

SECTORAL ACTIVITIES PROGRAMME

Working Paper

Sectoral trends: A survey

by

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Working papers are preliminary documents circulated
to stimulate discussion and obtain comments

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Preface

The Sectoral Activities Programme of the ILO provides a dynamic setting for the ILO's constituents to engage in dialogue on labour and social problems in particular economic sectors and occupations and to prepare solutions to these problems. The setting is dynamic because of the ways in which the labour and social conditions in various sectors and occupations have changed over the years, and because of the ways in which the sectoral and occupational composition of work has changed. It is not surprising, therefore, that the ILO's programme itself has been subjected to almost continuous reform efforts. Only through continuous reform can the programme effectively respond to the continuously changing economic sectors and occupations that it is expected to serve.

Almost from the inception of sector-specific activities, the constituents have sought to make the ILO's sectoral activities more relevant, effective and efficient.¹ In 1994, the Committee on Sectoral and Technical Meetings and Related Issues (the STM Committee) once again suggested that the programme needed to be "more effective", "more relevant to member States" and "more efficient in terms of time, cost and procedure".² The Committee established a special task force and, to assist the review, the Office commissioned a working paper on sectoral trends in world employment.³

As a result of the review exercise, the Committee adopted a substantial set of reforms in 1995 that were more far-reaching than any other previous effort.⁴ Many of the changes that were approved and subsequently implemented have been well-received by the Committee, but it agreed that more could still be done.⁵ In addition, the Committee recognized the need to review the programme "within the context of the new strategic policy framework of the Organization ... namely: the Decent Work Agenda and its implementation via the ILO's strategic and operational objectives and through its strategic

¹ A comprehensive history of the Sectoral Activities Programme by Edward Weisband reports the continuous cycle of dissatisfaction and reform which shows a striking similarity in the nature of the dissatisfaction throughout the existence of sector-specific activities in the ILO. See E. Weisband: "ILO industrial committees and sectoral activities: An institutional history". Working Paper for the Sectoral Activities Programme (Geneva, ILO, 1996).

² GB.259/STM/1/4, Mar. 1994, 259th Session, para. 20.

³ J. Wieczorek: "Sectoral trends in world employment", Working paper for the Sectoral Activities Programme (Geneva, ILO, 1995).

⁴ GB.262/STM/1, Mar. 1995.

⁵ This most recent review process started with a report to the Committee on Sectoral and Technical Meetings and Related Issues of the Governing Body in March 2000. See "Review of the Sectoral Activities Programme", GB.277/STM/1, Mar. 2000; and "Report of the Committee on Sectoral and Technical Meetings and Related Issues", GB.277/14, Mar. 2000. The Committee requested a further paper for November 2000, but the Office proposed a process of informal consultations that continued through the March and June 2001 sessions of the Governing Body and resulted in a paper identifying options for promoting the Decent Work Agenda in November 2001. GB.279/STM/1 and GB.279/14, Nov. 2000; GB.280/15, Mar. 2001 and GB.282/STM/1, Nov. 2001. In November 2001, the Committee recommended that the Governing Body agree to set up a special task force to review how the Sectoral Activities Programme might be more effectively integrated into the Decent Work Agenda and the reorientation of the Office around the four strategic objectives. "Report of the Committee on Sectoral and Technical Meetings and Related Issues", GB.282/10, Nov. 2001.

budgeting process”.⁶ To that end, the ILO’s Governing Body approved the creation of a small working party to “consider the issues related to the review of sectoral activities”.⁷ The outcome of the working party’s deliberations and subsequent consultations with the ILO’s constituents resulted in a paper being prepared of the Governing Body at its March 2003 Sitting. The paper made a number of proposals that would bring greater flexibility and impact to the Sectoral activities Programme. At the time of writing, this paper had still to be considered.

One aspect of the 1995 reforms that dominated the deliberations of the STM Committee and that has not been revisited is the sectoral composition of the programme. The Committee went through a difficult process of negotiation to reach agreement on the 22 sectors that are currently in place in the programme and articulated a set of criteria for how these 22 sectors were to be justified. These criteria were: (a) the sectoral distribution of world employment, (b) the importance of specific sectors for economic growth, and (c) the salience of their social and labour problems.⁸

The criteria for this sectoral allocation continue to be widely supported, and it is not expected that the Committee would want to revise them. Nor should it necessarily be the case that the 22 sectors should be changed, even using the existing criteria. It was understood, even in 1995, that certain industrial sectors (or sub-sectors) were not covered in this classification. It is also recognized that much of the relevant “official” sectoral data is categorized in ways that may not conform to the 22 sector groupings. At times, it has also been pointed out that the 22 sectors may be too broad, cover too many diverse sub-sectors to be well suited for treatment en masse in a sectoral meeting, or not inclusive of certain key sub-sectors. These issues, however, will continue to be addressed by the constituents and the STM in the light of a more flexible approach.

This paper reviews recent sectoral and inter-sectoral developments with an emphasis on those affecting sectoral concentration and/or leading to sectoral shifts. The objective is to show how the ILO might provide an updated composite picture of the sectoral distribution of employment and the effect of trends on key workplace issues, especially social dialogue. The ILO should be the repository of current information on what these sectoral and inter-sectoral employment trends are because, logically, the world turns to the ILO for information and guidance on the labour market and the Decent Work Agenda.

Within the Sectoral Activities Programme, the focus has been on sector-specific information, primarily through sector-specific reports for the various sectoral meetings, but also through sector-specific working papers and pages on the ILO web site. This sector-specific information could be supplemented with a composite understanding of what is happening in the overall sectoral distribution of employment trends and in their effects on employment conditions and workplace relationships.⁹

⁶ “Review of sectoral activities”, GB.282/STM/1, Nov. 2001, para. 10.

⁷ “Report of the Committee on Sectoral and Technical Meetings and Related Issues”, GB.282/10, Nov. 2001.

⁸ “Evaluation of the Sectoral Activities Programme”, GB.282/STM/1, Mar. 1995. See also “Evaluation of the Sectoral Activities Programme: Progress report”, GB.261/STM/1/8, Nov. 1994 and “Evaluation of the Sectoral Activities Programme”, GB.259/STM/1/4, Mar. 1994.

⁹ Sectoral meetings prior to the 1995 reforms used to receive a separate report updating trends in the specific sector. This is now sometimes included in the thematic report for each meeting, where

This paper provides a preliminary overview of what might be taken into account in developing a composite understanding of sectoral trends and what additional information might be needed for the ILO to be the leading repository of information on sectoral and inter-sectoral trends on employment, working conditions and workplace relationships.

appropriate. For example, see “Labour practices in the footwear, leather, textile and clothing industries”. Report for discussion, 16-20 Oct. 2000.

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Executive summary

The objective of this survey is to provide a preliminary overview of major issues that need to be taken into account for the ILO to be the leading repository of information on sectoral and intersectoral trends in employment, working conditions and workplace relationships, as well as basic workers' rights. The survey includes three main themes. First, there is a review of the recent trends in the sectoral distribution of economic activity and how these trends are affecting the organization of work. This is derived from a sector-by-sector analysis of recent data on employment trends in the 22 sectors of the Sectoral Activities Programme. Second, there is an assessment of the effect these trends have had on the representational strength of workers' and employers' organizations and on collective bargaining systems. Third, there is an overview of how these changes are affecting transnational labour relations at the regional and global levels.

Recent trends

In the review of the sectoral trends in employment, the continuing importance of the shift of employment to the service sectors is the basic starting point. This continuing shift has importance for the ILO's Sectoral Activities Programme for a number of reasons. First, the service sectors are very diverse, with an ever-growing gap between high-skilled high paid workers and low-skilled low paid workers. This is a cause for concern primarily because of the inequities inherent in wide income disparities, but also because the scope of issues affecting these groups is significantly different.

Another concern raised in the report is the changing mix between public sector and private sector services. Privatization and deregulation are contributing to a cutback in public sector employment, while the terms and conditions of employment in the services industries in the private sector would appear to be somewhat more precarious.

The shift in the sectoral distribution of employment to the services sectors is also inter-related with the changes in personnel practices and work organization that are being facilitated by the revolution in information and communications technology. The ICT revolution has made it possible for work to be more individualized and for greater reliance on the skills and judgement of individuals and teams. These changes have contributed to a decentralization of bargaining. They have also influenced the organization of work around core competencies, with enterprises peeling off various supplementary services and functions to external networks and temporary and part-time employment relationships.

At the same time, the ICT revolution has opened up the possibilities for the restructuring and consolidation of enterprises through large mergers and acquisitions. Cross-border M&As have been especially prevalent in the past couple of years. The precariousness of the employment relationship and the productivity enhancing benefits of these restructurings are conflicting elements of these developments. In addition, the blurring of sectoral and geographic lines in these new mega-enterprises is a challenge to a sector-specific and nationally based approach to labour relations.

In developing countries, steady growth in the service sectors is recognized to be the main contributor to economic growth. On the other hand, agriculture continues to be the largest employer in developing countries. Attention is very much needed on how to promote employment growth and decent working conditions in rural sectors. Also, the access to markets for export-oriented agricultural products is a major concern in many developing countries.

The report further notes that the developing countries are also expanding their manufacturing base as a central element of their development strategy. In both developed and developing countries, the dominant sector for employment in manufacturing continues to be the broad fabricated metal products industries. There is also a significant role for employment in the manufacture of chemicals and chemical products. In textiles, apparel and leather products, however, the employment levels are significantly different between developed and developing countries. It is an important source of employment in many developing countries and a declining source of employment in developed countries.

Both agriculture and the manufacture of textiles, apparel and leather products are two important sources of exports for developing countries, and these are priority sectors for trade liberalization from the developing countries' point of view. They are also the main sectors where exploitative working conditions are perceived to be prevalent in developing countries. This perception is influencing representatives of trade unions and others in developed countries to support framework agreements and multi-stakeholder initiatives that promote core labour standards and the improvement of wages and working conditions in developing countries.

In terms of a sectoral overview, finally, it is important to take into account developments in the informal economy. The informal economy is not technically a "sector" for purposes of this study, but it is where a very substantial proportion of the economically active population is found, especially in developing countries. It is unclear the extent to which ISIC-based data, drawn variously from official estimates and labour force and enterprise surveys, actually includes employment data from the informal economy. The agenda of the 2002 ILO Conference included a discussion on how to address the problems of workers in the informal economy more effectively, based on a comprehensive report prepared by the Office on "Voice and Representation". The conclusions of that discussion included recognition of the diversity of sectors in the informal economy and the need to extend or establish social protections to workers in the informal economy.

Representational and bargaining trends

The report proceeds to consider some of the ways that the trends noted above are affecting the representational and bargaining strength of the social partners. Both trade unions and employers' organizations have lost membership strength as a result of these changes. The declining employment in manufacturing and the public sector has contributed to a decline in union density in most countries. The relatively low union density in private service sectors and the difficulties of organizing these workers have been identified as major challenges for revitalizing union strength. Nonetheless, it has been estimated that only about 40 per cent of the decline in union memberships is attributable to these sectoral shifts – which would then suggest that declining membership is a more general problem. Above and beyond the question of whether the declining membership is attributable to declining governmental support for labour-friendly policies, there are a number of internal factors that deserve consideration.

One of the elements of the strategy for strengthening the representational and bargaining capacity of trade unions has been the use of mergers, much like the tool has been used for enterprise restructurings in the business community. Unlike the mergers and acquisitions in business, however, the merger activity among trade unions has been primarily national in focus. Furthermore, many of these mergers are a consolidation of unions in traditionally unionized sectors, without any strengthening of the capacity to reach out to the less unionized sectors. On the other hand, the emergence of some "mega-

mergers” among unions in the services sectors might open up new possibilities for union membership growth.

Many countries do not have a sectorally based structure among trade unions, especially where bargaining has traditionally been at the enterprise level rather than the national level. In some respects, this may serve to position the union movement rather well. Such general-purpose unions might be able to respond more effectively than a sector-specific union to the blurring of sectors in the world of work and to focus on innovative new services to attract workers in the changing work environment. It is clear, furthermore, that one of the factors that needs to be better understood is the changing gender balance in the workforce. At least on the union side, the capacity to attract women members seems to be the key to continued or renewed union strength in the future. The same should apply, albeit under different circumstances, for employers’ organizations.

Employers’ organizations have primarily been responsive to the labour relations environment, rather than proactive. Where sectoral-level bargaining has developed, the employers’ organizations have responded with sectoral-level organizations as well. But the dominant pattern has been for employers’ organizations to function as general purpose, multi-sectoral organizations at the national level. In either case, however, membership in these organizations has been declining, in part because of the trend towards bargaining at the enterprise level. Also, the broadening of the national dialogue on socio-economic policies has occurred at the same time as many employers’ organizations have, themselves, been merged into multipurpose business federations at the national level.

The changing nature and organization of work suggests that more needs to be done than just a change in union or employer strategies. There appears to be a contradiction between a growing reliance on “knowledge” workers and the fluidity of the employment relationship. Perhaps there is a need for a comprehensive revision of labour relations systems in general, as some scholars and practitioners are suggesting.

Transnational trends in sectoral labour relations

The evolution of transnational labour relations reflects the multiple ways in which trade unions and employers’ organizations are adapting to the opening up of national economies to transnational economic activity.

The most striking point at the regional level is that the new relationships tend to reflect the sectoral employment trends in each particular region. This is especially true in the European Union, but elements of similar sectoral variations can be seen in other regions as well. Of course, there usually is a broad cross-sectoral structure at the regional level, with either a tripartite or a bipartite body that integrates the general-purpose national employers’ and workers’ organizations into regional federations. Sectoral initiatives usually supplement this broader dialogue. Sectoral initiatives are also limited by strong national and confederation structures, especially in the traditionally well-organized sectors. Thus, there is far more interaction at the regional level in the newer service sectors than in the traditional manufacturing sectors.

The impetus for transnational dialogue is the heightened global awareness about the promotion of basic workers’ rights and decent terms and conditions of work. At one level, this has contributed to the negotiation of framework agreements between certain global union federations (GUFs) and individual multinational enterprises. At another level, it has served to mobilize a number of multi-stakeholder initiatives in which the GUF is a party,

along with other NGOs and a loose coalition of companies. Both kinds of approaches are prevalent in the agricultural and textile, apparel and footwear sectors, but also in forestry and wood products. Few of these agreements, however, would appear to be setting the foundation for broadened collective bargaining as such at the global level.

A small but growing number of framework agreements are targeted to protecting the rights of workers who are themselves affiliated with the GUF. Where this is happening, the likelihood for a broadening of the dialogue to encompass some forms of actual bargaining would seem to be enhanced by the successful implementation of these agreements. Several of the GUFs, as well as the ICFTU itself, have also participated in the UN's Global Compact, a multi-stakeholder initiative with the potential for providing broadened opportunities for dialogue, although not, certainly, for actual bargaining. UNI and ICEM have been the most active on this front.

Other GUFs have established global "company councils" to provide an avenue for intra-union dialogue across the countries where these companies are operating. These councils facilitate coordination among the national affiliates of the GUF but aren't necessarily oriented to advocating a framework agreement with the company itself. A couple of framework agreements have recently been signed with global transport manufacturing companies, but they do not provide for collective bargaining at the global level as such. In this regard, the ITF's experience with global collective bargaining in the maritime industry seems to be a unique phenomenon.

Conclusions

The paper draws a number of conclusions for each of these three themes to highlight the importance of comparative sectoral trend information and the relevance of changes in the organization of work on labour relations, on representational and bargaining strength, and on the emerging dialogue on labour issues at the global and regional levels. The ILO Sectoral Activities Programme is well positioned to enhance its information base and technical and advisory services on issues related to these three themes. To advance this objective, a list of recommended action items is offered at the end of the paper.

1. Introduction

A review of current and projected world population estimates puts immediately into perspective a discussion of employment trends by country and type of economic activity. The world's population increased 65 per cent between 1970 and 2000, adding some 2.2 billion people; and the economically active population, now just under half of the world's total population, increased by over 1.3 billion people over the same 30-year period, according to estimates published by the International Labour Organization. The 1.3 billion people added to the world's labour force represent 44 per cent of the current labour pool, which at the turn of the century reached 3 billion people, or 21.5 per cent of the world's total population of 6.09 billion people.

These estimates, shown in chart 1 and summarized in table 1, attest to the enormity of world employment issues. The overall activity rate for all persons had actually declined between 1950 and 1970, but has risen steadily since then. However, the activity rates for persons less than 25 years old and over 50 years old have continued to decline, while the activity rate for persons between 25 and 50 years old has been steadily increasing. Although men still dominate the economically active population, accounting for 59.3 per cent in 2000, women have been entering the workforce at a much faster rate than men. Over the last 30 years the activity rate for women increased 6.1 points, while that for men increased only 2.9 points. These numbers suggest that the labour force has become more gender balanced, and dominated more and more by persons between the ages of 25 and 50. It is also interesting to note that the less developed region has a growing majority of the world's total economically active population. The jobs filled by these workers are, of course, foremost in the industries that are already more prevalent in the less developed regions, and compellingly, in those that have been expanding most rapidly.

