



Fact Sheet No.2: Weak collective voice leaves workers insecure

New forms of voice still limited

Trade unions have shrunk in many parts of the world, and according to a national Representation Security Index estimated for 99 countries, most workers have a very low probability of having a secure voice in their labour market relationships. Essentially, the globalization era has coincided with a weakening of workers' collective strength. The countries that have the strongest scores in the representation index are the Nordic countries. But almost two-thirds of all countries have weak representation security and fit in the "much-to-be-done" cluster.

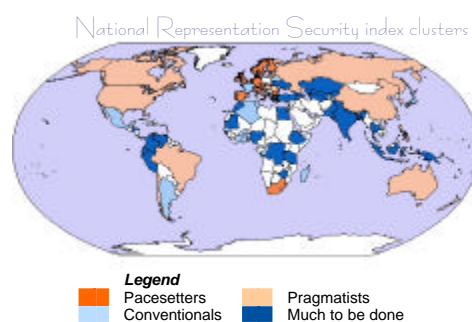
The ILO economic security report concludes, *"What is worrying is that there has been a powerful erosion of the main forms of voice in the world of work in the era of globalization."*

As far as representation security is concerned, there is bad news and there is good news. Both are brought out in the ILO report, among which are the following key points:

- Perhaps among the best news is that the report shows that countries with strong representation security tend to have lower levels of inequality, as measured by the gini coefficient of income distribution.
- Perhaps the worst news for workers is that de-unionization (the percentage of workers in trade unions) has continued all over the world. In some industrialized countries, the unionization rate has shrunk below 10%.
- Unions are strongest in public services, but as these are being privatized, there is a new threat to union strength.
- Women are less unionized than men, and women occupy only a small minority of senior positions in trade unions (see Fact Sheet 4).
- Most workers, when asked for their views on unions, are either *unaware* of their existence or sceptical about their value. This is shown to be strongly the case in developing countries, such as Bangladesh, parts of India and Pakistan, for example.
- There is an absence of *trust* in unions in many countries, which is brought out by surveys conducted for this report. In the Russian Federation, for instance, a third of workers believe that no one is protecting their interests, and only 2% believe that unions are doing so. Only one in every five adults had a "positive attitude" to

unions. In Brazil, lack of trust in unions (only 30% had trust in them) is linked to a decline in trust in any social organization, but there is less trust than with some other bodies, such as the church and neighbourhood associations. In Argentina, only 11% of respondents had trust in unions. In the USA, less than 20% of the adult population has trust in 'organized labour'.

- Potentially good news is that new forms of organization are gaining ground, as is documented in this report. People express more trust in those bodies than in government agencies or most old-style union organizations. However, the report questions whether many of the NGOs are actually representative and oriented to the promotion of workers' interests.
- The report shows that countries with high levels of representation security have relatively high levels of employment security and work security. However, a high representation security index score is not correlated with strong labour market security, suggesting that unions have not managed to assist in lowering unemployment. The representation index is also not correlated with national measures of skills security.





Note: Countries in "white" are not part of the analysis.
Source:IFP-SES database 2004

- Although unionization is low, enterprise surveys conducted by the ILO show that firms that are unionized typically pay higher wages and provide more non-wage benefits than otherwise similar firms in the same country or sector. Moreover, statistical evidence shows that unionized firms do as well as non-union firms.
- Unionized firms are more likely to promote skills security, pressing managers to provide more training and retraining (chapter 10). And independent unions seem to have a stronger effect than company unions.
- Unionized firms in South Africa and Tanzania were more likely to operate equal opportunity, or non-discrimination, employment policies.

Among the conclusions and recommendations of the report in this respect are the following:

- "Thin democracy" has permeated the world of work, in that workers and working communities rarely have situations in which they can bargain effectively or in a position of equality with employers.
- Governments have strengthened individual rights while curtailing collective rights, thereby weakening the capacities of trade unions and other mass organizations in bargaining.

- There has been a strong erosion of a sense of *social solidarity* around the world, as workers and others are encouraged to focus on consumption and the acquisition of property.
- There is a global trend towards a convergence of fiscal, monetary and social policy in which decision-making authority is being ceded to technicians and 'experts', in which the collective democratic voice is largely excluded.
- To ensure greater representation of workers at global level, the report suggests that consideration should be given to the establishment of an Economic Security Council within the United Nations, so that information on economic and social security could be presented and reviewed before the world.
- The ILO report reviews voluntary corporate social responsibility initiatives and concludes that they are unlikely to have much effect. It concludes, "*Companies should not be expected to take over responsibility for social policy, and should avoid becoming paternalistic.*"