

Trade Unions in the Balance



International
Labour
Organization

ILO ACTRAV Working Paper

by Jelle Visser

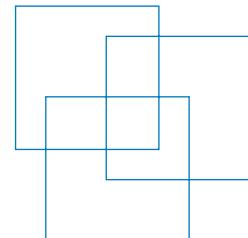


ACTRAV
Bureau
for Workers'
Activities

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Foreword

This year the International Labour Organization (ILO) is celebrating its 100th anniversary. It is in preparation of this celebration that the Future of Work Initiative was launched in 2015 by the Director General Guy Ryder¹ and based on the acknowledgement that the world of work is changing at a faster pace than ever before, creating critical challenges for workers and workers' organizations worldwide.²

In June 2019, at the 108th Session of the International Labour Conference (ILC), ILO tripartite constituents adopted the '*Centenary Declaration for the Future of Work*', which will guide the work of the organization and its constituents for years to come.³

The Centenary Declaration stresses the transformative change in the world of work driven by technological innovations, demographic shifts, environmental and climate change and globalization. It recognizes the historic advances in the past 100 years in the world of work. However, it also points towards the enormous challenges in front of us, such as persistent poverty, inequalities and injustices, conflict, disasters and other humanitarian emergencies that shape the world of work of today and constitute a threat for the workforce of tomorrow. As such, the Declaration stresses the urgency to act in shaping a fair, inclusive and secure future of work with full, productive and freely chosen employment and decent work for all.

The Centenary Declaration calls upon the ILO to carry forward with unrelenting vigour its constitutional mandate for social justice by further developing its human-centred approach to the future of work, which puts workers' rights and the needs, aspirations and rights of all people at the heart of economic, social and environmental policies.

It also underlines the significance of promoting multilateralism and ensuring policy coherence within the multilateral system.

The respect for all fundamental principles and rights at work (FPRW), including freedom of association and the right to collective bargaining, is an essential foundation of the ILO and key to successful policy and decision making. As the world of work is changing at an ever increasing pace, strong, influential and inclusive social dialogue is, and will be, a key vehicle to shape the world of work that we want.

The second pillar of the house are international labour standards (ILS). The Centenary Declaration reaffirms the fundamental importance of setting, promoting, ratifying and supervising ILS in the governance of the world of work. It is at the 108th ILC that ILO tripartite constituents adopted a new Convention, supplemented by a Recommendation, on '*Violence and harassment in the world of work*'.

As a tripartite organization, member states, workers' and employers' organizations are critical to the success of the organization. The Declaration calls for strengthening the capacity of its tripartite constituents first and foremost by encouraging the development of strong and representative social partner-organizations.

Trade unions have enormous challenges ahead of them. It is hard to be a unionist today. Violations of trade union rights are widespread. Technological and economic changes affect the nature and type of jobs and with that the potential of organizing and representing workers both in the North and in the Global South.

It is in that light that trade unions have to further assess their organizing and advocacy strategies. How to strengthen the employment relationship while ensuring adequate protection to all workers, including living wages and safety and health at work? Efforts have to be made to organize and represent new forms of employment including those workers that fall outside the employment relationship or workers in the informal economy. Think for instance of the Deliveroo or Uber drivers. How to convince young workers to join unions and integrate them in the union's governance structure? Whereas some trade unions are progressing on the gender equality agenda, more has to be done to ensure equal opportunities, equal participation, equal treatment and equal remuneration.

What can be learned from existing experiences to ensure access to lifelong learning to all workers, to support working people through the transitions they face throughout their working lives and to ensure universal access to adequate social protection?

How to broaden the union agenda to socio-economic and environmental issues that all affect the world of work, for instance when dealing with trade, industrial or macro-economic policies, or in the context of the Sustainable Development Goals? And how to replicate and upscale innovative and successful union strategies to weigh in on policy making and sustainable enterprise behavior in a globalized economy?

The ILO Future of Work discussion is an extraordinary opportunity for all of us to build the future that we want, putting the dignity of workers at the centre of the debate. To do so it is vital that strong and representative trade unions play an active role in shaping the political process and making the voices of workers heard.

It is for the occasion of the Centenary celebration of the ILO that ACTRAV commissioned the research on '*Trade Unions in the Balance*' by Prof. Jelle Visser (Amsterdam University) to examine the current state of the unions in the world. Prof. Visser explores developments in union membership across the world in the past decades. This is set against important changes in the economy and labour market. The paper also suggests four daring but equally realistic future scenarios for trade unions: marginalization, dualization, replacement and revitalization. The future will tell which of these scenarios will become reality.

I am infinitely grateful to Prof. Jelle Visser for this excellent work and collaboration. I invite trade unions, policy makers and other stakeholders to read this thought-provoking paper on the state of the union of workers' organizations worldwide and scenarios of trade unionism in the future world of work.

Maria Helena André
Director, ILO's Bureau for Workers Activities (ACTRAV)

Executive summary

Trade unions in the balance

The world of work is changing at a very rapid pace. The decline of jobs in manufacturing, the rise of non-standard and flexible work and the persistence and growth of the informal economy, coupled with changes in employment regulations and behavior and the limitation and violation of trade union rights have caused unionization rates to fall in most countries worldwide. A 'new instability of work' has come to characterize labour relations in the twenty-first century and this has important implications for trade unions worldwide. Against this background, trade unions face two major challenges: the digital economy and the way it transforms jobs and employment relationships as well as the social divide between workers with stable, paying jobs and workers with unstable, poorly paid or precarious jobs, or no job at all.

The first part of this paper describes the current 'state of the unions' and explores developments in union membership and union density in 18 world regions in Africa, America, Asia and Europe since 2000. This is set against the changes in the economy and labour market relating to economic development, technological change and deindustrialization, globalization, migration, changes in politics and labour regulations using recent cross-sectional as well as longitudinal data. The analysis is directed both at levels and changes in the composition of union membership.

Part two attempts to estimate the influence of various conditions – some external, others of the union's own making – on the level of unionization: income levels and the share of agriculture or industry; the size of the informal economy; ethnic diversity and conflict; violation of labour rights; the institutions of collective bargaining and labour-management relations and union fragmentation.

The paper concludes in part three by describing four possible futures: *marginalization* through the continuation of current trends of decreasing rates of unionization and aging unions; *dualization* of unions defending their positions and, under conditions of increased instability of work and decreased institutional protection, focusing their decreasing resources on defending the members closest to them at the expense of outsiders and precarious workers when necessary; *replacement*, or a process in which trade unions are increasingly replaced by other forms of social action and protection provided by employers, states, intermediary agencies, NGOs or emerging social movements; and lastly, *revitalization* based on policies and coalitions which strengthen trade unions as a relevant actor in shaping the 'new unstable workforce' in the digital economy.



Introduction: what future for the unions?

In the next decade or two, what can we expect *from* trade unions and what can we expect *for* them?⁴ Will they continue as large membership organizations and represent the full diversity of today's world of work or resign to representing a small, protected minority? Will the decline of recent decades continue or will unions bounce back and be as relevant to labour relations in the Digital Age as they were in the Age of Industry?

A cloud of uncertainty hangs over the future of trade unions. This is part of what has motivated the ILO to launch its Future of Work Centenary Initiative, in particular "the fear that the direction of change in the world of work is away from, not towards, the achievement of social justice".⁵ The decline of jobs in manufacturing and the rise of various forms of non-standard and flexible work, through subcontracting and outsourcing in much of the developed world and the persistence and growth of the informal economy in developing countries, have caused union density rates to fall in nearly all countries worldwide. Collective bargaining coverage in many parts of the world is perilously low and on a downward trend (Visser, Hayter and Gammarino, 2015). A 'new instability of work' has come to characterize labour relations in the twenty-first century, "undermining the regulatory regimes that organized and governed labour markets and employment relationships for much of the twentieth century" (Stone and Arthurs, 2013). Beneath that lie changes in international trade and migration, industrial structure, company behavior and politics.

It is against this background that trade unions must resolve two major challenges: the digital economy and the social divide between workers with stable, paying jobs and workers with unstable, poorly paid or precarious jobs, or no job at all. Artificial intelligence and robots have the potential to create and destroy jobs, but from the union's perspective, the wrong jobs are destroyed. Current employment statistics reflecting the first stage of the 'digital revolution' indicate a decline in the share of jobs in the middle, crafts-related jobs and the skilled and semi-skilled jobs in industry – the very jobs that have been co-shaped by the trade unions in their long history and have provided them with their core membership and clout in politics and industrial relations. Jobs in teaching and nursing are currently beyond the capability of computers, but this may soon change and threaten another batch of highly unionized jobs.

The hollowing out of the middle increases the pressure on trade unions to stay relevant for workers in the high and low end of the labour market. On top of that, the platform economy, still in its infancy but growing fast, threatens unions in their core activity of conditioning work through collective bargaining and conflict management. New digital technologies facilitate a reduction in transaction costs that was unthinkable just a few years ago and eliminates a key reason for the existence of firms, employees and the employment relationship itself (Coase, 1937). Online platforms can thus push the process of decentralization, networking, outsourcing, subcontracting and breaking up work in single performances or 'gigs' to a new limit in which all that remains of the firm is a profit-making technique. This technique is attached to a platform or app through which clients or service requesters can post their tasks and worker-contractors can accept, perform and submit the service and get paid for it – all of this happening outside the traditional structures defined by labour and social security law and union contracts. This business model can be used for almost any kind of task, local or global, general or branded, in transportation, delivery, laundry, personal training, repair, furniture and kitchen assembly, editing, graphic design, photography, tuition, guided tours, translation and cooking (Todoli-Signes, 2017). In many ways, it resembles the old 'putting out' system of early capitalism in which workers brought and used their own tools, but now upgraded with electronic oversight (Finkin, 2017). As this system does not have employees in the traditional sense, the question is, will it have trade unions? And what tools will these unions use to leverage power and offer social protection?

Referring to the United States labour market around 1980, Freeman and Medoff (1984) wrote that trade unions, by negotiating wages, working hours, job security, and fringe benefits as well as influencing productivity and worker participation, “alter nearly every ... measurable aspect of workplaces and enterprises.” The ultimate leverage of these unions was the threat of striking or working to rule. Can unions have the same effect when work is no longer organized in firms and workplaces – the legal, social and physical entities where workers interact, share common experiences, claim rights and act together? This is a *new* question for the trade unions in advanced industrial economies. It is an *old* question for the unions in developing countries where most work is fluid and done outside formally registered enterprises (Breman, 2010).

These are *existential* questions for the trade unions. The risk is that in the global market, online networks will auction existing labour and social security laws adding a new dimension to the downward bidding inherent in global supply chains. To claim that the existence of unions is at risk after the success story of a century of trade unionism and expanding labour law may sound unnecessarily dramatic. Trade unions still count among the largest voluntary organizations in the world. Covering 150 countries, the statistics in this paper add up to 519 million employed union members, 214 million if we leave out China and a few other countries, where workers’ freedom to join the union of their choice is questioned. The International Trade Union Confederation (ITUC) claims 207.5 million members in 331 affiliated peak federations in 163 countries and territories.⁶ A movement that is not exactly small or near death. Yet for some time now, nearly all trends in unionization have pointed in the wrong direction and “there is no evidence on whether a recovery from the crisis of unionism or the maintenance of the status quo of trade unions will be witnessed in the future (Avdagic and Baccaro, 2016).”

I see four possible futures:

- 1) *Gradual marginalization of trade unions* through the continuation of present trends with decreasing rates of unionization and trade unions becoming less relevant or powerless in shaping the newly emerging labour markets. This can be interpreted as the result of a relentless process of liberalization and freeing capital from its dependence on labour, national states and international commitments.
- 2) *Dualization of union representation and policies.* Rather than gradual deterioration, unions will defend their positions and resist where they are currently strong (large firms, skilled and craft workers in industry and logistics, professionals in the public sector and social services). Under conditions of the increased instability of work, this implies a sharper distinction between unionized and non-unionized firms and a smaller share for the former.
- 3) *Replacement.* Unions will gradually give way to other forms of social action and representation, based on legislation (minimum and living wage guarantees, wage panels, works councils, productivity boards, arbitration and review bodies), employers’ initiatives (employee involvement, ethical codes, participation and sharing models), business models (law firms, intermediating labour agencies, consultants) and more or less spontaneous, intermittent forms of social and community action.
- 4) *Revitalization.* Unions will find ways to strengthen existing practices of trade union renewal, reverse the current trend, rejuvenate, expand beyond their current membership base and succeed in organizing parts of the ‘new unstable workforce’ in the digital economy.

The first and third scenarios bear some semblance to the unitary frame of reference in industrial relations and Human Resource Management (HRM), which has predicted a steady decline of ‘external’ unions as management increasingly cleverly fulfils its harmonizing and trust-building functions within the firm and to orthodox liberal market theories that presume well-educated and fully informed workers who have no need for collective bargaining and representation. This harmonious view is at odds with the work and life of many workers in today’s capitalism exists. The second and fourth scenarios both assume that a countervailing power in the form of collective action by workers will not only be necessary but also available, albeit on a very different basis. In the second scenario, trade unions will spend their resources

on defending those groups that are currently organized at the expense of weaker groups which, while more difficult to organize, would benefit most from collective organization and protection (Crouch, 1982). The fourth scenario starts at the other end and posits that union revival – reversing the current downward trend in membership – depends on renewal and, in particular, on policies, institutions and coalitions that enhance the inclusion of weaker and precarious groups in the labour market.

I have organized this paper into three parts. Part one describes the current ‘state of the unions’, mainly by looking at developments in union membership and union density. This will be set against the changes in the economy and in the labour market using recent cross-sectional as well as longitudinal data. I am as interested in union membership levels as in the composition of membership. In part two I try to estimate the influence of various conditions – some external, others of the union’s own making – on the level of unionization: income levels and the share of agriculture or industry; the size of the informal economy; ethnic diversity and conflict; violation of labour rights; the institutions of collective bargaining and labour-management relations and union fragmentation. Part three concludes by examining the four scenarios for the future of unions – marginalization, dualization, replacement, and revitalization – and weighs the pros and cons of each.

I look at trade unions through the lenses of membership and representation. There is more to unions and unionism than membership and it would be wrong to reduce union power in any given country, industry or enterprise to the share of unionized workers. Unions differ in how they reach and mobilize workers, what they ask from members and offer in return, how they co-operate with each other and with other social, economic or political actors, how they negotiate with employers and represent workers within the workplace and the economy at large, how they access and influence politics and how they are treated in the law. Representation and recognition criteria for the purpose of establishing bargaining jurisdiction rights, seats on works councils, insurance boards or tripartite councils vary widely across countries and over time. In addition to membership, we might look at electoral and public opinion data as well as unions’ capacity to mobilize and win strikes. However, membership remains a critical resource for voluntary organizations like trade unions and is the best way to secure independence from other social forces and actors, to win elections and bring out workers in strikes and protests. Without members, unions will have to turn to other sources (parties, governments, tax payers, employers, sponsors, NGOs) for finance, not without consequences for their independence (Rosanvallon, 1988).

No matter how carefully we construct reliable and comparable data series, comparing union density rates remains a question of interpretation. Comparing density rates over time within the same unit of measurement (country, sector, firm) is like taking the temperature – big or rapid changes warn us that some underlying factors have changed. Comparing density rates across countries requires caution since the rules differ from place to place, with some countries excluding union organization of public servants, the military, the police, workers in small firms, the self-employed, migrants and foreign workers. One of the issues addressed in this paper is whether unions include and are legally allowed to admit self-employed, foreign nationals and migrants.

Finally, reviewing whether and how trade unions organize workers in the ‘new unstable economy’ of the Digital Age, one must not lose sight of the purpose they serve. I cannot state this better than was done in a booklet on union renewal by the Dutch Federation of Trade Unions (FNV):

Do (unions) act on behalf of a privileged group of workers who are already members, or do they try to involve new groups of workers? Do they prioritize job growth over environmental concerns or do they advocate sustainable growth? Do they have transparent and democratic decision-making procedures, or are decisions made in back rooms? Do they fight for equal rights, or do they leave it to symbolic good intentions? Do they actually involve their members or do they treat them as passive consumers? (Kloosterboer, 2007)

It is in the spirit of these questions that I have conducted my inquiry.



I. The state of the unions and the future of work

Work and employment are core activities for individuals and society.⁷ Participation in the labour market largely determines the types of opportunities that will be afforded to men and women and is also a stepping stone for joining a union. Paid work contributes to the realization of important human needs of performance, agency, skill development and personal control, of reward, recognition, and self-esteem, and of participating in wider social networks, including trade unions, that can provide support and a sense of belonging. Exclusion from paid work and poor-quality jobs are powerful threats to human health and well-being.

From the perspective of unions there are three main questions. Will there be enough jobs for all? Which jobs will replace the jobs that disappear and will the new jobs be of sufficient quality in terms of earnings, skill development, recognition and rights? How will changes in technology and the organization of work affect workers' rights and employment relationships? The answers to these questions are not written in stone, but depend also on political choices and union policies. Looking at the initial stage of digitalization, there is currently no evidence for an 'end of work', but that is not a guarantee for the future. One policy that will surely remain relevant is work sharing in its many different forms (daily, annually, lifetime, intermittently combined with other activities including learning), which requires new thinking and new approaches to income and social insurance. What we do know is that working for an extended period at the same workplace or in the same firm will become rarer, as will work based on a single, once-acquired technique. Also, it is likely that digitalization will make certain skilled and semi-skilled jobs redundant, and that this will affect many union members in the middle earnings range. Finally, many signs of a change in employment relationships have emerged through the development of digital on-line platform markets in which pay, hours, rights and obligations are less clearly defined by, and attached to, the status of 'employee' and 'employer'. This creates a challenge for politics, labour law and trade unions, and comes on top of the problems created by the growth of flexible and, in many parts of the world, informal work. In short, the challenge of digitalization for trade unions is less the volume than the quality of jobs and what that means for the earnings and rights of workers.

This section on 'the state of the unions' is organized into three parts, with various subsections. Part one gives a picture of where unions stand in terms of membership and how they have done since 2000. That picture is sharpened by focusing on the different stages of economic development in the different continents and regions of the world. Part two addresses the changes in employment and technology and their effect on trade union membership. This begins with the well-known story of industrial decline and asks how much of the decline in recent times can be attributed to the disappearance of jobs in manufacturing. The sharp fall in unionization among new entrants and young people is one of the issues discussed in greater detail. Employment in the service economy can be split into two main parts with quite different conditions for union organizing – commercial services (trade, tourism, transport and communication, finance and business services) and social, communal and personal services (public administration, security, education, healthcare, arts and culture and personal services, including household work). The rise of women in the labour market and in unions is closely connected to the rise of services. Part three is devoted to changing employment relations, with separate stories about temporary and part-time work, self-employment and contract work, informal work and work in the platform economy. Globalization and migration are two of the issues that run through this final part.

1 / Employment and employees – how many union members?

The world of work is constantly evolving as a consequence of demographic and technological change, global economic integration, migration, and politics. The International Labour Organization (ILO) estimates the world's employed population, aged 15 years and older, at three billion. Almost two billion, or 61.2 per cent, are working informally, mostly in the informal sector of unregistered firms and own-account work, some as undeclared or precarious workers in the formal sector (ILO, 2018a).⁸ The ILO estimates global unemployment at 192 million people, still recovering from the shock of the 2008 financial crisis (ILO, 2018b). True unemployment is much higher since official unemployment statistics underestimate the extent of joblessness in regions and countries without proper unemployment insurance. In most regions, the labour market participation rate has in fact stagnated or fallen and has not returned to its pre-2008 level (ILO, 2018b).

Current demographic trends bring 40 million people to the labour market each year. Population growth rates vary widely across world regions and the expectation is that sub-Saharan Africa and southern Asia will be home to 38 per cent of the global labour force by 2030, up from 26 per cent in 1990 (ILO, 2018b). As these two regions are home to the majority of the world's working poor and vulnerable workers, the global average share of workers affected by poor working conditions is expected to rise unless significant progress is made in improving job quality worldwide, especially in these regions.

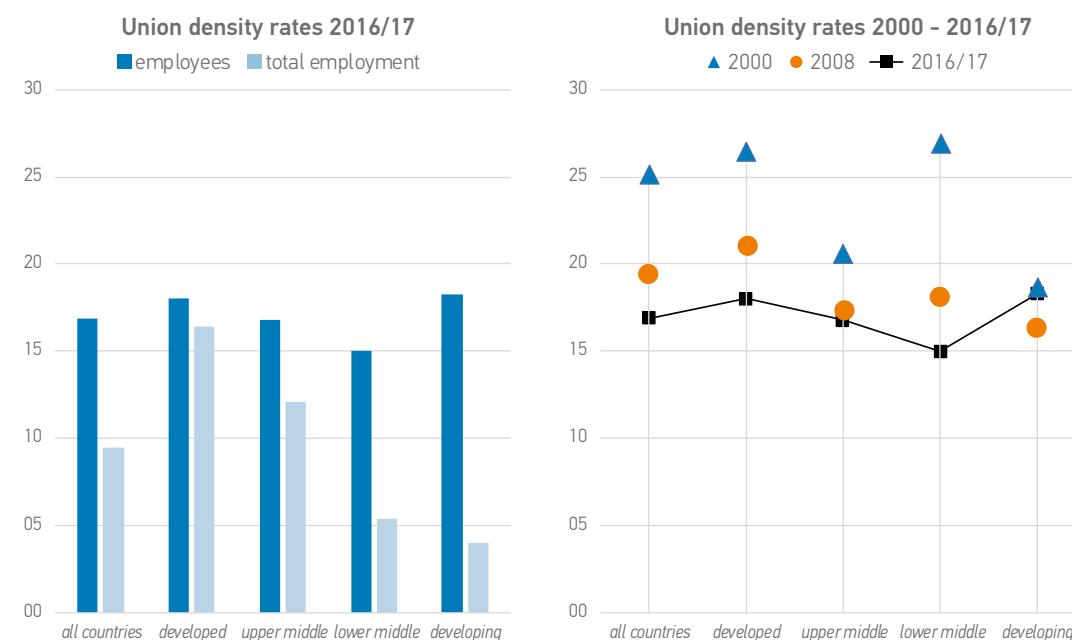
Of the three billion people in employment, 516 million or 17 per cent are union members.⁹ Not including China's trade unions (and those of Belarus and Cuba)¹⁰, the world's total union membership stands at 214 million and the union density rate, based on more than 2.2 billion people in employment, is about 10 per cent. If we leave out the self-employed, family workers and employers and restrict our calculations to the 1.8 billion employees (1.1 billion if China, Belarus and Cuba are not included), the global union density rate is 27 per cent (17 per cent without China et al.). In short, about one of every ten persons in employment and one of every six employees in a formal employment relationship joins a trade union.

■ 1.1 Economic development

Figure 1 below shows the distribution of union membership and the changes since 2000 across countries in different stages of development. The message is twofold. Union density rates, conventionally measured as the proportion of union members among employees, do not vary significantly across the four country groups at different levels of development. In fact, union density rates and income levels, measured as per capita Gross Domestic Product (GDP), correlate poorly, both across countries and over time. Union density rates do not increase when countries are or become richer. While these results may be surprising, there are two main explanations. First, in the past three decades union decline has been most pronounced in the advanced industrial countries of the Global North – the United States, the United Kingdom, Australia, New Zealand, Germany, France and in Central and Eastern Europe. Two decades ago, the average density rate in these countries was much higher (Figure 1, right hand panel). The second reason is that in developing countries, only a minority of workers have formal employee status. This artificially pushes up the union density rate in poorer countries, calculated as the proportion of unionized employees. When we calculate the union density rate for the total employed labour force¹¹ rather than for those categorized as employees, we do find a positive association between unionization and economic development, with richer countries having higher unionization rates ($r=0,56$). This demonstrates the huge deficit and challenge for unions in terms of organizing the self-employed and own-account workers globally, but especially in developing and emerging economies. In recent times, unions have started to take up that challenge, but a wide gap in representation remains. In the poorest countries, unions organize about 4 per cent of working people and in lower-middle-income countries less than 6 per cent (Figure 1, left panel).

The right side of Figure 1 shows that union density rates for employees have been declining since 2000, with the largest drop in unionization occurring in developed and lower-middle-income countries. In the latter case, the decline is due to the rapid increase in jobs (India, Indonesia, Cambodia, Vietnam), which had outpaced union membership growth and to huge membership losses of the unions in former Communist countries in Asia and Eastern Europe. Unions in the developed countries lost 14 million members between 2000 and 2008 and another 10 million between 2008 and 2017. Unions in the other groups, while still declining until 2008, have gained an estimated 11 million members since 2008. The result is that the share of union membership in developed countries has fallen to 50 per cent of the world's total in 2017, down from 57 per cent in 2000.

Figure 1: Union density levels by country groups (income level), 2000–2016/17



Note: developed countries (average over 52 countries), upper middle (37 countries, w/o China, Cuba and Belarus), lower middle (38 countries), and developing (19 countries). The union density data are weighted averages for each group of countries.

Source: the data in this and all following Figures and Tables were calculated by the author from IRData (www.ilo.org/ilostat/irdata) and the ICTWSS database (<http://uva-aias.net/en/ictwss>).

■ 1.2 World regions

Table 1 summarizes the development of unionization between 2000 and 2016 in 18 world regions. Currently, 12 per cent of global union membership is in Africa, 24 per cent in America, 30 per cent in Asia and Oceania (not including China), and 34 per cent in Europe. Since the 2008 world recession, union membership has grown in absolute terms in each of the four African regions, with spectacular growth in North Africa (Tunisia, Egypt, Morocco, Algeria) during and since the Arab Spring of 2011 and new organizing in the informal sector in sub-Saharan Africa, reversing negative pre-2008 trends. Trade unions have also made significant membership gains in South America (Brazil, Uruguay, Chile, Peru), in South Asia (Nepal, Bangladesh) and in South-East Asia (Cambodia, Vietnam, Singapore). Unions lost large numbers of members in Eastern and Central Europe as well as in Southeast Europe and the Balkans, continuing the downward trend in unionization that has characterized all post-Communist countries since 1989, including the Russian Federation and the Ukraine (Traub-Merz and Pringle, 2018). In Western Europe, union decline continued after 2008, prolonging a trend that began in 1980. In contrast, in southern Europe decline intensified after the Great Recession, especially in Greece, Spain and Portugal, reversing the slightly positive trend initiated before 2008. The membership losses in North America after 2008 are

those of the United States' unions since the Canadian unions gained members before and after 2008, though not enough to keep pace with employment growth.