Chart 1. Economically active population, 1950-2010

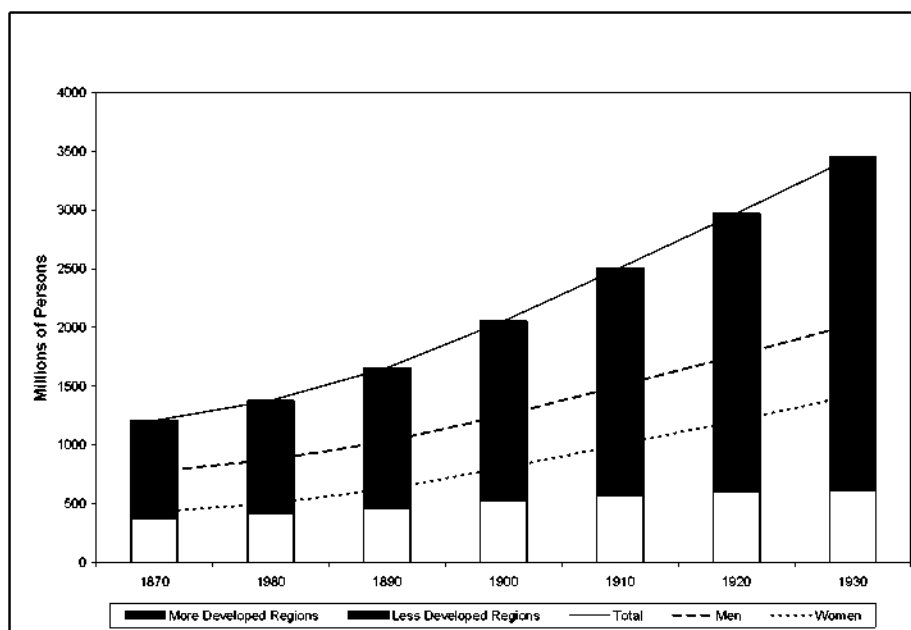


Table 1. Historical and projected estimates of total and economically active population and activity rates for selected age groups, selected years 1970-2010

	1970	1980	1990	2000	2010
World					
Population (billions)	3.70	4.45	5.28	6.09	6.89
Economically active population (billions)	1.66	2.05	2.73	2.97	3.45
Men	1.03	1.25	1.50	1.76	2.03
Women	.63	.80	1.00	1.21	1.42
Activity rates (per cent)	44.7	46.2	47.4	48.8	50.0
15-19	57.7	55.5	50.2	45.2	41.4
35-39	79.5	81.0	83.5	84.7	85.9
55-59	63.0	62.4	63.4	63.3	62.6
All men	55.5	55.9	56.6	57.4	58.4
All women	33.9	36.4	38.2	40.0	41.5
More developed regions					
Population	1.01	1.08	1.15	1.19	1.21
Economically active population	.46	.52	.57	.60	.61
Activity rates	45.9	48.3	49.3	50.5	50.8
15-19	45.1	40.2	34.0	30.1	27.1
35-39	78.7	82.2	86.4	88.6	90.6
55-59	59.9	59.4	58.8	59.3	58.0
Less developed regions					
Population	2.69	3.36	4.13	4.90	5.68
Economically active population	1.19	1.53	1.94	2.37	2.84
Activity rates	44.3	45.5	46.9	48.3	49.9
15-19	61.6	58.7	53.3	47.7	43.4
35-39	79.8	80.5	82.6	83.6	85.0
55-59	65.1	64.2	65.6	65.1	64.3

Source: ILO *Yearbook of Labour Statistics*, 2000.

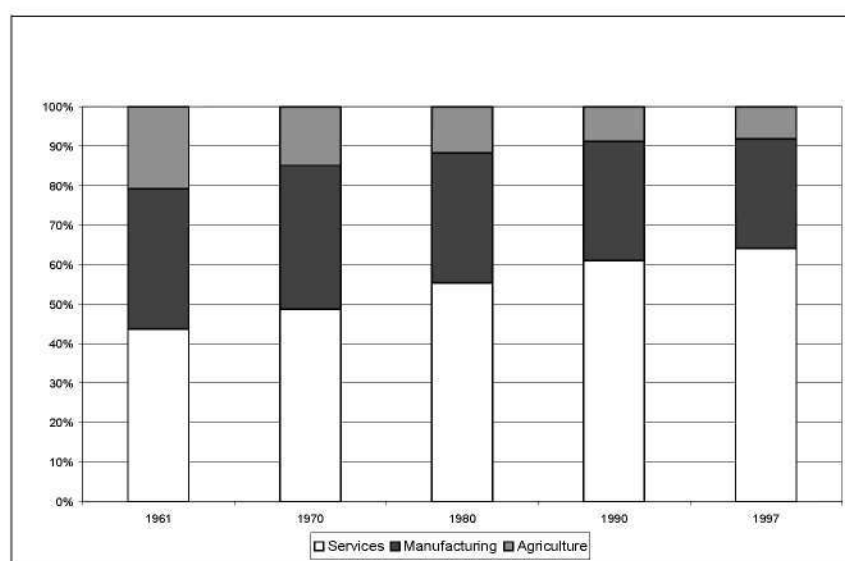
The implications of the changing dynamics within the world's workforce are far-reaching. Generally, the statistics shown in table 1 tell us that we have today, compared to yesterday, and will have tomorrow, compared to today:

- More people
- More workers
- Proportionately fewer non-workers in the total population
- Proportionately more women in the workforce
- Proportionately fewer children in the workforce
- Proportionately fewer older people in the workforce
- Proportionately more workers in less developed regions

All of this has a broad set of implications for the Decent Work Agenda – for the work-leisure (or, at least, non-work) trade off, for shorter work weeks, more precarious employment, more underemployment, earlier retirement, more breaks from work – raising more questions as to the working time dimension of economically active population statistics. There are also interesting implications in the trends toward proportionately fewer non-workers in the total population, coupled with proportionately fewer children and fewer older people in the workforce. And these trends also mean that the participation rates for individuals in the 25 to 50 age group, and particularly of women in this age group, have been rising at comparatively more rapid rates, and are more than compensating for the declines in the youth and older-age activity rates. What do these trends mean for the distribution of workers across industry groups? How has the gender mix changed within individual industries, particularly those with a preponderance of traditionally male jobs versus female jobs and vice-versa?

At the global, aggregate industry level, the steady redistribution of employment from agriculture into services has been widely recognized and is vividly displayed in Chart 2, which shows data for OECD member countries. The shift to services is an overriding theme of the presentation that follows, recognizing the important role of the agriculture sector for employment, particularly in developing countries and the need to provide jobs for a rapidly expanding labour force.

Chart 2. Distribution of employment by broad industry group, OECD member countries



This report can only begin to touch on the broader issues and the questions raised by the aggregate data, and indeed on the more detailed data presented in the sector-by-sector analysis that follows. The data are not disaggregated by gender or age, and consequently, the focus of the discussion that follows is on a few general trends, supplemented by an industry-by-industry analysis, by country and region, and across time. The general trends are addressed in the body of the report and are based on the more specific analysis of employment trends within the context of the 22 sector groups defined by the ILO Sectoral Activities Programme that appears in Appendix A.

The sectoral trends

The study is structured around three themes. First, there is a discussion of certain key trends in the sectoral distribution of economic activity and how they are affecting the organization of work. These trends include the transformations underway as a result of the overall redistribution of jobs between agriculture, manufacturing and services, and of the globalization of economic activities. The significance of economic growth being driven by service-related activities is the starting point for this analysis, and the ramifications of this observation for the ILO and its constituents are then addressed. This includes the ways in which the dramatic changes in information and communications technology are affecting sectoral labour trends and the organization of work. Special attention is given to the phenomenal growth in mergers and acquisitions and their effect on sectoral trends.

This is followed by a discussion of some of the more significant trends in the sectors encompassing primary and secondary activities. The striking variation in agricultural employment between developed and developing countries is highlighted here, as well as the differing growth patterns between developed and developing countries in manufacturing employment. Finally in this section, a short comment is made about the informal sector and its sectoral dimensions.

Representational and organizational trends

Following this extensive discussion of sectoral trends, the second theme of this study addresses certain trends in sectoral labour relations involving the representational strength and changing structures of workers' and employers' organizations and of collective bargaining systems. As noted in the ILO's *World Labour Report* of 1997-98, there has been an overall global decline in the representational strength of both workers' and employers' organizations, with certain exceptions in specific countries, along with a considerable downward pressure in many countries to decentralized bargaining.¹ These trends are especially pronounced in the newly emerging service sectors and are widely interpreted to mean a weakening of the "labour movement". An overview of these trends is presented, as well as some of the ways in which trade unions and employers' organizations are being affected by these trends. Merger activity, gender concerns and new directions for adapting to these trends are also discussed.

¹ ILO: *World Labour Report, 1997-98: Industrial relations, democracy and social stability* (Geneva, 1997).

Regional and global trends

A third part of this study is a preliminary look at how sectoral and organizational trends are affecting transnational labour relations. The study notes that regional developments in transnational dialogue are being influenced by sectoral trends, although there is also an important multi-sectoral component to this regional activity. This is very much the case in the European Union where one finds a great deal of sector-specific dialogue at the same time as the dominant negotiating parties are the multi-sectoral entities. These EU developments are discussed in some detail. In other regions, one can also discern the early stages of the articulation of sectorally oriented interests. An illustrative overview includes a look at regional developments in NAFTA, ASEAN, MERCOSUR and SADC.

At the global level, the impact of globalization is being felt in several sectors where specific labour issues have become highly visible. The globalization of the economy has increased the accountability and transparency of compliance with basic labour standards by enterprises, especially by multinational enterprises, such that one might suggest that a respect for basic workers' rights has actually grown in recent years. This has in part been the result of a dialogue initiated by the sectorally focused global union federations (the sectoral "GUFs") with specific multinational enterprises, and the section includes a summary of the framework agreements emanating from this dialogue. Diverse stakeholders other than those directly associated with the worker/employer relationship have also stimulated the transnational dialogue. These include consumer groups, human rights groups, media, and even the enterprises involved in global supply chains. The ways in which both workers' and employers' organizations have been networking with these various stakeholders, as well as with each other, are notable elements of recent sectoral trends. Several multi-stakeholder initiatives are identified in this section, including the interesting example of the Global Compact.

2. Trends affecting the sectoral distribution of economic activity and work organization

Certain major trends are affecting the sectoral distribution of economic activity, but they are also affecting the way in which enterprises are being restructured and the ways that jobs are being redefined within enterprises. In particular, the overall phenomenon of the proportionately greater growth of jobs in the service sectors over manufacturing and agriculture has been noted for decades,¹ and this phenomenon is an essential starting point for any analysis of sectoral trends.

The ways in which this growth has affected enterprises and jobs in the service sectors are quite significant. Furthermore, as information and communication technology has facilitated the expansion of trade, foreign investment and capital flows, thereby creating global markets, the same technology has influenced the organization of work more generally, not only affecting how work is organized in the service sectors but affecting almost all sectors in all regions in dramatic ways. Nonetheless, there are notable regional variations in the inter-sectoral distribution of employment that should also be taken into account, especially with regard to the importance of agriculture and certain manufacturing sectors for developing countries. Thus, both general and regional trends are discussed in this section.

(a) The growth in the services sectors

In developed countries, the service sectors contribute close to 60 to 70 per cent of both GDP and jobs.² And in developing countries, they are now the largest contributor to economic growth and formal sector employment growth.³ Thus, the importance of growth in the service sectors is central to the analysis of sectoral and inter-sectoral trends, especially because of the differences in labour relations and representational strength that are evident between the manufacturing and services sectors.

The general category of “services”, however, is a diverse array of specific service sectors, encompassing both public and private services, as well as such varied sectoral classifications as education, health services, financial and professional services, commerce, transport, telecommunications, utilities, catering services, janitorial services, etc. New types of services have also emerged – in electronics and computer services, mobile telephony, electronic commerce, etc. In 1968, there were six major non-manufacturing divisions for ISIC (Revision 2) categories, whereas in the later Revision 3, there are now 12 such categories. This in itself reflects the increasing importance of services in the overall economy, as is portrayed in Charts 3 and 4. Some of the significant developments reflected in the change from Revision 2 (shown in Chart 3) to Revision 3 (shown in Chart 4) are the separation of hotels and restaurants from wholesale and retail trade, the separation of real estate, renting and business activities from financial

¹ These basic trends are well documented in Wieczorek (1995). In fact, he points out that services have long been the engine of economic growth, even in the early years of the twentieth century. *idem*, p. 16.

² These data are derived from ILO: *Key Indicators of the Labour Market 1999* (Geneva, 1999).

³ *idem*.

intermediation, and the distinction between health and social work, on the one hand, and other community and personal services on the other.

Chart 3: Distribution of Employment by Type of Activity, 9 Developed Countries, 1995
(Revision 2 data; Source: ILO LABORSTA database)

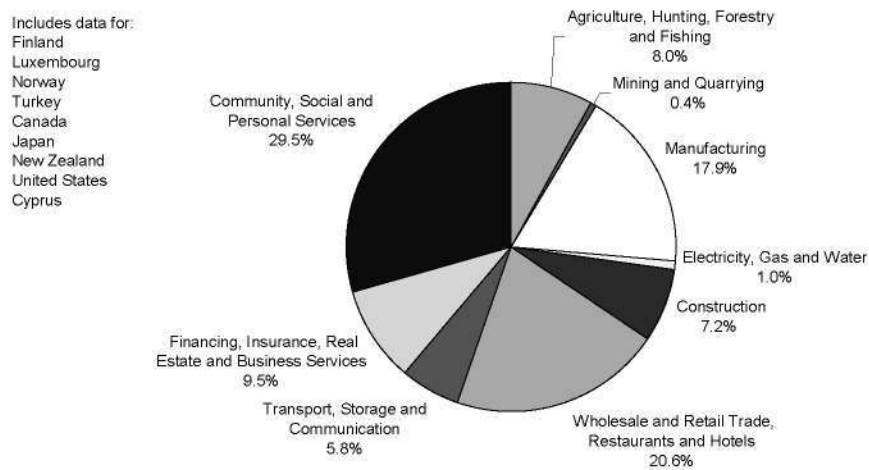
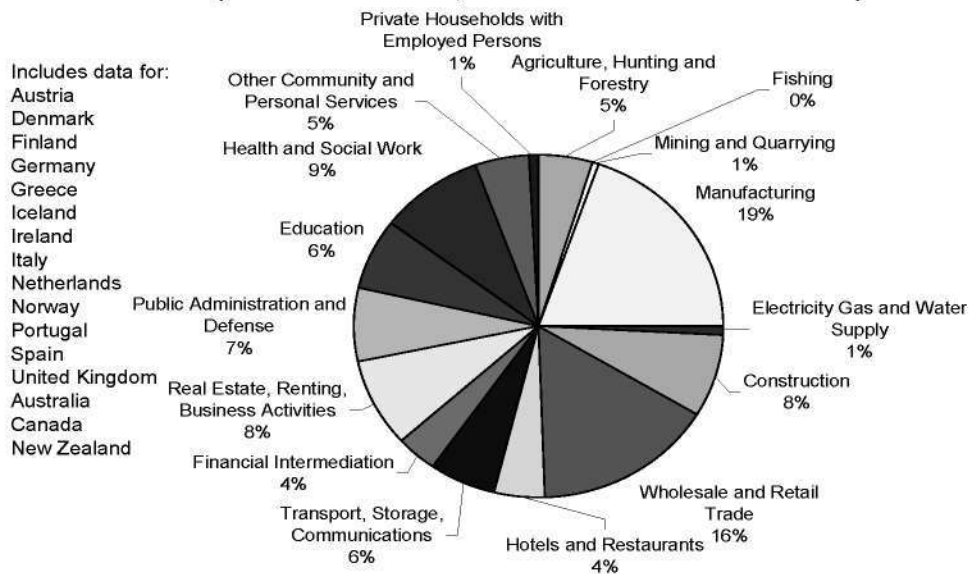


Chart 4: Distribution of Employment by Type of Activity
16 Developed Countries, 1998
(ISIC Revision 3 data, Source: ILO LABORSTA database)



(i) Historical perspectives

Employment conditions in the various service sectors have historically been distinguished from employment conditions in the manufacturing sectors. Exploitative and unsafe working conditions and inadequate pay were dominant concerns in the manufacturing sectors, and the trade union movement was largely driven by the need to organize workers in these sectors. Nonetheless, many categories of service workers did find that they too could benefit from joining together to address their common concerns. Teachers, postal workers, and other workers in public services like telecommunications or utilities, came to be organized fairly early on.⁴ It is interesting to note the early efforts within the ILO to supplement the attention to standard setting for industrial workers with an “advisory” committee for “intellectual workers”. These early efforts were quickly complicated by a separate interest in “salaried” workers.

Even then, the tensions were evident between the intellectual workers (the “skilled” workers) and the “salaried” workers (the “unskilled” or at least “less skilled” workers). Although the sectoral activities programme after World War II would be dominated by the formation of “Industrial Committees”, one can argue that the idea of having separate committees for specific industrial sectors came from this earlier experience of treating intellectual and salaried workers separately from the vast array of industrial workers. Along with these new Industrial Committees, an “Advisory Committee on Salaried Employees and Professional Workers” was also reconstituted in 1949.⁵

(ii) Current issues

This historical observation is relevant to the current interest in intersectoral employment trends and working conditions because it shows that service sector workers – primarily “salaried” workers – have consistently been classified differently from industrial – or “hourly wage” workers. But the record of confusion about how to define a “salaried” worker also shows that the category has not ever been made up of workers with similar concerns. There is today a wide array of “service” sectors that employ primarily “hourly wage” workers – and not “salaried” workers, while other service sectors continue to be notable for the “salaried” nature of their compensation. In fact, there have long been differences between skilled workers, general labourers, clerical workers, teachers, civil servants, technical employees, lower supervisors, professionals and managers, all of whom have organized themselves at one time or another into separate trade unions.⁶ The growth in recent years in this wide array of services sector jobs, as well as other newer categories, has aggravated the differences between high-skilled and highly paid services and low-skilled, low paid services.

The complexity of high and low skills in the service sectors has led to the suggestion that perhaps the two general categories should be viewed separately, such as the

⁴ Ebbinghaus and Visser (eds.): *Trade Unions in Western Europe since 1945* (New York: Grove’s Dictionaries, 2000), p. 39.

⁵ The early history of the ILO’s sectoral activities is well documented in E. Weisband: *ILO industrial committees and sectoral activities: An institutional history*, Working Paper for the Sectoral Activities Programme (Geneva, ILO, 1996).

⁶ Ebbinghaus and Visser (eds.), (2000), p. 45.

distinction between “knowledge” workers and “unskilled” service workers.⁷ Certainly the changes in work organization would seem to be affecting the high-skilled workers differently than the low-skilled workers. Flexible pay systems, greater individual initiative, and greater mobility, for example, are more likely to benefit high-skilled workers than low-skilled workers. Furthermore, the growing disparity in income between high-skilled and low-skilled service workers, especially in the United States but also discernible elsewhere, is a significant concern for policymakers.⁸ Therefore, a primary issue in the growth of employment in the service sectors is this growth in income inequality.

