprise is high, nor the more wages are high,

the more the profit of enterprise is low. It is on certain degree that it is a kind of method that raises enterprise effectiveness through increasing wages.

After collective negotiating wage, definitude effectiveness will be larger than the cost that is equal to enterprise negotiation and the cost that staff pays out to negotiate. And it is the gaming form of a kind of Pareto improvement. This is also the meaning place of wages collective consultation. How enterprise and staff determine balanced wages? That is decided by the power of negotiation, and this power of negotiation is concerning with profession feature, product price, trade union organization , changes of product market supply and demand , and "sense of urgency" of negotiation content in both sides. The effectiveness of enterprise is concerning with the effort of staff and the encouragement of owner. The cost of negotiation is stabilized relatively, and the effectiveness of enterprise depends on the staff's hard-working and efficiency of enterprise that internal innovation etc. brings. Collective wages consultation negotiation is a kind of way of producing encouragement mechanism and encouragement way, It's purpose is to raise labor productivity , produce scale and the effectiveness of workers. When in the times of economic prosperity and market dropping behind demand, or economic recession and sluggish market, Enterprise and staff retreat totally " win-win "through negotiation and entering totally. So, under market economic condition, collective wages consultation negotiation is a gaming behavior that labor and enterprises mutual negotiate for mutual effectiveness based the change of market supply and demand, adjust determines mutual balanced effectiveness, make the factor of uncertainty melts clear, and make mutual effectiveness development melt with the biggest effective of each other.

II. Practice Investigation of Collective Negotiating Wage Institution : The Practice of Nanjing City

Nanjing government pays attention to the work of collective negotiating wage highly, and fits collective negotiation and sign of wages special collective contract into 2006 " Nanjing city national economy and society develop goal of struggle " . Soon, the government establishes "the opinion of municipal government about carrying enterprise wages collective consultation work forward further". Nanjing city has established a series of policy and measure one after another to promote the enforcement of system.

Up to the end of 2006 , the whole city develops the enterprise of collective negotiating wage have reached 15,680, the enterprise that signs collective contract reaches 15,010, the enterprise that sign wages special agreement have reached 13,437. The experience of Nanjing city has aroused the solicitude of whole country. Media reports collective negotiating wage one after another, and has given high appraisalment and affirm fully.

But in practice, it still has some difficulties and problems which restrict its further

deepening. First, it is the divergence of privately owned enterprise and state-owned enterprise. Secondly, it is relative hysteresis of propaganda, since most enterprise employees do not know how to defend their own legal rights and interests through this system; then, it is the flaw of law enforcement; finally, it is that enterprise trade union is limited in enterprise. So it can not fulfill duty completely.

III. Perfecting Countermeasure of Collective Negotiating Wage Institution

1. Perfect the law system of collective negotiating wage institution

Collective negotiating wage institution has related stipulation in “the law of trade union”, “labor law” and “company law”. But these laws and regulations are still insufficient. Some laws still have mutually contradictory place, and they also lack actual practicability. We now should work out and promulgate as soon as possible “collective contract law”, and quickly perfect measure and the regulations related to collective contract legislation, for example the wages system, social security system and system of service contract, the handling of labor dispute system, so we can establish the legal system of collective contract operation.

2. Establish the trade union of independence and representative

Allow laborers to establish trade union freely according to the “law of trade union” and the “the article of trade union”. Carry out the system of direct election of the grass-roots leader of trade union and competitive election of leader above county. So to realize the real democratization and popularization of trade union.

3. Select appropriate structure of collective negotiating wage

The structure of wages collective consultation decides the balance of forces between workers and employers, and there is important influence to the negotiating result. When the trade union of enterprise is under the employer’s control, the collective negotiating wage institution becomes to have no meaning, and labor-capital relations are also impossible to get basic improvement. At this time, region and industrial level collective negotiating wage institution will become more necessary. Those viewpoints of thinking that regional and industrial trade union can not represent staff to carry out negotiation with the enterprise is wrong. The structure of collective negotiating wage institution should not stickle to a kind of certain pattern, and it is to design according to actual condition.

4. Establish law to ensure right to strike

The fact that we recognize and protect the right to strike from law is to support laborer strength on foundation and strengthen the ability of bargaining of trade union , so it can make the spontaneous strike phenomenon that has appeared on society develop to the direction of standardizes and management. It also can reduce the unnecessary strike and loss. Therefore we should add some stipulations of right to strike. To prevent from ill use of

right to strike, we should still strike clearly the fact that it is legal only under the organization of trade union. At the same time, The authorities should work out “special strike law” or modify “the law of trade union”, and organize the program of legal strike for trade union to make detailed stipulation, including the condition for legal strike, as well as the application for strike, the program of organizing and approving stipulations.

5. Reinforce legal responsibility

The current law of labor is necessary for unsuitable labor behavior of the enterprise side and trade union side to exert clearly, appropriate legal responsibilities in wages collective consultation. Only to look into legal responsibility for behavior that the wages refuse to consult with trade union, trade union could carry out the right of wages collective consultation, and reaches guarantee of legislative purpose of equal position in labor-capital relations. At the same time, government department should increase supervisor intensity, and punish it in time strictly for the illegal behavior of discovering according to legal stipulation, so to force proprietor of an enterprise or staff to dare not break the law easily.

6. Deepen guidance of classification, insist to push forward by order

Now, the right strategy is “first easy, later difficult; first light, later weight; and size lift”. Definite focal point of wages consultation clearly in different type enterprise. Enlarge wages consultation coverage rate, popularize regional, profession collective contract 1+X vigorously to sign pattern. Strengthen supervisor inspection and the management of regional, profession collective contract.