Table 1: Union membership and Union density in 18 world regions

Region	Countries		Union members (in thousands)			Union density (in %)	
	1	2	3	4		5	6
				All(\$)	Self-employed	Employees	All employed
				2016	2016	2016	2008-16
Southern Africa	10	6 044	429	5 615	-570	684	11.4
West Africa	15	6 533	542	5 562	-570	170	5.3
East Africa	10	4 609	2 278	2 331	260	395	4.0
North Africa	4	11 083	..	11 083	497	4 016	22.7
Arab Countries	10	1 137	102	1 035	471	-414	3.3
North America	2	19 343	87	19 256	211	-1 020	11.4
Central America / Caribbean	15*	6 720	243	6 477	634	316	8.9
South America	10	28 020	5 705	22 316	2 658	4 121	15.0
China	1	302 000	..	302 000	108 556	89 829	38.9
East Asia	5	16 354	..	16 354	-751	308	15.4
South-East Asia	12	19 229	79	19 181	-3 092	2 545	6.7
South Asia	6	18 780	2 914	15 867	2 892	2 969	2.9
West Asia	7**	6 430	67	6 362	-424	-184	9.0
Eastern and Central Europe	10***	26 823	569	26 254	-18 479	-9 944	22.4
Southeast Europe / Balkans	10	3 204	27	3 177	-532	-1 421	16.5
Southern Europe	6	10 494	920	9 573	1 223	-835	21.0
Western Europe	9	21 067	510	20 557	-1 847	-1 253	17.0
Northern Europe	5	7 902	488	7 413	-121	17	60.7
							63.2

Notes: no data; (\$) without pensioners and unemployed members; * without Saudi Arabia, United Arab Emirates and Yemen; ** without Cuba, Haiti and Jamaica; *** without Iran, Afghanistan, Tajikistan, Turkmenistan and Uzbekistan, **** without Belarus

Taking into consideration the previously mentioned measurement concerns, Table 1 also shows the membership of the All-China Federation of Trade Unions (ACFTU), if only to note its enormous size. With around 302 million members, including 140 million migrant (rural to urban) workers, in 2.81 million grassroots trade unions, the ACFTU is larger than all other union confederations in the world combined. If correct, these membership figures translate into a union density rate of between 38 and 44 per cent, higher than in most developed nations with the exception of northern Europe. Reality on the ground is more complicated. The Chinese model is predominantly top-down and largely dependent on enterprise funding, which is mandated by law (Traub-Merz and Pringle, 2018).¹²

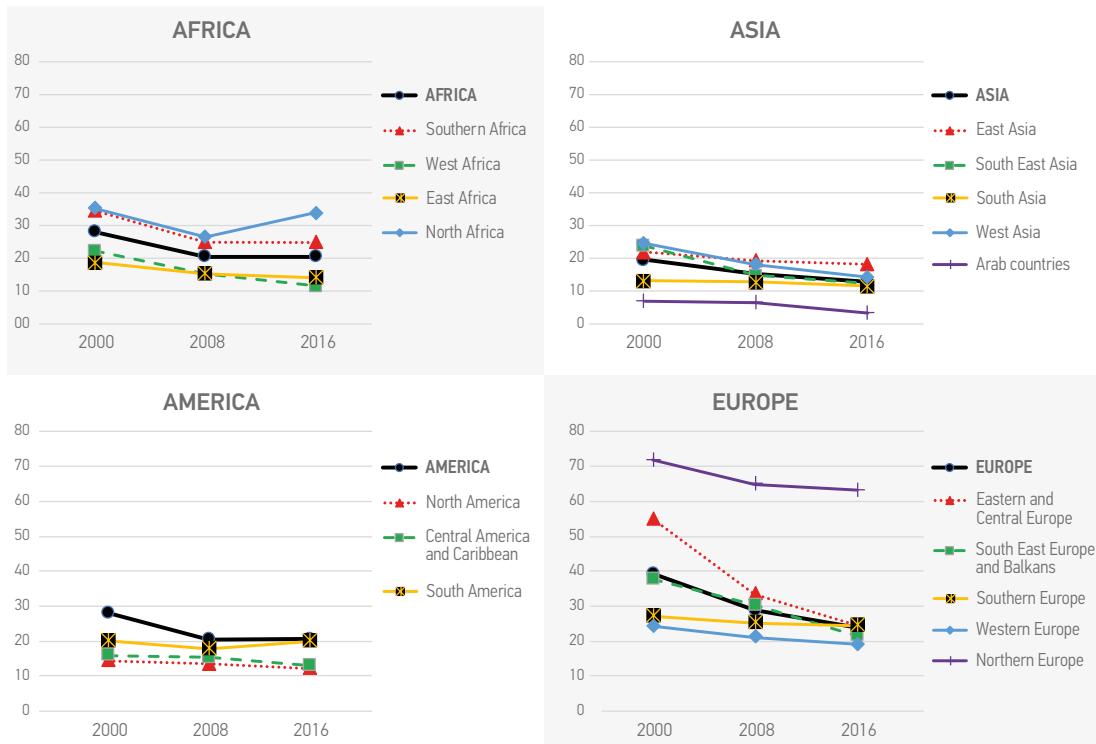
Returning to Table 1, we note that unions, in addition to employees, also recruit a significant number of self-employed (own-account) workers, some 14.5 million in all. Many of them work in the informal sector or as undeclared workers in registered workplaces. When calculating union density rates for the employed (column 5), they are included. When calculating union density rates for employees (column 6), they are left out. In both columns, we observe a large variation in union density levels across world regions. Indeed, northern Europe stands apart at the high end, as do the Arab states in the Middle East at



the low end. It makes a difference whether we include the self-employed, own-account workers and the informal sector. If we do, union density rates are below 10 per cent in seven regions: the Arab countries in the Middle East with their large numbers of migrant workers, East and West Africa, Central America, and South, South-East and West Asia. Note that this is the case, notwithstanding significant recent membership gains, in the informal sector, especially in Africa.

Focusing only on the formal sector and employees, though including workers with temporary and part-time jobs, it is possible to track developments since 2000 (Figure 2). I have added 2008 to determine whether the Great Recession has marked a turning point for better or worse. In Africa and America, union decline stopped after 2008 due to strong union growth in North Africa following the Arab Spring of 2011, the stabilization of unions in a number of countries in southern Africa and union gains in South America. Unionization in East and West Africa remains very weak and on a downward trend. The same is true for North and Central America. Overall, the mean unionization level is lower in Asia than in either America or Africa – 13 per cent compared with 15 per cent for America and 21 for Africa – and variations across regions have decreased significantly. Lastly, the European exception, where union density rates are higher than in other parts of the world, is drawing to a close. The mean density rate fell from 39 per cent in 2000 to 23 per cent in 2017, with each of the five regions impacted, albeit at a very different level in the case of northern Europe. The decline has, however, slowed down a little in recent years.

Figure 2: Union density rates by world regions, 2000–2016/17



Note: country groupings and data as in Table 1.

2 / Changes in employment structure and jobs

Across all levels of development, an increasing number of workers are expected to find jobs in the service sector, while the employment share in agriculture should continue its long-term downward trend. Currently, agriculture accounts for nearly 70 per cent of all jobs in developing countries, 40 per cent in lower-middle, 16 per cent in upper-middle, and just 3 per cent in developed countries (ILO, 2018b). The share of manufacturing employment is expected to continue its decline in upper-middle-income and developed countries, and to grow only marginally in lower-middle-income countries. This confirms the phenomenon of ‘premature deindustrialization’, whereby lower-income countries, especially in Africa and Latin America, are witnessing declining shares of industrial employment at earlier stages of development compared to developed countries (Rodrik, 2016). Deindustrialization has long been a concern in developed countries, where it is associated with the loss of good jobs, union decline and rising inequality. In developing countries, deindustrialization raises questions about the weakening of a mechanism that in the past has helped people to learn and spread new techniques, raise productivity and increase income. With fewer industrial jobs, more people will flock into badly paid low-productivity service jobs.

2.1 Deindustrialization

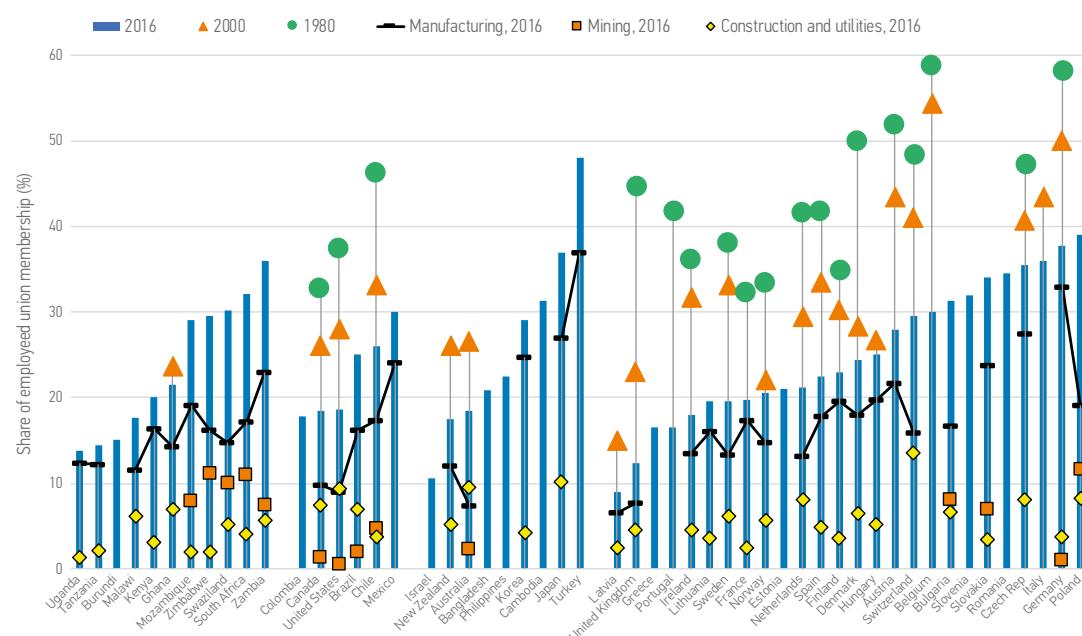
Currently, manufacturing accounts for 16 per cent of total employment in upper-middle-income countries, 12 per cent in lower-middle-income countries, 13 per cent in developed countries and only 6 per cent in developing countries. With few exceptions, mining, quarrying and utilities account for only a minor share of employment, as these sectors are very capital intensive. By 2017, the service sector employed the largest share of the workforce everywhere except in low-income developing countries,

where the employment share of services (21 per cent) is far smaller than that of agriculture (70 per cent). In developed countries, three out of four workers were employed in the services sector in 2017 (ILO, 2018b).

As a rule, agricultural workers tend to be scattered and non-unionized. Only those working in large plantations tend to be organized, for instance in Kenya or Uganda where agricultural workers respectively make up 35 and 21 per cent of all union members. In emerging economies, agricultural workers represent less than 5 per cent of all union members (for instance in Brazil, India, Russia, South Africa or Turkey). In developed countries only about 1 per cent of all union members work in agriculture (including gardening and fishing).¹³ As might be expected, the share of agricultural employment is negatively correlated with the level of unionization across countries ($r_{agr} = -0,44$). Controlling for income levels, the negative relation is weaker but still significant.

Deindustrialization has been going on for some time and is transforming trade unions. In each and every country today, most union members have a job in services. Averaged for the 18 advanced industrial countries of Western Europe and North America, industry's membership share (manufacturing, construction, mining and utilities) shrank on average by half a percentage point each year, from 43 per cent in 1980 to 32 per cent in 2000 and 22.5 per cent in 2015. Manufacturing accounts on average for 17 per cent of all union members in these 18 countries mentioned above (Figure 3); mining for less than 1 per cent; utilities (gas, water and electricity) for 1 to 2 per cent and construction for 4 to 5 per cent. Unfortunately, I do not have enough data to calculate averages for the other country groups.

Figure 3: Union membership shares in industry, 1980-2016



Note: The industrial (or 'goods producing') sector comprises mining, manufacturing, utilities and construction. Where mining is not separately indicated in the Figure, its size (membership share) is so small that it is counted together with manufacturing.

Figure 3 presents the available data on the share of union membership in manufacturing (including mining) in 52 countries. I have chosen 1980 as the starting point when employment and union membership in manufacturing was at its zenith. 1980 also marks the beginning of globalization, the opening of China's economy, the withdrawal from import-substitution industrialization policies in developing countries, and the political turn to neo-liberal policies. The first thing to notice is the huge variation across countries on each of the four continents. There are just a handful of countries where one-third or more of all union



members work in industry: South Africa, Zambia, Japan, Turkey, Romania, the Czech Republic, Slovakia, Italy, Germany and Poland. The German unions stand out with their strong position in manufacturing (especially in metals and chemicals). In some of the African countries there is a sizeable and highly unionized mining industry (with unionization rates of up to 80 per cent). Mining is also significant in Chile, Bulgaria, Romania and Poland, but elsewhere its share of union membership is negligible. The building industry (in Figure 3 taken together with utilities, such as the provision of gas, water and electricity) represents a sizeable portion of union membership of 10 per cent or more, in the United States, Australia, and Switzerland. The flipside is the very small size, in terms of union membership, of the manufacturing industry. In Canada, the United States, Israel, Australia, Latvia and the United Kingdom its membership share has fallen below 10 per cent. In Sweden, Denmark, Norway, Finland, Ireland, the Netherlands, Greece and Portugal there are now fewer union members in manufacturing than in either health or education.

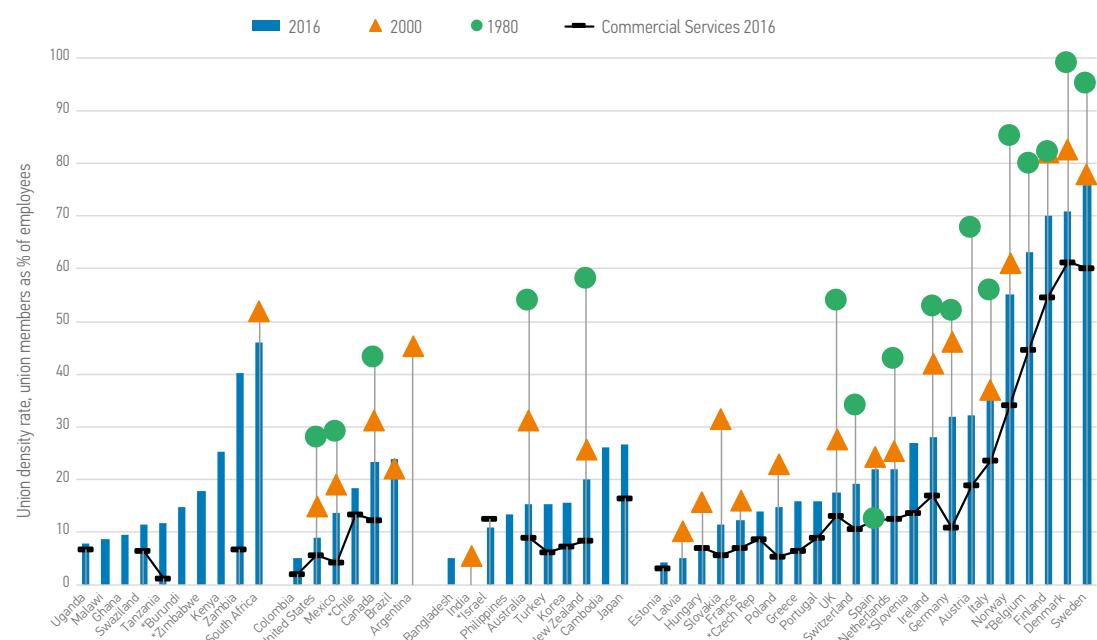
Figure 3 shows that, since 1980, the decline of the 'goods producing sector' in the unions has been a rather general process affecting all countries, albeit from different starting levels, and hitting some countries (United States, United Kingdom, Denmark, the Netherlands) much earlier than others (Germany, Belgium, Italy). Although more intense in the developed – advanced industrial – countries, it has started to affect unions in developing countries as well, usually starting from a much smaller initial base in manufacturing.

Figure 4 turns our attention to union density rates in manufacturing (including mining). Again, the variation across countries in each of the four continents – from Uganda to South Africa; Colombia to Argentina; Bangladesh to Japan, and Estonia to Sweden – is very large. In some important countries with a large export base in manufacturing (Bangladesh, India, Mexico, the Czech and Slovak Republics, and Poland), unions are very weak. Looking at developments since 1980, we can conclude that the level of unionization has been falling in all countries for which there is historical data. The largest and

earliest drops in unionization occurred in the United States, Canada, Australia, New Zealand and the United Kingdom, the five advanced industrial countries in which the neo-liberal policies of financial, product and labour deregulating were most on display, with new constraints placed on unions calling strikes. In these five countries, the average union density rate in manufacturing dropped from 47 per cent around 1980 to 17 per cent in 2017, meaning that current unionization is about one-third of what it was before globalization and neo-liberalism began their victorious ascent. Union decline, although less intense, affected countries with less marked neo-liberal politics as well. From 1980 to 2017, the average unionization rate in manufacturing in the four Nordic countries (Denmark, Finland, Norway, and Sweden) dropped from 90 to 68 per cent in continental Western Europe (Austria, Belgium, France, Germany, Italy, the Netherlands, Spain and Switzerland) from 43 to 24 per cent. The shutdown and downsizing of highly unionized enterprises (coalmining, shipyards, steel) combined with the rise of temporary work and unemployment are among the factors that help explain the decline of unions within manufacturing.

In Figure 4 I have also indicated the level of unionization in commercial services, which has become the largest sector in terms of employment in most countries and includes trade, food and tourism, transport and communication, finance, insurance and real estate and business and administrative services. Generally, trade unions are better represented in manufacturing than in commercial services. On average, the likelihood of union membership in manufacturing is two times higher, varying from 1.3 times in Finland, Sweden, Denmark and the United Kingdom to about 3 times in Germany, Poland or Mexico.¹⁴ Given the financial constraints on the expansion of public and social services, it is in the expanding commercial services sector, rather than in the contracting manufacturing sector, that newcomers to the labour market and those losing their jobs in manufacturing will have to find their jobs. The gap between the density rates in manufacturing and commercial services therefore indicates the structural challenge that unions face. Unless trade unions find ways to halt their decline in manufacturing employment, strengthen their position in commercial services or expand employment in public and social services (where density rates tend to be much higher than in manufacturing), they are in for further decline. This is particularly true in countries such as Germany, where unions are weak in commercial services and the gap with manufacturing unions is very wide.

Figure 4: Union density rates in manufacturing and mining, 1980–2016



Note: Density rates in manufacturing are calculated with the inclusion of mining in all countries. Commercial services include retail and wholesale trade, hotels and restaurants, transport and communication, finance and insurance, real estate, business and administrative services.

■ 2.2 Decline of jobs or unions?

How much of union decline is caused by the disappearance of highly unionized jobs in industry (mining, manufacturing, utilities and construction) and how much is the result of fewer workers joining the unions? To answer that question, we must take a counterfactual approach and estimate the number of union members manufacturing and mining would have had in 2016 if union density rates had stayed the same since 1980. Table 2 shows this for 18 of the advanced industrial OECD member countries for which we have the necessary longitudinal membership and employment data. Over a period of nearly four decades, the unions in these countries, taken together, lost 20 million members in industry (column 2, last row), of which one third (6.7 million, 33 per cent) due to disappearing jobs (column 3) and two-thirds (13.3 million, 67 per cent) due to fewer members (in the jobs that remained) (column 4), for instance because fewer young workers in industrial jobs join the unions.

As can be seen from the table, the proportions differ across countries. For instance, in Belgium, Denmark, Italy and Sweden, unions lost most members because of disappearing jobs in industry. The opposite is true for most other countries. In Australia and Canada, unions declined in industry despite job growth. In the United States, union decline is hardly the result of fewer jobs in industry, but rather the result of the de-unionization of industry. Restructuring within manufacturing (from heavy to light industry, for instance) and the relocation of factories to Southern states with 'right-to-work' legislation, which prohibits employers from collecting union dues for workers under collective agreements, appear to have played a bigger role than the decline of manufacturing jobs.



Table 2: Changes in union membership (in thousands) since 1980

	All sectors		Manufacturing and mining		Services	
	1 000's	%	2 000's	due to fewer jobs (%)	4 due to fewer members in jobs (%)	5 000's
Australia*	-1 021	-39.8%	-573	+15%	-115%	-448
Austria	-449	-31.1%	-462	-18%	-82%	+13
Belgium	412	+25.0%	-350	-71%	-29%	+726
Canada	1 042	+30.7%	-504	+5%	-105%	+1 546
Denmark	128	+8.0%	-378	-54%	-46%	+506
Finland**	-207	-13.5%	-228	-45%	-55%	+22
France	-1 307	-34.7%	-846	-42%	-58%	-524
Germany***	-5 719	-47.8%	-4 380	-34%	-66%	-1 309
Ireland	-54	-10.9%	-80	-9%	-91%	+36
Italy	-1 118	-15.6%	-1 238	-57%	-43%	+120
Netherlands	-315	-20.8%	-348	-34%	-66%	+32
Norway	312	+33.3%	-117	-18%	-82%	+429
Portugal	-864	-59.2%	-373	-23%	-77%	-491
Spain	1 088	+98.0%	+84	+30%	+70%	+1 024
Sweden	-161	-5.2%	-619	-57%	-43%	+530
Switzerland	-165	-19.4%	-208	-37%	-63%	+43
United Kingdom	-5 675	-47.7%	-4 521	-41%	-59%	-1 154
United States	-5 278	-26.3%	-4 760	-10%	-90%	-519
Total	-19 414	-25.3%	-20 002	-33%	-67%	+588

Note: * since 1982; ** since 1989; ***since 1991.

Lastly, I would like to draw the attention to columns 1 and 5 in Table 2, which show changes in membership in the total economy and in services, in thousands. Between 1980 and 2016, unions lost on aggregate one quarter of their members. Most of this decline, with a loss of 5 to 6 million union members in each case, occurred in just three countries: Germany, the United Kingdom and the United States. There were, however, five countries where unions expanded their membership: Belgium, Canada, Denmark, Norway and Spain. Spain, which had a very low level of unionization in 1980, is actually the only country where unions gained more members in industry, until 2008 when a steep decline set in. Perhaps even more remarkable is that fewer than half of these countries – Belgium, Canada, Denmark, Italy, Norway, Spain, Sweden – significantly increased their membership in services. This is not the case in Australia, France, Germany, Portugal, the United Kingdom and the US, despite the fact that the number of service sector jobs in the 18 countries of Table 2 increased in each and every country by an average of 77 per cent.

■ 2.3 Digitalization and technological change

A rising or declining employment figure does not tell us everything. Jobs change in terms of content, training, responsibility, autonomy and teamwork. Technological advances tend to make a particular kind of (highly unionized) job redundant. Digitalization, robots and artificial intelligence reduce the demand for jobs in the middle of the occupational distributions (craft or skilled workers, machine operators, assemblers, clerical and administrative jobs). Employment data over the period 1998–2014 show a worldwide decrease in such jobs, both in developed and developing countries (IPSP, 2018). There has been growing demand for managers, professionals and technicians, especially in developed and upper-middle-income countries, for service and sales staff at all levels of development and for people filling elementary occupations, mostly in developing and lower-middle-income countries. It is projected that this process of hollowing out of the middle will continue, based on the well-known routinization hypothesis of Autor, Levy and Murnane (2003): machines and algorithms replace people on tasks for which a program of manageable length can be written to perform the work well. Skilled craftsmanship in manufacturing involves precise but repetitive work, for which a machine or computer can be designed. Similarly, being a bank clerk used to require the ability to do arithmetic fast and accurately, but computers can compute even faster and without error. But it is difficult to design a computer that will manage, instruct and motivate people. Cleaning and nursing tasks are also currently beyond the capability of computers. The next frontline in digitalization will probably be food preparation, delivery and transport, followed by teaching and nursing.

Digitalization impacts precisely those jobs that are highly unionized and must therefore be expected to contribute to union decline. This is confirmed by data from household or labour force surveys, available for a few countries only. These surveys show that in the early 2000s, the union density rate of skilled workers, machine operators and assemblers was still higher than among any other occupational group in Australia and the United States, and second only to technicians and professionals in Canada, Ireland and the United Kingdom. Unionization levels among skilled workers, machine operators and assemblers were double those of sales workers and were significantly higher than for workers in services, elementary occupations and management. In other words, the changing job structure is bound to have a negative impact on union membership. In Sweden and the Netherlands, two more countries for which we have household or labour market surveys, the difference between the union density rate of skilled and unskilled workers is less pronounced and union decline due to technological change has been smaller.