(iii) Public versus private services

A second factor about the patterns of growth in services should also be highlighted here. Above and beyond the differences in skill levels and compensation, a significant variable would seem to be the difference between public and private service sectors. On the whole, the welfare society policies of the post-Second World War era brought about a substantial growth of employment in public service sectors, including the basic categories of public administration and defence but also in other types of services as well – education, health, social work, and community services, where one often finds a mix of public and private activities. In many developing countries, the public sector grew to include an array of state-owned enterprises and has functioned as the main source of formal sector employment, especially for higher-skilled workers.

Recent cuts in public sector spending to promote balanced budgets or general fiscal restraint have meant that the public sector itself has ceased to be a growth sector for employment. In addition to cuts in public sector spending, privatization of many services and the deregulation of others have also contributed to a decline in public sector growth. Privatization and deregulation have occurred primarily in the telecommunications, transport and financial services sectors, but there has also been extensive privatization in utilities services, both in developed and developing countries, as well as in health and education. Recent ILO sectoral meeting reports on these sectors have reported job losses in conjunction with these shifts to privatized and deregulated services.⁹ The fact that the public sector had been the main source of formal sector employment for high-skilled workers in many developing countries has also meant that the educated unemployment rate has grown, especially affecting youth unemployment.¹⁰

⁷ P. Drucker: “The next society,” in *The Economist*, 3-9 Nov. 2001.

⁸ See, for example, the discussion on the need for a new approach to income redistribution to address the growing inequalities in M.M. Blair and T.A. Kochan (eds): *The New Relationship: Human Capital in the American Corporation* (Washington, DC: Brookings Institution, 2000), pp. 25-26.

⁹ See ILO: *Managing the privatization and restructuring of public utilities (water, gas and electricity)*, Report for discussion at the Tripartite Meeting on Managing the Privatization and Restructuring of Public Utilities,” (Geneva, 1999); and ILO: *The impact of decentralization and privatization on municipal services*, Report for discussion at the Joint Meeting on the Impact of Decentralization and Privatization on Municipal Services, (Geneva, 2001).

¹⁰ The problems of youth unemployment in developing countries, especially of educated youth unemployment, has been highlighted in ILO: “Global Employment Review,” *World Employment Report 2001* (Geneva, 2001).

(b) The impact of information and communications technology

The growing share of employment in the service sectors has been paralleled by a variety of changes in the organization of work that have been facilitated by the revolution in information and communications technology. These changes are closely aligned with the way in which work has been organized in many service sectors, but they are having a cascading effect on the organization of work in all sectors.

First, a greater emphasis on the skills and judgement of the individual worker has been facilitated by the feasibility of decentralizing decision-making made possible by the application of new information and communications technologies. Thus, personnel policies oriented to individual or team-based performance, as opposed to production-line segmentation, have both contributed to and been influenced by changing concepts of productive performance.¹¹ This has been especially suitable for service-oriented work but has also affected the structure of work in many other sectors. This has led to the need for more flexible and individually tailored systems for the setting of compensation, including the decentralized bargaining for wages and variations of performance-based rewards systems at the enterprise or plant level.

Another parallel development, fuelled by the ICT revolution, is the trend to restructure enterprises around core competencies and functions, while looking to outsourcing and horizontal supplier relationships to carry out various support services and peripheral functions.¹² This has often meant the loss of jobs in large enterprises where workers tend to be well organized, with a spinning off of these jobs to smaller and separate enterprises that are often non-union and difficult to organize.¹³ It has also meant an increase in more flexible and informal working relationships, temporary and part-time working arrangements and an increase in self-employment. Along with these developments, there has been a substantial increase in the participation of women in the workforce in these less stable working arrangements.

At the same time, the ICT revolution has also played a significant role in removing the barriers to large consolidations, as a result of falling communication and transportation costs, new financial instruments, and instantaneous access to information through the Internet. Restructuring of enterprises through mergers and acquisitions has become one of the prevalent means for business to improve its competitive position, in part because of the political pressures to “liberalize” and broaden the market economy and in part because the technology is changing so rapidly that enormous resources are needed to constantly apply the new technologies.

Cross-border mergers and acquisitions have become an especially substantial and visible part of this restructuring process in a number of sectors. Both the OECD and

¹¹ Ebbinghaus and Visser provide a good overview of the literature on changing personnel policies on individual and team-based performance practices. See Ebbinghaus and Visser (eds.), (2000), p. 62.

¹² ILO: “Toward job economies? Employment in the information society,” *World Employment Report 2001: Life at Work in the Information Economy*, (Geneva, 2001), pp. 111-115.

¹³ Blair and Kochan provide an insightful commentary on the changing structure of labour/management relations in the United States to illustrate this point. Blair and Kochan: “Introduction”, (2000), op. cit., pp. 1-25.

UNCTAD have recently written major reports on this trend.¹⁴ While much of this restructuring has entailed substantial job cuts in the merged entity, both studies note that enhanced competitiveness has also meant enhanced productivity and overall economic growth, thus contributing to substantial increases in jobs – somewhere.

As these M&As are consolidating and restructuring to compete in ever growing global markets, the overall message for the future of work is that “value is increasingly in intangibles – creativity, proficiency, knowledge, cultural and organizational strength, linkages”.¹⁵ These are increasingly global value-added chains and knowledge networks, offering the promise of creating jobs through technology transfer and economies of scale, while revitalizing ailing firms and rebuilding local economies. The spillover effect of stimulating related productivity growth is also part of this promising vision.

On the other hand, the effect of people being laid off and having to seek employment elsewhere, often at reduced wages, would suggest a precariousness to the employment relationship that can undercut any potential for productivity growth. Disruptions have been especially severe in sectors like banking and financial services, which ILO studies have, of course, already well documented.¹⁶ The OECD report does note that some adjustment costs of these large mergers and acquisitions can be relatively severe, especially on job displacements. The report acknowledges the special need for governmental intervention to encourage training and retraining and to provide adequate safety nets to ease the transition in these cases.¹⁷ The UNCTAD report also points out the urgent need for adjustment programmes.¹⁸

Finally, the multinational character of cross-border M&As and their diverse and dynamically changing multi-sectoral composition would suggest major challenges ahead for effective sectoral dialogue. Often it is not clear which sector the newly merged business is in. The complexity of these cross-border conglomerates would seem to add to the difficulties of concentrating the structures of dialogue, whether sectoral or multi-sectoral, at the national level. Not only telecommunications and financial services, but computers, wholesale and retail trade, automobiles, steel, pharmaceuticals, airlines, oil and gas are undergoing dramatic changes that are blurring the sectoral, as well as the geographic lines. How these developments are affecting the fundamental capacity to promote sectoral level dialogue is an important issue that needs to be addressed.

¹⁴ OECD: *New patterns of industrial globalization: Cross-border mergers and acquisitions and strategy alliances* (Paris, 2000); and UNCTAD: *World Investment Report: Cross-border mergers and acquisitions and development* (New York: United Nations, 2000).

¹⁵ P. Drucker's series on the future of work in *The Economist* takes this upbeat perspective. Drucker, 2001.

¹⁶ Mergers and acquisitions have been featured in several ILO sectoral reports: ILO: *Report on the employment impact of mergers and acquisitions in the banking and financial services sector*, Tripartite Meeting on Banking and Financial Services Sector (Geneva, 2001); ILO: *Report on information technologies in the media and entertainment industries: Their impact on employment, working conditions and labour management relations*, Tripartite Meeting on Media and Entertainment Industries (Geneva, 2000); and ILO: *Report for the symposium on multimedia convergence*, Tripartite Symposium on Multimedia Convergence (Geneva, 1997).

¹⁷ OECD (2000), p. 109.

¹⁸ UNCTAD (2000).

(c) The role of agriculture

In spite of the importance of the services sectors for economic growth in both developed and developing countries, one cannot ignore the important role of the agricultural and manufacturing sectors in the developing world. (This is not to ignore the important role of both sectors in the developed world, but there are certain major issues, which are more important for the developing world in these two sectors.) Globally, it is true that the proportion of the economically active population engaged in agriculture is steadily declining. The ILO's Sectoral Activities programme cites that the economically active population in agriculture was 47 per cent in 1990, was expected to have declined to 42 per cent by 2000 and is projected to decline further to 38 per cent by 2010.¹⁹ With only 6.6 per cent of total employment in the OECD countries devoted to agriculture, the numbers are actually overwhelmingly skewed in the direction of the developing world.

The data drawn from the ILO, UNIDO and OECD on sectoral trends tend to confirm a substantial reliance in developing countries on agriculture (clustered with hunting, forestry and fishing). In the relatively small sample of less developed countries available for 1990 and 1999 (shown in Charts 5 and 6), the data do show a slight downward trend in the proportion of employment in agriculturally related economic activity, but it still is the case that about 51.3 per cent of total employment in the limited sample of countries for the 1999 configuration is in these agriculturally related sectors. Thus, in spite of the importance for developing countries of manufacturing, and increasingly of services, as the sources of economic growth, the predominance of the agriculture sector – and the regionally specific predominance of this sector in developing countries, especially in Africa and Asia – must be addressed in any assessment of sectoral employment trends. The magnitude of the differences in agricultural employment is vividly illustrated in Chart 7.

One of the obstacles to an agriculturally focused strategy for development is the continued protections of the agricultural sector in the developed countries and the restricted access of developed country markets for agricultural products from developing countries. It is no wonder that the removal of these barriers to agricultural trade is an important objective of development strategies today – and a high priority for developing countries in the WTO.

¹⁹ See the sectoral description for “Agriculture ...” on the ILO Sectoral Activities Programme web site <http://www.ilo.org/SECTOR>.

Chart 5: Distribution of Employment, 29 Developing Countries, 1990
(ISIC Revision 2 data; Source: ILO LABORSTA database)

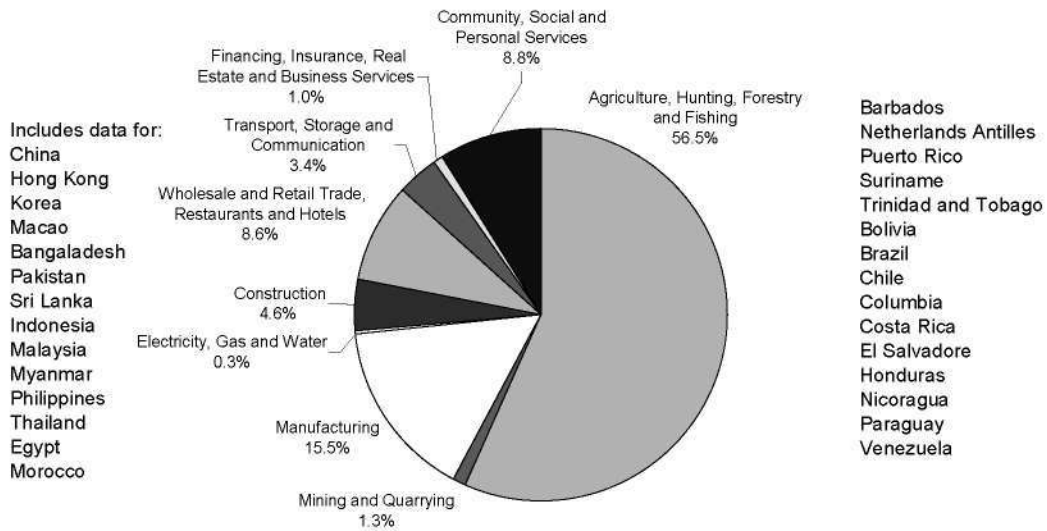


Chart 6: Distribution of Employment, 16 Developing Countries, 1999
(ISIC Revision 2 data; Source: ILO LABORSTA database)

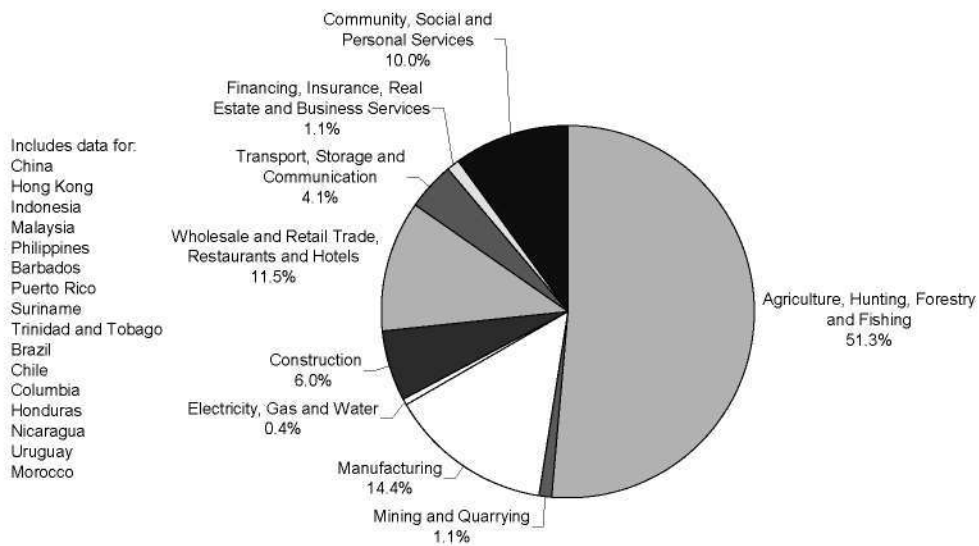
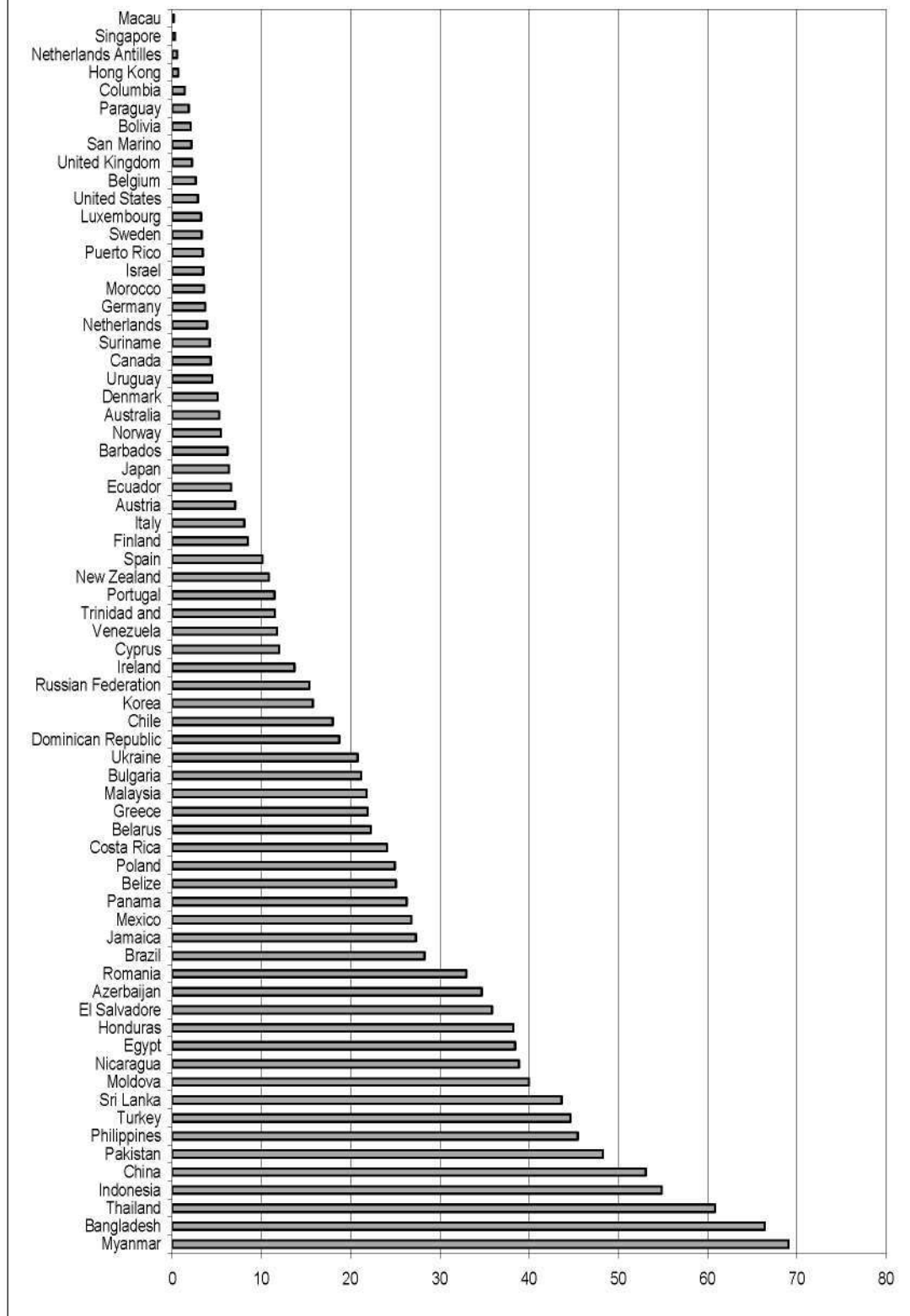
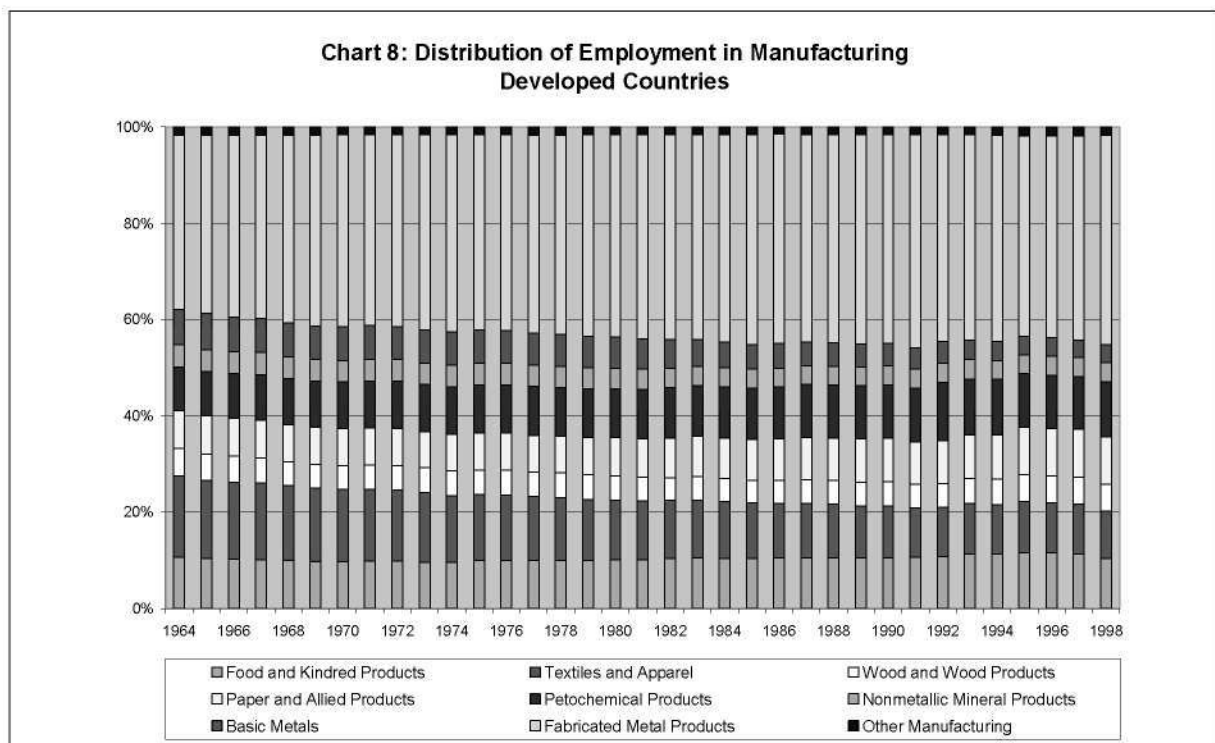


