

## THE ROLE OF COLLECTIVE LABOR LAW IN DEMOCRATIC AND ECONOMIC STABILITY



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### ABSTRACT

This article explores the importance of Collective Labor Law as a tool to strengthen democracy and promote economic stability. Through a historical and normative analysis, the text addresses the evolution of labor rights, from slavery to current labor regulations, highlighting the emergence of unions, collective bargaining, and collective bargaining as fundamental pillars. Unions emerged as a response to the need of workers to organize themselves to confront the economic power of employers, consolidating themselves as agents of representation and protection of labor rights. Collective bargaining is presented as an effective mechanism for dialogue between employers and employees, adapting working conditions to the reality of each sector. Collective bargaining, on the other hand, acts as judicial solutions to conflicts not resolved in negotiation, ensuring that disputes do not compromise social peace and economic functioning. The research adopts a qualitative and bibliographic approach, centered on normative, jurisprudential and doctrinal provisions, with the purpose of revealing the role of Collective Labor Law as an instrument that goes beyond the regulation of labor relations, promoting equity and ensuring the protection of fundamental rights in the context of work.

**Keywords:** Collective, Democracy, Stability, Economy.

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## **INTRODUCTION**

Collective Labor Law has played an essential role in building and maintaining democratic and economic stability in modern societies. With roots dating back to the first movements of workers' organization, its evolution is intrinsically linked to the struggle for better working conditions and the achievement of fundamental rights.

In a scenario in which economic power is mostly concentrated in the hands of employers, the collective organization of workers presents itself as an indispensable tool to balance forces in labor relations and ensure a legitimate representation of the interests of the working class.

The union entity, collective bargaining and collective bargaining are central mechanisms within Collective Labor Law, being fundamental for the promotion of a democratic environment within companies and for the strengthening of workers' citizenship. Collective bargaining provides a space for direct dialogue between employers and employees, allowing working conditions to be adapted to the specificities of each sector. Collective bargaining, in turn, emerges as a formal and judicial solution for cases in which direct negotiation proves fruitless, ensuring that conflicts can be resolved without prejudice to social peace and economic functioning. Together, these mechanisms form a robust structure that enables both the peaceful resolution of conflicts and the preservation of workers' collective rights.

To investigate the relevance of Collective Labor Law in strengthening democratic institutions and stabilizing the economy, this article adopts a qualitative and bibliographic methodology. The research focuses on normative, jurisprudential and doctrinal provisions, with the objective of understanding how union action, collective bargaining and collective bargaining contribute to the construction of a more balanced and participatory society, where workers can exercise their rights in an environment of mutual respect and social dialogue.

In this way, it is intended to demonstrate that Collective Labor Law goes beyond the mere regulation of labor relations, assuming a social function that translates into the promotion of justice and the defense of human rights in the workplace.

## **THE ORIGIN AND DEVELOPMENT OF COLLECTIVE LABOR LAW**

Throughout history, work has undergone several transformations until it reached its current legal form.

Initially, slavery predominated, where slaves were treated as property.

In the feudal context, serfdom established a relationship of dependence between workers and feudal lords, forcing them to hand over part of their production in exchange for protection and use of the land.

With the Industrial Revolution in the eighteenth century, work became remunerated, but conditions were extremely precarious, leading to a growing demand for regulation and protection. This period was also marked by religious interventions, such as the encyclical *Rerum Novarum* of 1891, in which the Catholic Church condemned the exploitation of workers.

Modern unionism began to consolidate at the beginning of the eighteenth century, with England as its birthplace. According to Martins,

In 1720, workers' associations were formed to demand better wages and working conditions, including limitation of the working day. From 1824 there was a phase of tolerance with the unions; Only on June 21, 1824, coalitions were no longer prohibited in relation to workers, by an act of Parliament. (Martins, 2024, p. 856)

However, the right to strike and the organization of unions were effectively recognized only with the legislation of 1875, consolidated in 1906 (Martins, 2024, p. 856).

In France, the *Le Chapelier* Law of July 17, 1791, and the Napoleonic Code of 1810 prohibited the organization of workers to defend collective interests, punishing those who tried to form groups. Even so, there were already some initiatives, such as the *Chambre Syndicates du Bâtiment de La Saint Chapelle*, in 1810, which demonstrate the desire for workers' organization. Full freedom of association, however, was only officially recognized in 1884 (Martins, 2024, p. 857).