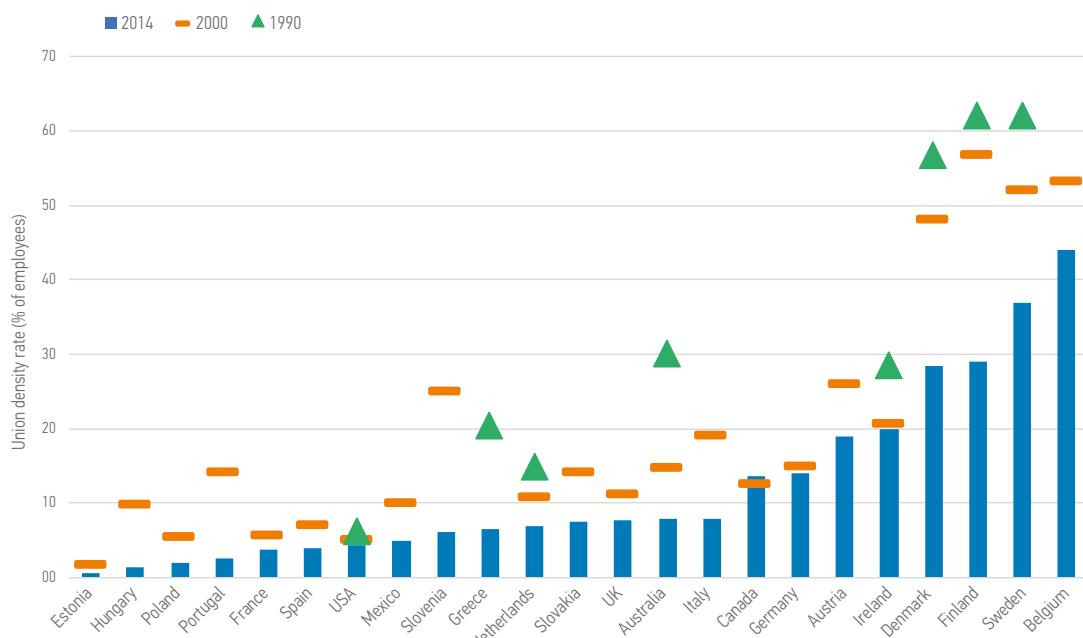
The union density rate of skilled workers, machine operators and assemblers has fallen in recent times: in Ireland from 45 per cent in 2000 to 33 per cent in 2008,¹⁵ in Canada from 39 to 35 per cent in the same period, in Australia from 35 to 28 per cent in 2012, in the United Kingdom from 34 to 24 per cent in 2016 and in the United States from 20 to 13 per cent in 2017. In the Netherlands, the unionization rate of unskilled and semi-skilled workers decreased from 23 per cent in 2000 to 18 per cent in 2012, and for skilled workers, the rate fell from 25 to 22 per cent. In Sweden there was a much larger drop in the unionization rate of manual (skilled and unskilled) workers, from 83 per cent in 2000 to 62 per cent in 2016, than of non-manual (white-collar) workers, which fell from 79 to 74 per cent (Kjellberg, 2018). In Sweden, the de-unionization of manual workers (not only in industry) was strongly linked to changes in government policy regarding the (union-administrated) unemployment insurance (Kjellberg and Ibsen, 2016).

■ 2.4 Disengagement of young people?

In the past thirty or forty years, de-unionization has been marked by a social process of less unionized, more educated younger workers replacing an older cohort of unionized workers. We can see this in two statistics: the sharp fall in union density rates of young people, and the rising share of union members with secondary and tertiary education (and the decreasing share of unskilled manual workers and those with only elementary education). Together with the disappearing share of manufacturing workers in

many countries, this is transforming trade unions. Why young people have a much lower propensity to join unions than those of one or two generations ago is not fully clear. It is, however, a development that can be observed in nearly all advanced industrial countries for which we have data (Figure 5).

Figure 5: Union density rates, 16-25 years

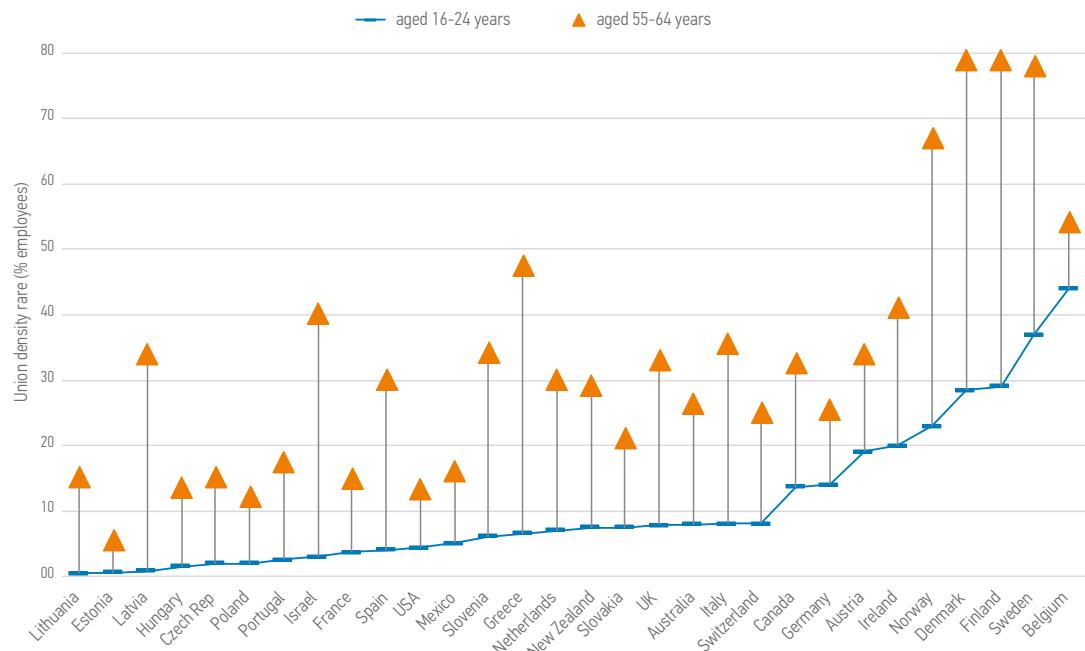


Union density rates of young workers vary from 1 per cent in Estonia (and virtually 0 per cent in Latvia and Lithuania) to 44 per cent in Belgium. Density rates are calculated as the proportion of union members in employment – basically those who have found jobs. Hence, these percentages do not consider the large number of full-time students or unemployed in this age group. In two-thirds of the countries shown in Figure 5, less than 8 per cent of young workers join a union. A considerable drop in youth membership was seen in Sweden, Finland and Denmark (in each case related to changes in union unemployment insurance funds), in Australia and Slovenia, and in Greece and Portugal (undoubtedly related to the sharp increase in youth unemployment). On the other hand, the density rate of young people in Canada has not decreased and in Germany and Belgium the changes, at least since 2000, have been modest. Where entry into employment is channeled through a dual (work and school) vocational training path, as in Germany, unions may stand a better chance of recruiting young people. The Belgian example offers some thoughts on the price of union membership, which may be too high for the large numbers of young people working in odd jobs and insecure temporary, agency and part-time jobs. In Belgium, workers under the age of 25, including students and job-seekers, can join the unions almost free of charge; they pay strongly reduced dues or none, yet can share in the benefits and activities of the unions (Pulignano and Doerflinger, 2014). According to these authors, the problem of Belgian unions is not the lack of membership among young people, but the lack of active participation.

Spanish unions present a contrasting case: the union density rate of young people is very low and falling and the gap with older workers very large (Figure 5 and 6). Pulignano, Gervasi and Franceschi (2016) attribute this to the fact that most young people are trapped in temporary jobs and Spanish unions are mainly there for permanent workers. This ‘dualism’ was reinforced by the 2008 crisis and the ensuing austerity policies, when unemployment and precarious employment among young people increased massively. This may well be a reason why ‘*Juventud Sin Futuro*’ (Youth without a Future), a movement that denounced the precarious situation of young people in the labour market and rose at the same time as the Indignados movement in 2011 (Antentas, 2011), explicitly rejected any link to the unions (and to

the established political parties). ‘They do not represent us’ was one of their slogans (Flesher Fominaya, 2015; Hyman and Gumbrell-McCormick, 2017). Although the two main trade union confederations have attempted to counteract declining membership by recruiting women, young workers and the large proportion of employees engaged in temporary contracts (Heery and Adler, 2004), initiatives of this kind have tended to remain rather weak as actual resources dedicated to this task are rather meager (Keune, 2013).

Figure 6: Union density rates of workers entering and leaving the labour market, 2014



The gap in unionization between young workers entering the labour market and older workers close to retirement is larger than ever, not only in Spain. Figure 6 shows the gap in the unionization rates of workers in the two age groups (16–24 and 55–64) in which the average worker enters or leaves the labour market.¹⁶ In 2014 in advanced industrial countries, the age cohort of older workers, those that entered the labour market in the 1970s, is on average 4.3 times more unionized than the age cohort that has entered the labour market in the past decade (Figure 6).¹⁷ Fifteen years ago the average gap was only half that large. The implication is that unions have aged and the share of union members who will leave the labour market in the coming years has grown. The average age of union members in European countries has risen to 45 years (calculated from the European Social Survey) and on average 20 percent of all union members are over 55 years of age, not counting those who have retired.

Union density rates tend to increase with age in almost all countries. The issue here is that the differences between young and old have increased. The higher density rates of older workers are the result of higher density rates of past generations – in other words, of decisions made some thirty to forty years ago. Workers tend to join the union when they are young, most often when they have landed their first stable job and begun establishing a family (Visser, 2002). The probability of leaving the union is also highest in the first years of membership and then sharply decreases (Van Rij and Saris, 1993). Workers who do not join a union before the age of 30 or 35 will most probably never join. This means that together with the decline of union membership among young people over the last thirty or forty years, the proportion of workers who never join a union has increased, as Booth, Budd and Munday (2010) have shown with data for the United States and Bryson and Gomez (2005) for the United Kingdom.



■ 2.5 Unions in commercial and social services

Most new jobs in the platform economy will be in commercial services – retail, hotel, restaurants, catering and tourism, private road transport, business services, rentals and work agencies, communication, security and household services. In these activities, even among workers with standard employee contracts, union density rates are low. Within commercial services, which also comprise public transport, postal services, banking and insurance, typically only the larger firms (department stores, railways and national airlines, municipal road transport, postal companies, larger banks and insurance companies, especially those with a public share) are unionized. Part-time and temporary work is widespread, especially in retail, hotels and restaurants, security and household services, and most people are employed in small or micro firms below 100 or even 10 people, or they work as ‘own account’ workers without staff. Overall, the union density rate in commercial services – now the largest and strongest growing sector in terms of employment in most countries – is far below the national average (Figure 7). Unionization rates are very low in the United States, Colombia, Costa Rica, Honduras, Mexico, France, Turkey, the Republic of Korea, nearly all countries in Central and Eastern Europe and several African countries. Just at or slightly above the 10 per cent threshold are Chile, Canada, Brazil, Australia, New Zealand, Israel, Slovenia and a range of Western European countries. Union density rates closer to twenty per cent – one in five employees – exist in South Africa, Japan, Ireland, Austria and Italy and are much higher still in Belgium and northern Europe. Comparisons over time are available only for some countries; they indicate that employment growth has outstripped membership growth nearly everywhere and that union density rates in commercial services have decreased.

Density rates vary within commercial services. The lowest levels of unionization are typically found in retail, hotels, restaurants, catering and tourism, private road transport, business services (including rentals and work agencies) and personal commercial services (cleaning). To illustrate, the union density rate in hotels and restaurants is below 3 per cent in the United States, the United Kingdom, and Hungary, 4 per cent in France, 5 per cent in Australia and Japan, 6 per cent in Canada and 7 per cent in the Netherlands and these rates have been falling in the last decade in all of these countries. In retail, unions have their stronghold in the bigger department stores, but in recent years, business has increasingly shifted to online shopping and delivery services like Amazon. Current union density rates range from 1 per cent in Tanzania, 2 per cent in Poland, 4 per cent in Hungary, The Republic of Korea and the United States, 5 to 6 per cent in France and between 11 and 13 per cent in the United Kingdom, the Netherlands, Canada, Australia and Japan. Union density rates in business services, including finance and insurance, tend to be below 10 per cent and, like in industry, middle-range administrative jobs, are disappearing while the share of 'own-account' workers is increasing. In transport and communication, the unions' strongholds are in publicly owned or publicly regulated services (rail-and airways, ports and ferries, municipal transport, postal services), but privatization, off-shoring (seafarers) and the opening of international competition in road and sea transport and in communication has created a far more difficult environment for the unions.

Figure 7: Union density rates in services, 2015/16

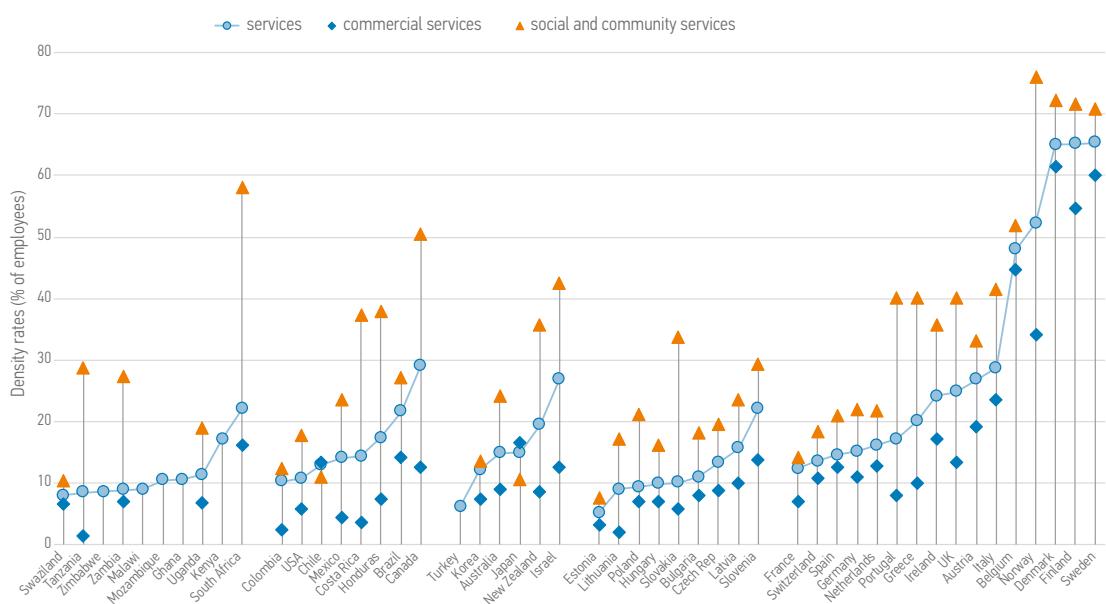


Figure 7 also displays the union density rates in social and community services. This sector includes public administration, social security, policy and security forces, education, health, arts and entertainment and other social and personal services. Unsurprisingly, union density rates in public, social, community and personal services are much higher than in commercial services. The exception to that general finding happens when government workers are barred from unionization, as is the case in Chile. On average, for the 49 countries shown in Figure 7, the level of unionization is 3.4 times higher in social as compared to commercial services. As a rule, civil servants, administrators, local and central government workers, teachers and, where allowed, the police and the military are those with the highest union density rates in any country. There can be many reasons for this, including facilitation and encouragement of unions by the authorities, professionalism and esprit de corps, particular insurances that come with

union membership and a higher degree of employment stability than in the private sector, even though short-time contracts and interim work have become quite common, especially in education, healthcare and subsidiary government services. Historical data on a much smaller set of countries show that the unionization gap between workers in commercial and social services (and those working in the private or public sector generally) rapidly widened in the 1980s and 1990s following the sharp decline of union membership in the private sector (in services no less than in industry). However, since 2000, union density rates have also declined in public service due to privatization, increased use of temporary contracts in public administration and education, and the shift from employee to own-account status in health care.

Teachers have played a key role in the making of African unions. They often are the single largest group in the unions. Teachers' unions account for 53 per cent of total paying membership in Sierra Leone, 47 per cent in Tanzania, 31 per cent in Ghana, 30 per cent in Uganda, 29 per cent in Zimbabwe and 24 per cent in Malawi. These numbers are larger than for any other occupational group. Similar high shares are also typical for some 'low unionization' countries in the developed world, for instance in the United States where union membership in education represents 28 per cent of total membership in 2017, France with 22 per cent in 2013, or Mexico with 20 per cent in 2015. Nurses and medical professionals are usually also well represented in the trade unions, albeit often through professional associations outside the mainstream union movement.

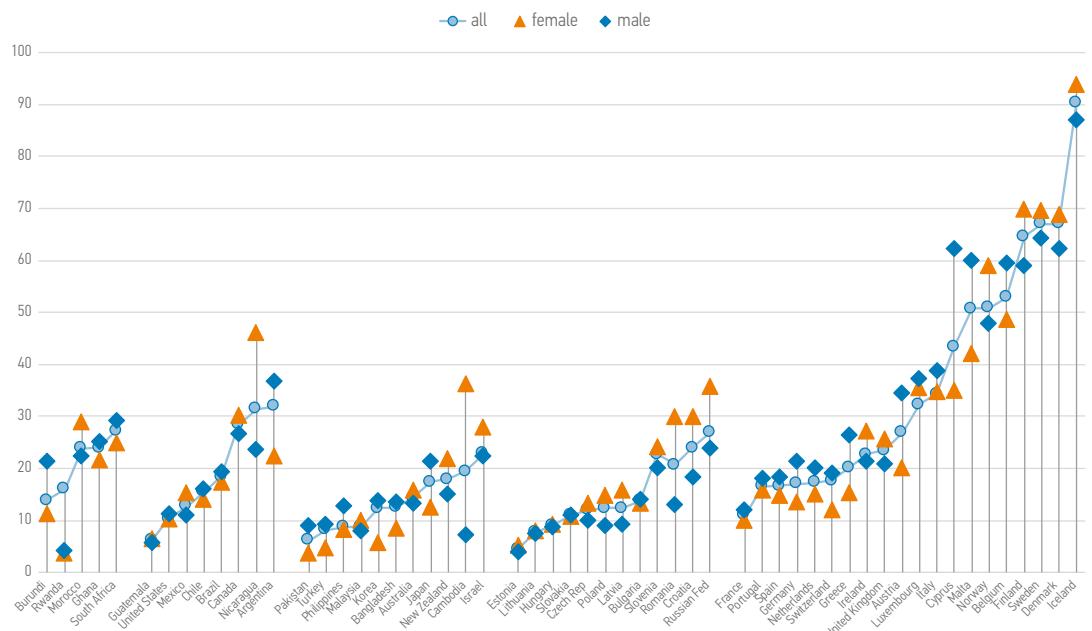
Generally, the employment shift from industry to services, and more particularly to social and community services, is accompanied by a higher average level of educational attainment. Union density rates tend to increase with educational attainment. I only have data for the OECD, showing that, on average, more than two out of five union members have obtained the tertiary level of education, two out of five the upper secondary level and fewer than one-fifth less than the secondary level. The countries with the largest share of unskilled workers and members with less than the secondary level of education, above 30 per cent of all union members, are Turkey, Mexico, the Republic of Korea, Spain and Portugal. Like the shift to services, rising numbers of women in the unions has also pushed up the level of education. The higher the share of women in the unions, the lower the share of members without secondary education ($r=-0,57$).

■ 2.6 The rise of female union membership

Arguably, together with the decline of industrial membership, the biggest change in trade unions during the past decades has been the rise of female membership. This process occurred nearly everywhere and began around 1970, with some countries in northern Europe and the Anglo-Saxon world taking the lead. Today, there are more women than men in the trade unions in Central and Eastern Europe, northern Europe, Canada, Australia, New Zealand, Ireland, the United Kingdom, Israel, Cambodia, Nicaragua and Tunisia. In nearly all countries the share of female union members is still rising.

In 2016–17, union density rates were higher for female than for male workers in 27 of the 56 countries shown in Figure 8. In many countries over a period of three or four decades, male and female unionization rates have converged, initially as more women joined the unions and later because more men than women lost their jobs and left the unions. Behind these developments are the structural changes discussed earlier: deindustrialization, which affected men more than women and the rise of social as well as commercial services, which created more opportunities for female employment and unionization. In recent years in most developed countries, male union membership has started to shrink in absolute terms. Female membership, in absolute terms, has continued to expand, although in many countries this expansion stopped with austerity policies and the scaling down of public services following the Great Recession. In many developing countries, especially in Africa and Asia, female unionization increased once unions moved into the informal sector, where far more women than men usually find employment.

Figure 8: Union density rates by gender, 2016/17



The lowest unionization rates of women, and the largest gap between male and female unionization rates are witnessed in Argentina, Pakistan, Turkey, the Republic of Korea, Japan, Austria, Germany, Greece and Cyprus. The reasons for unions' failure to recruit more women in these countries are not always clear. With the exception of Greece, Cyprus, and Pakistan there is a strong tradition and large presence of industry and industrial unionism in these countries – even today – and perhaps this has delayed the focus on women and female unionization that is found in public and private services. Religious and cultural factors (Confucianism in Japan, the influence of Islam in Pakistan, a masculine union culture in the Republic of Korea and Japan, machismo in Latin America, paternalism in Africa and the persistence of the male breadwinner model in some continental European countries) may also have their hand in the failure of bringing women on a par with men in the unions (see Cook et al., 1984). However, variations within the same regions, cultures and even religions, and in some cases rapid changes over time (for instance in Ireland or the Netherlands), should make us cautious when using these cultural explanations. Not so long ago, Christian ideology required women to return to their homes upon marriage and childbirth.

3 / Changing employment relationships

Since the 1980s, there has been a move away from the standard employment relationship that was the norm in larger organizations, among blue-collar workers in union-organized industries and white-collar employees in managerial and clerical occupations. The decline of this relationship, as a norm and pattern-setter for non-unionized firms as well, has a parallel in the shrinkage of the formal sector in Africa, Asia and Latin America. Standard employment has been the normative foundation of laws and regulations that protect against long working hours and unsafe working conditions, ensure employees' right to associate in trade unions and bargain collectively and guarantee welfare benefits such as social insurance and pensions (Stone and Arthurs, 2013).



The diversity of employment relationships in high-income countries has grown and ranges from permanent or stable formal employment to different forms of non-standard work, in particular part-time work, fixed-term contracts, temporary agency work, on-call work, and different forms of self-employment. Increased flexibility and diversity can also be observed with respect to working time, mobile working patterns and working from home. Some of these new work arrangements position workers as autonomous, independent or self-employed, dispatch them from a temporary employment agency, post them to other countries on temporary contracts, or redeploy them from the core workforce of large dominant firms and companies to that of their smaller and less stable suppliers.

Casual employment is a prominent feature of low- and middle-income countries and has grown in importance in industrialized countries. In Bangladesh, nearly two-thirds of wage employment is casual; in Mali and Zimbabwe, one in three employees works in a casual job. In Australia, casual employment affects one out of four employees (IPSP, 2018). The OECD estimates that non-standard work, which includes self-employed, temporary and part-time workers on temporary contracts, make up almost a quarter of total employment. The rise of non-standard work took place well before the Great Recession of 2008. On average, almost 2.6 per cent of permanent full-time jobs in the OECD countries were destroyed in the aftermath of that recession, accounting for a further rise in the share of non-standard work. The ILO estimates that, averaged over 150 countries, the incidence of temporary employment in the formal sector is 11 per cent, with a wide-ranging variation from less than 5 per cent in Latvia, Norway and Sierra Leone to over 25 per cent in Peru, Poland and Spain (ILO, 2018b).

■ 3.1 Globalization and migration

Facilitated by reduced trade barriers, lower transport costs and the deregulation of product and labour markets, it has become easier for firms to delocalize production through the development of global supply chains. Developing and emerging countries' main advantage over developed countries has been, and remains, access to cheaper labour. The export-oriented, often autocratic path of industrial development taken by Japan in the 1950s, South Korea from the 1960s, and China in the 1980s and 1990s, requires these countries to upskill as the economy grows and income rises. Sectors like apparel are forever moving shop as comparative labour costs rise, with Bangladesh, Cambodia, Indonesia and Vietnam as the new production sites. The outsourcing of manufacturing in global production chains has created millions of jobs in the Global South, often through export processing zones (EPZs), but it has not produced an upsurge in the unionization of industrial workers. The majority of the jobs that moved south are low-tech positions in manufacturing or elementary service occupations related to the expansion of tourism and transport and the need for security.

Industrial sectors where competition with China has been fiercest have seen the largest reductions in employment (Autor, Dorn, and Hanson, 2016), and many advanced economies have their own version of America's Rust Belt. This has deeply impacted many unions and unionized workforces. EPZs in developing countries do the trade unions no favors either. They are usually advertised as a device to attract foreign investment, introduce new technologies and create jobs, often by providing tax incentives and relaxing employment regulations, sometimes even banning trade unions from organizing.¹⁸ With no access to union representation, the weak regulations that exist are often unenforced (Murray, 2018). For example, the Bangladeshi government's policy of banning unions in EPZs has only softened after the building collapse that killed over 1,100 workers in 2013.

■ 3.2 Migration

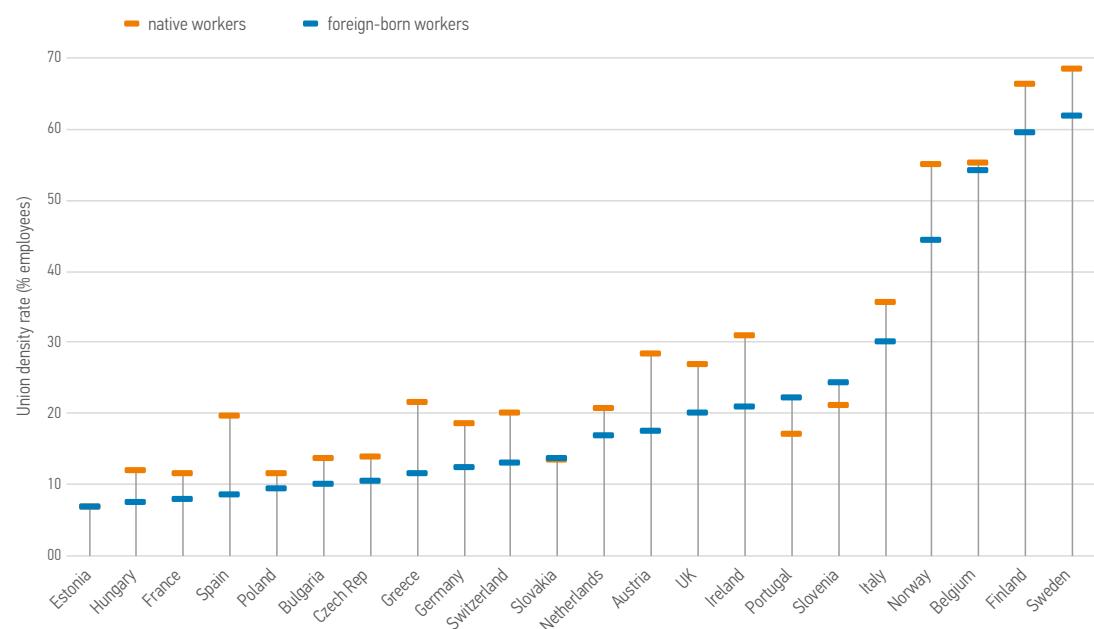
Not only jobs move, people move as well. Migration flows to the North particularly intensified in the ten-year period preceding the global financial crisis. Afterwards, they slowed down but have since picked up, with a growing share of refugees fleeing war and misery (Afonso and Devitt, 2016). The International Organization for Migration (IOM) estimates the number of migrants in 2015 at nearly 1 billion worldwide – that's one in seven people globally (IOM, 2016). The large majority (740 million) are internal (mostly rural-urban) migrants, with 150 million in China alone. International migrants numbered 244 million, an increase of 41 per cent since 2000. International migration within the Global South, at 90 million (35 per cent of all international migrants), is slightly higher than migration from the South to the North (33 per cent), whereas only 23 per cent have moved between countries in the North and 5 per cent from the North to the South. ILO data for 2013 suggest that most international migrants, 130 million, are labour migrants, the vast majority (75 per cent) in high-income countries (ILO, 2015b). The proportion of international migrant workers as a share of all workers varies from below 3 per cent in much of Africa, Latin America, and South and East Asia to 9–10 per cent in Eastern Europe and Central Western Asia, to 16 per cent in northern, western and southern Europe, 20 per cent in North America and 35 per cent in the Arab States. Between 2003 and 2013, international migrants contributed to 70 per cent of the increase in the workforce in Europe and 47 per cent in the United States.