Chart 7: Agriculture Shares of Total Employment, Percent, 1992



(d) The role of manufacturing

Similarly, the developing countries are in need of developing their manufacturing sectors. Although much attention has been given to the idea of “leapfrogging” over manufacturing to the development of “knowledge-based” services industries instead,²⁰ there is still strong evidence that expanding a sustainable manufacturing base is central to successful development strategies.²¹ A critical mass in manufacturing includes both the production of goods for domestic markets and production oriented to exports. Where the development is export-oriented, the developing countries are especially interested in access to the markets of developed countries. Charts 8 and 9 show the contrast in the distribution of employment among the various manufacturing sectors between developed and developing countries.



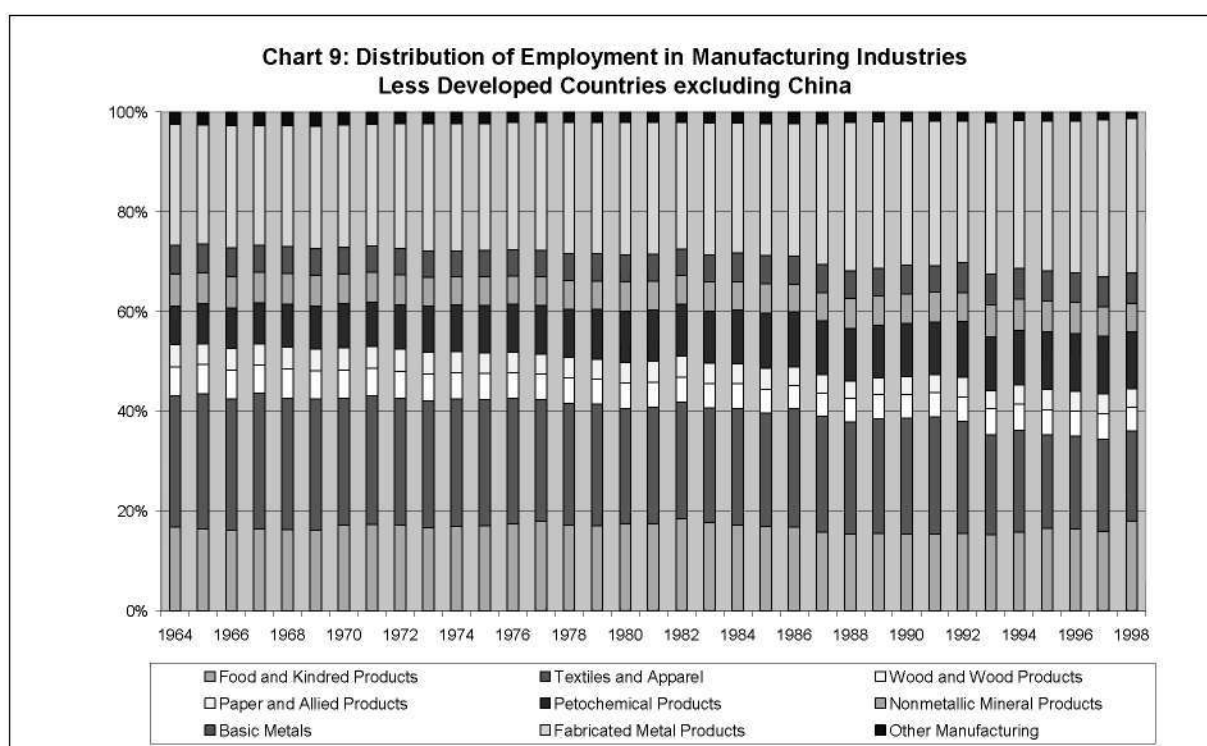
Perhaps the most striking aspect is how similar they are. Thus, the fabricated metal products sector is consistently the largest manufacturing sector in developing countries as well as developed countries, and there is a discernible growth in employment in developing countries in this sector. It includes such products as electronic components, telecommunications equipment and auto parts, which have often been key elements of an export-oriented manufacturing strategy. There are, of course, a number of other manufacturing sectors that have served as the basis for economic and employment growth

²⁰ This is featured in the ILO: *World Employment Report 2001: Life at work in the information economy* (Geneva, 2001).

²¹ This view is well articulated in the paper on “Trade liberalization and employment”, for the Working Party on the Social Dimension of Globalization, GB.282/WP/SDG/2 (Geneva: Nov. 2001).

in developing countries, especially those in chemicals and chemical products, which are also important in developed countries.

The charts also show a very noticeable proportion of employment in developing countries in the manufacturing of textiles, apparel and leather, whereas this sector has seen a significant drop in employment in the developed countries. The transformation of these industries has been driven by the dramatic changes in transportation and communications patterns that have made it possible to move production from developed countries to developing countries. Thus, at the same time as employment has declined in this sector in developed countries, the outsourcing and export-oriented production of textiles, apparel and leather goods in developing and transitional countries have become a significant part of the sector globally. It is *the* sector where the declining numbers of relatively unskilled jobs in developed countries has been the most visible reminder of the perceived negative effects of globalization. These industries have been highly protected in many developed countries, and it is not surprising that the developing countries have placed such a high priority on the removal of these particular barriers to their exports.



Both in agriculture and in textiles, apparel and leather, the issues of basic labour standards are especially controversial. Workers in developing countries are not highly organized in these sectors. Both sectors have a high degree of child labour, forced labour, female labour, low wages and hazardous working conditions. Both are sectors in which consumer-led and human rights campaigns in the developed countries have essentially taken the place of organized bargaining as the means of negotiating the basic requirements for decent work. These issues are important contributors to the transnational dialogue on labour issues that is discussed later in this survey.

(e) The informal economy

A small note is appropriate here on the “informal” economy – which is not treated as a separate sector for purposes of the ILO’s Sectoral Activities Programme – but which is often included in the estimates of economically active populations in each of the official sectors of the Programme. These are necessarily rough estimates because the databases on employment from the ILO, UNIDO and OECD do not provide this information separately. The inadequacy of statistics and the absence, even, of a consistent definition of what constitutes the informal economy are comprehensively addressed in the report on “Voice and Representation” for the 2002 ILO Conference agenda item on this subject.²²

The report notes that most people in the informal economy are self-employed, although it offers a multi-tiered classification of employment relationships (family-related, small enterprises, subcontracting, homework, etc.) The sectoral distribution of the informal economy would include subsistence farming, domestic work, construction and street vending as the major “sectors” of the informal economy in most countries, but also wholesale trade, food establishments, transport services, small-scale manufacturing, small-scale mining and homework. The data collection on these activities is often made even more difficult because of the linkage between informal employment and the informal flows of migrant workers in many parts of the world. That is why it is more appropriate to refer to the “informal economy” where employment relations are not formalized – i.e. are outside the formal regulatory framework for employment, rather than calling this phenomenon the informal “sector” as such. Even in developed countries, the new forms of work organization are contributing to a growth in the “informalization” of work, including high-skilled professional work that fit more appropriately into the concept of the informal “economy” rather than the informal “sector”.

²² The ILO report on “Voice and representation” is still in draft form and is being circulated internally for comment at this stage. One of the authors of this report, Andrea Singh, has provided some observations about what this report will contain.

3. Representational and bargaining trends

The purpose of the ILO's Sectoral Activities programme is to facilitate dialogue at the sectoral level. The presence of representative social partners to engage in this dialogue is a fundamental prerequisite of this approach to sectoral concerns. For this reason, the deterioration of membership in both workers' organizations and employers' organizations in recent years has significant ramifications for the Sectoral Activities programme. The overview of the changing sectoral distribution of employment, the related changes in personnel practices and work organization, and the restructuring of many enterprises that has been presented in the first section of this survey should provide some clues for explaining why this deterioration in representational strength has occurred. This second section starts with a brief overview of some general organizational trends and then moves to a discussion of some of the sector-specific characteristics of these trends and their effects on bargaining.¹

(a) General organizational trends

The ILO's *World Labour Report, 1997* provided a comprehensive overview of how labour market trends were affecting workers' and employers' organizations.² In the preparation of that report and in subsequent work since then, the lead expert has been Jille Visser, who notes that the steady expansion of trade union membership in the 1950s, 1960s and 1970s was reversed in the 1980s, with a steep decline in trade union membership in the 1990s.³ Visser's detailed table on overall membership trends in approximately 100 countries around the world is attached to this report as Appendix B.

¹ In addressing these trends, one must first note certain weaknesses in data collection. With regard to trade union membership, few countries collect any information in their official data gathering activities. Where the data are collected, there are many different definitions of what constitutes trade union membership. Difficulties are also created by differences in trade union structures, thereby limiting the usefulness of categorizing membership by sectors.

The adoption of uniform definitions of what is meant by a trade union and by trade union membership would facilitate the collection of more reliable and comparable data. In the ILO itself, there has been no updating of the data collected for the World Labour Report. Nonetheless, several sources are using more recent data than the World Labour Report, and one can at least use this existing data to identify general trends on unionization.

Data collection on employers' organizations is far less extensive. With the exception of several countries in Europe and a few regional organizations, furthermore, most of these organizations are multi-sectoral. The International Organisation of Employers has a membership made up of national "general purpose" employers' organizations with no affiliate relationship to sector-specific organizations. As noted in the 1997 World Labour Report, membership in these general-purpose employers' organizations has been declining, just as trade union membership has been declining. Finally, it is generally the case that employers' organizations are created to address labour-related issues only where the business community is confronted with an organized labour movement that calls for a coordinated employer response. Thus, the main focus on organizational trends is necessarily on trade union trends.

² ILO: *World Labour Report, 1996-97* (1997).

³ Visser (2000). Exceptions to this pattern of decline are the Nordic countries and Belgium in Europe, and Chile, South Africa, Zimbabwe, Hong Kong, Philippines, Taiwan and El Salvador. In

Tables 2 and 3 provide an overview of these density levels and changes in density levels where this data are available. Similarly, most employers' organizations have also declined in their membership in recent years.

Table 2. Union density levels, 1995

	Density <10	Density 10<25	Density 25<50	Density 50<100	All
Africa	8	13	3	1	25
Americas	6	10	4	2	22/24
Asia	4	8	4	2	18/20
Europe	1	4	12	14	31
Total	19	35	23	19	96/100

Source: Visser: Trends in globalization, 2000.

Table 3. Changes in union density levels, 1985-98

	Decline	Stable	Growth	All
Africa	5	0	2	7
Americas	10	1	2	13
Asia	9	3	3	15
Europe	23	3	5	31
Total	47	7	12	66

Source: Visser: Trends in unionization, 2000.

Visser and others have come up with an estimate that 40 per cent of this organizational decline is attributable to sectoral shifts in employment away from manufacturing and into private sector services.⁴ Overall, the predominance of union membership in the manufacturing sectors has been the driving force for union power, and the dramatic shifts of economic activity away from manufacturing to services has meant a decline in the relative importance of this manufacturing-oriented union power.

Strong union membership figures can also be found in the public services, and the public sector has generally remained highly organized almost everywhere.⁵ As the public sector itself grew in the post-war decades, public sector union growth was also significant in both industrial and developing economies, and it even served as the main source of union strength in many developing countries.⁶ Much of the overall union membership

many of these cases, however, Visser does not have the most recent data, and they, too, may actually show recent declines.

⁴ Ebbinghaus and Visser (2000). See also J. Waddington: "Towards a reform agenda? European trade unions in transition," in *Industrial Relations Journal* (Oxford: Blackwell Publishers, 2000).

⁵ Visser (2000).

⁶ See, for example, M. Wallerstein and B. Western: "Unions in decline: What has changed and why," in *Annual Review of Political Science* (1999).

growth in the 1970s and 1980s came from the expansion of the public sector itself and of a growth in public sector memberships. Even with recent cuts in public sector spending, as noted in the previous section, it has remained a sector with relatively high union membership density. Total numbers of union members may have typically experienced a proportionate decline as a result of these cuts in public sector employment, but they have generally not been any worse than that.

This has not been the pattern, however, in the manufacturing sector, although the seriousness of this situation was not readily apparent at first. The total number of manufacturing sector jobs in developed countries was declining in the 1970s and 1980s, as was union membership in these sectors, but the seriousness of the decline for trade union strength generally was not immediately noticed. This was because total union membership stayed relatively stable as a result of the growing public sector and union membership growth in that sector throughout the same 1970s and 1980s. It was not until the 1990s, when the public sector was being cut back, that the aggregate numbers started to show a significant decline. Even then, the assumption was widely held that the declining numbers in overall union membership were proportionate to the declining numbers of jobs in the manufacturing and public sectors. It was thought that the major challenge for unions was the very low unionization levels in the private service sectors. These phenomena, however, did not explain the entire scope of union membership decline, even if they were important factors.

Union density, it turns out, has also declined more rapidly than the jobs that remain in the manufacturing sectors themselves.⁷ Some analysts of this particular phenomenon have suggested that these declining numbers might be attributable to the reclassification of jobs in the manufacturing sectors and the transfer of HRM practices that were developed in private services sectors to these “tertiarized” jobs in the manufacturing sectors, but most observers have argued that this has not been the major factor.⁸ Other more pertinent factors that have been suggested include the globalization of all economies, including their manufacturing sectors, because it has made it more difficult to organize effective national-level bargaining while it has also limited governments in their macroeconomic flexibility to accommodate national-level bargaining.⁹ One would also have to take note of the other factors influencing the decentralization of bargaining and the increased flexibility of work that were noted in the previous section of this survey.

(b) Merger strategies

One of the ways in which unions have attempted to improve their position in an overall era of declining union membership has been through mergers, much as restructuring has influenced mergers and acquisitions in the business community. For unions, these mergers have occurred primarily at the national level, with very little consistency from country to country. National historical experiences appear to be the most important influence on the structure – and on the restructuring – of the labour

⁷ Waddington and Hoffmann: *Trade Unions in Europe: Facing the Challenges and Searching for Solutions* (Brussels: European Trade Union Institute, 2000), p. 53.

⁸ Drucker (2001).

⁹ Waddington and Hoffman (2000), p. 70; and Visser (2000), pp. 7-8.

movement in each country.¹⁰ An illustrative sampling of these national historical experiences is provided in Appendix C. Some of the national-level mergers have influenced mergers at the regional and international levels, but these have not necessarily resulted in similar merger activities in other countries.

In countries where the basic organizational framework is around industrial unions, as opposed to craft unions, the declining membership has been especially acute and has contributed to mergers for defensive purposes. Such mergers have been pursued in order to consolidate resources and thereby to cope with the declining memberships without sacrificing the level of overall services. In some cases, as in textiles, leather, woodworking and agriculture, the declining unions have been absorbed into larger stronger unions.¹¹ In other cases, as in the United States case of the textile-related unions who formed UNITE, the merger has consolidated several declining unions. These can be seen as “defensive” mergers because they affect sectors where union membership is declining because of the declining importance of the sectors themselves.

Other mergers, however, have been between unions of comparable strength seeking to combine their resources to become stronger. Most of these are among sector-specific unions, rather than confederations.¹² And most of these are still mergers of what one would call traditionally unionized sectors. Some critics note that these mergers have not had the effect of strengthening the capacity of the labour movement to reach out to new sectors.¹³ Thus, unions in the chemicals and mining sectors (along with the leather sector) have merged in countries like Germany, leading only to parallel mergers at the EU level and at the GUF level in those same sectors.

Another significant merger pattern, however, involves mergers of unions in the growing services sectors. These services-oriented mergers do seem to have the effect of strengthening the position of unions in the services sectors. The mega-merger among German trade unions in these sectors, Ver.di, has produced the world’s largest single union with approximately 3 million members.¹⁴ In the United States, the Communications Workers of America has also strengthened its position with “acquisitions” in recent years.¹⁵ A recent merger of services unions in the United Kingdom would also reflect this pattern.¹⁶ One factor would seem to be the ability of these services unions to include both public sector and private sector workers in their combined membership.

¹⁰ *idem.*

¹¹ Waddington and Hoffmann (2000), p. 70.