The advancement of labor rights gained a significant milestone with the Mexican Constitution of 1917, which was the first to guarantee the right to unionize. Shortly after, the Weimar Constitution in 1919 followed suit and consolidated the right of association, pioneering the approach to collective and labor rights in Europe. These initiatives laid the foundations for the so-called social constitutionalism, influencing legislation around the world and promoting the recognition of collective rights at work (Leite, 2024, p. 589).

At the international level, the Universal Declaration of Human Rights of 1948 enshrined the right to join a trade union in article 23, paragraph 4. In the same year, the International Labor Organization (ILO), with Convention No. 87, regulated freedom of

association, ensuring that it occurs without interference from the State, consolidating collective law as a fundamental part of human rights.

In Brazil, according to Leite (2024, p. 590), the first initiatives for the organization of workers date back to the emergence of the Workers' Leagues, such as the League of Mutual Aid (1872) and the League of Resistance of Wood Workers (1901). Over time, workers' unions emerged and, later, unions, formally instituted by state decrees.

Labor policy gained strength with the Getúlio Vargas government in the 1930s, marking a new phase in Brazilian labor relations. The creation of the Ministry of Labor and Labor Justice were significant steps, culminating in the Consolidation of Labor Laws (CLT) in 1943, which, although altered over time, is still a central reference in Brazilian labor regulations. In addition, the 1988 Constitution consolidated these advances, instituting new labor rights and enshrining the importance of Collective Labor Law in the defense of workers' rights (Zaffari; Giacomelli; Reis, 2021, p. 12).

In this scenario, according to Resende (2023, p. 1023), the collectivization of labor issues arose when workers realized that, individually, they were much more vulnerable compared to the employer. This finding was due to the fact that the employer, by its very nature, acts as a collective entity, whose decisions generate a significant social impact.

In other words, as the employer's choices directly or indirectly affect not only employees, but also a broader set of people or even an entire community, "workers realized that they needed to associate to give greater weight to their claims with the employer" (Resende, 2023, p. 1023).

In fact, there is no doubt that Collective Labor Law fulfills an essential social function by ensuring that fundamental rights are not compromised in negotiations between capital and labor. For Ferrajoli (2013, p. 100-102), with a fulcrum in his guarantor perspective, the protection of fundamental rights should be a priority and the State should act as a guarantor of these norms. In this way, trade unions, collective bargaining, and collective bargaining not only protect workers from adverse working conditions, but also promote an environment of respect and dignity, establishing a basis of social justice that serves as a minimum parameter in labor relations.

In the doctrine, Leite (2024, p. 590) clarifies that there are debates about the most appropriate terminology to designate this area of Law. Some authors, such as Amauri Mascaro Nascimento and Antonio Ojeda Avilés, prefer the term "union law" due to its historical origin in unionism and its focus on the regulation of unions. Others, such as

Sergio Pinto Martins, defend "collective labor law", because they believe that the term better covers the norms and principles that govern collective relations in the context of individual employment contracts. José Augusto Rodrigues Pinto, in order to avoid this controversy, suggests the name "Union and Collective Labor Law".

Finally, it is relevant to highlight that, although it is a subdivision of Labor Law, Collective Labor Law does not have total autonomy, since its rules are largely integrated into the Consolidation of Labor Laws (CLT). Its primary function is to regulate relations between organized groups, such as unions and employers' associations, while Individual Labor Law deals with direct relations between employee and employer, focusing on specific rights and obligations (Martins, 2024, p. 856).

## **UNIONS AND DEMOCRACY: THE IMPORTANCE OF WORKERS' REPRESENTATION**

In the Brazilian legal system, unionism is provided for in articles 8, 9 and 37, item VI, of the Federal Constitution of 1988 and in Title V of the Consolidation of Labor Laws (CLT).

There is no doubt that unions play a key role in protecting workers' rights, acting as collective representatives who seek to ensure fair working conditions, adequate remuneration, and basic rights such as safety at work and balanced working hours.

Thus, at the outset, it is crucial to address that unionism was born from the struggles and demands of the working class, representing the search for the freedom of the individual, not only in relation to the State, but also in relation to those who own capital and control the means of production.