Under the 'guest workers' programs in continental Europe, labour migrants from southern Europe, Turkey and North Africa were not always welcomed by the unions of the North, and at times this created tensions within the nascent European Union movement (Penninx and Roosblad, 2000). When these programs ended following the economic shocks of the 1970s, many countries adopted zero immigration policies but did not prevent resident migrants to stay and reunite with their families. The neoliberal globalization policies of the 1980s and 1990s led to a new phase of migration 'pulled in' by the re-emergence of sweatshops, informal employment and exploitative work in the Global North (Reyneri, 2003). Immigrant workers have traditionally found themselves more often than not outside the unions and they have always been less unionized than native workers in the same jobs. Whether this was

because migrant workers had a lower propensity to join the union or because unions did not target migrant workers is not always clear.

However, by 2000 in North America, Western Europe and South-East Asia, trade unions had become more 'inclusionary' towards international migrants (Caspersz, 2013). They began to support legal channels for labour immigration and place more emphasis on the organization of migrants, sometimes through special offices and structures within the unions and alliances with civil action groups (Connolly et al., 2014; Milkman, 2013; Tapia and Turner, 2013). Later in this paper, we will encounter examples from countries as far apart as Jordan, South Africa and Hong Kong. In Western Europe and North America, trade unions began to see the enforcement of employment standards as a more effective way to protect the labour market than migration controls. Some unions have been more restrictive than others, for instance when they advocated and obtained a temporary stop to labour migration from the eight new EU member states of Central and Eastern Europe in 2004 (Dølvik and Visser, 2009). Nonetheless, unions today focus more on the situation and treatment of migrants present in the country than on the management of channels of entry (Krings, 2010). In 2000, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) in the United States adopted a pro-immigrant policy stance, abandoning its previous support for restrictive measures. It now embraces the cause of immigrant rights and a path to legalization for undocumented workers from Central and South America (Milkman, 2013). In a number of European countries including France, Spain, Italy, the Netherlands, Belgium, and the United Kingdom, trade unions have become vocal supporters of immigrant rights (Connolly, Marino, Martinez Lucio, 2014; Jacobson and Geron, 2011).

Figure 9: Union density rates of foreign-born and native workers, 2012



Source: ICTWSS Database, calculated from the European Social Survey, adjusted to known average density rates

Figure 9 compares the union density rates of native and foreign-born workers in 2012 in a number of European countries. Unfortunately, I have no comparable data for non-European countries. The data shown here is based on labour force or household surveys (Ireland, the Netherlands, Sweden, the United Kingdom, Estonia) and data derived from the European Social Survey, adjusted to the known average density rates.¹⁹ With few exceptions (mainly Portugal and Slovenia), migrant workers are less unionized than native workers. Gorodzeisky and Richards (2013) and Kranendonk and de Beer (2016), using different waves of the European Social Survey, conclude that the lower rate of unionization of migrant

workers in Europe compared to the rates of native workers cannot, or can only to a very small degree, be explained by the individual characteristics of migrants, such as the overrepresentation of migrants in particular industries or occupations that are less unionized. They conclude that the lower union density rate of migrant or foreign-born workers must be explained by differences in union policies.

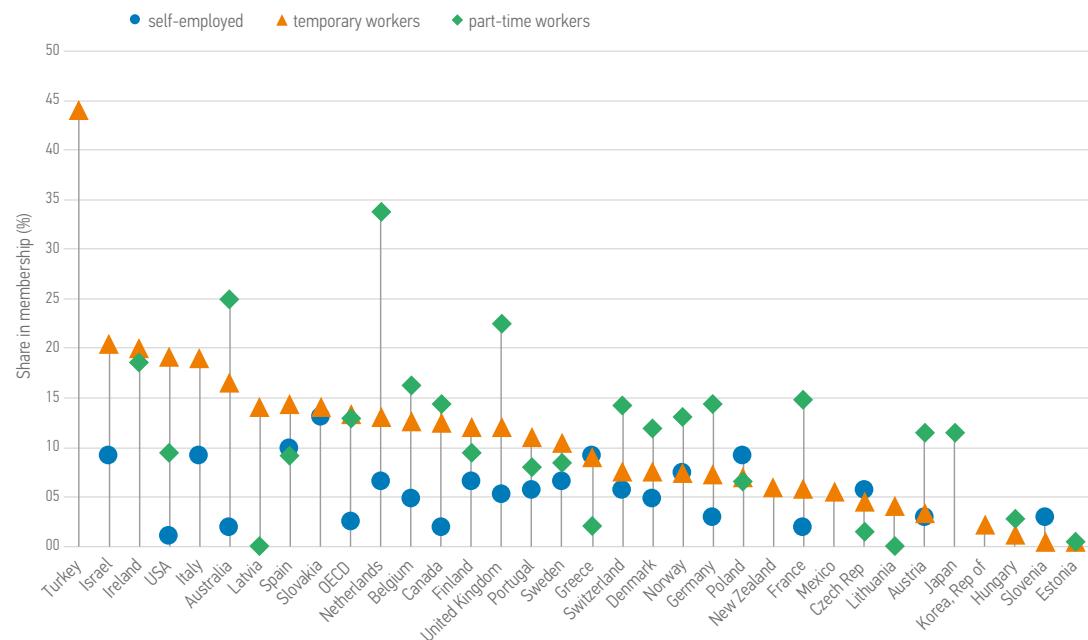
Across the range of European countries shown in Figure 9, native workers are on average 1.3 times more likely to be unionized than foreign-born workers. The largest differences exist in Spain (ratio of 2,3 to 1), Greece (1,9 to 1), Hungary (1,6 to 1), Austria (1,6 to 1), Switzerland, Germany and Ireland (1,5 to 1). In France and the United Kingdom the differences are close to the average of 1,3 to 1. The smallest differences occur in Belgium, Italy, Finland, Sweden, Denmark (all about 1,1 to 1), the Netherlands, Norway and Poland (1,2 to 1). Unfortunately, I have no historical data for Spain or Greece that would make it possible to show the effect of the 2008 recession and the ensuing sharp rise in unemployment. Were migrant workers more affected? Did they leave the country or stay? Did they abandon the unions or did the unions abandon them? For Sweden, Denmark, Ireland and the Netherlands, I do have data that allow a comparison with the late 1990s. It transpires that the union density rate of migrant or foreign-born workers in Sweden, Denmark and Ireland has fallen more than the density rate of native workers. In the Netherlands, the decrease was similar for both groups, notwithstanding the organizing efforts of the Dutch unions towards temporary and migrant workers (Connolly, Marino and Martinez Lucio, 2016). The disproportionate decline of union membership of migrant workers in Denmark and Sweden might be explained by political changes that have weakened the voluntary, union-run system of unemployment insurance funds, with a strongly negative impact on union recruitment and union retention of young workers, temporary workers and migrants (Kjellberg and Ibsen, 2016). In Ireland, the population of foreign-born workers, while increasing rapidly in the 2000s, changed from mainly Anglo-Saxon to predominantly Eastern European. Many migrants bring with them different experiences, both negative and positive, about trade unions from their homeland, and this is likely to influence their decisions about joining a union in their adoptive country.

■ 3.3 Temporary and part-time workers

In a large number of countries, both high-income and developing, most young people work in temporary jobs. While fixed-term contracts can create entry positions for people seeking access to paid work and allow employers to screen entrants, segmented labour markets with strict dismissal protection for 'permanent' jobs often mean longer chains of temporary contracts with poor chances of achieving stable employment for workers. In countries with available data, agency jobs count for 1 to 6 per cent of wage employment. In Europe, it has become easier for firms, directly or through a work agency, to 'post' workers on a temporary basis to another country. Asian countries in particular have witnessed the growth of various forms of dispatched, agency, subcontracted or outsourced work throughout the past decades. In Indian manufacturing, contract labour reached 34.7 per cent in 2011–12, up from negligible levels in the early 1970s. Sridhar and Panda (2014) cites sources showing that in many manufacturing companies, contract labour has risen to 60–70 per cent of total employment.

Unions have become more active and successful in organizing self-employed, part-time and temporary workers. In the OECD, the average share of part-time and temporary union membership is 13 per cent for both groups and 2–3 per cent for the self-employed, not counting those in agriculture (Figure 10). I have no estimate for agency workers but it must be very low, in spite of increased union attention (Benassi and Vlandas, 2016). The share of part-time workers in the unions increases with the share of temporary workers ($r=0,53$), indicating that there is in fact considerable overlap. Therefore, we cannot add up these numbers.

Figure 10: Membership share of self-employed, temporary, and part-time workers



Note: The membership share of the self-employed is calculated as a percentage of total (employees and self-employed) membership in employment; the membership of part-time and temporary workers is calculated as a percentage of the membership of employees in employment.

Looking at the three groups separately, we see that the highest shares of union members with temporary employment contracts occur in Turkey and Israel, followed by Ireland, the United States, Italy and Australia. Unions in the Netherlands, Australia, the United Kingdom, Ireland and Belgium have a high share of members with part-time jobs. Part-time work is less developed in Central and Eastern Europe and most unions have yet to start organizing part-time employees. The same applies to agency workers, who only recently have become identified as a target for union organizing (Bernaciak and Kahancová, 2017). As a rule, unions start organizing non-standard workers, or any group outside the norm, when they realize that the group is large enough, not diminishing and vital for their bargaining position or survival.²⁰ Data on union membership among the self-employed (including freelancers, artists, professionals, students, own-account workers and gig-workers) is available for only half of these countries. Their share in total union membership is still small but growing in countries like Israel, Slovakia, Finland, Sweden, Italy and the Netherlands.

High job turnover is negatively correlated to union membership. If we think of union membership as keeping with a social custom, reputation or norm that is upheld through peer pressure (Booth, 1985; Checchi & Visser, 2005; Ibsen, Toubøl, and Jensen, 2017; Visser, 2002), the 'broken tie' of losing or changing the job has the effect of taking that pressure away, and it is one of the most cited reasons of respondents in survey research answering why they resigned from the union. Research also confirms the finding that, in the case of Germany, union-dominated works councils play an important role not only in recruiting but also in retaining members (Behrens, 2009; Goerke and Pannenberg, 2007; Leschke and Vandaele, 2018).

Besides the lower joining rate and higher exit rate associated with job turnover, the lower union density rate among temporary workers has also resulted from union neglect. Although unions across Europe responded to the challenge of contingent labour differently, according to Gumbrell- McCormick (2011) there was a common element in their approach. Initially, they were less concerned about representation

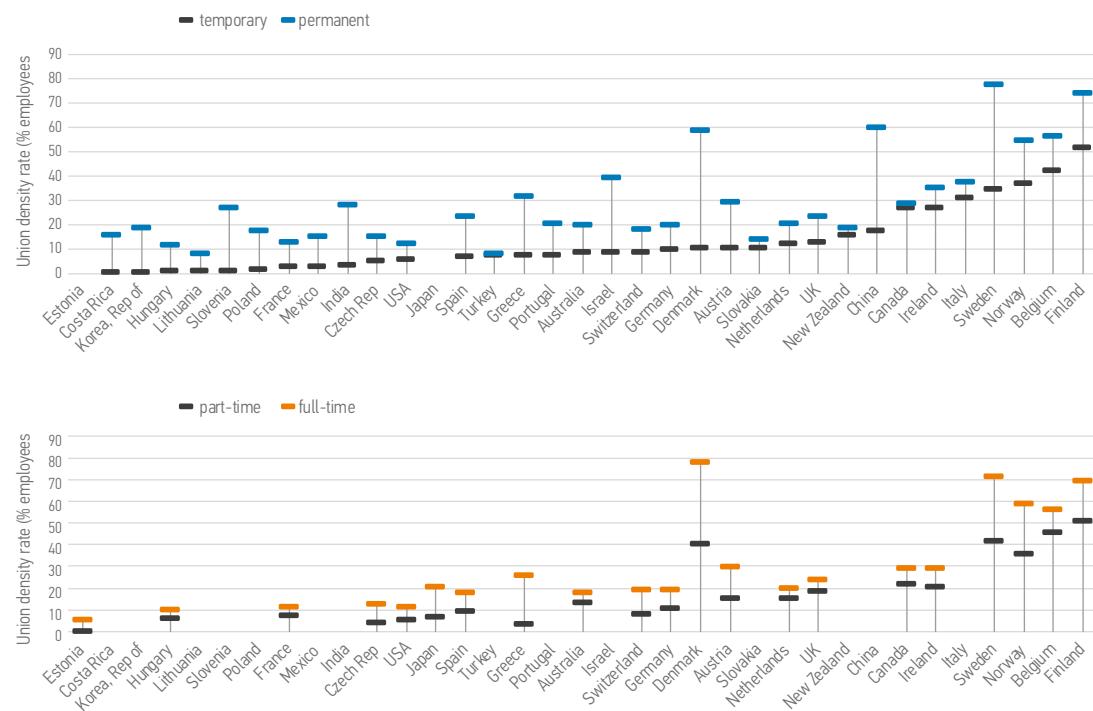
than about opposing this kind of work *per se* and seeking its prohibition. When that failed and the unions began to realize that contingent work is here to stay, they changed their response, from exclusion to engagement and representation. The German union IG Metall, for example, traditionally refused to organize workers dispatched from temporary work agencies, on the grounds that this would give these agencies legitimacy. Realizing that agency work had become a permanent feature in metal engineering and undermined the bargaining position of its core membership, the union started a vigorous 'Equal Work - Equal Pay' campaign during which quite a few agency workers joined the union (Benassi and Dorigatti, 2015). Around 2014, trade unions in the Czech and Slovak car industry, where agency work is very widespread, hesitantly revised their policies and tried to combine their traditional policy of protecting their core (paying) membership among workers with permanent contracts with attempts to represent and improve the position of temporary agency workers (Bernaciak and Kahancová, 2017). More explicitly inspired by the 'organizing model' imported from the United States, many European trade unions engaged in organizing campaigns among workers with temporary contracts and in precarious positions, some of which were quite successful: security guards in Hamburg, call centre workers in Austria, cleaners and meatpackers in the Netherlands, workers in fast food outlets and shopping centers in France, retail workers in Poland, sales workers in Sweden, hotel workers in Ireland and meatpackers in the United Kingdom (Berntsen, 2015; Connolly, Marino, and Martinez Lucio, 2016; Czarzasty, Gajewska, and Mrozowicki, 2014; Holtgrewe and Doellgast, 2012; Murphy and Turner, 2016; Tapia and Turner, 2013). Some of these campaigns were modeled on the successful 'Justice for Janitors' campaign in the United States (Erickson et al., 2002).

The fact that temporary agency work and temporary employment has become the reality for many if not most *young* people is another powerful reason why unions have changed their policies. Given the ageing of union membership, especially but not only in industry, unions urgently need to recruit more young people, for instance by paying attention to changes in the school-to-work transition and the increase in atypical employment patterns. This is one of the reasons why Japanese unions have changed their



attitude towards part-time workers, most of whom are young, female and with limited employment protection. Their recruitment campaigns towards part-time workers met with some success, but also with many obstacles due to the enterprise structure of unions, a problem that also comes up in the case of the Republic of Korea. Enterprise unions often limit their recruitment to regular workers and fail to contribute to campaigns for more inclusive membership policies of the sectoral union federations to which they belong (Jeong, 2001; Lee, 2010).

Figure 11: Union density rates, temporary v. permanent, and part-time v. full-time jobs, 2015–16



The average union density rate for the countries in Figure 11 is 30 per cent for permanent and 14 per cent for temporary workers. Across these countries, permanent workers are 4.2 times more likely to be unionized, with the biggest deficits in unionization of temporary workers showing in Denmark, Greece, Hungary, India, Lithuania, Mexico, Poland, Slovenia and Spain. The differences are rather small in countries as diverse as Canada, Ireland, Italy, New Zealand and Turkey. There are many possible explanations for this, including differences in legal employment protection, union recruitment policies or the concentration of temporary workers in particular sectors or among young people, who are less unionized. But why is Denmark – with its famous ‘flexicurity’, relatively flexible open-ended employment contracts and inclusive collective bargaining structure – in the first group? The answer may be found in changes in the country’s unemployment insurance system.

The exceptionally high union density rates in Denmark, Iceland, Finland and Sweden (but not Norway) have been attributed to a particular form of voluntary unemployment insurance known as the Ghent system. Heavily subsidized by the state and administered by union funds, it strongly motivates workers to join a union. Belgium has a partial Ghent system: while unemployment insurance is compulsory, trade unions have retained an important role in the provision of benefits (Van Rie, Marx and Horemans, 2011; Vandaele, 2011). Contrary to the negative association between unemployment and union membership in most countries, unionization in these Ghent countries tends to increase under conditions of rising unemployment (Checchi and Visser, 2005). Western (1997) has shown that the Ghent system is particularly beneficial for unions representing manual workers.

Recent reforms have weakened the link between union-provided unemployment insurance and union membership. Governments have created 'open' unemployment funds, not linked to the unions in Finland (1992), Denmark (2002), and Sweden (2005). These funds tend to be cheaper and attractive to younger workers, especially in Finland (Böckerman and Uusitalo, 2006), whereas in Denmark they have created space for new kinds of 'cheaper unions' outside the mainstream and not involved in collective bargaining. In Sweden, the government has raised unemployment insurance contributions and introduced experience rating, impacting blue-collar union members in particular. Tax rebates on fund fees were abolished or capped, again hitting those unions with lower-paid and manual workers the most (Kjellberg and Ibsen, 2016). Many funds charge the same fees whether workers are part-time or full-time, temporary or permanent. It is therefore plausible that part-time and temporary workers in particular, usually with lower pay, are 'priced' out of fund and union membership. In Belgium, unemployment insurance reform is on the government's agenda, but has been blocked (Vandaele, 2017).

Kjellberg (2018) gives the example of Sweden's hotel and restaurant workers' union. After reforms and the abolishment of tax rebates, the monthly fund fee increased from 58 Swedish kronor (SEK) in 2006 to SEK 430 in 2009. In the hotel and restaurant sector, many workers have part-time or fixed-term jobs, many are young and foreign-born, and labour turnover is very high. It comes as no surprise that many save on union membership. Union density among hotel and restaurant employees fell from 52 per cent in 2006 to 40 per cent in 2008, and 27 per cent in 2017. We see similar decreases among temporary and part-time workers in Denmark and Finland.

Overall, the gap in union density rates between part-time and full-time workers has become smaller in most countries. Currently, full-time workers are twice as likely to join a union as part-time workers, but this difference becomes smaller if we leave out people working very few hours per week, i.e. fewer than 12 hours. It is not clear why somebody working 20 or 24 hours per week would be less inclined to join a union than somebody working 36 or 40 hours, supposing that fee payments and benefits are prorated based on the number of hours worked. Not all unions have implemented such an approach. Another hypothesis is that part-timers give priority to a different set of life-interests, in which unions do not figure. Lastly, some unions have been late in discovering part-time work. For instance, in Estonia or Poland, part-time work is still rather new, often involuntary and marginal, and unions have no tradition of recruiting part-time workers. Comparing Greek and Italian trade unions in the telecom industry, which employs many temporary, part-time ('on call') workers, Kornelakis and Voskeritsian (2016) found quite different approaches, with Italian unions in a successful bid to include part-time workers and Greek unions struggling to retain workers with regular and full-time contracts.

■ 3.4 Own-account workers and self-employment

Own-account work and self-employment are the largest categories in the informal economy. One of the problems is that this type of work often goes unacknowledged and unprotected under existing labour and social insurance laws, which tend to focus on people with 'employee status'. In 2002, the International Labour Conference (ILC) adopted a '*Resolution on Decent Work and the Informal Economy*', advocating expanded coverage of labour and social insurance laws and recognizing the right of own-account workers to join or form unions and engage in collective bargaining (ILO, 2002). This has been reaffirmed in 2015 by the adoption of the ILO Recommendation on '*Transition from the Informal to the Formal Economy*' (R204). Independent worker-contractors have been excluded from reaching collective agreements in countries where it is illegal to make price agreements under existing competition laws, for instance in the European Union or the United States. Despite such obstacles, extending collective agreements to independent workers or negotiating agreements specific to this group is crucial to the success of this approach in the platform economy, and has therefore become a key issue on trade union agendas.

In the OECD area, employers and own-account workers made up 13 per cent of all formally registered jobs in 2016, compared with 85 per cent held by employees and 2 per cent by unpaid family workers. Since 2000, self-employment has increased modestly, though in some countries there has been a spectacular rise of ‘own-account’ work – 25 per cent in Estonia and the Czech Republic, 33 per cent in France, 40 per cent in Chile, 46 per cent in the United Kingdom, 55 per cent in Israel; 69 per cent in the Netherlands (OECD, 2018). This includes jobs in construction, road haulage and commercial services, especially jobs in financial services, business consulting, and organization advising. It is tempting to link some of these jobs to Internet-based forms of work and contracting. However, most growth in self-employment took place in the years before 2008 and was nearly wiped out during the Great Recession.

In addition to greater job and income insecurity, self-employed workers are likely to receive fewer work-related benefits than most employees. This is the case notably for unemployment benefits, eligibility for work injury benefits, as well as for sickness and maternity benefits (OECD, 2018). Less than 5 per cent of the self-employed in the European Working Conditions Survey describe themselves as ‘dependent’ self-employed (Williams and Horodnic, 2018), but the extent to which these answers are actually wishful thinking, we will never know. A group of labour experts in the EU concluded that after undeclared work, dependent self-employment is the second most common form of work associated with precarious work. Kalleberg (2018) defines ‘precarious work’ as “work that is uncertain, unstable, and insecure,” in which “employees bear the risks of work ... and receive limited social benefits and statutory entitlements”. Lack of control, individually or collectively, over working conditions, wages, working hours or pace of work; the absence of protection by law or collective agreements regarding occupational health and safety and discrimination or denial of rights normally available to workers in an employment relationship contribute to precariousness. There is a large overlap with what has been described as informal work, but there is also precarious work in the formal sector and among employees (Mosoetsa, Stillerman and Tilly, 2016). Examples include hospital nurses being re-classified as independent contractors in Poland in order to circumvent the European Working Time Directive (Kaminska and Kahancová, 2017), and Polish Ryanair pilots who, like the pilots of the national airline LOT, are being subcontracted as self-employed, working variable hours without the rights accruing to workers under the law.²¹ In Poland, the self-employed cannot form or join a union. However, following a 2015 ruling of the Polish Constitutional Tribunal, the law will be amended to the effect that individuals working as self-employed or with service contracts for defined tasks will gain the right to found and join trade unions (Kaminska, 2018).

Self-employed professionals, working alone or with staff, are also represented through business associations, commercial chambers and professional associations of all kinds. Some groups (freelance journalists and artists, semi-independent doctors, lawyers or architects) may be quite well organized, others (independent building contractors, IT specialists, business consultants, drivers, platform workers) much less (Ackers 2015). In Northern Europe, there has always been a strong element of unionism among professionals. Naturally, unions tend to concentrate on the ‘dependent’ or ‘disguised’ self-employed, those without other people working for them and dependent on one or very few contract sources. Trade unions have responded to the rise of ‘atypical workers’ and new ‘dependent independent workers’ in construction, transport and trade by setting up special unions or sections within unions, for instance in Italy, the Netherlands, Austria and Cyprus (Pernicka and Blaschke, 2006; Benassi and Vlandas, 2016; Pulignano, Gervasi and Franceschi, 2016). Some of these initiatives date from the mid-1990s.

Generally, these initiatives have met with rather modest success in terms of membership (Pedersini, 2010), but they are important symbolically, because they signal that the unions are open to change. Some of the new self-employed are in vulnerable positions, under-insured and with unstable income, as was revealed in the 2008 recession when many contracts suddenly ended and were not renewed. But there were also those that did quite well and might be described as people who are “proud of their skills (...) who want to develop themselves” and only join if “the union adopts the attitude to support them in their aspiration” (Dutch union leader, cited in Schulze Bischoff and Schmidt, 2007). Moving from an “it should not be allowed” attitude to a “how can we help you?” approach is a big step for many unions.

■ 3.5 Work and unions in the informal economy

The notion of an informal economy emerged in the 1970s as a way of describing unregulated and unprotected work in the developing world. Recent trends toward the casualization of work and non-standard employment relations have expanded the informal economy beyond the developing world. Many developed countries have their 'shadow economy' with undocumented and unprotected labour (IPSP, 2018). The ILO defines the 'informal economy' as "all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements".²² Rather than being separated into two distinct worlds, formal and informal work are often interconnected, as on a steep slope with some pathways to get up and many possibilities to slide down (Breman, 2010). This is important if we are to understand collective organizing and unionization across the formal-informal divide (Lindell, 2008).