¹² *idem.*

¹³ *idem.*

¹⁴ M. Behrens, M. Fichter and C.M. Frege: *Unions in Germany: Groping to regain the initiative*, Paper presented at the International Seminar on The Labour Movement: Opportunities and Strategies, International Institute for Labour Studies and the ILO Bureau for Workers’ Activities (Geneva, 19-21 Apr. 2001), pp. 15-16.

¹⁵ See the CWA web site at <http://www.cwa.org>

¹⁶ As announced on the UNI web site: <http://www.uni.org>

One interesting variation to mergers is the effort by the AFL-CIO in the United States to overcome the declining union membership in that country. The AFL-CIO and its various affiliates are very focused on “inventing post-industrial unionism”, as one author has described it.¹⁷ Unions are changing their organizing strategies to emphasize stronger ties to the community, enhancing occupational identity and building alliances with other actors in civil society. The affiliates, however, tend to be multi-sectoral, especially in the service sectors and therefore often compete with each other for new members. To combat this, the AFL-CIO has encouraged the convening of “industry committees” to provide a neutral ground under AFL-CIO auspices for coordination among the affiliates with locals in the same sector. This concept has been successfully applied to the health care industry, but the affiliates have not agreed to apply the concept to other sectors yet.¹⁸

(c) Gender concerns

What is especially interesting, finally, is that *all* trade union membership growth since 1980 in Europe has come, in the aggregate, from an increase in the membership of women in trade unions.¹⁹ The ability of trade unions to mobilize women workers has thus been a significant factor in their success at maintaining a high union density level. Positive results in this regard have not only been evident in the Nordic countries but also in Ireland and to some extent in the United Kingdom as well.

In developing countries, one can see similar challenges for unions to reach out to women. Women are the majority of workers in services sectors in most countries, and they are also more prevalent in part-time work, temporary work and small workplaces. Unions have had to change their orientation and strategies to appeal to the concerns of workers in these kinds of settings, and particularly to women workers. Often, the women have organized themselves first and then become associated with the union movement, and it is not surprising that many unions now have women’s committees to focus more effectively on these kinds of workers.

(d) Employers’ organizations

While the focus is naturally on union membership and density trends, one should take note of the declining trends in employers’ organizations as well. In general, employers’ organizations came into being after the workers had long been organized. One renowned expert on employers’ organizations asserts that they were formed only in response to the growing influence of unions on governments and to intrusions of the state

¹⁷ One recent study reported that union membership continues to decline in the United States, with a net loss of 200,000 members in 2000. R. Hurd, R. Milkman and L. Turner: *Reviving the American Labor Movement: Institutions and Mobilization*, Discussion paper presented at the International Seminar on the Labour Movement: Opportunities and Strategies, International Institute for Labour Studies and the ILO Workers’ Activities Bureau (Geneva, 19-21 April 2001). This is a conservative estimate.

¹⁸ S. Herzenberg: *Reinventing the US labour movement, Inventing postindustrial prosperity: A progress report*, Working paper for the Labour and Society Program, DP/119/2000 (Geneva: International Institute for Labour Studies, 2000).

¹⁹ Visser (2000), p. 4.

into labour policy, and not directly in response to the unions themselves.²⁰ Nonetheless, they have also acquired strength among those employers where the benefits of controlling labour costs have been realized through collective bargaining mostly at the national or sectoral levels, as opposed to bargaining at the enterprise level.

The incentives for national or sectoral level bargaining, however, have dwindled because of the difficulty of taking national labour costs out of competition through collective bargaining in an increasingly globalized economy. At the same time, the varied changes in enterprise structure have also stimulated more decentralized bargaining. The effect of these trends on employers' organizations can be seen in Germany, one of the countries where the employers' organizations, both national and sectoral, have been especially powerful (as have been the unions). Membership in employers' organizations has declined in Germany, in part because of the reunification with the East, where the bulk of enterprises, being mostly small and medium-sized enterprises, have yet to join the system. But declining membership has also occurred in the West. Furthermore, the leading role of Volkswagen in negotiating enhanced labour flexibility has been widely publicized. Volkswagen has always been outside the national-level bargaining system in Germany. Other large foreign enterprises that have come into the German market, such as Digital Equipment and IBM, have also refrained from joining the national-level bargaining system.

On the other hand, even as globalization and decentralization might be contributing to a weakening of power at the national or sectoral level, other factors are contributing to continued receptivity for dialogue at the national level. By virtue of the policies necessary for monetary integration, the social partners have been brought into a broader range of policy discussions at the national level in a number of countries. Some have taken this dialogue a step further by agreeing to Social Pacts encompassing wage restraint on the part of the unions and employment security strategies on the part of the employers' organizations. In many countries employers' organizations have been absorbed into the larger multi-purpose business federations. This may be interpreted as indicative of the need for business to address labour relations in the broader context of socio-economic policies.²¹ Perhaps this absorption of employers' organizations is comparable to the merger activity on the trade union side and is a way to strengthen the position of employers' interests in this broader context.

(e) Bargaining trends at the national level

Collective bargaining is undergoing substantial changes throughout the world. Most of the change is in the direction of increased decentralization of bargaining to the enterprise level, and it shows the growing importance of pay for performance and other types of team-oriented and individually oriented incentive systems. This trend is especially being felt in the countries of the European Union, but similar trends can also be seen elsewhere. In most Anglo-Saxon countries, such as the United Kingdom or the United States, national-level bargaining has never been the dominant framework for resolving labour disputes or setting labour policies, and the two notable exceptions of Australia and New Zealand have recently moved away from national-level bargaining.

²⁰ Ebbinghaus and Visser (2000), p. 38.

²¹ See, for example, Wallerstein and Western (1999).

Other systems of industrial relations, such as the Japanese, have also traditionally put more emphasis on enterprise-level bargaining.²²

In Europe, where national-level bargaining has been very well established, most systems have a combination of multisectoral and sectoral bargaining. Visser has done a study of the levels of bargaining, as well as the extent to which there is any coordination in bargaining strategies. His classification of about 35 countries is recreated in Appendix C. The German and Swedish systems are the most sectorally based, whereas Ireland has the highest score for truly national-level bargaining. Sector-level bargaining on wages and working time is still the dominant feature of German labour relations, even though there has been a steady increase in the acceptance of decentralized modifications to sectoral agreements.²³

Some European countries are experimenting with new forms of consolidated national bargaining to cope with the changing sectoral distribution of employment and decentralizing pressures. In Austria, for example, the momentum has been in favour of consolidating bargaining around the three “sectors”: (1) manufacturing; (2) public services; and (3) private services, but with more and more enterprise-level adjustments. Similar consolidation has occurred in the Netherlands. In Italy, innovative new linkages are occurring between local and national bargaining.²⁴

On the other hand, in the United Kingdom, there is no *national* labour relations system, and bargaining occurs at the enterprise level – and then only in a relatively small percentage of enterprises. Even here, however, the trade union movement is not structured on sectoral lines. In spite of a lot of merger activity over the years (441 mergers since 1950 bringing the number of union federations from 691 to 260), the UK unions are overwhelmingly multi-sectoral.²⁵ As one study has observed, “the union movement is increasingly dominated by multi-occupational, multi-industry unions, each covering a large and diverse set of overlapping job territories, which thus give rise to both intra and inter-union competition”.²⁶ This may, in fact, be an adaptable framework for a union system oriented to services for individual workers where sectoral lines are increasingly blurred in any case, as opposed to a system based primarily on collective

²² A comprehensive study of labour relations in several industrial countries is Bamber and Lansbury, (eds.): *International and Comparative Employment Relations* (London: Sage Publications, 1998). The International Institute for Labour Studies has produced two very interesting series of working papers on Labour and Society and Business and Society, during 1999 and 2000. In 2001, the Institute convened an International Seminar on the Labour Movement: Opportunities and Strategies, 19-21 April 2001.

²³ M. Behrens, M. Fichter and C. M. Frege: *Unions in Germany: Groping to regain the initiative*, Paper presented at the International Seminar on the Labour Movement: Opportunities and Strategies, International Institute for Labour Studies and the ILO Bureau of Workers’ Activities (Geneva, 2001), pp. 18-21.

²⁴ These examples are included in Visser’s analysis but also in the more detailed country-by-country study of unions in Western Europe edited by Ebbinghaus and Visser. Visser (2000) and Ebbinghaus and Visser (2000).

²⁵ E. Heery, J. Kelly and J. Waddington: *Union Revitalization in Britain*, Paper presented at the International Seminar on the Labour Movement: Opportunities and Strategies, International Institute for Labour Studies and the ILO Bureau of Workers’ Activities (Geneva, 19-21 April 2001).

²⁶ *idem*.

bargaining. However, it is not conducive to sectoral bargaining or any kind of coordinated bargaining at the national level.

In the United States, bargaining has always occurred at the enterprise level. Even in the automotive industry, the tradition has been for the United Auto Workers to bargain separately with each of the “Big Three” companies. Similarly, in the telecommunications industry, the Communications Workers of America and the International Brotherhood of Electrical Workers, who bargained together with the various divested Bell companies, bargained separately with each one. In both examples, however, the union(s) chose to start on a rotating basis with one of the companies in hopes of setting the basic parameters for bargaining with the others. In both of these sectors, the union’s bargaining position has been weakened by the changing structure of the industries. The UAW has been unable to win organizing elections in any of the foreign auto manufacturers that have entered the US market in the past decade or so. And the telecommunications industry has undergone such major technological changes that many of the newer enterprises are non-union and difficult to organize. The best that the CWA has been able to do is to negotiate neutrality clauses in their contracts with these increasingly multi-sectoral conglomerates that may have a telecommunications base but have broadened out into media, entertainment, cable, and mobile telephony.

In developing countries, one finds many countries where the traditional but very small formal sector, both public and private, has been well organized, as in India or Ghana, but where the pressures of liberalization and privatization have contributed to a weakening of the basic labour relations system. Trade unions remain relatively strong in manufacturing and in the public sector in these countries but are confronted with growing numbers of unorganized workers in the informal sector and in newer enterprises.²⁷ In many developing countries, the union movement has been identified with nationalist independence movements, as in South Africa and other Southern African countries. Typically, they started off with relatively strong positions to engage in national or sectoral bargaining. These conditions have tended to shift once the independence struggle succeeded, and the labour relations systems have witnessed similar phenomena of general weakening of national strength and decentralization of bargaining to the enterprise level.²⁸

These are only a few examples of different bargaining patterns and bargaining trends around the world. An important point about them is that they are still very much influenced by national traditions. Even as the pressures for the decentralization of bargaining are being felt in all of these countries, they are responding to the pressures very differently. Where there is a strong national tradition of bargaining, whether sectoral or multi-sectoral, the decentralization is frequently managed in a supplementary way to the existing bargaining relationships. On the other hand, where there has been no such national tradition, the pressures to decentralize are simply a reinforcement of the existing system.

²⁷ See K. Anyemedu: *Trade union responses to globalization: Case study on Ghana* (2000); and D. Bhattacharjee: *Organized labour and economic liberalization – India: Past, present and future*, Discussion papers for Labour and Society Programme (Geneva: International Institute for Labour Studies, 1999).

²⁸ E. Webster: *Challenges facing labour in southern Africa: A report from the region*, Paper for the International Seminar on the Labour Movement: Opportunities and Strategies, International Institute for Labour Studies and ILO Bureau of Workers’ Activities (Geneva, 19-21 April 2001); and H. Thomas: *Trade unions and development*, Discussion paper for Labour and Society Programme (Geneva: International Institute for Labour Studies, 1999).

(f) New directions for trade unions and employers' organizations

It has been observed that both trade unions and employers' organizations could – and should – be pursuing new strategies to build up their membership. For unions, this involves looking beyond the traditionally unionized sectors to appeal to workers in the less unionized sectors – among workers in part-time or temporary work, among women and youth – and adapting their services to the changing circumstances of workers. Some trade unions have successfully developed effective membership drives that have not only kept membership levels high in the traditionally high density sectors, but have also attracted workers in the private service sectors.²⁹ Similarly, employers' organizations are faced with the challenge of appealing to new types of business, especially small and medium enterprises, and providing a broadened range of social policy services.

On the other hand, the changing nature and organization of work suggests that more needs to be done than a change in union or employers' organization strategies. More needs to be done than an adaptation to decentralized bargaining. As Margaret Blair and Thomas Kochan have pointed out in their recent survey on *The New Relationship: Human Capital in the American Corporation*, the growing importance of human and organizational capital is inconsistent with the precariousness of employment relationships that discourage loyalty and commitment to the firm. They are suggesting that traditional labour market institutions are in turmoil and that the employment relationship is moving increasingly toward a partnership kind of relationship.³⁰ This would suggest that the process of restructuring for both workers' organizations and employers' organizations entails more than mergers or targeted recruitment campaigns or tough localized bargaining but also a restructuring of the organizations and the institutions of bargaining themselves.

²⁹ Visser (2000), pp. 9-10.

³⁰ Blair and Kochan (2000), pp. 2 and 21.

4. Transnational trends in sectoral labour relations

In addition to the challenges for trade unions and employers' organizations at the national level, the globalizing economy has opened up and called for new patterns of dialogue, policymaking and action at the regional and global levels. A preliminary look at how sectoral level dialogue between trade unions and employers' organizations is being pursued at the regional or international levels reveals some surprising developments about how these organizations are adapting to the opening up of national economies to transnational economic activity. First, some of the regional trends will be considered, particularly in terms of the very substantial developments in the European Union. The sectoral shift to service sectors is quite evident in the evolution of dialogue at the European level dialogue and reflects the significance of the inter-sectoral employment trends in that region. Other regional groupings have little to show for sectoral-level interactions on labour matters, but a number of these groupings are included here to show where some potential for sectoral-level interactions might develop. In contrast to these trends at the regional level, the emphasis at the global level has been on the promotion of basic workers' rights and of decent terms and conditions of work. The negotiation of "framework agreements" and the emergence of other types of multi-stakeholder initiatives have contributed significantly to a heightened global awareness about basic workers' rights and decent terms and conditions of work. Almost all of these global initiatives have been sector-specific.

(a) Regional trends in sectoral labour relations

(i) *European trends*

The European-level organization of social dialogue is the most developed of any regional-level system. The process of dialogue actually started on a sectoral basis in the coal and steel sectors. Special committees were organized to facilitate dialogue between employers and workers in these sectors in the 1950s, and this led to a combination of the coal and steel groupings for both unions and employers at the European level. Otherwise, the European integration process was focused almost exclusively on economic integration, and did not address social policy issues until much later.

European workers

On the workers' side, the coal and steel group was the core group that ultimately became the European Metalworkers Federation.¹ Similar arrangements subsequently were made for the agriculture, food and transport sectors, because these were sectors where European economic integration was raising issues of concern to workers and employers. Consequently, in these sectors there have been specific and sometimes wide-

¹ Ebbinghaus and Visser (2000), p. 780.

ranging bilateral agreements on issues such as working time, health and safety, training and minimum labour standards.²

For several other sectors, the formation of European-level federations was initiated by the sectoral global union federations. To illustrate, in the case of Euro-Fiet, the regional grouping was not only initiated by FIET but was kept closely aligned with it. And in 2000, when FIET joined with Communications International, Media and Entertainment International and the International Graphics Federation to form the new mega-services union, Union Network International (UNI), a parallel merger was set up as “UNI-Europa” at the EU level. There are now 14 European Industrial Federations (EIFs) with relatively comparable structures and varying degrees of affiliation with their counterparts at the international level.

In the midst of this varied approach to regional sectoral activities, the European Trade Unions Confederation (ETUC) was established in 1973 as a federation of national confederations of labour unions. It has had the lead role for labour in European-level social dialogue, at least on a multi-sectoral level, and only reluctantly did it open up its structure and governance to participation by the EIFs.³ These EIFs are now members of the ETUC in their own right, but neither the ETUC nor the national confederations appear ready for the EIFs to engage in any serious wage bargaining with employers. Given the fact that the employers are generally not willing to engage in EU-level bargaining at all, the EIFs are not in a position to make much progress with their initiatives.

In contrast, there has been some movement toward coordinated wage demands among national-level sectoral unions. Coordinated wage demands have been orchestrated most notably by the national sectoral unions in the metal and construction sectors.⁴ Other sectors are also moving in this direction. These are not EU-wide, however, but limited to the highly industrialized countries of Germany, Belgium, the Netherlands and Luxembourg.

The European employers

UNICE was established in 1958, but, unlike the ETUC, it remains only an employer federation of national federations. In addition to UNICE, there is a separate organization for public sector employers (CEEP), and the European Association of Craft, Small and Medium Enterprises (UEAPME) has worked a coordination agreement with UNICE in 1998. Many sectorally based employers’ organizations at the national level seem to prefer that UNICE handle social policy at the EU level on a multisectoral basis. UNICE does sponsor a European Employer Network, a loose forum of 150 sectoral employers

² idem, p. 781; and Keller and Sorries: “Sectoral social dialogue: New opportunities or more impasses?” in *Industrial Relations Journal* (Oxford: Blackwell Publishers, 1999), p. 334.

³ The interplay between the ETUC and the EIFs is most informatively discussed by Jon Erik Dølvik: *Building regional structures: ETUC and the European Industry Federations*, Working paper (Brussels: ETUI, 2000). Earlier studies by the same author provide more detailed account of the relationship among and the evolution of the various entities. See J.E. Dølvik: *An emerging island? ETUC social dialogue and the europeanization of trade unionism in the 1990s* (Brussels: ETUI), 1999; and J.E. Dølvik: *Redrawing boundaries of solidarity? ETUC, social dialogue and the europeanization of trade unionism in the 1990s* (Oslo: ARENA-report 5/97/Fafo-report 238, 1997).