According to Leite (2024, p. 599), it can be said that freedom of association is the foundation of this movement of ideas, whose origins, as mentioned above, date back to the Industrial Revolution. Gradually, this awareness took root in the collective mind of the workers and the consolidation of this movement found a favorable environment in the second half of the nineteenth century, projecting itself significantly until the first half of the twentieth century and remaining influential to the present day.

In this sense, it is essential to explain that Norberto Bobbio's view of freedom offers a solid theoretical basis for understanding the importance of freedom of association (Meireles; Valley; Oliveira, 2023, p. 14).

After all, freedom of association can be seen as an expression of both negative freedom (absence of coercion) and positive freedom (self-government and collective autonomy), as well as reflecting the concept of freedom as a collective phenomenon. It

ensures that workers can organize freely, exercise their collective power, and participate actively and autonomously in the defense of their interests and rights in the workplace.

In this context,

There are several doctrinal classifications about freedom of association. For some, freedom of association can be simply individual or collective. The one pertinent to the person(s) considered in isolation. This corresponds with professional or economic groups. Others maintain that freedom of association concerns the freedom of organization and administration of unions, freedom of collective bargaining, freedom of affiliation and self-protection of groups. (Leite, 2024, p. 602).

Furthermore, as Meireles, Vale and Oliveira (2023, p. 15) point out, for the principle of freedom of association to be effectively applied, it is necessary for union organizations to be structured in such a way as to eliminate dependencies on external entities, with financial dependence being one of the most common barriers to the full exercise of this freedom.

In fact, some guarantees provided for in international standards promote freedom of association, such as the right to free formation of unions and free association.

In the domestic sphere, on the one hand, it can be said that freedom of association is vehemently mitigated by the constitutional provision of union unity, which prohibits the creation of more than one union on the same territorial basis of employees of the same category.

On the other hand, the extinction of the mandatory union contribution, as a result of the 2017 Labor Reform, although it had an immediate negative impact on the functioning of union entities, paradoxically favored a new interpretation of the rules, aligning itself more closely with the promotion of union freedom in Brazil.

From this perspective, the judgment of the 8th Panel of the Superior Labor Court (TST) is consistent with this understanding, which, on 04/16/2024, in an analysis of the Interlocutory Appeal No. 10109-42.2018.5.03.0064<sup>3</sup>, of the Rapporteurship of Justice Sérgio

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<sup>3</sup> "APPEAL ON APPEAL. GOVERNED BY LAW NO. 13,467/2017 - UNION CONTRIBUTION. AUTHORIZATION BY GENERAL MEETING. IMPOSSIBILITY. NEED FOR PRIOR, EXPRESS AND INDIVIDUAL AUTHORIZATION FROM EMPLOYEES. PRECEDENT 333 OF THE TST. With the enactment of Law 13,467/2017, article 578 of the CLT had its wording changed, providing that "The contributions due to unions by participants in economic or professional categories or liberal professions represented by said entities will, under the denomination of union contribution, be paid, collected and applied in the manner established in this Chapter, provided that they are previously and expressly authorized". The optional nature of the union contribution and the need for prior consent were recognized as constitutional by the STF in the judgment of ADI 5794/DF. The jurisprudence of this Superior Court has understood that, after the entry into force of Law No. 13,467/2017, the union contribution is no longer mandatory, and its collection requires prior and individual authorization by the members of the category. Judged. Appeal dismissed" (Ag-RR-10109-42.2018.5.03.0064, 8th Panel, Rapporteur Minister Sergio Pinto Martins, DEJT 04/16/2024).

Pinto Martins, reiterated the optional nature of the union contribution, in line with the principle of freedom of association, guaranteed by the Federal Constitution of 1988.

With regard to the role of unions in promoting workers' participation in the democratic process, it is important to highlight their prominent place. After all, they act as collective representatives, ensuring that workers' voices carry weight in negotiations with employers and in political decisions that affect their rights.

Furthermore, through collective bargaining, unions ensure fairer working conditions, including adequate wages, job security, and other essential rights, allowing workers to directly influence the creation of policies that impact their lives.