Chen, Madhav and Sankaran (2014) discuss three groups: home-based workers, waste pickers and street vendors, drawing on findings from a study involving ten cities in four countries (India, Ghana, Peru, Thailand). Home-based workers in these countries are the largest group. This overwhelmingly female group is composed of contract or own-account workers involved in the manufacture and packaging of tobacco, garments, handicrafts, electronics, automobile parts and pharmaceuticals, in clerical work and in providing laundry and in hairdressing or beautician services. For these workers, their home is the workplace, hence housing and infrastructure (water supply, electricity) are essential, as are transport and protection against exploitative value chain practices. Street vendors are the second-largest group. Their problem is finding safe places for selling and storage and protection against harassment, bribery and criminalization. The third-largest group are waste pickers, whose work is to collect and sort waste and reclaim reusable and recyclable materials. They are exposed to high health risks aggravated by lack of access to health care and social protection. The common predicament of these three groups is that they tend to be "inside the punitive arm of the law but outside the protective arm of the law" (p. 148). This is especially true for the undocumented migrant workers among them. The common issue for all three groups is the recognition of the right to identity and dignity as workers, right to associate and right of representation in relevant policy-making processes. This was acknowledged in the '*ILO Resolution concerning Decent Work and the Informal Economy*' (ILO, 2002) and the '*Recommendation 204 concerning the Transition from the Informal to the Formal Economy*' (ILO, 2015).

In its most recent statistical profile, the ILO (2018a) estimates that 61.2 per cent of all jobs worldwide are in the informal economy, varying from 86 per cent in Africa to 25 per cent in Europe and Central Asia. Within the informal sector, the majority of these jobs are held by 'own-account' workers, but that does not mean that employees are always in a formal employment relationship. The ILO estimates that worldwide, 40 per cent of all employees work informally, with varying figures: 15 per cent in Europe, 26 per cent in the Americas, 50 per cent in Asia and the Pacific, and 57 per cent in Africa. Although not all jobs in the informal economy are equally underpaid or insecure, their common feature is that they do not provide legally guaranteed social protection, employment benefits or compensation for job loss, and many workers who hold these jobs lack freedom of association and collective bargaining rights. While industrialized countries have informal economies to a degree, in many low-income, predominantly agrarian countries the informal economy *is* the economy (IPSP, 2018). Formal and standard wage employment relationships do exist but are limited to the public sector, which used to include basic services and parts of manufacturing. The shrinkage of the formal (public) sector makes it ever more urgent for unions to seek a broader membership basis.

Trade unions have long ignored or underestimated the informal sector, considering it a transient phenomenon and too difficult to organize (Gallin, 2001). Initially, the union response to the rise of the informal sector has been one of rejection, as illustrated by many European trade unions confronted with the rise of temporary agencies, temporary contracts and part-time work (Heery, 2009). To stay relevant, unions will eventually have to reach out to informal workers (Breman, 2010). Surveys in Ghana, Nigeria, Namibia, South Africa, Zimbabwe and Zambia, showed the urgency for trade unions to organize informal

workers (ALRN, 2003). In recent years, unions have made an effort and there are encouraging examples, especially but not only in Africa, of unions finding ways to organize or help organize workers in the informal sectors, especially in transport, tourism and security (LO/FTF, n.d.). Organizing informal workers was never going to be easy (Bonner and Spooner, 2011). Without a standard workplace around which the organization process can coalesce, many informal workers are situated in scattered, individualized workplaces or homes, or they are on the move (street hawkers, waste pickers, bikers and taxi drivers). In the absence of an employment relationship or where that relationship is disguised, most of them fall outside the legal framework for labour and union rights. Furthermore, often there is no employer with whom to engage for collective bargaining purposes. Where an employment relationship does exist, for instance for day-labourers in agriculture or construction, or home-based garment workers, the workplaces are often so scattered, small or 'hidden' in individual households that workers lack the power to confront employers, who often operate through harsh 'middlemen'.

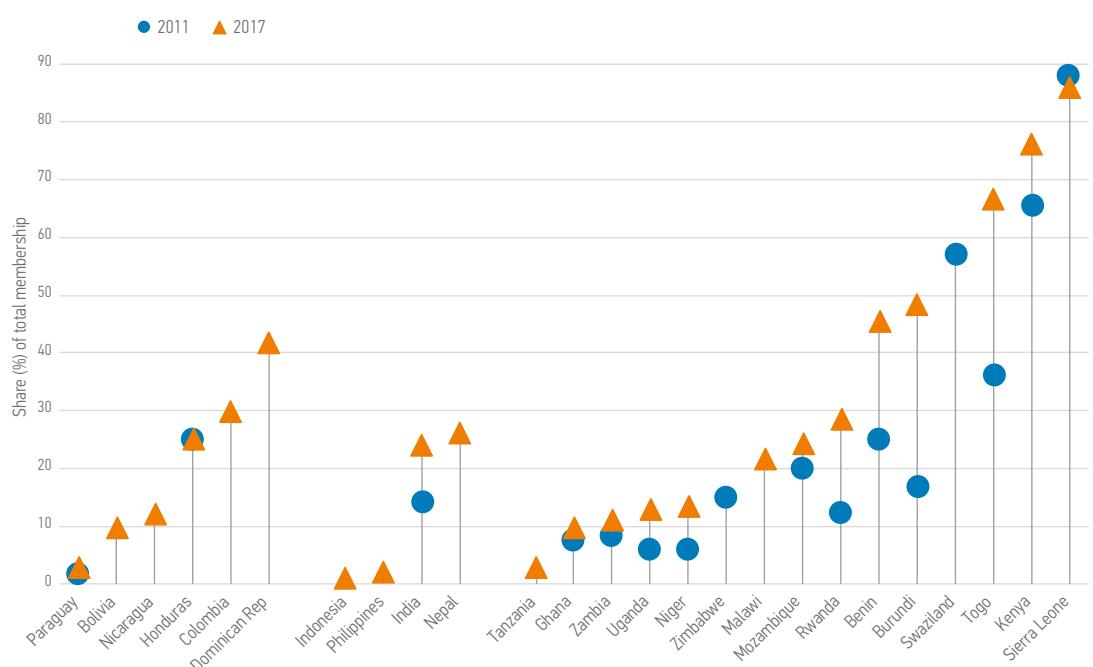
Solidarity does not come easy to own-account workers who are in competition with each other over contracts and clients. They may come together for specific reasons, for instance when they want to challenge the authorities in crisis situations, but unity of purpose and collective action is often short-lived and fragile. Building a lasting organization usually requires the help, leadership and subsidies of established trade unions and sponsors. Migrant workers form another large group of informal workers. Often undocumented and wanting to operate 'under the radar', they are particularly insecure and vulnerable to exploitation and harassment and do not always fit in with traditional union culture. Finally, failing attempts to collect dues from people who have little to spare is a recurrent issue in organizing workers in the informal economy. A strategy of cross-subsidizing within the broader union movement has its limits, although there are remarkable examples of teachers' unions, often the best endowed, engaging in helping to establish unions in the informal sector, for instance in Ghana or Sierra Leone (LO/FTF, n.d.; Schurman and Eaton, 2012). The problem of sustaining membership exclusively through a dues system among workers who never have sufficient income to live on impedes union growth and leads to a reduction of appropriate services or, if a strategy of fundraising is adopted to pay for this, excessive donor dependency.

Gallin (2001) distinguishes between two approaches to organizing informal sector workers: either unions expand their domain, or informal sector workers form their own union-like associations or cooperatives. The Self-Employed Women's Association (SEWA) of India, founded in 1972 and the largest organization of informal workers with nearly two million registered members in 2013, is the most prominent example of the second approach. In the first approach, trade unions extend their field of activity to include informal sector workers, as did the TUC in Ghana or COSATU in South Africa in 2000. Around the same time, unions in the clothing and garment industry in Australia and Canada began to organize home-workers. There are also examples of union confederations setting up a special association or union for informal sector workers, as in Senegal (transport) or Hong Kong, where the main union assisted in the establishment of the Federation of Asian Domestic Workers Unions (FADWU) with mostly Filipino and Thai women (Swider 2000). Unions in Sierra Leone, with the help of the teachers' unions, promoted several bikers' unions. In Kenya, after decades of union decline and a shrinking formal sector due to massive lay-offs, outsourcing and casualization, the strongest and best organized union confederation in the region has in recent years refocused on the informal sector. It has gained seven new affiliates since 2015 and expanded to include 2.7 million members, just 650,000 of whom are in the formal, mainly public sector. To sum up, in recent years there has been impressive membership growth among workers in the informal sectors, especially in Africa, among bikers, taxi drivers, street vendors and among garment workers, for instance in Nigeria and several South-East Asian countries. Other examples include agricultural workers and day labourers in Nepal, Honduras, the Dominican Republic, Bolivia, Colombia and Paraguay. Figure 12 shows how in some countries (Kenya, Burundi, Swaziland, Togo, Sierra Leone) informal sector workers make up the majority of union members.

Not all attempts to organize informal workers go smoothly. Experiences in South Africa and Brazil are mixed, and in India organizing has mostly come from outside the union movement. In South Africa, the

initially successful campaign of the transport workers' union to organize minibus drivers – a critical element in the failing public transport system – collapsed under fierce intimidation by employers. The textile workers' union, having lost thousands of members due to factory closures after tariff reductions, has extended representation to home-based workers. The Mining Union is active in organizing informal contract workers in the building industry. Xenophobia and violence against migrants have been the ugly companions to the unions' struggle to organize street vendors and security workers (Gordon and Maharaj, 2014). In the 1990s, some Brazilian unions attempted to organize informal workers, but their efforts were rather ineffective, characterized by a marginal organizational and financial investment (Ramalho, 2010; Frangi and Routh, 2014).

Figure 12: Membership share of informal sector workers



In many countries there are legal bans on organizing workers in the informal economy, such as home-based and domestic workers or workers in agriculture, for example in Pakistan. There are also encouraging developments. In Jordan, legal changes in 2010-11 ended the prohibition for migrant workers to join a union, and migrants now make up 12 per cent of total union membership. In 2015 the first official migrant domestic worker network, with its main basis in the garment industry and nearly half its membership female, was formed to advocate for full rights for home-workers. In Lebanon, domestic workers, whether nationals or migrants, are excluded from coverage under the labour law and are vulnerable to rights violations. After years of campaigning, the National Federation of Workers' and Employees' Unions in Lebanon (FENASOL), with the assistance of NGOs and the ITUC, created a Domestic Workers' Union, which is described by the ILO's Bureau of Worker Activities (ACTRAV) as an "excellent example of workers of various nationalities coming together in a restrictive legislative context."

There has been a gradual rapprochement between the many hybrid forms of informal workers' organizations and the official trade union movement. Many union confederations have opened up to the affiliation of informal sector workers and their organizations. This process was encouraged by the ITUC when it was founded in 2006. SEWA has been the trailblazer and is now a full member of the ITUC. While autonomous organizations of informal workers may or may not self-define as trade unions, trade unions and union confederations have taken an increased interest in the organization and representation of workers in the informal economy, directly or by building alliances and helping to build sustainable unions.

■ 3.6 Work and unions in the platform economy

Although the overall size of the platform economy is still modest, in some countries it has been rising exponentially. It raises a host of issues for labour and social security law, union organization and collective bargaining, and has gained a central place in the ILO's recent work.²³ In the United States, counting main and secondary jobs, Katz and Krueger (2016) found that only 0.5 per cent of the workforce was involved in providing services directly to customers through an online intermediary such as Uber or TaskRabbit. Pesole et al. (2018) report that across 14 European countries, an average of 2 per cent of the working-age population work online, partly or wholly, in the platform economy. Similar to Huws et al. (2017), they found that few people rely exclusively on this type of work. None of this is very precise as data are scarce.

What probably matters more is the growth rate of this kind of work. Farrell and Greig (2016) estimated that 0.6 per cent of the working-age population in the United States was involved in 30 online platforms in 2015, but that the number of workers receiving income from these platforms had doubled each month during the fall of 2015. Uber, the largest on-demand labour platform, has grown at an exponential rate. Launched in 2010, the number of active Uber driver-partners more or less doubled every six months between the middle of 2012 and the end of 2015 (Hall and Krueger, 2018). This type of work and employment relations are expected to further increase, both as second and first jobs, especially among young people. There is still much room for expansion. Uber is now expanding into the food-delivery business with Uber Eats, competing with Deliveroo and Easy-Eat. The biggest companies of this type are currently developing in China, and it is possible to conceive of a future in which, like knitting and needlework fifty to one hundred years ago, kitchens move out of the house and daily cooking is done in large facilities, ordered online and delivered to homes.

Digital intermediaries like Uber, Deliveroo, TaskRabbit, ClickWork or Fiverr are fundamentally transforming the employment relationship. Some specialize in tasks that can be executed anywhere in



the world and online (for instance, editing or graphic design), others are local or require physical presence (food delivery, housecleaning, taxi driving or photography). What all these forms have in common is that they enable individuals to operate with relative autonomy outside traditional structures defined by labour law, without working time limits, minimum wages or defined liabilities.

Employers need not invest in a workplace or provide any tools. Unlike the loss of supervisory capacity that resulted from putting-out, in online networks performance can be rendered transparent and workers subject to electronic oversight (Finkin, 2016). In particular, platforms that specialize in work that can be done remotely, with jobs broken down into a series of tasks or assignments, are a further potentially revolutionary step in the rise of a global labour market for online work and “a new strain of globalization in its rawest form”.²⁴ Online crowdsourcing for activities that can be executed anywhere can draw from a global pool of workers, with the possibility of pitting national labour laws against each other and putting participants from high-wage economies in direct competition with those accustomed to wages and working conditions that would be unacceptable in any domestic employment relationship. Crowdsourcing that requires local and physical performance shares many of the above features, but here the application of national labour regulations is possible, as Uber, the best-known company of this type, has discovered.

The potential disruptive effects of platforms on labour markets are large and outweigh their importance as a current source of employment. Amidst various attempts to come to grips with platform work through unions, cooperatives, works councils and Internet tools, we are only at the beginning and much has yet to be invented. Advocates contend that platform work can economically benefit socially marginalized groups including the unemployed, geographically isolated, and refugees, although this does not seem to have been important in the case of Uber (Hall and Krueger, 2018). However, if relied on for one's main income, jobs in the platform economy come without a guaranteed living wage, paid holidays, access to pensions, insurance or healthcare schemes, minimum or maximum working hours or the security of a steady salary (De Stefano, 2016).

From the perspective of organizing platform workers, it is useful to draw a parallel with own-account workers, temporary employment (OECD, 2016) or work in the informal sector. Most platforms classify workers as independent contractors. In many jurisdictions, this classification precludes workers from forming or joining a union and engaging in collective bargaining. Even where unionization is possible, the predominance of non-standard work arrangements may present challenges to achieving effective union recognition and bargaining. Thus, platform workers experience myriad challenges when attempting to build a collective voice and structure and create lasting and enforceable employment regulation. The ways in which many platform markets currently function raise issues with regard to fundamental workers' rights (De Stefano, 2017). Some platforms like Uber deny a role as employer, whereas others like Hello Alfred (chores), Shyp (shipping), and Muchery (food delivery) recognize providers in their markets as employees. In the United States, there is an ongoing legal battle over whether Uber drivers should be considered as employees or independent contractors. In 2016 in the United Kingdom, two Uber drivers took the company to court on behalf of a larger group, arguing successfully that Uber's 40,000 drivers were not self-employed and should receive the minimum wage and paid holidays. Although Uber classifies its drivers as self-employed, drivers complain that the company nonetheless treats them like regular employees, seeking to control their working patterns and remuneration. In 2017, a protest by platform workers in Switzerland, backed by the unions, resulted in improvements in wages and working conditions, and recognition that they were not 'independent contractors' (Vandaele, 2018). In Bologna, Italy, a charter has been signed between the local riders' union, the three main trade union confederations, the city council and the local food delivery platforms Sgnam and MyMenu, establishing a framework of minimum standards for remuneration, working time and insurance. As platforms like Deliveroo, Foodora and JustEat have not signed the charter, the mayor of Bologna has called on customers to boycott them (Vandaele, 2018). However, a recent case in Italy brought against Foodora confirmed the self-employed status of its gig-workers (Eurofound, 2018).

Reclassifying independent contractors as employees has been one of the classic union responses to the spreading platform economy (Johnston and Land-Kazlauskas, 2018), but it is already clear that this will not always work and not every gig-worker will be convinced. Another approach is to ensure that all workers, whatever their status, are brought under the basic provisions of labour and social security law, and have the same social and fundamental organizing and collective bargaining rights (Adam and Deakin, 2014). This would reduce the incentive for companies and platforms to push workers out of the most expensive employee classification and into independent contractor status. In order to achieve this, independent contractors must be permitted to self-organize, affiliate with unions and negotiate without being accused of violating anti-trust legislation.

These parallels can also be seen in the myriad of organizing responses, from worker and community centers to works councils, cooperatives and proper trade unions. The development of 'workers' centers' in the United States – in some cases incubated by labour unions and in others launched by advocates and activists who viewed conventional unions as poorly suited to organizing or representing excluded workers – is an example (Fine, 2006; Milkman, 2013). While the gains that worker centers have achieved are not specific to the platform economy, the approaches used for non-standard worker organizing have potential applications relevant to platform workers. The National Day Laborers Organizing Network in the United States stresses the similarities between the work of day labourers and platform work. As a matter of fact, day labourers have begun to see their jobs move to online platforms through apps like Taskrabbit and Handy. The Independent Workers' Union of Great Britain (IWGB) is another example of a cross-over. This organization operates outside the Trade Union Congress (TUC) and was founded for the purpose of supporting and organizing low wage and immigrant workers. In August 2016 when Deliveroo informed on-demand delivery workers in an email that their pay rates would be lowered, workers protested in front of its head office. The Workers' Union attended the protests and has been organizing alongside the workers ever since. In considering a move toward formal union recognition, the union has taken a geographic approach to organizing workers in certain areas of London, delineating job sites by the delivery zones built into Deliveroo's app.

Some unions are offering dedicated services to self-employed workers in platform markets. For example, the Freelancers Union in the United States, with 275,000 members, acts as an advocacy group and provides insurance schemes to its members, which include traditional freelancers and gig-workers. As a so-called 'minority union' it does not have bargaining rights under the National Labour Regulation Act. The New York Taxi Workers Alliance of 2011, the first AFL-CIO affiliate of non-standard workers, is another example of a non-certified minority union without collective bargaining rights.

Germany's IG Metall union has launched a crowworker website (www.faircrowdwork.org) and another big German union, Ver.di, is developing legal and support services tailored to platform workers. FairCrowdwork.org asks workers what they like and don't like about the platforms through which they work, and make that information public. With the resources and backing of IG Metall, the concept of an online forum and employer rating system can be scaled up to provide insight about what it is like to work for different platforms. The union has also developed a code of conduct signed by eight Germany-based platforms, in which they pledge to adhere to local wage standards (Vandaele, 2018). IG Metall's initiative is given greater weight through its cooperation with various European unions. One such partner is Unionen, Sweden's largest union. Unionen has about 10,000 independent contractors or self-employed workers among its 660,000 members. This union sees nothing wrong with the idea of online labour platforms, but believes they need standards and envisions creating a new type of institution, jointly owned by the social partners and tasked with designing and enforcing industry standards. In order for firms to participate in this institution, they must have a collective bargaining agreement in place.

In Austria, Foodora's app-based delivery workers have recently come together to form a works council with the support of Vida, the union representing workers in transport and services. Deliveroo workers in Germany (Cologne, Berlin) have taken a similar approach, in this case with the help of the union for food and restaurant workers. Collective agreements with platforms have been signed in Sweden,

between Bzzt and the transport workers' union (Johnston and Land-Kazlauskas, 2018). In Denmark, Hilfr.dk, a platform for cleaning in private homes, signed a collective agreement in April 2018 with 3F, a Danish trade union. The new collective agreement will guarantee people who work on the platform sick pay, holiday allowances and a contribution to their pension. It also lets workers opt for employee or independent status.

A challenging experiment for the unions is provided by SMart (Société mutuelle pour les artistes), the largest actor providing services to project-based workers in Belgium. Launched in the early 2000s as a multi-purpose organization (work agency, cooperative, union, employer) that managed the paperwork and contracts of a few hundred artists and freelancers, Smart had grown into an organization of nearly 80,000 project-based workers in 2015, amidst the misgivings of the Belgian trade unions that Smart facilitated 'social dumping' by normalizing a new kind of casual work (Vandaele, 2018; Xhauffair et al., 2018). Having transformed from a not-for-profit company into a cooperative, Smart now claims to act as an employer for its members. Its biggest deal came in 2016, when it signed a joint protocol with two food delivery platforms, Take Eat Easy and Deliveroo. The protocol guaranteed a minimum number of hours paid after the first call, insurance packages for bike couriers and reimbursement of professional expenses. A few months later, when Take Eat Easy went bankrupt and left hundreds of bike couriers unpaid, SMart managed to reclaim the last (post-bankruptcy) payment for those bikers who had become its members, enabling SMart to show how seriously it took its employer's responsibility (Xhauffair et al., 2018). In November 2017 Deliveroo unilaterally cancelled the agreement, which led to a union-supported response of a new 'couriers collective', which organized a protest rally in Brussels and, in January 2018, a strike which drew the attention and support of several other unions and courier organizations in Europe (Vandaele, 2018).



4 / Summary

Since 2000, unionization trends have declined in all but two world regions, North Africa and South America. There are large differences in unionization across the world if we consider the total employed labour force, including persons working as informal workers. The lowest unionization rates are found in the poorest regions (Sub-Saharan Africa, South Asia), but there are exceptions, for instance the extremely low unionization rates in rich Arab countries. De-industrialization of the economy has been a two-fold process that translates into fewer jobs in industry and fewer union members in the jobs that remain. This process affects all countries, albeit from different starting levels and with different intensity. Since new entrants or those losing their job in industry are more likely to find employment in commercial services, the gap in unionization rates between industry and commercial services foreshadows further union decline and a structural challenge for the unions.

In the past thirty or forty years, de-unionization in developed countries has been marked by a generational change of less unionized but better educated younger workers replacing an older and much larger cohort of unionized workers. The data for examining this process in developing and emerging countries is lacking, but surely missing from these countries is the demographic pressure of an ageing society, like in Europe or Japan. Since the 1980s there has been a move away from the standard employment relationship. This decline, as a norm and pattern-setter for non-unionized firms as well, has a parallel in the shrinkage of the formal sector in Africa, Asia and Latin America. Young people everywhere are more likely to find themselves in temporary and part-time jobs, or in informal and casual jobs. Part-time and temporary workers are less unionized everywhere compared to workers employed full-time and with open-ended contracts. The shrinkage of the formal (public) sector has led to steep de-unionization in many developing and emergent economies, creating an urgent need for unions to seek a broader membership basis by expanding into the informal sector. Recently, many unions have started to organize informal sector workers or stepped up cooperation efforts with informal workers' associations outside the union movement. Many unions in developed countries have increased their efforts to organize temporary, part-time, and work agency workers, and opened their ranks to own-account workers. Arguably, together with the decline of industrial membership, the biggest change in trade unions during the past decades has been the rise of female membership.

Globalization has generated millions of industrial and service jobs in the Global South, but it has not created an upsurge in unionization in these countries. It has also put pressure on workers and unions in their traditional industrial strongholds in developed countries. Labour migration has increased and unions have become more open to migrant workers, but the challenge of integration remains. Platform work organized through digital intermediaries is still limited as a source of employment, but is growing rapidly and transforming the employment relationship. Amidst various attempts to come to grips with platform work through unions, cooperatives, works councils and Internet tools, this trend has only just begun and much has yet to be invented. Platform work is mostly found in commercial services – retailing, hotel, restaurants, catering and tourism, private road transport, business services, rentals and work agencies, communication, financial services, security, and administrative services – where even among workers with standard employee contracts, union density rates are usually very low.



II. Explaining the Differences in Unionization

In the previous section, I discussed changes in union membership and union density related to changes in the structure of employment and the nature of the employment relationship, together with pressures that can be attributed to technological change, digitalization, globalization and migration. In this section, some additional factors are explored that may help explain why unions have fared better in some countries than in others. I begin with looking at development, income and urbanization levels, then examine some features of the labour market such as the share of agriculture or industry and the size of the informal sector. I then move on to look at factors that might affect the social fabric and political context in which unions operate, like ethnic strife and labour rights violations, and conclude by considering some institutional features related to collective bargaining, union recognition, workplace representation and insurance delivery, as well as the unity or fragmentation of unions themselves. I will present these factors one by one and consider how they are interrelated. I have taken the union density rate calculated over the entire employed population as the variable to be explained, as this turns out to be the most reliable measure in low- and middle-income countries, with the lowest risk of error due to misclassification of worker or employee status.