⁴ European Commission: *Industrial Relations in Europe 2000* (2000), p. 55.

organizations.⁵ There is a separate employers' organization in commerce that is not associated with UNICE. And the European employers' organization in construction, FICE, does have a close working relationship with its union counterpart. Thus, construction and commerce seem to have some potential for ongoing EU-level sectoral dialogue. While there are well developed European union organizations in engineering and chemicals, on the other hand, the employers have been cautious in their approach to dialogue at the EU level in these sectors.⁶

The issues

On the more general level of sectoral level *policy* dialogues, however, there have been some striking developments in the EU. One might call this collective bargaining even though it hasn't involved the traditional bargaining issues, such as wages.⁷ Some sectors have been far more successful than others, usually because there was an EU policy initiative of interest to attract the social partners in the first place. A common agreement at the EU level was reached between workers and employers in the telecommunications sector, for example, because the EU was debating a policy on monopolies, and the two parties found a convergence of interests with regards to the phasing out of monopolies in that sector.⁸ There has also been a successful framework agreement on annual maximum working hours in agriculture, worked out by the EFA (employers) and COPA/COGECA (employees).⁹ Similar agreements have been reached in the maritime and rail transport sectors (but not in road transport).¹⁰ In these sectors, agriculture, transport and telecommunications, committees were established to facilitate the policy dialogue. Others were also created for inland navigation, sea fishing and postal services, where there have been similar EU-level policy issues other than labour itself.¹¹

A new approach

In January 1999, the European Commission took this sectoral-level consultation one step further. In place of the joint committees and informal advisory working parties that had come into existence over the years, the Commission called for a more structured establishment of "Sectoral social dialogue committees" (SSDCs). This new system is patterned after the "Val Duchesse" system of bipartite negotiation of EU social policy that has been operating at the cross-sectoral level between the ETUC and UNICE. These

⁵ Keller and Sorries (1999), p. 338; and Ebbinghaus and Visser (2000), p. 773.

⁶ Ebbinghaus and Visser (2000), pp. 773-774.

⁷ Some of this has been cross-sectoral, involving general agreements between the ETUC and UNICE. The framework for negotiating these agreements, called the "Val Duchese" framework, has been encouraged by the European Commission. It involves special deference to the social partners to initiate EU social policy. It has been successful in producing agreements on parental leave, part-time work and temporary work, but other subjects on which the social parties have met, have failed to produce agreement.

⁸ Keller and Sorries, p. 334.

⁹ European Commission (2000), p. 17.

¹⁰ *idem*.

¹¹ *idem*, p. 14.

SSDCs were to be entirely voluntary, depending on the willingness of the two sides “to develop a social dialogue in all the various aspects in the sectors concerned”.¹²

As of 2000, the Commission reported that 25 such new SSDCs had been created, representing 40 per cent of total employment in the EU. The sectoral categories and the lead social partners are shown in Table 4 below. Most of the new committees are from the services sectors. The Commission’s report noted that trade unions representing industrial sectors were also asking for these committees but not getting a favourable response from the employers.¹³ The most active sectors appear to be telecommunications, postal services and aviation.¹⁴

These sectoral variations at the EU level may merit further study in terms of their relationship to sectoral trends generally. It would appear that certain specific service sectors are establishing an EU-level dialogue on broad social policy, at least, in telecommunications, maritime and rail transport, aviation, commerce and construction. In some cases, this reflects the strength of public sector unions, but in others there is a considerable private service sector presence, both on the union side and the employer side. In contrast, the manufacturing sectors tend to have strong EU-level union structures but almost no support from the employers. One interpretation of this is that the manufacturing sectors are so much a part of the general national level bargaining, where some coordination among countries appears to be developing, that they are not in need of a sector-specific EU perspective, at least as seen from the point of view of the employers. This interpretation would then indicate that the services sectors are not as dominant as the manufacturing sectors in the national level of bargaining and have more need to pursue a regional approach – or, alternatively, that they are indeed more multinational.

It should also be noted that the European Works Councils (EWCs) have played a dynamic role in creating a setting for dialogue between management and employees at the European level.¹⁵ While the EWCs are not union structures and are not as a rule engaged in collective bargaining, they do serve as a vehicle for worker or union-elected representatives to the EWCs to interact with their management counterparts. Further study of the sectoral distribution in European Works Councils could show whether, and if so, how these Councils are supplementing the sector-specific committee structure of the EU.

¹² *idem*.

¹³ *idem*, p. 16.

¹⁴ *idem*, p. 18.

¹⁵ R. Blanpain has written a useful handbook and study of European Works Councils for the ILO: R. Blanpain: “European Works Councils in Multinational Enterprises: An overview of the background, working and experiences” (Geneva, ILO, 1998).

Table 4. Sectoral social dialogue committees in the European Union, 2000

Sector	Workers	Employers			
Agriculture	EFA	GEOPA/COPA	x		x
Insurance	UNI-Europa	CEA; BIPAR;AECI		x	x
Banking	UNI-Europa	BFEU; ESBG; EACB		x	x
Footwear	ETUF-TCL	CEC		x	x
Wood	EFBWW	CEI-Bois		x	x
Railways	ETF	CER	x		x
Commerce	UNI-Europa	Eurocommerce		x	x
Construction	EFBWW	FIEC		x	x
Culture	EEA	Pearle			x
Horeca	SETA-UITA	Hotrec		x	x
Inland navigation	ETF	IUIN; ESO	x		x
Cleaning	UNI-Europa	EFCI		x	x
Sea fishing	ETF	Europeche/Cogeca	x		x
Postal services	UNI-Europa	Posteurop	x		x
Private security	UNI-Europa	COESS		x	x
Personal services (hairdressing)	UNI-Europa	CIC Europe			x
Sugar	ECF-IUF	CEFS		x	x
Tanning	ETUF-TCL	Cotance			x
Textiles	ETUF-TCL	Euratex		x	x
Sea transport	ETF	ECSA	x		x
Road transport	ETF	IRU	x		x
Temporary work	UNI-Europa	CIETT			x
Telecommunications	UNI-Europa	ETNO	x		x
Air transport	ETF;ECA	AEA; ERA; ACI Europe; IACA	x		x
Electricity	EPSU; EMCEF	Eurelectric		x	x
Media	EFJ	UER; ENPA		x	
Local public services	EPSU; EMCEF	CEMR		x	
Graphics	UNI-Europa	Intergraf		x	
	Total		9	15	25

Source: European Commission: *Industrial Relations in Europe 2000* (Brussels: European Commission), 2001, p. 14.

(ii) NAFTA

The North American Free Trade Agreement is an example of another regional setting where labour issues have been important but where the nature and scope of dialogue is strikingly different from the EU.¹⁶

NAFTA has no regional-level policy making apparatus on employment policy, and there is no explicit attempt to harmonize their laws or policies. Although there is a trilateral Commission on Labour Cooperation where the three labour ministers meet on a regular basis, there are no structures to bring together the representatives of the social partners or any other non-governmental groups.¹⁷ Complaints can be brought against any of the three governments for failing to enforce their respective labour laws, and the procedures for this are laid out in the Agreement. Approximately 25 complaints have been submitted under these procedures. In addition, the Agreement provides for the carrying out of cooperative activities to promote mutual understanding and best practices, and there have been over 50 specific cooperative activities organized since NAFTA went into effect in 1994.¹⁸

In spite of the absence of an institutional framework for North American interlocutors to develop among the social partners, there have been a number of initiatives taken by specific sectoral unions that might serve as the precursor for more organized social dialogue in the future. Some of these have been triggered by the complaints procedure and the opportunities for union representatives from each country to coordinate their positions on specific complaints, most of which have involved the right to freedom of association. Others have been reinforced by the cooperative activities, many of which have had a sectoral focus (safety and health or training or protecting workers' rights in the electronics industry, the bottling industry, the petrochemicals industry or the mining industry). Some of the sectors have been especially active – textiles, electronic equipment, transport equipment and telecommunications – because of the prevalence of American-based multinational enterprises in these sectors.

On the employer side, there has been very little regionally driven activity. At the negotiation and ratification stages, the main employer groups from the three countries had meetings to exchange information on the anticipated benefits of NAFTA, but there has been no apparent North American level dialogue on NAFTA issues among employer groups since then. Individual multinational companies, of course, are coordinating their

¹⁶ In the Labor Side Agreement, certain basic principles were understood to apply to all three states parties to the NAFTA. Canada, United States and Mexico, but the laws of each country were deemed to reflect these principles in accordance with domestic circumstances.

¹⁷ Discussions in October and November 2001 with Lawrence Karesh, Director of the US National Administrative Office for the NAO and with Anthony Giles, Deputy Director of the North American Labor Commission. The Agreement does provide for promoting the “high road” to economic development through new employment opportunities, improving labour standards, encouraging innovation, productivity, quality, human resources development, economic security, tripartite consultation and protection of workers' rights. There is agreement on a set of core principles relating to freedom of association, the right to collective bargaining, no forced or child labour, employment equity, equal pay, occupational safety and health and equal treatment for migrant workers (but not free migration of labour). These principles are enforced through each country's own labour laws, which must be fair, equitable and transparent.

¹⁸ The NAO provides an updated list of complaints and activities under NAFTA, and these can also be found on the US Department of Labor web site. <http://www.usdol.gov>

relations with the respective business organizations in each country, but these are not employers' organizations as such. One possible exception is that the professional bodies representing transport equipment manufacturers appear to be working together to harmonize standards in the manufacture of automobile parts, but this is hardly an example of social dialogue on labour policy.

(iii) ASEAN

The Association of Southeast Asian Nations is another very different regional structure. Like NAFTA, there is no institutional framework for the social partners, and, like NAFTA, there is no effort to promote convergence of labour relations systems. In fact, over 50 non-governmental organizations are officially affiliated with ASEAN, including the Confederation of Employers, the ASEAN Chambers of Commerce and Industry, and the ASEAN Business Forum, but there are no trade unions on the list. According to the ASEAN staff, the most active special interest groups at the ASEAN level are women's and youth organizations. Sectoral associations affiliated with ASEAN reflect the developmental-oriented characteristics of this region. They include associations for maritime, ports, ship owners, forwarders, fishing, forestry, furniture manufacturing, mining, land surveying, valuers, construction, engineering, accounting, insurance, banking, law, handicrafts, cosmetics, oleochemical manufacturing, and a large number of health-related groupings.¹⁹

(iv) MERCOSUR

MERCOSUR (the Common Market of the Southern Cone) came into being in 1991.²⁰ Its members are Argentina, Brazil, Paraguay and Uruguay, and it has a special affiliation with Chile and Bolivia. Its objectives are the free circulation of markets and sectoral integration, the liberalization of trade and the adoption of common tariffs. On the labour front, there is a formal coordinating council of labour ministers plus an advisory body on economic and social issues and three tripartite bodies in labour affairs encompassing employment and society, the follow-up and promotion of regulatory rights and a Social Labour Commission.

At the regional level, the states have endorsed the Social Labour Declaration on minimum workers' rights. The tripartite follow-up and promotion mechanisms report directly to the Regional Social Labour Commission. These various institutions all appear to be tripartite at the cross-sectoral level, but parallel mechanisms are not yet in place to facilitate regional dialogue at the sectoral level.

(v) SADC

The South African Development Community (SADC) also has tripartite mechanisms, much like MERCOSUR. The Community has 14 members, twelve Southern

¹⁹ The complete list of NGOs affiliated with ASEAN can be found on ASEAN's web site: <http://www.ASEAN.org>

²⁰ MERCOSUR has a web site where much of this information can be found. <http://www.mercosur.org>. Additional information was provided by a representative of MERCOSUR at the ILO World Employment Forum, 1-3 November 2001.

African countries plus Mauritius and the Seychelles.²¹ Large disparities exist in the labour markets among the member countries, from labour shortages to high unemployment to situations of armed conflict. Nonetheless, the Employment and Labour Ministers meet regularly with trade union and employer representatives in a tripartite forum with trade that reports to the Council of Foreign Ministers. The objective of the group is to harmonize labour standards. There appears to be a good rapport among the participants in this tripartite forum, and a consensus has been focused on the skills deficit in the sub-region, on the problem of the HIV/AIDS epidemic, and on weak social security systems. There is no published information about sector-specific interactions in SADC, but it is conceivable that some of the discussions have addressed concerns in specific sectors, such as in the mining sector and its reliance on intra-regional migrant labour.

(b) Trends in global labour relations

At the global level, formal dialogue between employers and workers is very limited, other than through the formal structures at the ILO. At the ILO, there is, of course, a well-established sectoral-level social dialogue, although it is channelled through the general-purpose organizations of the IOE and of the ICFTU and WCL. While it is true that the Global Union Federations are active in sectoral meetings, the ICFTU plays an important coordinating role and also handles the worker representation on the Sectoral and Technical Meetings Committee of the Governing Body. There is no “real” sectoral collective bargaining, nor is there a global governance framework that compares to national governments or regional intergovernmental entities to set the policy framework for such bargaining, within the ILO or anywhere else, for that matter.

On the trade union front, there are ten main Global Union Federations (GUFs) with a sectoral orientation. (The terminology for these federations was recently changed from “International Trade Secretariats” (“ITSs”) to Global Union Federations (GUFs). In the process, the ICFTU and the ETUC have also been included as GUFs.) These ten sectoral GUFs are the international sectoral organizations that operate as “peak associations” for national-level trade unions. They are listed with their sectors in Appendix D.

Several of these GUFs are relatively new mergers. At both the European and international levels, significant mergers have occurred between the energy, mining and chemical sectors, and between the agricultural and food, catering and allied sectors. The International Federation of Chemical, Energy, Mine and General Workers Unions, ICEM, came into being in 1996, and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association, the IUF, had its latest acquisition in 1994. The transport sectors have been joined together for years in the International Transport Workers’ Federation, and the International Metalworkers’ Federation dates all the way back to the turn of the twentieth century. The International Federation of Building and Wood Workers has also been a long-standing combination of these two sectors, as has been the International Textile, Garment and Leather Workers’ Federation.

On a different front, the two largest teachers’ federations, merged to form Education International in 1993. The most recent union merger, UNI (Union Network International) is between FIET (office workers), CI (communications workers), the MEI (the media and entertainment international) and the IGF (the graphical workers). This particular merger attempts to consolidate almost all service sectors workers, but primarily those in the

²¹ Information can be found on the SADC web site: <http://www.sadc.org>

private sector, into one mega-union federation. The wide range of service sectors workers covered by UNI makes its new identity somewhat hard to define, given the variety in private services activities and income disparities, noted above. The blurring between public and private sector in services is also a complication and creates some overlap between UNI and PSI, the Public Services International.

The GUFs have expressed an interest in expanding the global dialogue with individual multinational enterprises, but there is actually very little momentum for global *collective bargaining* as such. It may appear that the employers are the ones blocking this from happening, but it is also the case that the national trade union confederations and even the national sectoral unions are not entirely supportive of the idea of globally managed bargaining, either. From the union point of view, one important concern has been that multinational enterprises might be able to play one national sectoral union against another and thereby prevent a truly collective approach to labour issues vis-à-vis the multinational enterprise. At the same time, there has been some reluctance by national unions to delegate negotiating authority to an international trade secretariat for fear that the national unions would lose control.²²

On the business side, the International Organisation of Employers (the IOE) is a federation of national employers' organizations. Multinational enterprises are affiliated only through their national employers' organizations, in contrast to the International Chamber of Commerce (ICC), which has a roster of both individual companies and national business associations as members. There are very few sectorally oriented business associations at the global level with any interest in labour-related issues. The only exception to this is the unusual history of long-standing social dialogue and negotiations on standards in the maritime industry.²³ Although it would be interesting to explore ways of adapting the maritime experience to other sectors, the complexity of ownership, registration, employer accountability and multinational crews in shipping has meant that the industry has operated in isolation from the other sectors with regard to labour relations. In all other sectors, the multinational enterprises have not found it necessary or desirable to join together to address global labour issues in a sectoral manner, with the exception of a very few instances involving occupational safety and health and the environment.

(i) Framework agreements

The focus for the GUFs has been on dialogue with individual multinational enterprises or with multi-stakeholder groups, as reflected in Table 5. Most of the negotiations have been between a single GUF (often with a key leadership role from a

²² Weisband makes this point in his study of the ITS's, but it has also been made in the working papers of the Labour and Society project at the Institute for International Labour Affairs. See Weisband: *International trade unionism and the promotion of freedom, justice and standard labor practices: The solidarity missions and service activities of the ICFTU and the international trade secretariats*, unpublished manuscript.

²³ One exception to the reluctance on the part of both parties to negotiate a global sectoral agreement is in the maritime sector where global collective bargaining has been well established. The unique circumstances of a sector that is based on shipping on the high seas would not seem to be conducive to duplication in other sectors – at least until these other sectors were to start operating as global sectors needing some kind of uniformity of policies unrelated to localized and domestic regulation at the national level. For the moment, one must view the maritime bargaining to be in a world of its own.

large national affiliate) and an individual multinational enterprise. Just as national bargaining has been increasingly decentralized down to the enterprise at the local level, this is “decentralization”, if you will, in an upward direction. That is to say, the negotiations have occurred on an enterprise level, albeit a multinational enterprise level, rather than a sectoral or national cross-sectoral level.

Furthermore, none of these agreements has anything to do with “wage bargaining” or any of the typical issues related to collective bargaining as such.²⁴ The main approach to multinational enterprises has been to promote the signing of a “framework agreement” that commits the enterprise to respect core labour standards in its operations wherever they might be throughout the world – or sometimes in a specifically defined region of the world.²⁵ While the core standards of the ILO’s Declaration of Fundamental Principles and Rights at Work are the starting point, the model framework agreements developed by the respective GUFs do often include a commitment for “fair” wages and “decent” working conditions as well. Nonetheless, these kinds of provisions are oriented to ensuring the capacity for national unions to organize and bargain collectively, rather than establishing a bargaining framework at the global level per se.

In general, one should note that the GUFs with any interest in a global dialogue with private sector employers would be quite different from the GUFs focused on occupations or enterprises that are primarily in the public sector. PSI is clearly in this latter category, and much if not all of EI is probably also public sector oriented. While both of these GUFs may be concerned about privatization, this is a dialogue that would need to include how public services might retain their “public” character while also being contracted out for private sector management or transformed outright into private services enterprises. These issues are especially prevalent in the health, energy, water and similar services where one finds PSI’s members. Privatization from the educational perspective primarily involves the emergence of competition from private providers of education rather than the outright transformation of public institutions into private ones. Both PSI and EI are actively opposed to privatization in principle.

