

## Abstracts

### Historical Background and Recent Trends of COLA (Cost of Living Adjustment) in the U.S.

**Kenichi Shinohara** (Kyoto Sangyo University)

This paper explores the historical development and recent trends of Cost of Living Adjustment (COLA) in the United States. COLA, a mechanism that adjusts wages and benefits to counter inflation, has played a significant role, particularly in social security and labor contracts. Initially introduced post-World War II during a period of high inflation, COLA became law in the 1970s, safeguarding the purchasing power of social security beneficiaries. The United Auto Workers (UAW) pioneered COLA in private labor contracts with General Motors in 1948, which became standard across industries, helping maintain workers' living standards. However, from the 1980s onward, global competition and economic changes led companies to renegotiate or reduce COLA to control rising costs. In the 2020s, with inflation resurging, the importance of COLA has been reassessed, though negotiations between companies and workers remain complex. The paper argues that while COLA remains crucial in protecting workers' real wages, its application must evolve to meet the challenges of the modern economic environment, balancing the interests of both employers and employees in an increasingly globalized market.

### The Current State and Challenges of British Trade Unions: Strategies for Restoring the Labour Movement

**Hiroaki Fujii** (Daido University)

**Makio Kimura** (Nagoya University of Economics)

In this century, the British trade union movement has been in decline. However, the pace has slowed compared to the last century, owing to the efforts of trade unions, which have sought restoration through a variety of strategies. This paper examines these strategies to clarify the significance of the recent trade union movement in Britain. It describes the regulation of redundancy and wage negotiations by Unite in a major bank as a case study of a partnership model, efforts to increase union membership and the militant policy of the National Union of Rail, Maritime and Transport Workers (RMT) as a case study of an organizing model, and the activities and campaigns by Sheffield Trade Union Council as a case study of community unionism. These strategies were chosen by trade unions under difficult circumstances to seek reform and restore their movements. In the UK, because of weak regulations in industrial relations, trade union strategies tend to be diverse and are adopted to respond to the situations of the industry, workplace, and region. However, attempts to support low-paid workers are common in these cases, which underscores the significance of trade unions in British society.

### Wage Struggles and the Development of Industrial Relations in Germany: Is Significant Wage Increase Possible under Multi-Employer Collective Agreements?

**Kotaro Oshige** (Dokkyo University)

Wage determination in Germany is primarily based on collective agreements between industry-specific social partners. Since 2020, Germany has faced economic challenges from the COVID-19 pandemic and the Ukraine crisis, leading to rapid inflation. This raises three key questions: Was the collective bargaining system able to respond effectively to inflation? Are trade unions capable of maintaining this system? And will alternative wage-setting approaches emerge? Firstly, the effectiveness of collective agreements in setting wages during inflation is analyzed through the evolution of negotiated and effective wages. The findings indicate that the system remains relevant for wage determination. Secondly, faced by declining trade union membership and collective agreement coverage, the state's role has grown more significant, with interventions such as minimum wages and extending agreements now crucial. Thirdly, globalization, structural changes due to privatization and liberalization as well as the increasing influence of occupational unions are transforming labor relations, traditionally characterized by "conflict partnership". In

conclusion, the future of the collective bargaining system depends on how the role of the state and the nature of labor relations evolve in response to these ongoing challenges.

Can Coordinated Collective Wage Bargaining Work in Any Environment? A Case Study of the Swedish Model of Industrial Agreements

**Miki Kishida** (Ritsumeikan University)

This paper analyzes the content and results of the Industrial Agreement model in Sweden in the 2000s, which refers to a coordinated collective wage bargaining system based on an Industrial Agreement signed in 1997 by employer organizations and trade unions within export industries. Its aim is to prevent the excessive wage increases that led to the spiral of wage and price increases in the 1970s and 1980s and to keep wage increases within a range that maintains the international competitiveness of Swedish industry. The actual wage negotiations have kept real wage increases lower than in Germany while bringing steady wage increases to the labor market as a whole. On the other hand, the level (mark) of uniform wage increases set on the basis of export industries has led to uneven wage development among different groups of workers and difficulty in dealing with the shortage of workers in the public sector. For this reason, unions with large numbers of low-paid workers in particular are strongly dissatisfied with this model. If the Industrial Agreement model is to continue to receive support from labor and management in the future, finding ways to modify aspects of the model will be vital.

Can Strong Union Influence Coexist while Maintaining and Enhancing Corporate International Competitiveness? A Case Study of South Korea

**Joonhee Park** (Rikkyo University)

Over the past 30 years, wages in South Korea have nearly doubled, rising 1.9 times faster than in many other developed countries. This paper aims to examine why wages in South Korea have increased so rapidly and to what extent. It focuses on the roles played by labor unions and the government in driving this wage growth. South Korean labor unions have strengthened their influence through sustained, organized efforts, which has contributed to consistent wage increases. Meanwhile, the government has actively pursued policies aimed at raising wages. Notably, the Moon Jae-in administration implemented the income-led growth policy, which included raising wages for non-regular workers for the first time. Furthermore, the paper analyzes the relationship between wage increases and economic growth in South Korea. The findings suggest that wage growth does not necessarily lead to economic stagnation; instead, it may contribute to economic growth. During periods of wage increases, major South Korean companies improved their international competitiveness, and GDP growth rates showed an upward trend. South Korea's experience, demonstrating the possibility of balancing wage growth with economic development, could serve as a valuable case study for other countries, including Japan.