In addition, unions mobilize workers to actively participate in the political arena by organizing strikes, protests, and campaigns that seek to influence legislative decisions, especially as it relates to labor and social laws.

Another important function of unions is to educate and inform workers about their rights, encouraging them to get involved not only in union elections, but also in broader electoral processes, strengthening their role as active citizens in society.

In addition to this, the union entity also acts in the inspection of working conditions, ensuring that the rights conquered are respected, thus promoting a dignified and fair work environment.

In this context, still in this chapter, it is necessary to mention the influence of unions on political and economic decisions, which occurs mainly through three mechanisms (political pressure, collective bargaining and conflict mediation).

With regard to political pressure, unions have great power of influence in the formulation of public policies. Through the mobilization of their members and their work with political parties, they are able to pressure the government to pass laws favorable to the workers. This influence can be seen in the creation of labor legislation, such as the regulation of working hours, job security, and social benefits.

In Brazil, an example is the strong union action that led to the creation of the Consolidation of Labor Laws (CLT) in 1943, ensuring fundamental rights to workers.

Furthermore, unions usually act in partnership with political parties or candidates who support their causes, forming a bloc of influence in political decisions.

As for collective bargaining and its economic impact, as will be seen below, it is important to clarify that, by negotiating better working conditions, wage increases, benefits and job guarantees, unions help to increase the purchasing power of workers, which, in

turn, boosts consumption and economic growth. In countries with a strong union presence, workers tend to enjoy higher wages and better working conditions.

On the other hand, union action can also negatively impact the economy, especially in strike situations. After all, prolonged strikes in strategic sectors can affect the production, distribution of goods and services and, consequently, the economy of a country.

In addition to all the above, unions also have a role as mediators in the resolution of labor conflicts, which contributes to social and economic stability. By acting as intermediaries between workers and employers, unions help prevent protracted conflicts and promote agreements that benefit both parties, contributing to social peace and preventing disputes in the workplace from turning into broader economic crises.

As for the role of unions in mediating labor conflicts, it is important to point out that

the slow, unequipped Justice, crammed with demands, will not say the right, nor identify who its holder is. Decisions need to be quick, and conflicts require urgent solutions.

There is no other way out, the unions need to practice mediation, negotiation, definitively assume the defense of the interests of the workers, before the employment relationship is built, during the employment relationship and after its extinction. You can no longer wait for a third-party solution. (Santana; Duarte, 2003, p. 65)

Thus, with regard to influencing public policies and economic reforms, unions play an active role. This is because, many times, they participate in councils and forums that discuss labor, social security, and economic reforms. In Brazil, for example, unions have been on the front lines both supporting and resisting reforms, such as the Pension Reform and the 2017 Labor Reform. Through mobilization and articulation with other civil society groups, unions are able to influence the course of economic reforms, defending the maintenance or expansion of rights.

Therefore, in the union entity, there is a clear representation of deliberative democracy, which, according to Miguel (2016, p. 214), "has to do with the inclusion of multiple voices, interests and pretensions on a more egalitarian basis".

In summary, it can be concluded that unions are essential for the realization of democracy, as they guarantee the representation of workers in the defense of their rights and working conditions, promoting active participation in politics, influencing the formulation of labor and economic laws and contributing to social peace, by acting in the mediation of conflicts. That is, "it is not limited to the representation of the group of members, it goes much further, its performance offers many possibilities and developments throughout



society, especially in the economy, as well as it can affect, positively or negatively, the entire nation and the State" (Silva, 2016, p. 54-55).

## **THE RIGHT TO COLLECTIVE BARGAINING: AN INSTRUMENT OF ECONOMIC STABILITY**

Pursuant to Convention No. 154 of the International Labor Organization, approved by Legislative Decree No. 22/1992,

The term "collective bargaining" includes all negotiations which take place between, on the one hand, an employer, a group of employers or an organisation or organisations of employers, and, on the other hand, one or more workers' organisations, for the purpose of:

- a) to set the conditions of work and employment; or
- b) to regulate the relations between employers and workers; or
- (c) to regulate relations between employers or their organisations and one or more workers' organisations, or to achieve all of these objectives at once. (Brazil, 2019).