In addition to the involvement of the ITF in the already established dialogue between the seafarers and ship owners, the GUFs with a particular interest in global dialogue with employers in the private sector includes UNI, IFBWW, IUF, ITGLWF, IMF and ICEM – and, of course, the ITF with regard to its other sectors. Each of these global entities is typically made up of a variety of industrial sectors, albeit related, but each with its own network of national affiliates. So in each case, it is not so much the whole GUF that is involved. Rather, it is usually one of the sectors within the GUF that serves as the labour counterpart. Furthermore, the national union in that sector with the nationally based relationship with the enterprise is likely to play the lead role. Such has been the nature of most of the framework agreements negotiated at the global level.

²⁴ It is true that some of the agreements, such as the Danone agreement with the IUF, provides for consultations on restructuring as well as basic commitments for education and training. These are typical of collective bargaining agreements as well, but they aren’t the central focus of collective bargaining, which is on wages and basic working conditions.

²⁵ Robert Taylor describes this as a strategy for “negotiated exchanges” with multinational companies to enforce minimum codes of behaviour and agreed international standards. Robert Taylor: “Trade unions and transnational industrial relations”, (Geneva: International Institute for Labour Affairs, 1999). The IFBWW calls it the “Global Labour Clauses Programme.”

Table 5. Framework agreements, global councils and other initiatives

Sector	Framework agreements	Global councils and other
IUF		
Agriculture and plantations	Chiquita	Chocolate manufacturers
Food and beverages	Danone, Accor	
Dairy	Fonterra	
Tobacco	ITGA	
IFBWW		
Construction	Hochtief Skanska, Ballast Nadam	CICA
Wood and forestry	IKEA, Faber-Castell	Forestry Stewardship Council
UNI		
Commerce	Carrefour	
Telecommunications	Telefonica, OTA	
ICEM		
Energy	Statoil, Endesa, ENI	Security & HR
Rubber		Bridgestone, Goodyear
Mining	AngloGold	Rio Tinto
Chemicals	Freudenberg, World Chlorine Council	Novartis
Paper	Norske Skog	
IMF		
Automotive	Volkswagen, DaimlerChrysler, Merloni	30 company councils (e.g. GM, Ford, GE)
ITGLWF		
Garment		SA8000, Clean Clothes
Textiles		Euratex
ITF		
Civil Aviation		Alpha, Star, OneWorld
Seafarers	IMEC – full bargaining	

Some of the GUFs play a more active leadership role in stimulating dialogue with global employers than others. For example, the IUF and the ITGLWF have played a more active role in taking the lead in their respective sectors, primarily because the national-level unions are not very strong in these sectors. In other GUFs, the international secretariat has generally deferred to specific national affiliates to develop the basic relationship at the home base of the applicable multinational enterprise and to follow that up by joining the negotiations to work out the global scope of a broadened agreement. The IUF agreements with Danone, and with Accor were the earliest examples of framework agreements, and the IUF has played a similar leadership role in negotiating the recent agreement with Chiquita.²⁶ The UNI agreements with Telefonica and OTE, the Greek telecommunications company, and with Carrefour would also seem to have been worked out with the active participation of the UNI leadership from the very beginning of

²⁶ See <http://www.iuf.org>

the negotiating process, but in these instances the negotiations started at the national level and only then moved up to a more global level.²⁷

The IFBWW is another GUF with notable successes in negotiating framework agreements. These agreements even include a commitment to promote adequate wages and working time, as well as respect for the core labour standards. The IFBWW's model framework agreement also includes provisions for decent working conditions and basic conditions of employment.²⁸ Variations of this model have been signed with IKEA (furniture manufacturing), Faber-Castell (furniture manufacturing), Hochtief (construction), Ballast Nadam (a construction-oriented subsidiary of Hochtief) and Skanska (building-related services and project development). The Hochtief agreement includes a provision covering the company's relationship to its subcontractors, and both the IKEA and Skanska agreement refer to a special obligation to apply the provisions of the agreements in their dealings with their suppliers.²⁹ Nonetheless, the negotiations over these agreements have been closely coordinated with the IFBWW's national affiliates.

Both the IMF and the ICEM seem to have different challenges, more oriented to the welfare of their own workers in developed countries (although not exclusively so) than the framework agreements involving the IUF or the IFBWW, which tend to be targeted to suppliers or enterprise commitments in developing and transitional countries. The IMF has adopted its own code of conduct and has established some 30 world company councils, mostly in the auto and metalworking industries.³⁰ These have not been viewed as precursors to framework agreements, however, and the IMF has only recently endorsed the idea of negotiating such agreements. Both Volkswagen and DaimlerChrysler, through the IMF's German affiliate IGMetall, have recently adopted global agreements, as has the smaller, Italian-based Merloni Elettrodomestici.

Similar networks of unions have been created by ICEM around global campaigns for workers' rights at Bridgestone, Goodyear, Rio Tinto and Novartis.³¹ The ICEM did join with its Norwegian affiliate to negotiate a framework agreement with Statoil and with its German affiliate to work out a framework agreement with the Freudenberg Group.³² These agreements are directed at the assurance of basic rights for the entire workforce, many of whom are employed (and unionized) in developed countries. And in the past year or so, the ICEM has concluded new framework agreements with Endesa, Norske Skog, AngloGold and ENI.

The affiliates of the ITF in the civil aviation sector have formed several airline solidarity alliances – Alpha, Star and One World – to parallel the partnering arrangements among various national and private airlines.³³ These “world company/alliance councils” have mobilized the activities of national-level sectoral unions whose members have

²⁷ See <http://www.union-network.org>

²⁸ See <http://www.ifbww.org>

²⁹ *idem*.

³⁰ See <http://www.imf.org>

³¹ Weisband (1999), p. 34. See also <http://www.imf.org>

³² See <http://www.icem.org>

³³ See <http://www.itf.org.uk>

employers that are partners, but again there are no actual signed agreements. The dynamics of the ITF's relationship with the airline industry continue to be very tentative, as reflected in the ILO Tripartite Meeting on Civil Aviation: the Social and Safety Consequences of the Crisis Subsequent to 11 September 2001, that was convened in January 2002. Of course, that meeting was also addressing the consequences of the disaster in the related areas of the civil aviation industry, such as aviation equipment, and the exchanges between the employers' and workers' groups remained fairly general.

(ii) Multi-stakeholder and other initiatives

Multi-stakeholder initiatives are quite different from the bilateral framework agreements that have been negotiated between the GUFs and individual multinational enterprises. They are usually focused on one issue, and they are usually initiated by or in cooperation with human rights or other advocacy groups. Nonetheless, they reflect emerging patterns of global social dialogue in specific industrial sectors. The prime examples of these are focused on child labour or sweatshop conditions. The multi-stakeholder agreements in the textile industry, the EURATEX code of conduct, the Fair Labor Association in the United States and the SA 8000 Advisory Council, are in this category.³⁴ All of these relate primarily to the apparel and footwear industries, with some attention to toys and electronic components. The ITGLWF is active in the EURATEX and SA 8000 initiatives, but there is no union involvement in the FLA at this stage.

Many other multi-stakeholder agreements have involved specific labour issues, but without the direct involvement of a GUF or its national affiliates. Thus, the FIFA agreement on footballs in Sialkot or the special agreement facilitated by the ILO and UNICEF involving child labour in the garment industry of Bangladesh would be examples of this kind of agreement.³⁵ Another more recent example of this kind of multi-stakeholder agreement involves the commitment by the Chocolate Manufacturers Association and the World Cocoa Foundation to phase out child labour in several cocoa-producing countries in West Africa. This particular agreement benefited from the active support and intervention of US Senator Tom Harkin and Representative Elliott Engel. The agreement provides for an advisory group that includes the IUF, the National Consumers' League and a group called "Free the Slaves" as members, but they are technically not signatories to the agreement.³⁶

This is not to say that the GUFs have not been active in promoting multi-stakeholder agreements. There are in fact several of these. The IFBWW has an active forest certification programme through its national affiliates and has worked closely with the ILO on the development of a forestry code of conduct and the Forestry Stewardship Council.³⁷ Another interesting relationship is between the IFBWW and the Confederation of International Contractors' Associations, and the two have recently agreed to support

³⁴ These are described on the web site of the ITGLWF with hyperlinks to each related web site. See <http://www.itglwf.org>

³⁵ See the IPEC homepage on the ILO web site: <http://www.ilo.org>

³⁶ "Agreement to end child labour on cocoa farms", ILO Press Release, 1 Oct. 2001, Geneva, Switzerland.

³⁷ It should be noted that forestry and wood products are also sectors that have benefited from the involvement of environmental groups. See the ILO web site for the forestry sector in the Sectoral Activities Programme, <http://www.ilo.org>

the ILO's core conventions and to meet regularly.³⁸ The IUF has negotiated an agreement on child labour with the International Tobacco Growers' Association.³⁹ Another innovative initiative is the "Global Pesticide Project" involving the IUF and the ICEM, on the one hand, and the chemical manufacturers (the ICCA) on the other. The ICEM has attempted to negotiate an agreement with the ICCA, emphasizing occupational safety and health concerns, but with only limited success.

A more diversified stakeholder approach is found in the Ethical Trading Initiative, which is broadly directed at improving labour standards in the overseas production of goods that are imported to the United Kingdom by the British retail industry.⁴⁰ And of course, there is the agreement, brokered by representatives of the United Kingdom and United States governments, between ICEM, various human rights NGOs and the oil companies on Voluntary Principles on Security and Human Rights.⁴¹

Finally, the involvement of trade unions in the Global Compact is another avenue for dialogue with multinational enterprises and other actors in the business world. Secretary-General Kofi Annan launched this initiative in January 2000 to promote a public/private partnership between the United Nations and business. As an initiative that links environmental and human rights concerns with labour concerns, the Compact has attracted NGOs in the environmental and human rights community as well as in labour. Both the ICFTU and TUAC are partners but also the ICEM and UNI, due to their involvement in initiatives with many of the companies that have signed on to the Global Compact.⁴² Both the IOE and the International Chamber of Commerce (ICC) have endorsed the Compact, and the IOE has been very active in promoting it among its national affiliates.

(iii) *The seeds of global dialogue*

The sectoral dimensions of this global level dialogue are quite diverse, as this summary has illustrated, but it is interesting to note the predominance of initiatives oriented to the phasing out of child labour and sweatshop conditions in textiles, garments, footwear, food and agricultural products. These are the sectors where developing countries are pushing for an opening up of export markets. The forestry and oil industries, both oriented to the extraction of natural resources, are also affected by the mix of labour and environmental concerns. They are quite different from most of the sectoral interactions on labour issues at the regional level and have a very normative focus. Although these are not initiatives that have anything to do with collective bargaining or broadened bilateral negotiations between employers and trade unions, they do contribute to an accumulation of dialogue and trust between the two sides. What is more important, they are also contributing to a significant broadening of the global consensus about the importance of basic workers' rights, and this in itself is an important outcome.

³⁸ Announced on the IFBWW web site, Mar. 2001. See <http://www.ifbww.org>

³⁹ These projects are mentioned in Weisband's account of the ITS's. Weisband (1999).

⁴⁰ See <http://www.ethicaltrade.org>

⁴¹ "Voluntary principles on security and human rights," 20 Feb. 2001, as found in <http://www.state.gov/g/drl/hr/fs/index.cfm?docid=2931>.

⁴² The Global Compact's web site lists the ITS affiliations, along with the ETUC and the ICFTU. See <http://www.globalcompact.org>

In contrast, the global company councils that are being advanced by IMF, ICEM and ITF have the potential to be more far-reaching. They could conceivably evolve into consultative relationships with the companies involved, much like the functioning of the EWCs. Although the EWCs are not typically union initiated, they generally do have union involvement and support. In most cases, the companies around which these global councils have been organized are active in their own right in corporate social responsibility initiatives. These, however, tend to be voluntary and unilateral, and not the product of any stakeholder dialogue, and certainly not the result of any formal negotiation or bargaining with trade union representatives.

Looser, multi-stakeholder types of arrangements, such as the Global Compact, are more likely to attract the attention and support of multinational enterprises than the bilateral and formalized negotiating framework of global collective bargaining. Although the Global Compact has not yet attracted many American multinational companies because of its labour provisions, this kind of public platform does have the potential to become a fairly structured setting for regular dialogue and consultation in this broader context. In the aftermath of 11 September 2001, such innovative partnerships may serve at least to advance the broad view of social responsibility as an ongoing interactive process and as a way to implement common commitments and action for social justice.

5. Conclusions

The objective of this survey has been to provide a preliminary overview of major issues that need to be taken into account for the ILO to be the leading repository of information on sectoral and intersectoral trends in employment, working conditions and workplace relationships, as well as basic workers' rights. The survey has concentrated on three main themes – the significance of the changing sectoral and intersectoral distribution of economic activity; the impact of these employment trends on the representational strength of the ILO's social partners and on collective bargaining systems; and the impact of these trends on transnational labour relations. Some recommendations for ILO action have been developed from this overview. They are developed here around the three themes of the report. Finally, a general list of recommendations is offered at the end of this section.

Recent trends

The first theme on sectoral and intersectoral trends in employment has been developing from the basic starting point of a phenomenal growth of employment in services, declining employment in manufacturing and substantial employment shift out of agricultural employment in developed countries. Even in developing countries, where agricultural employment continues to be a significant share of economic activity and where manufacturing employment has been growing, the report notes that the growth of employment in services sectors has been very substantial.

The report has emphasized some widely known trends here, and they are described in more detail by industrial classification categories in Appendix A. The evolving redistribution of employment between the three main sectors has importance for the ILO's Sectoral Activities Programme for a number of reasons. The importance of agriculture and rural-based employment in developing countries should be an important calculation in the research, policy and technical advice offered by the Sectoral Activities Programme. In manufacturing, the global shift to developing countries in some sectors and the general decline in aggregate employment numbers merit continued scrutiny.

With regard to the service sectors, there are even more issues to address. First, the report notes the ever-growing gap between high-skilled high paid workers and low-skilled low paid workers. This is a cause for concern primarily because of the inequities inherent in wide income disparities, but also because the scope of issues affecting these groups is significantly different. Some reclassification of the service sectors may be useful to consider. In the service sectors, the report also emphasizes the changing mix between the public and private sectors. Privatization and deregulation are contributing to a cutback in public sector employment, while the terms and conditions of employment security in the service industries of the private sector would appear to be somewhat more precarious.

With the overall shift in the sectoral distribution of employment to the services sectors and with the revolution in information and communications technology, there have also been changes in personnel practices and work organization. Work has become more individualized, with greater reliance on the skills and judgement of individuals and teams. The report considers these changes to be a factor in the trend to more decentralized collective bargaining. They have also influenced the organization of work around core competencies, with enterprises peeling off various supplementary services and functions to external networks and temporary and part-time employment relationships, with significant ramifications for representation of workers and employers. Finally, the restructuring and consolidation of enterprises has further increased the precariousness of

employment while also enhancing productivity and economic growth in some circumstances. Sector-specific and nationally based representational structures for workers and employers are being challenged by these changes.

In developing countries, steady growth in the service sectors is recognized to be the main contributor to economic growth. On the other hand, agriculture continues to be the largest employer in developing countries. Attention is very much needed on how to promote employment growth and decent working conditions in rural sectors. Also, the access to markets for export-oriented agricultural products is a major concern in many developing countries.

Representational and bargaining trends

The second theme of the report has been to consider how these trends have affected the representational and bargaining strength of the social partners. Both trade unions and employers' organizations have been losing membership strength, and the report argues that much of this decline is attributable to the changes in the sectoral distribution of employment. The declining employment in manufacturing and the public sector have contributed to a decline in union density in most countries. The relatively low union density in private service sectors and the difficulties of organizing these workers have been identified as major challenges for revitalizing union strength.

Nonetheless, the report notes that current research on trade unions has suggested that only about 40 per cent of the decline in union memberships is attributable to these sectoral shifts. Above and beyond the question of whether the declining membership is attributable to declining governmental support for labour-friendly policies, there are a number of internal factors that deserve consideration. Revitalizing and strengthening the labour movement itself seems to be making a difference, along with mergers and alliances to consolidate resources. Many unions are also engaging in innovative recruitment and retention strategies to meet the changing expectations of workers, both in the workplace and in its relationship to their lives generally. Gender-based awareness and programming are also proving to be significant factors in continued or renewed union representational strength.

As the report notes, employers' organizations have primarily been responsive to the labour relations environment, rather than proactive. In those countries where sectoral-level bargaining has been strong, one also finds strong employers' organizations at the sectoral level. But the dominant pattern is for employers' organizations to be organized at the national level, in general purpose, multi-sectoral organizations. In either case, the report observes that membership in employers' organizations has been declining, in part because of the trend towards bargaining at the enterprise level. In addition, both employers' and workers' organizations have been affected by the broadening of the national policy debate to encompass issues of macroeconomic fiscal and monetary policies, trade, and the like. For employers' organizations, this has often coincided with their being merged into multipurpose business federations at the national level. These general trends in trade unions and employers' organizations would be important elements to address, with more in-depth consideration of their sectoral ramifications, in the Sectoral Activities Programme. Similarly, the impact of these developments on the changing nature of labour relations systems would also be useful for the Programme to consider.

Transnational trends in sectoral labour relations

The evolution of transnational labour relations reflects the multiple ways in which trade unions and employers' organizations are adapting to the opening up of national economies to transnational economic activity. While the Sectoral Activities Programme is inherently a forum for multi-national dialogue and action on issues of importance within each sector, it can also be a setting for the observation and evaluation of *transnational* trends in labour relations. These trends are occurring at both the regional and global levels.

At the regional level, new relationships are emerging that reflect the sectoral employment trends in each particular region. This is especially true in the European Union, but elements of similar sectoral variations can be seen in other regions as well. The report has outlined a number of developments in several regions (or subregions) to illustrate the merits of a regional element to the Sectoral Activities Programme.