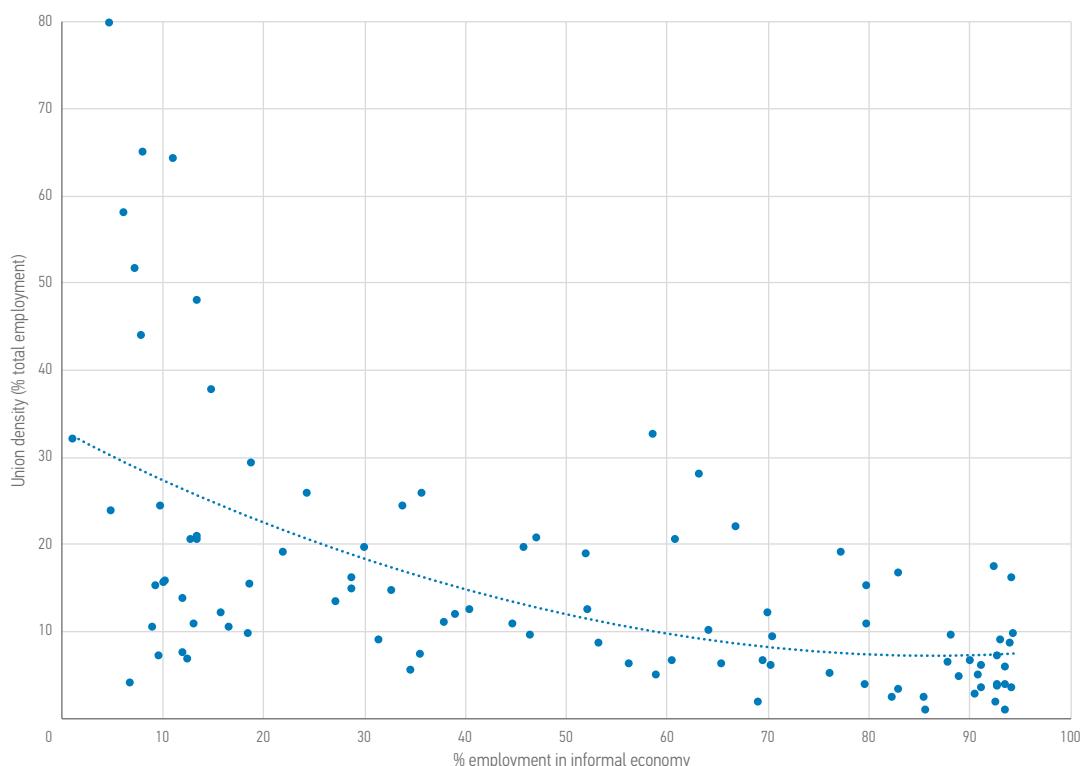
1 / Economic development and the informal economy

Union membership tends to increase with the level of earnings, up to a limit. Within countries in the OECD area, union density rates tend to be concentrated in the middle, or slightly above the middle of the earnings distribution (Checchi et al., 2010). Across countries, we find the lowest density rates in the poorest countries, if calculated over the entire employed labour force. Overall, calculated over the entire dataset of 143 countries with available recent data on both variables, there is a clear positive relationship between GDP per capita and the level of unionization ($r_{GDP}=0,56$). Some of the richest countries – for instance in Northern Europe – have the most unionized labour markets and from that evidence we may conclude that high levels of unionization do not impede economic growth. However, the examples of the United States or Japan show us that there are also combinations of high average levels of income and low levels of unionization. Over time, taking a long-term view, unionization levels have increased with the rise of average income for most of the twentieth century, but since the 1970s unionization and average income levels have gone in opposite directions.

The richer countries are somewhat more urban, connected with the global economy and export-based, more industrialized and definitely less dependent on agriculture. As expected, the share of people living in cities is positively associated with unionization; whereas the opposite is true for the share of people working in agriculture. I have found no significant relationship, positive or negative, with the openness of the economy. The one factor of overwhelming importance for unionization is the size of the informal economy. The larger the informal sector and the higher the share of employees with informal jobs, the lower the level of unionization. Informality implies vulnerability, insecurity and competition for good jobs and thus lowers the propensity of workers to join. This is confirmed by the strong negative association between the size of the informal sector ($infs$) or the share of informal jobs among employees (inf) and the union density rate calculated over the entire employed labour force: $r_{infs}=-0,55$ and $r_{inf}=-0,51$ ($N=97$, Figure 13). The general message is clear: the expansion of the informal economy is a threat to workers

as well as to unions, since workers in the informal sector have far fewer resources and opportunities to organize and engage in social dialogue, and are less likely to benefit from job security, regular income and access to social protection than their wage and salaried counterparts. In studies using time-series data, it has been shown that the rise of labour market participation with a growing share of temporary jobs is contributing to a decline in unionization (Checchi and Visser, 2005).

Figure 13: Unionization and the size of the informal economy

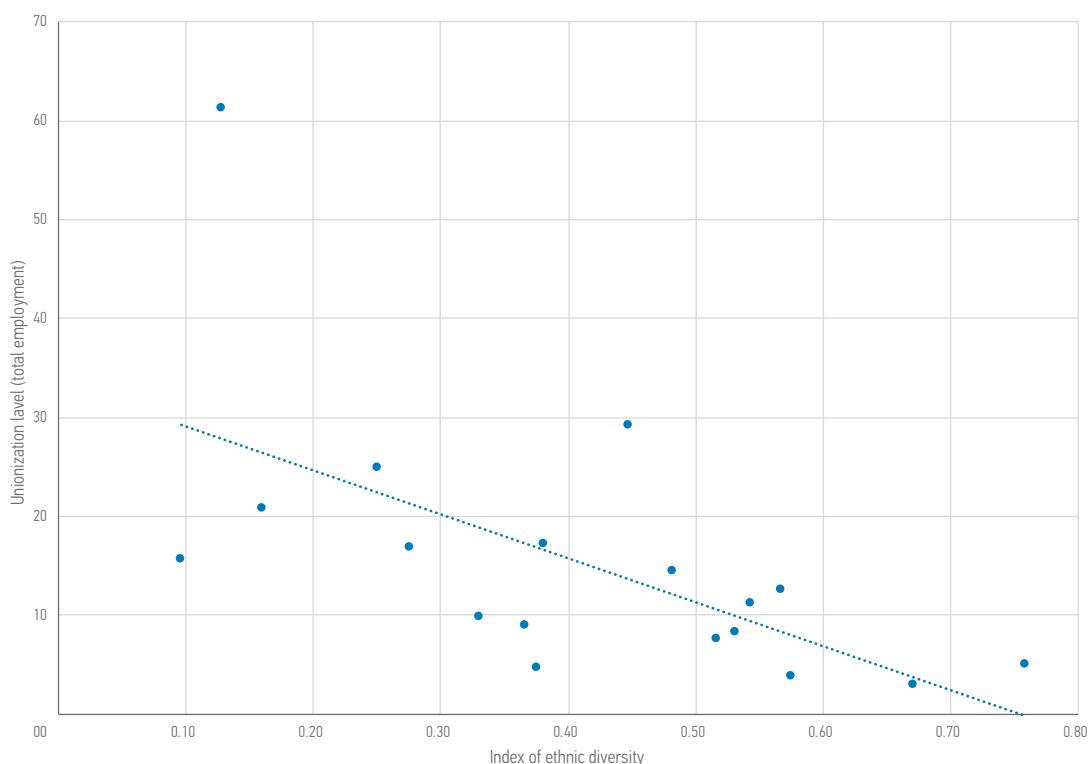


2 / Ethnic diversity

Ethnic diversity and conflict have been studied in relation to economic growth, civil organization, trust and social capital. This concept can range from extreme manifestations of civil war and genocide to periodic ethnic riots to everyday diversity, ethnic allegiances and integration of minorities and migrants (Kanbur, Rajaram, and Varshney 2011). It is a topic that has gained in importance with the surge of global migration flows. Horwitz and Horwitz (2007) note that in any circumstance, ‘diversity’ is a double-edged sword: it creates a richer pool of expertise and experience, and thus potential for innovation and growth, but it raises the costs of coordination and leads to problems of trust, and thus potential for irreconcilable divisions and conflict. Applied to trade unions, one can see both sides of the coin: the experiences that migrants bring with them – crucial in the early days of unionism, and potentially even today – and the problems of mutual understanding and competition over jobs and wages.

Presumably, trade unions in ethnically diverse societies face a more challenging task than unions in more homogenous societies. The various waves of migration and resulting ethnic diversity have often been cited as one of the reasons for the comparably low level of unionization in the United States. Clearly, there must be other reasons as well, given the consistently higher unionization rate of its Northern neighbor Canada, or in immigration societies like New Zealand and Australia. To be sure, ethnic diversity captures a wider source of native or domestic cleavages and potential conflict unrelated to migration. Here, I simply wanted to check whether such cleavages have reduced union success in organizing workers. Before proceeding with the result, I should add that countries currently or recently in a state of (civil) war are not included. In Afghanistan, Iraq, Syria, Yemen, Sudan, South Sudan, Somalia, Libya, Chad, the two Congos and Haiti it was impossible to verify union membership data.

Figure 14: Ethnic diversity and unionization, by world region



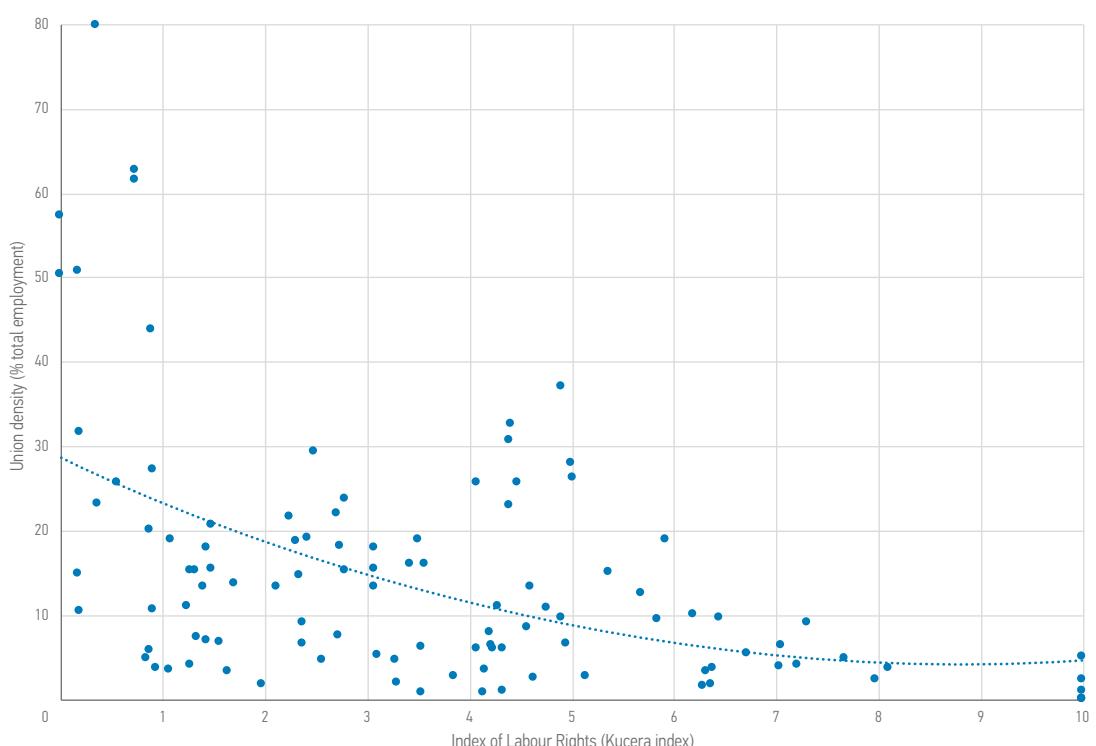
There appears to be a strong negative association between the mean level of ethnic diversity and the mean level of unionization ($r_{ed}=-0,61$, $N=18$) across world regions (Figure 14). Across countries, the relationship is weaker ($r_{ed}=-0,37$, $N=125$) due to within-region variations. Rather than diversity, it is conflict which hampers union development. In fact, the negative relationship between ethnic diversity and unionization is mostly driven by the twenty or thirty poorest countries, where strife curbs both economic development and unionization. These countries are located in the regions where ethnic strife is most intense: sub-Saharan Africa, the Middle East and parts of Asia. Clearly the highest levels of unionization are reached in the most ethnically homogenous regions and countries: northern Europe, followed by western and southern Europe. No association is perfect, however, and there are ethnically or linguistically diverse countries with rather high levels of unionization (South Africa, Belgium, Brazil) and relatively homogenous countries with low levels of unionization (Germany, Portugal, Poland). Moreover, ethnic diversity, although changing as a result of demographics and migration, is not a promising candidate for explaining changes in unionization over time.

3 / Labour rights violations

One would expect a clear association between the limitation or violation of labour rights, as defined in the relevant ILO Conventions, and the actual level of unionization. The relationship is not as straightforward as it seems, however. Although great care has been taken to improve the labour rights violation (LRV) indicator and take account of the various legal and behavioral aspects of rights violation, the indicator may not pick up the entire social, political and cultural context in which unions operate and not fully capture the latent underlying climate in which violations occur (Kucera and Sari, 2016).²⁵ There is also an endogeneity problem, which Kucera (2007) states as follows: "There are clearly cases (...) when observed violations are a reflection of a vibrant trade union movement and, conversely, where violations are not observed and indeed do not occur because the trade union movement is suppressed and under threat." Not only does this raise a question of causality, but also one of measurement. Be that as it may, the data show, as expected, a significant negative relationship between labour rights violations (lrv) and the level of unionization: $r_{lrv} = 0,46$ ($N=137$).

Figure 15 suggests a curvilinear relationship: above a certain level of rights violation (half of Kucera's index, from point 6 to 10), unions are severely limited in their organizing efforts and will organize at best 10 per cent of the employed labour force, either because entire groups are legally and practically excluded from the right to associate (workers in agriculture, small firms, public services, migrants, those with temporary contracts, own-account workers), or there is no check on harassment and obstruction. Where labour rights are well-established and violations rare (say, between point 0 and 1 on the index), union density rates can vary between 10 and 80 per cent, demonstrating that actual unionization under such benign legal conditions depends on other factors, among them the policies and efforts of the unions themselves. This brings me to the next set of explanatory factors considered in this section: institutions.

Figure 15: Unionization levels and labour rights violation index





4 / Institutional union security

In comparative studies of union membership and union density, the institutions that contribute most to the explanation of variations across countries and over time are: organization and reach of collective bargaining, workplace representation, union administration of unemployment insurance and benefit provision (Brady, 2007; Checchi and Visser, 2005; Ebbinghaus and Visser, 1999; Rasmussen and Pontusson, 2017; Scruggs and Lange, 2002; Western, 1997). All of these studies consider a selected group of about 20 advanced industrial countries with annual data going back to the 1960s or even 1950s.

Here I want to explore to what degree these institutions deem the unions 'secure' and explain the variation in union density rates across the world. I begin with considering the organization and reach of collective bargaining, defining collective bargaining as centralized when at least two-third of its coverage is achieved through negotiations and agreements with employers' association rather than with single firms. When sectoral negotiations account for less than one-third of bargaining coverage, and most or all bargaining takes place at firm or enterprise level, collective bargaining is decentralized. In between we have a situation of medium centralization. I only consider bargaining that affects wages, implemented through agreements that bind firms in wage setting in substantive or procedural terms. Applying these criteria, the dataset can be divided into three categories: 44 countries with only or mainly firm-level bargaining, 19 countries with medium-level centralization and 25 countries with centralized bargaining. The mean bargaining coverage rate doubles at each step, from an average 14 per cent of all workers under decentralized bargaining, to 28 per cent under medium centralization and 65 per cent under centralization. For the remaining 52 countries, excluding China, Cuba, Belarus and some Arab countries, there is not enough data on the coverage or organization of collective bargaining. In the three groups,

with centralized, partly centralized and decentralized bargaining, there is a reasonably equal distribution of countries at different levels of development. This gives some confidence that we actually identify the effects of institutions on the level of unionization.

Centralization lowers the organizing costs of trade unions. Industry-wide bargaining allows unions to establish sector-wide wages and limits the risk that 'bad' employers drive out 'good' employers. It also alleviates the need for unions to seek and gain recognition in each firm, and makes unionization of workers in small firms more feasible and less necessary. Under centralized bargaining conditions, unions need only to organize and mobilize workers in large or strategic firms in order to set the pattern for the entire industry. Unions can therefore worry less about the unionization of workers in small firms, as long as these firms stay members in the employers' federation that sign the national or sectoral collective agreement, or as long as these agreements are legally extended to them (Hayter and Visser, 2018). This is one of the reasons why bargaining centralization and bargaining coverage rates are much more strongly correlated ($r_{cent/cov} = 0,78$) than centralization and union density ($r_{cent/dens} = 0,51$) and also why the gap between unionization in large and small firms can be significant under conditions of centralized bargaining, an issue to which I shall return in the final section of this paper.

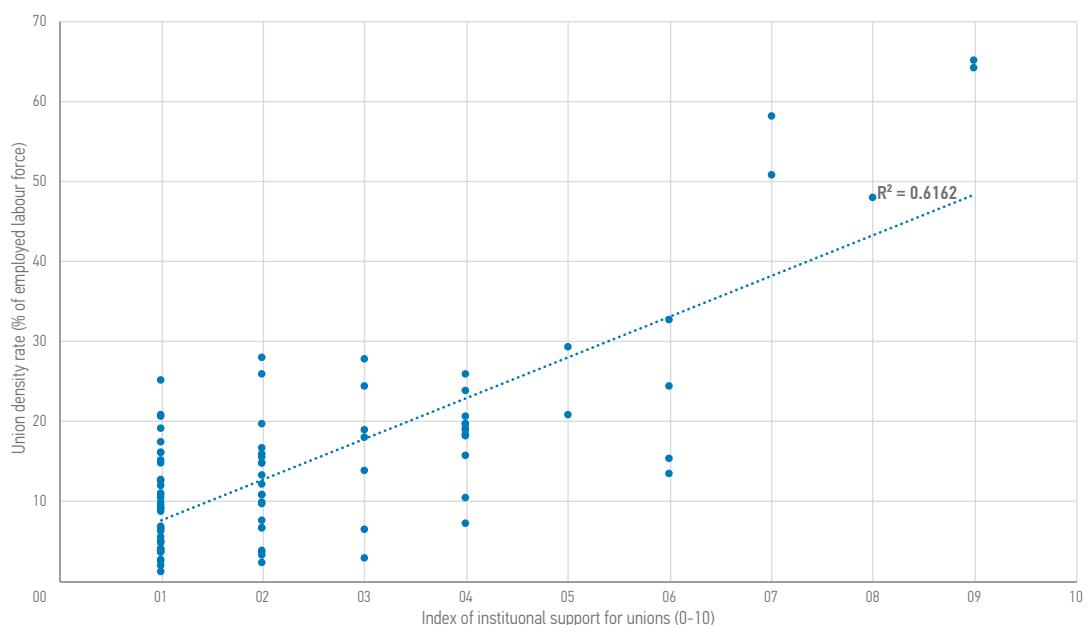
The second institution of importance is union recognition and union access to workplace representation. This is often found to be the decisive factor, together with union involvement in the provision of unemployment or health insurance. Uncontested workplace representation allows unions to concentrate on issues of productivity, pacify employers, and police the 'social custom' of membership through direct benefits and contacts in the workplace. This can be regulated in different ways. In some countries like the United States or the United Kingdom, trade unions must fight for recognition on a firm-by-firm basis, showing that they represent a majority among the workers they claim to represent. In other countries such as Germany or Austria, workplace representation is indirectly guaranteed as a statutory right through the mandated works council. Recognition can also be guaranteed by nationwide agreement between the main union and the employers' organization, as in Scandinavia. Compared to a statutory obligation on employers, a central agreement signed by employers raises fewer issues of compliance and may therefore be considered a stronger guarantee of union recognition and access rights. Using a simple '0' (firm-based), '1' (statutory) and '2' (agreement) coding, it turns out that recognition of union representation rights is strongly correlated to the union density rate, $r_{access} = 0,69$.

Centralized bargaining and guaranteed recognition and access reduce the organizing costs and pressure of 'non-union' labour in negotiations. However, when wages, rights and conditions are guaranteed equally to union members and non-members, unions are faced with a free-rider problem. In this case, it is important that unions are able to put pressure on workers to contribute to the common cause, through 'closed shops' or other forms of compulsory membership or the help of 'members only' benefits. As most forms of compulsory membership – as found in New Zealand or Australia for instance – have been discontinued or declared unlawful, other policies that tie members to the union may have become more important, for instance unions that offer unemployment insurance, health insurance, or job counseling to their members. As was discussed earlier, examples of government sponsored union-based unemployment insurance funds can be found in Sweden, Finland, Denmark and Iceland, in a modified form in Belgium, in Italian agriculture or in the Dutch building industry; or, relating to health insurance coverage, in Argentina, Israel or Taiwan until 1995; and for some elements of social insurance, pensions and firm-related benefits, in Tanzania, Egypt and North Africa; and before 1989 in unions under Communism. The fact that membership levels drop rapidly once state support for such benefit systems are withdrawn, as happened in Israel in 1995, proves that they work as a powerful incentive for joining the union and retaining membership. Across countries there is a very clear positive relationship between the existence of union-related unemployment or health insurance and union density ($r_{ins} = 0,67$).

Finally, I have looked into the effects of tripartism, defined as the existence of tripartite social and economic councils and regular consultations between unions, employers and government over (minimum) wages and social policies, in addition to bipartite social dialogue and central-level coordination of wage policies between central unions and employers' federations. It turns out that tripartism is not ($r_{tri}=0,09$) and bipartite coordination is ($r_{bi}=0,51$) correlated with union density. Bipartite coordination is strongly interrelated to employer recognition of workplace access rights of the unions and with bargaining centralization, while tripartism is unrelated. Admittedly, tripartism is very difficult to measure, and formal features (whether a council exists, its membership, number of consultations) may hide different practices.

Since the aforementioned institutions work together as a package, it is problematic to include them in a multivariate analysis. Instead, I have chosen to build a simple additive scale or index of institutional union security based on four features (centralization, recognition, insurance, and bipartite coordination), each with a possible score ranging from '0' to '2', and starting from a base value of '1'. This yields a total score that can range from 1 to 9. Figure 16 shows how this index is related to union density for 96 countries ($R^2_{index} = 0,62$). All other things being equal, each one-point increase on the index increases the average density rate by nearly four percentage points.

Figure 16: Institutional union security and union density, 2016/17



An institutional explanation as good as this one still leaves many unsolved issues. At any level of institutional union security, a wide range of outcomes is possible, as illustrated by Figure 16. For instance, with no institutional security for the unions, the United States union density level is 10.4 per cent and that of Canada, 28.4 per cent. Are there other unmeasured institutional features that are important for unions, for instance the degree of employer hostility towards unions, political support or legal culture? There are all believed to differ between Canada and the United States, but are not picked up in the indicator. At the other end, with much higher albeit different levels of institutional security, why are union density rates in France, Germany and the Netherlands so much lower than the rate 'predicted' by the degree of institutional security? Finally, it is important to stress that institutions are not exogenously given, but also the outcome of union choices and policies, past and present.

5 / Institutional insecurity, competition and union fragmentation

There has always been a flipside to institutional security. Where institutions – such as sectoral bargaining councils or plant-based works councils – establish a monopoly of union representation, they may “diminish the need for unions to prove their strength through mobilization and lower the political and organizational incentives for union recruitment” (Ebbinghaus and Visser, 1999). In most countries, unions need to defend their presence in works councils through elections in which alternative unions and non-unions may also participate. In many countries, the right to represent workers in collective bargaining depends on unions passing a membership threshold of 10, 33 or 50 per cent of the firm's or sector's employment. However, there are also countries where such tests are not required and the union's recognition in bargaining is not really tied to membership. In such cases, low unionization rates may tempt newcomers and alternative unions to try their luck or convince employers that they should ignore the existing unions. The Netherlands has offered some examples of this, showing that even when bargaining rights do not depend upon membership strength or electoral tests, unions may still have political or ideological reasons to recruit new groups, like part-time or migrant workers, and thereby stave off further decline. In Germany, the use of company-based opening-clauses in sectoral agreements has spurred the unions to shore up their support in the workplace and neutralize the competition from temporary workers dispatched by work agencies through organizing efforts.

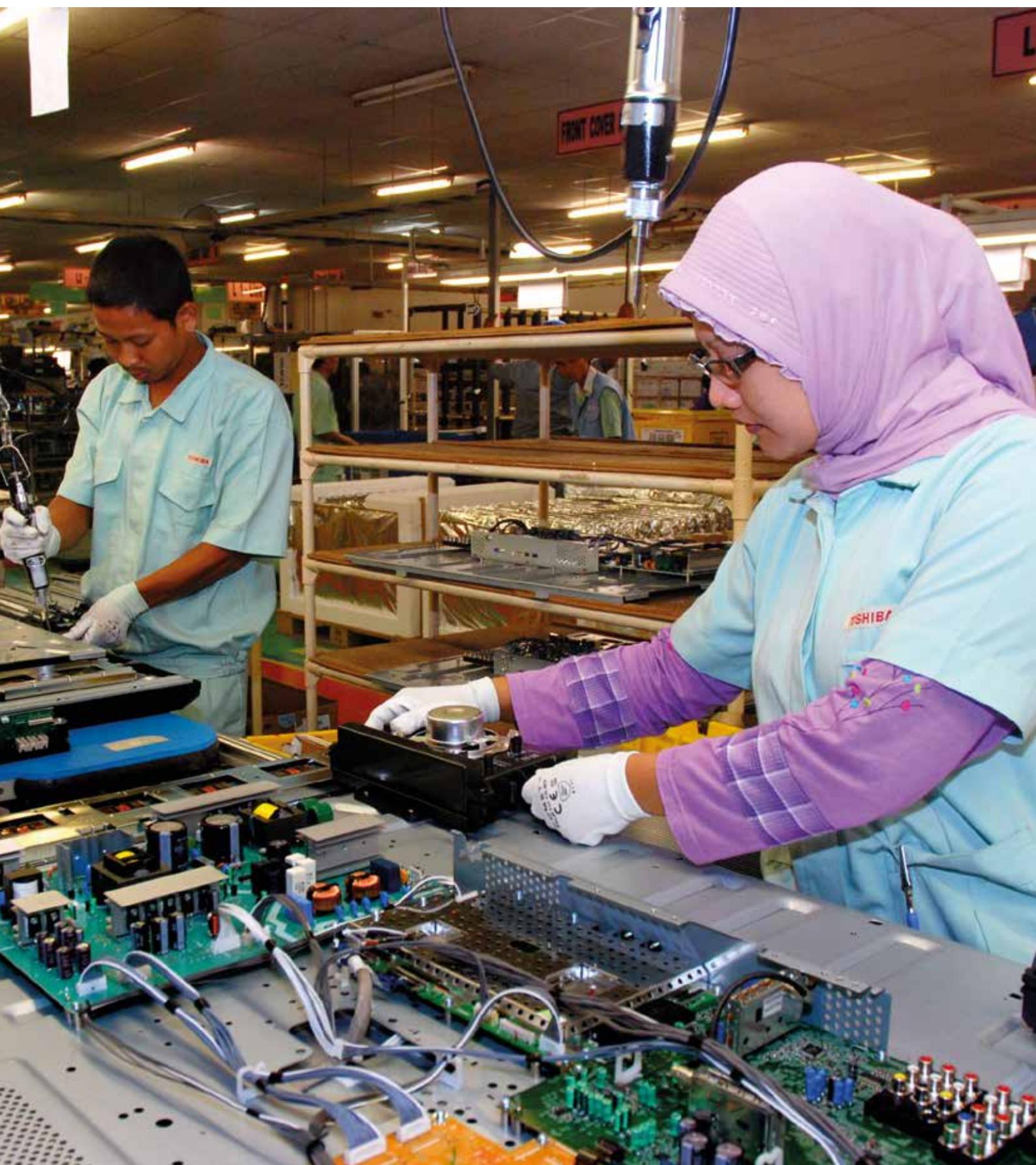
Early studies of union revitalization and organizing strategies – first developed in the United States, the United Kingdom and Australia – have argued that the drive for such strategies has been stronger in institutionally insecure settings, that is, in countries where trade union recognition for purposes of representation and collective bargaining depend upon the mobilization of workers in certification elections. In addition, in these countries the union cannot rely on legally guaranteed workplace representation, like works councils (Heery and Adler, 2004). A decade or more after they were first introduced, new ‘union organizing’ campaigns crossed the Atlantic and the English Channel and were tried in ‘institutionally insecure’ countries like Poland (Czarzasty, Gajewska and Mrozowicki, 2014) and Ireland (Murphy and Turner, 2016) as well as in ‘institutionally secure’ countries such as Denmark (Arnholtz, Ibsen and Ibsen, 2016), Sweden (Bengtsson, 2013), France (Tapia and Turner, 2013) Germany (Schmalz and Thiel, 2017) and the Netherlands (Connolly, Marino and Martinez Lucio, 2017). What explains the delay? Hassel (2007) has developed the interesting argument that institutional union security may become a ‘curse’. The same institutional securities that “help the trade unions to retain a powerful position in their traditional market segment (...) prevent them from adjusting to the changing composition of the labour market”. She applies this argument to understanding why German unions have been slow in organizing women, part-time workers and temp agency workers. Marshall and Perelman (2008) have made a similar point about the adverse effect of institutional security and ingrained routines when explaining the unwillingness of Argentinean trade unions to make work of organizing new groups like women, part-time employees, migrants, and workers in the informal economy.