In addition, according to Martins (2024, p. 975), collective bargaining is a process whose objective is the formalization of a collective bargaining agreement or agreement. Its value lies in the result obtained, as it allows the parties involved to reconcile their interests to resolve the conflict, reaching a consensus that meets the needs of both sides.

In view of the above, it is observed that collective bargaining enables the construction of what Miguel (2016, p. 215) calls "legitimate democratic decisions", that is, decisions that are reached through a process of dialogue, based on mutual respect among citizens and an inclusive procedure of collective choice.

In this context, Martins (2024, p. 977) also points out that, in the past, the agreements signed between professional groups and employers had only moral value, since there were no permanent or legally recognized organizations to ensure their compliance. Currently, however, the rules have started to provide for specific penalties for parties who fail to comply with the agreed terms, with these provisions expressly established in the legislation.

With regard to the importance of collective bargaining in Labor Law, it is essential to clarify that it plays a vital role in improving working conditions and strengthening labor relations in a democratic society.

Following the same understanding, Junior (2022) argues that

The social function of collective bargaining is intrinsically linked to the participation of workers in business decisions. It is through collective bargaining that the

participation of employees in the management of the company occurs in a clearer and more effective way, whether from an economic or social point of view or even in the creation of better working conditions, which is clearly a social evolution. (Junior, 2022)

There is no doubt that collective bargaining is essential to maintain stability in labor relations, as it offers a structured forum for workers and employers to discuss and reconcile their interests in a preventive manner. By making it possible to define specific working conditions, including wages, working hours, benefits, and safety measures, collective bargaining adapts the rules to the particularities of each sector or company, which increases worker satisfaction and reduces the need to resort to extreme measures, such as strikes.

In addition, negotiations allow the parties to create dispute resolution mechanisms, such as prior conciliation commissions and mediation or arbitration clauses, which help to resolve emerging conflicts quickly. This prevents small disagreements from turning into larger crises, which could result in prolonged shutdowns.

In this scenario, the negotiated process also reinforces the commitment of the parties to the agreements signed, since employers and unions actively participate in the decisions, increasing the legitimacy and acceptance of the established rules.

Another important aspect is that collective bargaining favors the continuous adaptation of working conditions to economic and technological changes, enabling consensual adjustments in periods of crisis or economic expansion. In this way, they not only prevent the occurrence of strikes, but also ensure greater flexibility in labor relations, allowing agreements to be revised according to the needs of the economic context.

From the above, it is possible to see that collective bargaining proves to be a mechanism not only to establish working conditions, but also to promote social dialogue, strengthen trust between employers and workers, and ensure a more cooperative and predictable work dynamic, minimizing the risk of interruptions in productive activities.

Just as Ferrajoli (2010, p. 30) distinguishes between formal and substantial democracy, it is possible to draw a parallel with collective bargaining. Collective bargaining, in its formal sense, could be seen only as the fulfillment of an established process, where workers and employers meet to discuss labor issues, but without the guarantee of concrete results that effectively protect workers' rights. In this context, there would be a procedure, but without the guarantee of real and substantial participation of the workers.

However, collective bargaining, in its substantial aspect, goes beyond formality and aims to ensure the protection of workers' fundamental rights, such as decent working conditions, fair wages, and job security. When collective bargaining is practiced substantially, it promotes equity in worker-employer relations, allowing workers to directly influence decisions that affect their lives. This reflects Ferrajoli's (2010, p. 30) conception of substantial democracy, where fundamental rights are respected and the real participation of citizens (or workers, in this case) is guaranteed.

In view of this approach, it is essential to cite some cases of successful collective bargaining, in order to corroborate its economic impact, such as: the Collective Bargaining Agreement at Volkswagen do Brasil (2016), the General Motors Agreement in the USA (2019) and the Collective Bargaining in the German Metallurgical Industry (2018).

In 2016, Volkswagen and the metalworkers' union of São Bernardo do Campo reached an agreement to avoid mass layoffs. The pact included the temporary suspension of contracts (*layoff*) and the implementation of a program to reduce working hours and wages, with partial compensation by the federal government through the Employment Protection Program (PPE). This agreement helped the company adjust its production to market demand, preserving about 3,600 jobs. The economic impact was the maintenance of jobs and economic stability for thousands of families, in addition to contributing to the preservation of an important industrial hub in the region (Volkswagen [...], 2016).