At the global level, it is encouraging to note that the impetus for transnational dialogue is the heightened global awareness about the importance of basic workers' rights and decent terms and conditions of work. At one level, this has contributed to the negotiation of framework agreements between certain global union federations (GUFs) and individual multinational enterprises. These are a variation of the bilateral relationships between the two social partners that are central to national labour relations systems. Even so, they are not seen as displacing bargaining at the national, sectoral or enterprise levels but rather as reinforcing a commitment to respect the representational and bargaining processes. They have tended to be in sectors where strong national labour relations systems have served as the foundation for the transnational agreements, as in the furniture, construction or automotive industries. In this regard, the experience of transnational bargaining in the maritime sector is quite different, but the report suggests that the uniqueness of the maritime sector makes it unlikely that other sectors could follow this pattern. Further study of these framework agreements would be useful, especially in terms of their concentration in certain sectors.

At another level, the report has looked at how a concern about basic workers' rights is also serving to mobilize a number of multi-stakeholder initiatives. Here, the global union federations have been among the parties to the initiatives, along with other NGOs and, in some cases, a loose coalition of companies. These multi-stakeholder initiatives have tended to have a sectoral focus – especially in textiles, garments and leather work, but also in various agricultural and extraction industries. On a more general front, several of the GUFs, as well as the ICFTU itself, have also participated in the UN's Global Compact, a multi-stakeholder initiative with the potential for providing broadened opportunities for dialogue, although not, certainly, for actual bargaining. These multi-stakeholder initiatives are opportunities for the ILO to advance its own standards and to influence the direction they take.

Looking ahead

This survey is a very preliminary overview of a wide array of inter-related trends and issues affecting the sectoral distribution of employment and economic activity, the representational strength and changing structures of workers' and employers' organizations and collective bargaining systems, and the transnational scope of labour relations. A more comprehensive approach to the integration of the Sectoral Activities Programme into the Decent Work Agenda could include the following studies or initiatives. These should be viewed as part of an ongoing process for advancing a

composite understanding of sectoral trends affecting employment and key workplace issues.

Methodological issues

1. There is an urgent need for a comprehensive and regularized approach to data collection on industrial and occupational classifications. The methodologies and practices for data collection need to be coordinated within the ILO itself and between the ILO and other agencies.
2. Consideration should be given to the development of distinct classifications for “knowledge” work.
3. The 22 sectors within the Sectoral Activities Programme should be more clearly defined. The sector definitions should specifically take into account the definitions used by organizations that collect and disseminate data useful for the analysis of sector-specific issues.
4. A clear definition is needed for the “informal sector” and a methodology put in place for consistent data collection, including where the activity should actually be included as part of a formal sector and where it should not be so included.
5. A uniform definition of “trade union” and “trade union membership” should be adopted within the ILO for data collection purposes.

Substantive issues

Further research should be encouraged in the following areas:

1. development of an in-depth analytical framework for comparing the employment trends in one sector as they affect other related sectors;
2. the effect of sectoral employment trends on the pressure for systemic changes in labour relations;
3. the growth in service sectors and its effect on labour market institutions in general;
4. gender and age patterns in employment by sector;
5. the growing gap in the wages paid to high-skilled workers relative to wages paid to low-skilled workers and approaches to closing the gap;
6. an integration of data by occupational categories with the data by industrial classifications for a more in-depth study of sectoral employment trends;
7. the changing relationship between the public and private sectors;
8. variations in the growth rates of employment and types of services from country to country;
9. the sectoral dimensions of the restructuring of enterprises and their effect on the distribution of employment;
10. sectoral variations in decentralized bargaining;

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11. the role of e-commerce in service sector growth;
 12. the overwhelming size of the agricultural sector in developing countries and how to integrate rural concerns into the Decent Work Agenda;
 13. the effect of the sectoral distribution of employment in agriculture and in textiles, apparel and leather goods on the trade and development debate;
 14. improving the gender balance in trade unions and employers' organizations;
 15. the sectoral patterns of regional and global dialogue and how they are reflecting new networks of workers' or employers' interests;
 16. the diversity of initiatives involving the global union federations on framework agreements and other global activities, their relationships with national affiliates and their potential for more comprehensive systems of labour relations; and
 17. sectoral variations in business initiatives for social responsibility, their relationship to national and international employers' organizations and their potential for more comprehensive systems of labour relations.

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Appendix A

Sectors covered on a regular basis by the Sectoral Activities Programme

Industry

Agriculture; plantations; other rural sectors

Basic metal production

Chemical industries

Construction

Food; drink; tobacco

Forestry; wood; pulp and paper

Mechanical and electrical engineering

Mining (coal; other mining)

Oil and gas production; oil refining

Textiles; clothing; leather; footwear

Transport equipment manufacture

Maritime and transport

Shipping; ports; fisheries; inland waterways

Transport (including civil aviation; railways; road transport)

Public and private services

Commerce

Education

Financial services; professional services

Health services

Hotels; tourism; catering

Media; cultural; graphical

Postal and other communication services

Public service

Utilities (water; gas; electricity)

Appendix B

Table B.1. Union membership and union density since 1985

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
Gabon			5.4			2.0			
Guinea			13.3			2.5			
Mauritania			15.0			2.7			
Uganda		101.5	62.6		7.8	3.9		-3.9	
Ethiopia		4.5	152.2			4.1			
Morocco			290.0			4.8			
Eritrea			18.0			7.2			
Tunisia			220.0			9.8			
Botswana			45.0			11.5			
Zambia	a	320.1	273.1		18.8	12.5		-6.3	
Côte d'Ivoire			300.0			13.0			
Mali			102.8			13.7			
Zimbabwe		161.9	250.0		11.6	13.9		2.3	
Cameroon			250.0			14.7			
Cape Verde			15.2			16.9			
Kenya		700.0	500.0		41.9	16.9		-25.0	

Table B.1. Union membership and union density since 1985 (continued)

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
Nigeria		3 000.0	3 520.0			17.2			
Tanzania			469.6			17.4			
Senegal			184.0			21.9			
Namibia			55.0			22.0			
Swaziland		1.9	21.0			22.4			
Ghana			700.0			25.9			
Mauritius		98.4	106.0		34.8	25.9		-8.9	
Egypt		2 720.6	3 313.1		42.7	38.8		-3.9	
South Africa	a	1 391.4	3 285.4		27.6	54.1		26.5	
Guatemala	a	65.2	88.6		8.1	4.4		-3.7	
Honduras			105.9			4.5			
Colombia		877.0	840.0		11.2	7.0		-4.2	
Peru			442.0			7.5			
Paraguay			108.8			9.3			
Ecuador			300.4			9.8			
El Salvador	a	78.6	102.6		8.3	10.7		2.4	
Uruguay		222.0	151.2		19.9	11.6		-8.3	

Table B.1. Union membership and union density since 1985 (continued)

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
United States	a	16 996.1	16 360.0	16 477.0	18.0	14.9	13.9	-3.1	-1.0
Chile		361.0	684.4		11.6	15.9		4.3	
Bolivia			276.1			16.4			
Costa Rica		138.6	138.6		29.1	16.6		-12.5	
Venezuela		1 700.0	1 153.1		29.8	17.1		-12.7	
Dominican Rep.		360.0	450.1		18.9	17.3		-1.6	
Panama			90.0			20.1			
Nicaragua			280.5			23.4			
Canada	a	3 435.0	3 768.0	3 612.0	37.1	37.4	30.1	0.3	-7.3
Argentina		3 262.0	3 200.0		67.4	38.7		-28.7	
Mexico		9 500.0	7 000.0		59.6	42.8		-16.8	
Brazil		9 606.7	17 378.3			43.5			
Antigua/Barbuda		9.0	14.4			53.8			
Cuba		2 892.8	2 771.5		100.0	70.2		-29.8	
Dominica					8.0				
Guyana			70.0						
Indonesia			1 000.0			3.4			

Table B.1. Union membership and union density since 1985 (continued)

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
Thailand		234.4	415.5		4.3	4.2		-0.1	
Pakistan		880.9	880.9		6.4	5.5		-0.9	
Bangladesh		1 090.0	1 720.7		15.3	7.5		-7.8	
Malaysia		605.8	706.3			13.4			
Korea, Rep. of	a	1 004.4	1 615.0	1 401.9	12.4	12.7	11.5	0.3	-1.2
India	a	5 917.0	4 256.0		26.5	15.2		-11.3	
Singapore	a	201.1	235.2	272.8	19.4	15.7		-3.7	
Hong Kong	a	367.6	581.2		16.8	21.1	21.5	4.3	0.4
New Zealand	a	683.0	262.2		43.5	21.7		-21.8	
Israel		1 850.0	450.0		100.0	23.0		-77.0	
Japan	a	12 319.4	12 495.0	12 093.0	28.4	24.0	22.5	-4.4	-1.5
Philippines	a	2 117.0	3 568.8	3 587.0	24.1	30.2		6.1	
Australia	a	2 593.9	2 251.8	1 848.0	45.6	33.0	26.0	-12.6	-7.0
Taiwan	a	2 099.8	3 135.9	3 048.3	34.2	46.7	46.6	12.5	-0.1
China	a	85 258.0	103 996.0	89 134.3	59.4	54.7		-4.7	
Azerbaijan		2 522.3	1 706.7		96.3	63.8		-32.5	

Table B.1. Union membership and union density since 1985 (continued)

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
Sri Lanka	a	1 565.4	1 613.4						
Jordan		212.3			27.6				
Syria	a	437.3	612.7	644.9					
France	a	2 443.0	1 945.0	1 980.0	13.9	9.9	10.0	-4.0	0.1
Spain	a	672.4	1 516.8	1 582.6	9.3	17.0	16.3	7.7	-0.7
Switzerland	a	808.9	789.5	752.0	27.5	23.6	22.4	-3.9	-1.2
Greece		650.0	500.0		36.7	24.3		-12.4	
Netherlands	a	1 257.3	1 457.1	1 514.5	28.0	24.3	23.1	-3.7	-1.2
Portugal	a	1 463.0	1 000.0			25.0			
Germany	a	11 969.4	9 334.8	8 326.9	35.9	29.1	26.2	-6.8	-2.9
UK	a	9 738.9	7 280.1	7 188.3	45.4	32.8		-12.6	
Turkey	a	1 247.7	2 660.6	2 988.0	29.2	33.6		4.4	
Poland		6 300.0	3 420.0		58.8	33.8		-25.0	
Estonia		580.0	166.6		82.5	36.1		-46.4	
Italy	a	6 125.5	5 487.1	5 481.5	42.3	38.5	38.0	-3.8	-0.5
Romania		4 000.0	3 700.0		50.7	40.7		-10.0	
Austria	a	1 419.6	1 310.5	1 224.4	51.6	40.7	38.5	-10.9	-2.2

Table B.1. Union membership and union density since 1985 (continued)

Country	Series	Membership (employed) (1000s)			Union density (employed) (in per cent of labour force)			Change in density	
		1985	1995	1998	1985	1995	1998	1985-95	1995-98
Czech Republic		3 820.0	1 886.0		76.9	42.8		-34.1	
Luxembourg		75.0	85.0		49.7	43.4		-6.3	
Ireland	a	419.5	466.1	502.9	56.3	47.1	42.2	-9.2	-4.9
Cyprus		144.9	161.0		62.7	53.7		-9.0	
Belgium	a	1 461.9	1 611.1		50.7	53.8		3.1	
Norway	a	1 001.5	1 061.2	1 103.7	55.9	55.4	55.4	-0.5	0.0
Bulgaria		2 200.0	1 810.0		62.3	58.2		-4.1	
Hungary		3 000.0	1 860.0		80.4	60.0		-20.4	
Slovakia		1 920.0	1 150.0		76.9	61.7		-15.2	
Malta	a	53.0	78.0	80.5	47.9	65.1		17.2	
Russian Fed.			42 356.0			74.8			
Denmark	a	1 726.5	1 784.6	1 824.5	78.6	78.1	75.7	-0.5	-2.4
Finland	a	1 427.2	1 398.2	1 498.3	69.1	79.6	79.0	10.5	-0.6
Iceland	a	83.0	103.1			85.0			
Sweden	a	3 247.9	3 098.8	3 050.4	81.5	87.5	88.0	6.0	0.5
Belarus		5 355.4	4 134.2		100.0				
Ukraine		26 000.0	21 850.0						

Source: Visser, 2000.

Table B.2. Union density, private and public sector

	Year	Private	Public	Year	Private	Public
Sweden	1980	–	–	1995	77	93
Finland	1980	–	–	1989	65	86
Norway	1980	47	74	1994	44	79
Belgium	1982	41	79	1991	45	67
Ireland	1980	–	–	1994	43	68
Italy ^a	1980	48	60	1997	36	43
Austria	1980	49	68	1998	30	69
Germany ^b	1980	29	67	1997	22	56
Switzerland	1980	24	71	1987	22	71
UK	1980	45	69	1999	19	60
Netherlands	1980	26	60	1997	19	45
Spain	1991	14	26	1997	15	32
France	1981	18	44	1993	4	25
Australia	1982	39	73	1996	24	55
Japan	1980	29	75	1995	22	68
Canada	1984	28	64	1999	19	71
US	1980	17	37	1999	9	37

Notes: Public sector includes public administration, education, public health, railways and PTT (before privatization).

(a) Public sector density in Italy in 1997 was probably much higher, by between 10 to 15 points, if the membership of independent unions, which are especially active in the public sector, is added. However, given the poor and scanty nature of the membership statistics of these unions, the are based on the membership in unions belonging to the three main confederations. (b) 1980 refers to West Germany; 1999 refers to Great Britain.

Source: Visser, 2000.

Appendix C

Table C.1. Centralization and coordination of collective bargaining

	Year	Levels of bargaining			Coordination				Pay	Statutory minimum wage
		Intersectoral	Sectoral	Company	National agreement	Intra: unions	Intra: employers	Pattern bargaining	Indexation mechanism	
Kenya	1995	x	x	xxx						
Mauritius	1995	x	x	xxx						
South Africa	1995	x	xx	xx		1				
Swaziland	1995			xxxxx						
Zambia	1995			xxxxx						
Zimbabwe	1995	x	x	xxx						
Australia	1999	x	x	xxx		1				
New Zealand	1995			xxxxx						
China	1995			xxxxx						
India	1995	x?	x?	xxx						
Japan	1998		x	xxxx		1	1			
Korea, Rep. of	1998		x	xxxx						
Philippines	1995		x	xxxx						
Singapore	1995		x	xxxx						
Thailand	1995			xxxxx						
Austria	1998	x	xxx	x		1	1	2		
Belgium	1998	xx	xx	x	2				2	1

Table C.1. Centralization and coordination of collective bargaining (continued)

	Year	Levels of bargaining			Coordination				Pay	Statutory minimum wage
		Intersectoral	Sectoral	Company	National agreement	Intra: unions	Intra: employers	Pattern bargaining	Indexation mechanism	
Denmark	1998	x	xx	xx	1	1	1	2		
Finland	1998	xxx	x	x	2	1	1	1		
France	1998	x	x	xxx						2
Germany	1998		xxxx	x	1	1	1	2		
Greece	1997	x	xxx	x	2					1
Ireland	1998	xxxx		x	2	1	1			(1)
Italy	1998		xxx	xx	2					
Luxembourg	1998		xxx	xx					2	1
Netherlands	1998		xxx	xx	1	2	2	1		1
Norway	1998	xx	xx	x	2	1	1	1		
Portugal	1998	x	xxx	x	1					1
Spain	1998		xx	xxx		1	1			1
Sweden	1998		xxxx	x	1	1	1	2		
Switzerland	1998		xxx	xx		1	1	1		
Great Britain	1999		x	xxxx						1
Canada	1999		x	xxxx						
United States	1989			xxxxx						

Notes: Levels of bargaining: maximum score is 5 ('xxxxx') divided over 3 levels; Coordination mechanisms: '2' is major / strong; '1' is minor / weak. Else: absent.
Source: Visser: Trends in unionisation, 2000.

Appendix D

Sectoral configurations for ten global union federations

Education International (EI)

24.5 million members

305 member organizations

155 countries

All teachers and administrators

1993 merger of two separate internationals in the same sector

International Federation of Building and Wood Workers (IFBWW)

11 million members

285 trade unions

124 countries

Construction

Wood and forestry

International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM)

20 million members

399 trade unions

108 countries (a 1996 merger)

Energy

Mining and Quarrying

Chemicals and Bioscience

Pulp and paper

Rubber

Diamonds, Gems, Ornaments & Jewellery

Glass, Ceramics, Cement & Associated Industries

Environmental Services

Service and Miscellaneous Industries

International Federation of Journalists (IFJ)

450,000 journalist members

100 countries

International Metalworkers' Federation (IMF)

23 million members

193 trade unions

101 countries

Automotive

Electrical/electronics

Mechanical engineering

Iron

Steel and non-ferrous metals

Shipbuilding

Aerospace

International Textile, Garment and Leather Workers' Federation (ITGLWF)

10 million members

220 trade unions

110 countries

Garment

Textile

Leather goods

Homeworkers

International Transport Workers' Federation (ITF)

5 million members

570 trade unions

132 countries

Civil Aviation

Fisheries

Inland Navigation

Ports

Railways

Road Transport

Seafarers

Tourism

Urban Transport

The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)

10 million members

326 organizations

118 countries

Agriculture and plantations (added in 1994)

Food and beverages (the core group)

Tobacco (added in 1958)

Hotels, restaurant and catering (added in 1961)

Public Services International (PSI)

20 million members

500 trade unions

140 countries

Public administration and public services

Energy, water, sewerage and drainage, gas, housing and air traffic control

Public works projects – roadbuilding and maintenance

Health services

Social services

Protection of the natural environment

Security, including police, road traffic, defense and firefighting

Legal, justice systems and prisons

Cultural and recreational services

Customs and taxation services

Union Network International (UNI)

15 million members (a 2000 merger)

Casino

Commerce

Electricity

Finance

Graphical

Hair and Beauty Care

Industrial, Business Services and Information Technology

Media, Entertainment and the Arts

Postal and Allied Services

Property Services

Social Insurance and Private Health Care

Telecommunications

Tourism