“Membership loss in itself may not be enough to create a sense of urgency, as long as the union movement still has an institutional position to cling to. Only when that is taken away is it likely that real change will occur” (Kloosterboer, 2007). The United States, United Kingdom and Australia present dramatic examples of institutional securities taken away by the Reagan, Thatcher or Howard administrations. It would be a problem if unions in institutionally secure countries let the situation reach such dramatic proportions. Especially once we realize that the actual gains of union revitalization and organizing in terms of membership growth and bargaining power have been fragile, sometimes short-lived and often below expectations. In their overview of union revitalization efforts, Ibsen and Tapia (2017) point to the continued importance of supportive institutional frameworks as a condition to reap the benefits of organizing campaigns, for instance by building the conditions for multi-employer bargaining. There is some similarity to Freeman's ‘spurt’ model of union growth (Freeman, 1998). In that model, union

organizing efforts are non-linear, that is, they are weakest when the union density rate is very low or very high. The reason is that at very low density levels, unions lack the resources to mobilize (they need others to help them, as we have shown in the case of African unions). At very high levels of union density, the unions may think that the market for members is 'saturated' and that extraordinary efforts are needed to convince the few remaining non-members who may be difficult to reach, have strong ideological or religious convictions of not joining a union, or already benefit from the union through spill over-effects (guaranteeing higher wages and better working conditions than would have been the case without the union). What we can observe from the cross-national data is that there has been a slight tendency ($r=0,31$) toward more union growth since 2000 (expressed as percentage increase in union density rates) in countries where the density rate in 2000 was lowest. This is mainly the effect of the turnaround in union organizing towards the informal sector in many developing countries. In developed economies, there is no relationship between the level of unionization in 2000 and the extent of union growth or decline in the following years.

Fragmentation and intense rivalry between trade union centers competing for members, influence and attention are often associated with very low levels of unionization. Examples are found in the Philippines, Bangladesh, India, Indonesia, Peru, Mexico, Chile, Poland, Hungary and France. At the opposite end there are examples of impressive spurts in union growth following the (re-)unification of, or close cooperation between different union centers, for instance in recent years in Tunisia and Uruguay, or half a century ago in Finland and Italy. Too much competition – whether from tough employers or from rival unions or union confederations that defend their respective ideologies in a fragmented union landscape – has debilitating effects not only on union power but also on recruitment. In such a situation, unions typically concentrate on vying for support from politics rather than building solutions together, and this discourages membership because unions have little to offer. But union monopolies (of the old Communist kind, but also found elsewhere) can be deadly for renewal and become associated with long-term decline.

Social movements, cooperatives, worker centers, minority unions and union-like organizations can be the motor for organizing workers in the informal sector, platform-workers, women, young people and precarious workers. The 'forward momentum' of women in unions, for instance, was due in large part to the women's movement in the 1960s and 1970s (Cook et al., 1984). Mainstream trade unions sometimes need a 'thorn in the flesh' – small, independent or alternative organizations or movements that address new issues and pioneer new approaches. Different unions specializing at organizing and representing different segments and interests can raise the general level of unionization, as appears to have been the case in Scandinavia where unions and union confederations of blue-collar workers, white-collar workers, professionals and academics have existed and cooperated with one another for a long time.



III. Four possible futures

So far this paper has been devoted to the past and the present: the current state of the unions; how the developments of industrial decline, technology, digitalization and globalization have changed employment relations and trade union membership; and how current differences in union density and union organizing can be explained. It is now time to look to the future. Where are trade unions heading? Will past trends continue, worsen, or be reversed? As announced in the introduction, I will explore four scenarios or possible futures for trade unions: *marginalization, dualization, substitution, and revitalization*. Each of these futures is based on a selective and inevitably biased view of present and past developments. I shall present the arguments in favor of a particular development or future, followed by the counterarguments. In the concluding paragraph, I shall try to weigh the likelihood of each of these four scenarios.

1 / Marginalization

The idea that trade unions will gradually fade away and lose their relevance for regulating labour markets is based on the extrapolation of current trends. If the decline of the past twenty to thirty years continues, the survival of trade unions will be at risk by the middle of the century in many countries. Unions may fall below a particular threshold – 10 per cent, 5 per cent, 2 per cent – after which sustainability will become problematic.

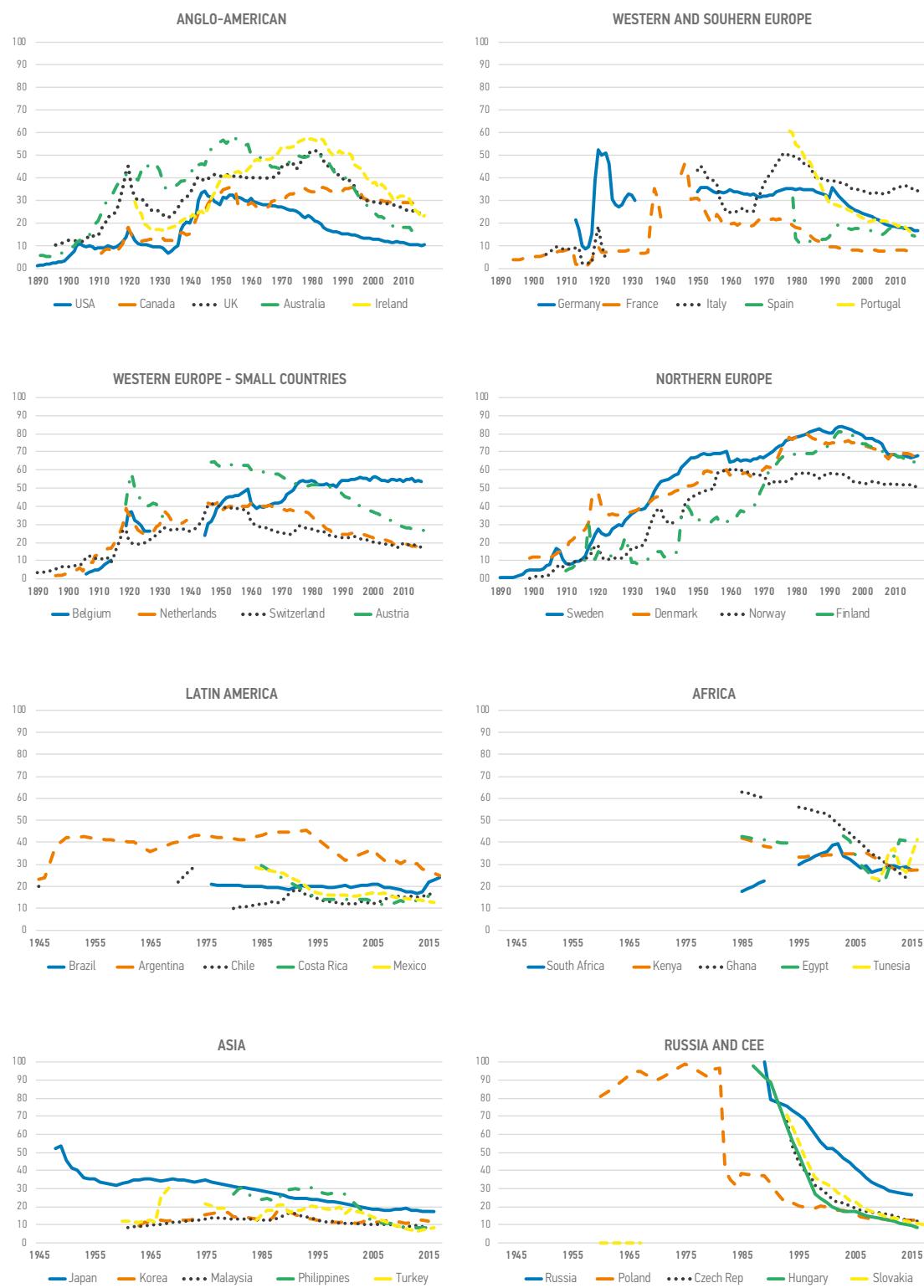
After showing that the rate of decline in Australia has actually accelerated in the last decade, Gahan et al. (2018) conclude that “if this rate of membership decline continues, by the end of the next decade unions will represent just a few per cent of the Australian workforce, with most membership concentrated in fewer industries.” This is followed by lower bargaining coverage and wage growth at historically low levels. According to Pernot (2010), without a revival of unions among private sector workers, “unionism in France is condemned either to resigning into playing a marginal role or into managing ever smaller fringes of the public and administrative sector, decorated with some days of spectacular manifestation without a follow-up”. Milkman (2013) argues that labour unions in the United States are back to where they were before the 1930s and Roosevelt’s New Deal policies and the upsurge in industrial unionism. With the level of union density in the private sector, at 6.4 per cent, as low as the union density rate in 1901 when there were no union members in the public sector, “the private sector in this country is now nearly union-free, to a degree not seen in a century” (Rosenfeld, 2014). Based on this measurement, United States unions are no stronger than many unions in developing countries, if we count, as we should, the informal sector as (the largest) part of the private sector in these countries. But also in many developed countries, for instance in Central and Eastern Europe, private sector union density rates are currently so low that it means that unions have disappeared from large swatches of the economy.

Donado and Wälde (2002) claim that the long-term trends in unionization, as shown in Figure 17, follow an inverse U-shape everywhere, even though in some countries union density rates peak later (Europe versus the United States and Japan) and at higher levels (northern Europe versus the rest). One can quarrel about ‘everywhere’, but the general picture shown in the eight panels of Figure 17 is one of decline. Donado and Wälde interpret this as proof that trade unions have outlived their function as a market-correcting institution and that the welfare state, international standard-setting bodies, education and modern science have taken over. As I have shown in the preceding pages, the decline of the type of collective voice and collective action embodied by trade unions is probably caused more by global and technological changes in labour markets and in social and political institutions. In some cases, this decline was exacerbated by trade unions’ belated response to the changes they were facing.

The Product Life Cycle theory offers another account of the rise and decline of unionism (see Bryson, Gomez and Wilman, 2018). These authors start from the observation (in the United Kingdom) that, over time, the share of workers demanding 'voice' has remained more or less constant, but that there has been a huge shift from union-provided voice to employer-provided voice. They argue that 'voice', or some mechanism to comment on and correct employers' decision, is a generic need or 'good' that is demanded by workers at all times and all places. Trade unions offer one particular solution to satisfy this need. In so doing they always competed with other solutions or methods to provide voice to workers. Alternative solutions may develop and take over. I will return to that possibility – replacement or substitution – in my third scenario.

One of the specifics of trade unions is that they can organize and sustain strikes of a longer duration, beyond walkouts, sit-ins, protests and rallies. However, as Milkman (2013) has pointed out, with the decline of private sector unions, large industrial strikes have become rare. This trend began in the 1980s (Shalev, 1992) and has been observed in nearly all developed countries. Striking has moved largely to the public sector, but even where public sector strikes attracted large-scale participation and expressed the frustrations of private sector workers as well, as in France, they did not translate into an upsurge in unionization the way the large industrial strikes had in the past (Pernot, 2010). This is not unique to France; similar large protests occurred in the Netherlands in 2004, in Greece in 2010 and in following years, in Portugal in 2011 and 2012 and in Poland in 2013. This is not to say that all recent strikes failed. There are also many examples of well-targeted strikes that spurred successful organizing campaigns, and it is difficult to give a general recipe.

Probably the most alarming sign pointing towards further membership decline is the ageing of trade union membership. Union ageing has been observed in nearly all developed countries. This is the effect of lower unionization rates among young people compounded, in Europe or Japan, by demographic change, with increasingly smaller cohorts of people entering the labour market. Earlier, I showed that the ratio of the entrants' rate of unionization compared to those close to leaving the labour market has changed from 1:2 in the 1970s and 1980s to 1:4 in the 2010s, meaning that today, workers who leave the labour market are four times as likely to be unionized than those who enter, if they find a job. On average, in developed countries, of all employed union members, one in five is over 55 years old, whereas just one in twenty is under 25. In some countries, for instance Denmark, Ireland or Belgium, the distribution is less extreme, but the general picture is clear. In order to maintain current membership levels, unions in developed countries must replace an estimated 3 to 4 per cent of their members each year – which would still mean that unionization rates, set against an expanding working population, decrease. Membership growth would require that unions somehow replicate the unionization rates among young people of the 1970s.

Figure 17: Long-term trends in unionization

This is not likely, because new workers are increasingly less exposed to trade unions through social networks at an early enough stage in their lives and careers. Early exposure is crucial because many of the benefits that unions provide operate as an insurance and reveal themselves later, long after joining. In this sense, unions are akin to what is known in consumer theory as an 'experience good' (Gomez and Gunderson, 2004). This makes contact with colleagues, friends and parents who are themselves union members very important. British and Dutch research has shown that if parents are union members, this increases the likelihood that their children will also join a union (Bryson and Davies, 2018; Visser, 2002). There is also ample evidence that 'members make members' (Waddington and Kerr, 2002). To encourage and endorse union membership and maintain a 'good' reputation of taking part and contributing to the collective effort, contact with colleagues who themselves are (visible) union members is crucial (Ibsen, Toubøl and Jensen, 2017; Visser, 2002). But the likelihood that young people will find employment in firms and workplaces where there are many union members, or where the union is highly visible, has dramatically decreased. With declining unionization rates, there are fewer parents in each generation who can transmit the benefit and values of belonging to a union to their offspring. Lower unionization rates among young people mean that in each cohort, the share of workers who will never have first-hand experience with a trade union increases. Booth, Budd and Munday (2010) found that in the United States in the mid-1980s, 58 per cent of 23-year-olds had never been unionized. Roughly 20 years later, this figure had increased to 71 per cent. The data for the United Kingdom show that never-membership has increased from 23 per cent in the mid-1980s to over 50 per cent in 2005-6 (Bryson et al., 2017). Bryson and Gomez (2005) have shown that it is this reduced likelihood of ever becoming a member, and not the loss of existing members, which accounts for the United Kingdom's decline in overall union membership since the 1980s.

Emigration does not help. In Central and Eastern Europe, unemployment, low wages and emigration have drained the unions of young people. In some countries like Estonia, Latvia or Hungary, there are hardly any young people left in the unions. Korkut et al. (2017) point out that instead of increasing union bargaining power by limiting supply, the departure of the more entrepreneurial young people has stalled union renewal and threatens the intergenerational continuation of union activity in many sectors. A joint study by the Friedrich Ebert Stiftung (FES) and the ILO makes the same point about the negative consequences of emigration for unions in Lebanon.²⁶ The departure of young people might become a threat to trade unions in some African countries as well.

2 / Dualization

Like the marginalization scenario, dualization predicts that the trend towards more unstable and precarious work in both the old and new platform economy will continue or even accelerate. The key argument is that by acceding to employer demands, unions end up promoting the job security of their 'insider' members – professionals and workers in large firms with permanent contracts – potentially at the expense of 'outsiders', those with temporary, casual or no jobs.

Although labour movements typically expound an ideology of 'equal rights', they sometimes have little choice but to accept policies, reforms, compromises, productivity or job preservation coalitions in defense of their core membership, which may weaken the position of outsiders (Emmenegger, 2014). By means of illustration, without being very explicit about it, unions sometimes agree to deregulation in low-skilled service sectors as a way to lower costs and defend the firm's competitive position (Hassel, 2014). By implication, trade unions are accused of neglecting the plight of vulnerable workers (Standing, 2011). These arguments have been developed, in particular, to analyze the strategy and predicaments of trade unions in Germany and France (Palier and Thelen, 2010), Japan (Song, 2014) and the Republic of Korea (Shin, 2010).

One important dimension where a dualist cleavage develops is between large and small firms, both as the precondition and outcome of dualist union policies. Another dimension, obviously, is the one between 'permanent' and 'temporary' workers, between natives and foreigners, old and young workers, and, in developing countries, between the formal and informal sector. These dimensions are closely interrelated, as small firms often obtain exemptions in employment protection laws and foreigners end up in temporary jobs. Lee (2010) writes about the 'double dualism' of Japanese and Korean enterprise unions which, by excluding small firms, also exclude temporary workers and foreigners. The extent to which unions neglect small firms and organize only or mostly workers in large firms might therefore be used as circumstantial evidence of dualist union policies.

The OECD overview of 1990 cited surveys and studies from Japan, Germany, Switzerland, the Netherlands, Norway, France, Spain, the United Kingdom and the United States showing that union density rates rise with firm size (except for the very largest). That overview also noted that trade unions in Belgium, Denmark and Italy did exceptionally well in organizing workers in small and middle-sized firms (Visser, 1991). In the public debate over how to stimulate more job creation, SMEs have steadily gained influence and been showcased as job engines. Although definitions vary, estimates are that SMEs contribute between 53 per cent of all jobs in the United Kingdom and 86 per cent in Greece (OECD, 2017b). In emerging-market economies, these shares are lower, at least in the formal sector. The ILO, for instance, puts the employment share of SMEs at 34.8 per cent in 2016, up from 31.2 per cent in 2003 (ILO, 2017). With the informal sector, small and micro-firms employing one to five persons gain in importance and account for up to 90 per cent of total employment.

Recent data, unfortunately only for developed economies, show that, on average, 62 per cent of all union members work in large firms with more than 100 employees, 27 per cent in small or medium-sized firms (10-100 employees) and 11 per cent in small or micro firms (fewer than ten employees). In Japan and the Republic of Korea nearly all union members work in large firms; in Germany, France and the Netherlands, this figure is well over 70 per cent. I have no data for the United States; in Canada the large firm share is over 50 per cent. In Belgium, Denmark, Switzerland, Greece, Portugal and Spain, the presence of large firms is less prominent, and there is a greater share of workers from SMEs in the unions. Obviously, such variations reflect differences in the structure of the economy across countries and the presence or absence of large multinational firms. To find out whether unions concentrate on representing workers in large firms to the extent that they neglect or fail to reach workers in small firms, we must look at the gap in union density rates of workers in large and small firms (Figure 18).

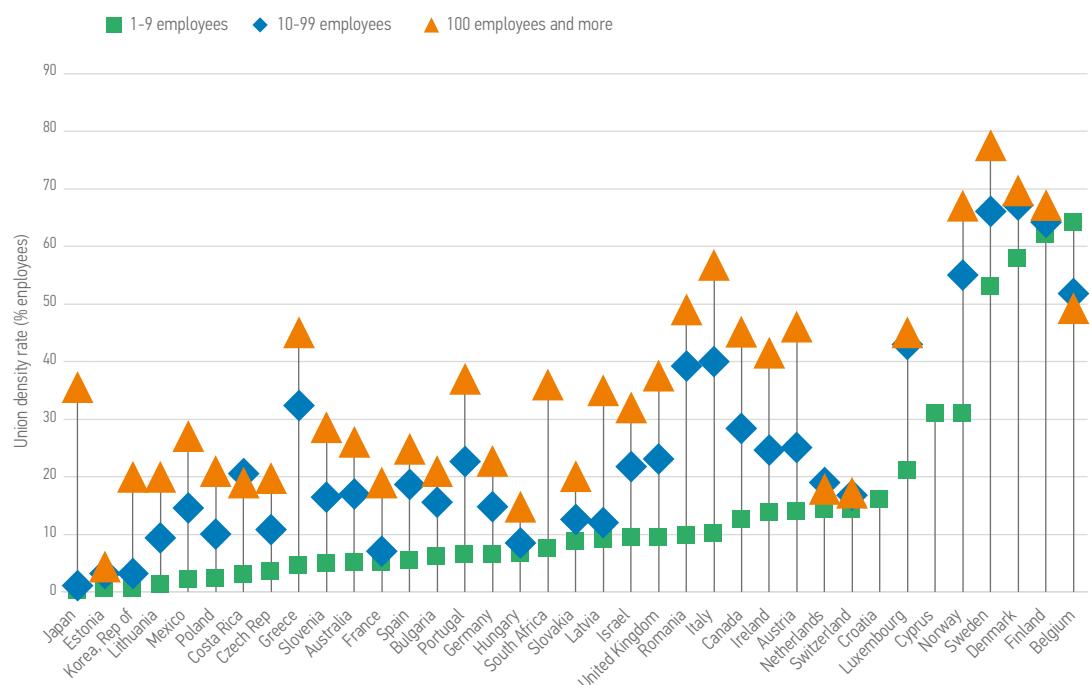
In many countries, from Japan, the Republic of Korea and Australia to France, Poland, Germany and Spain, trade unions are hardly present in small firms with fewer than ten workers. Whether this is true for developing countries, I do not know, but my suspicion is that it is, unless unions have started organizing own-account workers in the informal sector. There are many reasons for this absence of unions in small firms. Working alongside the owner may prevent workers from joining a union. From the union's point of view, setting up and maintaining a union in small firms is costly. In many countries there are legal obstacles and thresholds. In Poland, for example, any starting union needs ten members. Intended to forestall union fragmentation, this excludes many workers from union representation. In Thailand the threshold lies at tens employees, in Romania at 15, in Honduras or Peru at 20, just to give some examples. Such exclusionary thresholds can have a huge effect. In Poland, 30 to 40 per cent of all employees, including some categories in the public service, are de jure excluded from joining or forming a union. In Thailand, about 15 per cent of all workers, employed in over a quarter of a million industrial enterprises, almost three-quarters of the total number of registered companies, are barred from union representation (Brown, 2016). Milkman (2013) cites data for the United States showing that in the 1990s, 22 per cent of private sector workers were excluded from the protections of the ('New Deal') National Labour Relations Act. Among them are managers, independent contractors, micro businesses, agricultural and domestic workers, and temporary agency workers. Thresholds for mandated employee representation like works councils are also relevant, as there is much research evidence that workplace

institutions, like works councils, help unions to recruit and retain members (for evidence on Germany: Behrens, 2009; Goerke and Pannenberg, 2007). Small firms with fewer than 10, 20 or even 50 employees are usually excluded.

Comparing the union density rates of medium-sized (10-99 employees) and large (100 or more employees) firms, we find the largest differences in Japan, The Republic of Korea, Germany, France, Poland and Mexico (Figure 18). There is little or no difference in Switzerland, Greece, Denmark, Finland, Sweden and Norway, whereas the United Kingdom, the Netherlands, Italy, Spain, Ireland and Israel are in between. The Belgian data even suggest that unions are better organized in small firms than in large firms.

A large divide in the unionization rates of workers in small and large firms is circumstantial evidence, not proof, for the presence of dualist union policies. Large firms are of strategic value to the union as they can be used to put pressure on other employers or on politicians. By organizing workers in large firms, sectoral unions can set the trend for improving wages and working conditions throughout an entire industry, including small firms. This has long been the model for trade unions and collective bargaining in Germany, Sweden and many other countries. If the result is that average productivity, working conditions and pay are leveled up and the redundant workers of unproductive small firms are helped to find a new job, all is fine and we have the opposite of dualism. However, extending the more expensive agreements of large firms to small firms, without due consideration of their capacity to pay, brings a risk and may drive up unemployment. Decentralizing collective bargaining to the firm level may carry fewer risks of this type, but at the cost of increased pay level discrepancies, rising inequality across firms, and lower levels of unionization and bargaining coverage. Dualism has many facets and may become institutionalized both through excessively centralized and excessively decentralized bargaining, illustrated either by a large difference in the risk of job loss or in a large difference in pay, working conditions and career opportunities. Japanese-style enterprise unionism is probably the surest way to institutionalize dualism between insiders and outsiders. Works councils, if they can direct wage negotiations, as in Spain, have many similar features.