In the United States, in 2019, General Motors (GM) and the United Auto Workers (UAW) union reached an agreement after a 50-day strike, the longest since 1970. The agreement resulted in wage increases, signing bonuses, increased profit sharing, and improvements in benefits for workers. While the strike generated an economic impact of more than \$2 billion for GM, the final agreement was seen as a victory for workers, ensuring better working conditions and strengthening the role of unions in the collective bargaining process (Employees [...], 2019).

In 2018, IG Metall, Germany's largest metalworkers' union, successfully negotiated a reduction in the working week from 35 to 28 hours, which could be even shorter for workers who chose to care for young children or dependent family members. The agreement also guaranteed wage increases and greater flexibility for companies to adjust the working day according to the need for production. The economic impact was significant, as the negotiation managed to balance the demands for better living conditions for workers with the need for competitiveness of industries (Sindicato [...], 2018).

These cases demonstrate that collective bargaining can not only ensure better conditions for workers, but also contribute to economic and social stability, preserving jobs and adapting production to market needs.

## **COLLECTIVE BARGAINING AND CONFLICT RESOLUTION**

Collective bargaining is a judicial process used to resolve conflicts between categories of workers and employers, when there is no agreement through collective bargaining or convention.

Furthermore, in the words of Neto and Cavalcante (2020), such a legal institute corresponds to "a lawsuit in which the parties seek the solution of a conflict that goes beyond individual labor relations".

With regard to jurisdictional jurisdiction, the Superior Labor Court (TST) or the Regional Labor Courts (TRTs) have the role of arbitrating and deciding these conflicts, creating or modifying rules that will govern labor relations within a given professional category.

In this area, it is important to point out that collective bargaining can be initiated either at the initiative of workers' unions or by employers' unions or directly by companies, and can be classified into two types.

First, collective bargaining of an economic nature refers to conflicts over the creation or alteration of working conditions, such as wage adjustments, benefits, or reduction of working hours.

Second, collective bargaining of a legal nature, which deals with issues about the interpretation and application of existing rules, such as the interpretation of clauses in conventions or collective agreements, or the application of rights provided for by law.

The current wording of article 114, paragraph 2, of the CF/88, given by Constitutional Amendment No. 45/2004, provides that,

if any of the parties refuses to engage in collective bargaining or arbitration, they may, by mutual agreement, file a collective bargaining agreement of an economic nature, and the Labor Courts may decide the conflict, respecting the minimum legal provisions for labor protection, as well as those previously agreed upon (Brasil, 1988).

According to Schiavi (2017, p. 12), the issue of common agreement is one of the most relevant in the procedural field that has emerged recently. This is due not only to the economic and social impacts that collective economic bargaining causes in labor relations

and in the daily lives of companies, but also because of the unique aspects that involve its legal dimensions.

Regarding this divergence, Schiavi (2017, p. 13) also clarifies that some interpreters argue that the requirement of "common agreement" to file collective bargaining of an economic nature is unconstitutional, as it contradicts the right of access to justice, provided for in article 5, XXXV, of the FC. They claim that this requirement violates the principle of inalienability of jurisdiction. However, others argue that paragraph 2 of article 114 of the Federal Constitution does not violate this principle, since collective economic bargaining does not deal with the injury of individual rights, but rather with the creation of rules for a category, when direct negotiations and voluntary arbitration fail.

In fact, according to Feijó (2024), in June 2024, the Superior Labor Court (TST) decided to debate whether the requirement of "common agreement" for the filing of collective bargaining remains valid when one of the parties deliberately refuses to participate in collective bargaining, violating the principle of good faith. The discussion will be treated in the context of repetitive appeals, and the decision made will serve as a parameter for similar cases.

From the above, it can be seen that collective bargaining is an essential tool in labor relations, especially when direct negotiations between workers and employers are unsuccessful. It plays an important role in the resolution of collective conflicts, offering a formal solution through the intervention of the Labor Courts. This helps to prevent conflicts from dragging on and resulting in strikes or stoppages, thus preserving social peace and economic functioning.

In addition, collective bargaining protects workers by allowing their demands to be analyzed fairly, balancing the bargaining power between the parties, since, in many cases, employers have more resources and influence.

Another relevant aspect is that it enables the creation of collective norms that regulate the working conditions of a category, contributing to the prevention of strikes by ensuring a formal channel for the resolution of impasses.

Thus, in summary, collective bargaining in Brazil plays a crucial role in mediating labor conflicts, with profound impacts on the economy, labor relations, and public policies.

An emblematic example was, in 2011, the Collective Bargaining of Postal Workers, who went on strike demanding wage increases and improvements in benefits, leading to a collective bargaining after weeks of deadlock. The TST mediated the agreement, granting

readjustments and maintenance of benefits, reinforcing the importance of balancing the demands of workers and the financial limitations of public companies (Amato, 2011).

Bank employees' collective bargaining, in turn, is recurrent in Brazil, especially related to salary adjustments, health and safety at work. Every year, when negotiations between the National Federation of Banks (Fenaban) and the banking unions do not reach an agreement, these agreements guarantee wage increases that exceed inflation and benefits such as profit sharing and improvements in working conditions. In 2016, for example, the Subsection 1 Specialized in Individual Disputes (SDI-1) of the Superior Labor Court decided, following the system of repetitive appeals, on the applicable divisor for the calculation of overtime for bank employees (Feijó, 2016).

These examples illustrate how collective bargaining is essential in the resolution of labor conflicts, acting not only in guaranteeing immediate rights, but also in setting precedents that shape future labor negotiations and regulations in the country. They ensure that, even in the face of impasses, workers and employers can count on an institutional mechanism to balance interests and ensure the continuity of economic activities.

## **FINAL CONSIDERATIONS**

Collective Labor Law plays a central role in the consolidation of democracy and economic stability.

Throughout the historical development of work, an evolution has been observed that culminated in the recognition of collective rights, such as freedom of association and collective bargaining. These rights are not mere concessions, but achievements obtained through the struggles and demands of workers, who understood the need for organization to obtain fair working conditions and participation in decisions that affect their lives. In this way, collective law is an essential foundation for the protection of workers and for the strengthening of democratic institutions.

The evolution of trade unionism and labor institutions, especially in Brazil, represents a response to the unequal conditions that mark labor relations. From the creation of the Ministry of Labor and Labor Justice in the Vargas government to the enactment of the Consolidation of Labor Laws (CLT) and the Federal Constitution of 1988, the Brazilian State recognized the importance of a legal framework capable of mediating conflicts between capital and labor. This recognition is essential for democracy, as it allows the power of

employers to be balanced by the organised strength of workers, ensuring equal participation in negotiations.

Collective bargaining, in turn, is an important instrument for the practice of democracy in the workplace. It allows employers and employees to dialogue on an equal footing, creating sector-specific working conditions adapted to economic reality. From this process, it is possible to build decisions that respect the rights of workers and guarantee the sustainability of companies, preventing conflicts and ensuring that demands are met without the need for judicial interventions. Thus, collective bargaining not only strengthens labor relations, but also contributes to a more stable economy that is less prone to crises.

Collective bargaining complements this scenario by offering a formal solution to cases in which negotiations fail. The Labor Courts, when arbitrating these conflicts, establish rules that balance the interests of the parties and preserve social peace, avoiding prolonged stoppages and maintaining economic functioning. This process ensures that workers' demands are not ignored and that employers also have their activity safeguarded, promoting a more cooperative and balanced work environment.

From the perspective of Luigi Ferrajoli (2010, p. 30), substantial democracy, which goes beyond formalities and focuses on the realization of fundamental rights, is clearly manifested in Collective Labor Law. Collective bargaining and collective bargaining represent this substantial democracy, as they not only comply with legal procedures, but aim to ensure concrete and fair results for workers. These mechanisms ensure that workers' rights are respected at all stages of the process, strengthening human dignity and ensuring that labor relations are guided by respect and social justice.

In conclusion, Collective Labor Law, by regulating the relations between employers and employees, promotes both economic stability and the strengthening of democracy. After all, it allows the parties to negotiate and resolve conflicts in a fair and balanced way, providing better working conditions and legal certainty for both sides. Therefore, the continuity of this evolution, with the strengthening of negotiations and respect for the rights conquered, is essential to ensure a fairer and more democratic society, where the economy and work mutually sustain each other in an environment of respect and cooperation.

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