Figure 18: Union density rates by firm size



Two examples may clarify the dilemmas in union bargaining policy. Doerflinger and Pulignano (2018) compare concession bargaining during the 2008 recession in two multinational companies in Belgium and Germany. In Belgium, bargaining over pay, working time and jobs is spread between the national (sectoral) and the local (enterprise) level, and the unions' centrally decided priorities weigh strongly in negotiations. In Germany, union company representatives had the power to set their priorities through the use of opening clauses within a sectoral agreement. The authors conclude that the unions in both countries were pushing for job preservation, but that the Belgians were more successful in pursuing an inclusive strategy and keeping temporary and agency workers on board. They add, cautiously, that they cannot predict the long-term effects of such different strategies on investment and employment.

In a study comparing Italian and Korean unions, Durazzi, Fleckenstein and Lee (2018) highlight the importance of public opinion dynamics. With more workers pushed into non-standard employment after the 1997–8 Asian crisis, Korean unions faced mounting public criticism that they gave priority to insider interests and ignored workers and job seekers at the margins of the labour market. Combined with the drop in membership around the same time, this was perceived by union leaders as a potentially existential crisis. Leaders of the weak labour federations (effective power in the Republic of Korea rests within enterprise unions) feared further delegitimization of the trade unions unless they started to recognize and organize outsiders. The emergence of the Alliance for Nonstandard Workers, combining union and civil society forces, was another push factor. The policy U-turn revealed deep divisions, and the Hyundai company union was expelled from the metal workers' federation for its discriminatory stance toward non-standard workers. Later, when the shipbuilding industry faced severe corporate restructuring due to increasing competition from China, enterprise unions in shipbuilding and other metalworking industries started to represent the interests of outsiders in recognition that cheap irregular employment and the widening gap between insiders and outsiders ultimately presented, as one union leader stated, "a barrier to achieving standard workers' demands for better wages and working conditions." Enterprise unions did not give up their prioritization of insiders; they did, however, begin to perceive an overlap of insider and outsider interests.

The point of these two examples is not that dualism has no future in the unions. It remains a strong probability, owing much to the present decentralization tendency (enterprise bargaining, 'opening clauses', local partnerships) in collective bargaining, which gives a much louder voice to local job preservation interests and, potentially, disregards the interests of others. But there are counter-tendencies even in countries where dualism is most pronounced. Marx and Starke (2017) use the example of the introduction of the national minimum wage in Germany in 2014, where the unions, after years of internal disputes and opposition from the unions in export industries, united in a pro-minimum wage coalition. Institutions, like the mandatory extension of sectoral collective agreements and the mandatory national minimum wage, benefit workers in precarious jobs with little bargaining power or coverage and take some of the sharper edges out of dualism (Hayter and Visser, 2018; Trygstad, Larsen and Nergaard, 2018). Many trade unions in Africa, Asia and Latin America, motivated by genuine feelings of solidarity or an interest in self-preservation, have started to address the concerns of informal and precarious workers. Many unions in developed countries have changed their policies towards temporary workers and migrants.

According to Doellgast, Lillie and Pulignano (2018), trade unions in Europe "increasingly seek to regulate precarious work and represent precarious workers". They do this, in their words, "both to protect their members from low-cost competition and following from broader commitments to equity and social justice." Presenting nine comparative case studies in industries and occupations such as metal manufacturing, chemicals, retail, cleaning, local government, freelance music, logistics and slaughterhouses in 14 countries (Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Poland, Slovenia, Sweden, and the United Kingdom), the authors observe both inclusionary and exclusionary (dualist) strategies. In their studies, dualism is not the dominant union response to the rise in job instability and precariousness. For the alternative response, however, unions need the support of inclusive institutions "deriving from some combination of state and union power to extend institutional protection from stronger to weaker groups" (Doellgast, Lillie and Pulignano, 2018).

Their case studies give some impressive examples of unions in Belgium, Denmark, Finland, Italy and Sweden that did mobilize successfully for inclusionary policies thanks to the combination of institutional and associational power. That raises the question of whether for weak or weakened unions without institutional and political support, the only alternative to dualism is marginalization, and the only answer to marginalization dualism, however futile in the longer term.

3 / Substitution

My third scenario for the future explores whether trade unions will be replaced by other forms of social action and representation. The decline of many traditional trade unions and the rise of new forms of unstable and non-standard employment (platform work, dependent self-employment, domestic and own-account work in the formal and informal sectors) have opened up opportunities to experiment with new forms of worker voice and representation. These, in turn, have led to a discussion on whether some of these new forms will be large enough to fill the void left by the unions, and whether these new forms will have sufficient power to be effective.

Tapia, Ibsen and Kochan (2015) discuss four of these new forms: direct employee participation and employer-provided voice, like quality circles; voluntary employer commitments to labour standards as with Corporate Social Responsibility (CSR); International Framework Agreements (IFAs) negotiated with international unions, and Civil Society Organizations (CSOs). They conclude that the effectiveness of such new devices cannot be measured independently from the unions. The presence and design of labour provisions in preferential trade agreements, for instance, tend to be directly correlated to the strength of trade unions (Raess, Dürr and Sari, 2018).

This conclusion is in line with the findings of a study for the National Bureau of Economic Research on “emerging labour institutions for the 21st century” (Freeman, Hersch and Mishel, 2005). They ask whether what they call non-membership institutions – human rights and labour advocacy groups, vigilantes, NGO-led living wage campaigns, labour inspectorates, professional associations, training intermediaries and worker-management partnerships – will replace declining trade unions. The question can be split in two: (1) Can these non-membership institutions provide services and worker representation comparable to those of the unions? (2) If so, will they expand their reach and serve as large a proportion of the work force that traditionally relied on unions? The detailed case studies in the NBER study, aimed at the United States situation, answer both questions with a firm ‘no’. “The new institutions have a long way to go before they will be able to provide remotely comparable economic benefits to unions” (Freeman, Hersch and Mishel, 2005). Even where labour unions are as weakened as they are in the United States, they still fare better than non-membership institutions, which have been unable to expand beyond small niches in the labour market and tend to rely on the pressure of unions to be effective.

Based on the Workplace Employment Relations Survey spanning three decades and focusing on voice mechanisms in British workplaces, Bryson, Gomez, and Willman (2018) reach a different conclusion. They document a remarkable shift from union to non-union voice. The share of workplaces with no voice has stayed roughly the same at about one-quarter. But both the dual channel system where union and non-union voices co-exist (as in many continental European countries) and single union or union-only systems (the traditional British, American or Scandinavian model) have sharply contracted: from 30 to 14 per cent in the case of dual (union and works council) voice, and from 18 to 3 per cent in the case of single union voice. Over the same period, however, employer-provided voice, based on consultation and participation which is not intermediated through the union, has more than doubled, climbing from 25 to 58 per cent of all workplaces. Employer-provided voice is therefore no longer a niche, but a majority. The authors show that union voice is more present among more established workplaces, and that newly established workplaces adopt other non-union-based models of voice. Research strongly suggests that union-supported voice is more effective than the alternatives, particularly under circumstances of

business adversity, when it is most needed. Moreover, where there is no on-site union representation, workers often have no choice but to accept what is available to them. Often, it is the employer who chooses for them, the only alternative being to quit the firm or the job.

Voice mechanisms provided by the employer and filling in for absent, weakened or de-recognized unions are directed at workers with more or less permanent jobs in 'regular' workplaces. Worker centers and community-based organizations are directed at workers without regular workplaces. Their support comes, if not from the unions, from human rights activists and labour advocates. Worker centers in the United States typically represent low-wage and immigrant workers in industries or occupations where unions are absent and under United States law prevented from collective bargaining (Fine, 2006; Rosenfeld, 2014). Fine has questioned the sustainability of worker centers given their limited geographies, fragmentation and small memberships. After initially being rather skeptical about their durability and reach, more recently she has observed an evolution in perspective, noting the increased collaboration between worker centers and labour unions (Fine, 2011). Temporary workers' alliances and community-based unions have also formed in the Republic of Korea and Japan to assist workers, especially women, employed in industries where union organization is absent or weak or where women are or feel excluded from the mainstream enterprise unions. Research demonstrates the important role NGOs play in organizing women in low-skilled and low-wage work and the important function of women-only organizations as an alternative to unions in defending the rights of female workers (Broadbent and Ford, 2008). Crinis (2008) notes that as a result of the lack of union activity to protect women workers in Malaysia, women unionists have joined forces with NGOs to raise community awareness about women's labour rights, domestic violence and sexual harassment.

Industrial cleaning is one of the sectors that have gained visibility in recent Living Wage campaigns. Emerging in the 2000s, the British Living Wage campaign aimed to change customer behaviors, introduced sustainable working practices and embraced CSR within supply chains. By bringing together community groups and trade unions, the campaign initially focused on cleaning workers contracted to the large companies based in London's financial district. Following a number of successes, in which targeted employers committed to paying contracted cleaners a voluntary living wage above the national mandatory minimum, the campaign spread across London and other cities. There are similar examples of Living Wage campaigns in various cities in the United States.²⁷

Such community initiatives offer a substitute for unions. They are particularly relevant for the organization of informal workers, like street vendors and waste pickers in Ghana, India, Peru and Thailand, as discussed in the comparative study of Chen, Madhaw and Sankaran (2014). The critical issue is whether such initiatives can turn into permanent organizations with the power to negotiate and enforce agreements with local or national authorities and, possibly, employers. Here, the experience, skills and professionalism of trade unions may still be in demand. Holgate's (2015) work on community unionism is particularly significant in this regard, as she shows how unions in some big cities have tried to shift the locus of their activity from the workplace to the local community and have started to participate in and help sustain citywide coalitions in London, Sydney and Toronto. Along this route there has been a dual expansion of the union, extending organization from the workplace to the community and extending the focus of union activity from employment rights to citizen rights.

Identification of the differential capacities of social movements and trade unions has been the focus of recent work by Heckscher and McCarthy (2014). They argue that traditional forms of labour solidarity are in decline and being replaced by single-issue protests and movements like Occupy, the Mozilla movement for a free Internet or student campaigns for labour standards. The 'collaborative solidarity' that lies at the heart of these movements is based on 'weak ties', often established via internet platforms, and relies on shared values and empathy rather than the common experience of work and membership that characterized the trade union. Fragile ties of this kind can nevertheless support collective action, which takes the form of 'swarming': multiple actions organized independently by groups of movement supporters in pursuit of a common goal and perhaps making use of common resources made available

through an Internet platform. Collective action of this kind, according to Heckscher and McCarthy, is the promise of the future, attuned to the Internet age, and they suggest that the future of the labor movement depends on its ability to learn from these examples and embrace the seemingly weak, collaborative solidarity on which they were built. Surely, social media and information and communication technologies can become a tool for workers to share experiences and express voice in the absence of trade unions and build 'online communities' even within the workplace. These methods can fill a void where there are no recognized or visible unions or where workers are scattered across different geographies, occupations and platforms. Bryson et al. (2017) give the example of OUR.Walmart, in which a small group created a Facebook-based strategy and app for campaigning within this notorious anti-union company with 1.5 million employees.

Unions, rather than being replaced by non-member organizations, may themselves turn into something resembling action or lobby groups or community organizations, engaging in public protests, legal and political campaigning and other forms of pressure politics that do not rely on collective bargaining or the capacity to organize and sustain a strike. There are examples of this kind of change or innovation in Slovakia and other Central and Eastern European (CEE) countries where union density rates have continuously decreased and unions' only remaining strength is in the declining public sector. Rather than being pushed out by civil rights organizations, unions join or take over what they cannot beat. Interestingly, this 'innovation', which is based on the idea that 'membership' is no longer a core resource, has brought increased focus – in political and social campaigning but not in collective bargaining – on the problems expressed by or attributed to vulnerable and precarious workers (Bernaciak and Kahancová, 2017). Another feature is that union activities become more organized as campaigns or projects, similar to 'union organizing' but without the explicit aim of recruiting members. This has made these unions, like many unions in developing countries, which focus on the plight of informal workers, more dependent on outside funding from NGOs, international organizations, development aid programs of richer countries and trade unions and international union federations.

4 / Revitalization

The final and fourth scenario for the future is that the trade unions regain their vitality and youthfulness, find ways to expand beyond their current membership base and succeed in organizing parts of the 'new unstable workforce' in the digital economy. I have presented some evidence for this: unions or union-like organizations that have started to make inroads into the informal economies of Africa, Asia and Latin America and unions in developed countries which are inventing smart ways to use the Web as a tool to communicate with and organize platform workers and extend membership to 'own-account' workers in both the traditional and digital economy.

Optimism about the unions' future can also come from the increased diversity of union membership, the tremendous progress made by women in the unions, the rising level of education of union members and, not least, the new energy that has been injected into the unions by many organizing campaigns and union renewal initiatives since 2000. Today, more union leaders see the urgency of renewal. Innovation is also a matter of resource crossover within the union movement. Unionization among employees and professionals in public administration, social insurance, education and health services is still high in many of the countries where private sector unionization is at an all-time low. This raises the issue of how to best spend and share these resources.

Getting more young people into the unions is key to any strategy of union renewal. Revitalisation requires that, as a minimum, unions must aim the double the current union density rate of young people, until the age of 30, raising the average from the present 11 to 22 percent. There may be several ways to achieve this. Union recruitment in an early stage, in vocational schools and at universities, and during the transition from school to work, requires that unions introduce special membership programs,



with reduced dues and targeted benefits that help young people at this stage of their live. It inevitably requires that unions shift some of their resources, benefits and policies from older to younger workers. Leadership change is an aspect of this, but surely it would help to see more young people in the top leadership of the unions and confederations. The Italian General Confederation of Trade Unions (CGIL) has made a start with setting a quota of 20 percent for workers under the age of 30 years for elected union officials. Similar but much higher quota in the case of women have worked to bring more women in union leadership positions and it is plausible that together with a change in policies this has made the unions more attractive for women.

Trade unions often enjoy support from society at large, far beyond their declining membership share. The importance of unions' image in society is not to be underestimated. Two opposing examples, one from India's IT sector, the other from Germany's car industry, illustrate this. Noronha and D'Cruz (2017) claim that "over the years, Indian trade unions have acquired an unfavorable perception of behaving irresponsibly, catering to vested interests, adopting disruptive tactics, neglecting the concerns of members and ignoring the welfare of society at large". They show that this negative image is used by employers in the IT industry to prevent or disrupt organizing efforts by portraying the trade unions as backward, unhelpful, irrelevant or dangerous. Consequently, organizing attempts among IT professionals must avoid all association and contact with the unions to be even halfway successful. Successful organizing must stress the professionalism and competencies of unions as skillful negotiators. The German example refers to the use by IG Metall of opportunities offered by the 2008 financial crisis. At the time, the union proposed and successfully negotiated a car-wrecking and short-time working scheme that kept the car industry afloat and skilled workers in their jobs. This feat, which was widely advertised in the media, added influence and prestige to the union's undeniable power and helped to improve not only the union's standing in society but also its membership statistics (Schmalz and Thiel, 2017).

Frangi, Koos and Hadziabdic (2016) show that a considerable part of European public opinion considers trade unions as a relevant social institution and that this has remained true over time despite declining union density levels. Moreover, a rather high level of 'confidence in the unions' is expressed by social groups that are particularly vulnerable: people with low income, younger people and migrants – groups who themselves are under-represented in trade unions as well as in politics and most other societal organizations and institutions. In October 2015 when the Australian Bureau of Statistics announced that union membership had fallen to just 14.4 per cent of all employees, its lowest level in 25 years, the country's main polling company released figures showing that 62 per cent of Australians believe unions are important and that this belief has actually grown since 2012. Only 21 per cent of those polled believed that unions were not very important, down from 27 per cent in 2012. Even more at odds with the low density figure is that 45 per cent of Australians believed that workers would be better off if the unions were stronger.²⁸ In short, it appears that there is still a large ideational and social space for the trade unions.

Union revitalization does not mean a return to the past, either in its forms or numbers. Revitalization means doing things differently with less. What needs to be done differently, most likely, is membership itself and what it implies in terms of commitments, rights and obligations. Membership will probably be more fragile and temporary and less based on a permanent and 'open-ended' commitment, much like the changes in today's employment relationships. Especially for the current and next generation of young people entering the labour market, engagement with the unions might involve new, Internet-based forms of engagement including crowd financing and small fees for specific projects, voting rights in union elections, collective agreement ballots, social pacts and striking. All of this requires new thinking and experimenting, especially in connection with what must remain the core business of unions: organizing and expressing solidarity among workers in pursuit of negotiating agreements that bind employers and governments. Collective bargaining presupposes the capacity to call strikes and commit one's constituency to the results – whether both are possible with looser, less binding forms of membership is a big open question that also has legal ramifications.

Lastly, revitalization involves cooperation and alliances with other social organizations and social forces. The success stories told in a recent collection by Germany's FES – of Ugandan transport workers, Kenyan security guards, Nigerian textile workers, Indian street vendors and South Korean cleaners – show how workers in non-standard forms of employment eschewed traditional forms of trade unionism and created new coalitions or hybrid organizations in which a crossover from the informal to the formal sector, and vice versa, was possible. Organizational flexibility combined with a more inclusive understanding of solidarity and of who is a worker enabled unions to approach workers in informal arrangements and come up with innovative ways of collaboration and interest representation (Herberg, 2018). There are other encouraging examples of revitalization from developing countries: how unions take on multinational companies using IFAs, preferential trade agreements or monitoring mechanisms from international institutions like the ILO or the OECD; how they have been building political and social alliances for the defense of democracy, civil rights, and health provisions (Karreth, 2018), and how they have brought more diversity and more attention to minority rights into their ranks and into their policies.

Conclusion

Each of the four futures painted in the preceding pages is possible, but which one is most likely? Maybe the answer depends on where in the world you are and there is no universal, let alone exact answer. Marginalization is most likely where decline and ageing have reached extremes and where unions lack the backing of legal and social institutions and are confronted with a political and social climate of hostility or indifference (parts of Central and Eastern Europe and the United States). Dualism is a possibility both in developing countries, unless a bridge is built to encourage self-organizing among informal workers, and in developed economies if unions remain locked up in their present stronghold in public services, large firms and a handful of manufacturing sectors. Substitution will spread where there are latent needs for representation and voice, but no unions to provide (British or American workplaces, The new platform economy, Own-account workers in the informal sector in South Asia and Central America). Revitalization is happening everywhere, but its success will depend on whether unions have enough resources to ensure its endurance, connect with young people and find effective ways to build coalitions with other organizations and movements.

The main point I want to stress is that the four futures of trade unions are happening at the same time, sometimes in the same countries but in different sectors (public/private; industry/services; employees/ self-employed; alt-economy/platform work), with particular combinations: dualism as a holdout against marginalization; substitution as a source and inspiration for revitalization; revitalization as the 'opening up' of dualist practices. The bottom line for trade unions and union leaders is that adding new members, both in the old and in the new economy, has become more difficult than maintaining existing ties and that adding new members or creating some other form of engagement involves doing things differently, albeit for the same old purpose: organizing and expressing solidarity among workers. It is the means that need to change, not the objectives.

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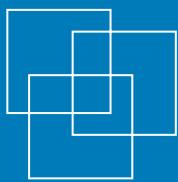
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Endnotes

- 1 https://www.ilo.org/ilc/ILCSessions/previous-sessions/104/WCMS_375766/lang--en/index.htm; https://www.ilo.org/ilc/ILCSessions/previous-sessions/104/reports/reports-to-the-conference/WCMS_369026/lang--en/index.htm
- 2 <https://www.ilo.org/global/topics/future-of-work/lang--en/index.htm>
- 3 https://www.ilo.org/ilc/ILCSessions/108/committees/committee-of-the-whole/WCMS_711674/lang--en/index.htm
- 4 Jelle Visser; Amsterdam Institute for Advanced Labour Studies (AIAS), University of Amsterdam; Bremen International Graduate School for the Social Sciences (BIGSSS), University of Bremen (Jelle.Visser@uva.nl). The initial push to write this paper came from Susan Hayter (DDG/P ILO) and I thank her for her inspiration and the trust she placed in me. Special gratitude goes towards Maria Helena André (ACTRAV ILO) who has made this research project possible. Rafael Peels (ACTRAV ILO) has been a most competent and enthusiastic guide keeping the project of researching and writing this paper on track, and giving many valuable comments. My gratitude extends to Alex Bryson, Rafael Gomez, Anke Hassel, Richard Hyman, Mara Kahancová, Anders Kjellberg, Marcel van der Linden, Paul de Beer, Valeria Pulignano; Miroslav Stojanović, and Kurt Vandaele for their willingness to read the draft version of this paper and give valuable comments and suggestions for its improvement. I thank Philippe Pochet of the European Trade Union Institute (ETUI) for organizing a seminar to discuss the paper with trade union representatives, among them Rudy de Leeuw, president of the European Trade Union Confederation (ETUC) and Oliver Roethig, regional secretary of UNI-Europe. Responsibility for the final text, its judgments and its errors lies solely with the author.
- 5 ILO, 2015a, *The Future of Work Centenary Initiative*, Report by the Director-General, Geneva: ILO, point 9. See also: <https://www.ilo.org/global/topics/future-of-work/lang--en/index.htm>
- 6 ETUC website, https://www.ituc-csi.org/IMG/pdf/18_02_02_list_of_affiliates_17th_gc.pdf (accessed 11/11/2018). The list of affiliates dates from November 2017.
- 7 In the next paragraphs I have drawn inspiration from chapter 7 ("The Future of Work: Good Jobs for All") of IPSP (2018), *Rethinking Society for the 21st Century*. Report of the International Panel on Social Progress, Cambridge University Press, 2018, vol. 1.
- 8 The informal sector refers to production units, informal employment refers to jobs. Unpaid family workers over the age of 15 are always counted as informal. In the case of own-account workers and employers, the informal employment status of the job is determined by the formal or informal nature of the enterprise. Employees are considered working informally if the job is in the informal sector, or, when in the formal sector, it is not declared, casual, of short duration and below the threshold for social security contributions (ILO, 2018a:18-19).
- 9 The data dates from 2017 or the most recent year and covers 150 countries recorded in ILOSTAT (www.ilo.org/ilostat/irdata), with additional data on membership composition and group union density rates from the ICTWSS Database, 6.0 (<http://uva-aias.net/en/ictwss>). These statistics cover more than 90 per cent of the world's population with a fair distribution over world regions and income levels. Omitted are countries plagued by (civil) war or catastrophic events, among them Afghanistan, Iraq, Syria, Yemen, Libya, Chad, Somalia, Sudan, South Sudan, Central African Republic, Congo, the Democratic Republic of Congo, and Haiti, while there is no data for North Korea, Bhutan, Turkmenistan, Tajikistan, Uzbekistan, Qatar, Jamaica or Puerto Rico. Trade unions are banned in Iran, Saudi Arabia and the United Arab Emirates. The membership statistics refer to those in employment (in some cases also the unemployed) and they exclude pensioners and members who have retired from the labour market but retained their union membership (e.g., some 12 million in Western European unions).

- 10 The reason for not including these unions is that they are not independent from state or party, that workers cannot freely choose which union to join, and that it is difficult to verify the membership numbers. The 303 million members claimed by the All-China Federation of Trade Unions (ACFTU) would, if correct, make up 58 per cent of the world's total union membership. In recent times, China's unions, while being sharply criticized for not genuinely representing workers, have increasingly adopted a role of intermediating between workers' protests and management or local authorities (Chen, 2009; Friedman and Kuruvilla, 2014; Liu, 2019; 2014; Taylor and Li, 2010; China Labour Bulletin, <http://www.clb.org.hk/>).
- 11 Total employment statistics include employees, self-employed and own-account workers, unpaid family workers and, alas, employers. A narrower calculation – without employers and without agriculture – would have been preferable but is not available for many countries and thus does not allow a comparison across world regions. Hence, we will make do with this less precise, but generally available yardstick.
- 12 The Trade Union Law stipulates that enterprises in which a trade union has been established must contribute two per cent of their monthly payroll to union funds. Worker contributions are limited; <https://www.clb.org.hk/sites/default/files/工人运动三年报告%202015-17%20final.pdf>
- 13 In Italy, the only developed country with a high share of unionized workers (and tenant farmers), the union density rate is close to 100 per cent, with the unions fulfilling some of the insurance and administrative functions of the state.
- 14 Israel appears to be the exception, with higher union density rates in commercial services.
- 15 Unfortunately, I have no later data.
- 16 This is an approximation, and the average entry and exit age is probably later for professionals and those with an academic degree than in the case of workers.
- 17 In calculating this average and facilitating comparison with earlier years, I have omitted the extreme values for the Baltic States (where there are virtually no union members under the age of 25).
- 18 By 2006, 130 countries had established over 3,500 EPZs within their borders, with an estimated 66 million workers (Murray, 2018). The largest of these were in China, Indonesia, and Bangladesh.
- 19 In most countries where a comparison with a household survey based on much larger samples can be made, the ESS estimates much lower density rates. I have adjusted the ESS data to the known average density rates (see also OECD 2017 for this procedure followed for other compositional union membership data).
- 20 Union organizing of non-standard workers is not exogenous to the development of non-standard employment. Elsewhere I have shown this. For example, in the Netherlands, Dutch women working part-time have organized to make part-time work more attractive in terms of labour rights and work-family balance, thus making part-time work the 'norm' or 'standard' for many if not most women with children (Visser, 2001). This is not to deny the continuing disadvantages of part-time work in terms of career and financial independence.
- 21 'Ryanair turns Polish pilots into precarious workers', *Financial Times*, 1-11-2018.
- 22 https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204.
- 23 <https://www.ilo.org/global/topics/non-standard-employment/crowd-work/lang--en/index.htm>
- 24 Sarah O'Connor, 'How to manage the gig economy's growing jobs market', *Financial Times*, 30-10-2018.
- 25 For the most recent ILO resolution on the indicator, of October 2018: https://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/20/WCMS_648636/lang--en/index.htm
- 26 https://www.ilo.org/beirut/events/WCMS_535008/lang--en/index.htm
- 27 See <https://www.ituc-csi.org/wagescampaign> for the ongoing ITUC living wage campaign.
- 28 *The Guardian*, 27-10-2015.



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