THE ROLE OF LABOUR UNIONS IN A CHANGING WORLD ENVIRONMENT: A COMPARATIVE ANALYSIS

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The Economic Development Institute

"The essence of the knowledge is, having it, to apply it; not having it, to confess your ignorance. Ignorance is the night of the mind, but a night without moon or star".

Confucius.

"It is not the degree that makes a great man; it is the man that makes the degree great"

Nicoli Machiavelli.

The Economic Development Institute under the theme **Global Thinking Research** was established in 2001. We are group of past students of the University of the West Indies living in and outside Jamaica. We came to the realization from when we were on the Mona Campus that in the **Information Age** we live in, successful people are those who have access to information. We formed a group to share in this **New Way of Thinking** and found it fruitful to our endeavours . Unfortunately, we had to restrict our information bases in many cases as our lecturers and tutors deemed it fit to remain in a vacuum of limitation with regards to the evolution of the **New Information Paradigm**. We were clearly ahead of our time. We have developed this new product called the **Information Booklet Series (which there is a need for),** the product provides **information on topical issues** in the areas of Management, Sports, Information Technology, Public Administration, Information and Communication, Economics, Economic Development, Social Development, Legal Education, Industrial Relations at competitive prices. We have kept it simple so that all can understand and appreciate. As such, we do not regard them as theses on the chosen areas and they do not seek academic recognition, however they do

meet WIPO (World Intellectual Property Organization) Standards. We hope you will find the following informative and instructive and as usual your comments would be appreciated.

"Trade unions have always had two faces, sword of justice and vested interest. The balance between these two features can change over time, however. It seems clear that in many countries, unions have lately come to be widely perceived as conservative institutions, primarily concerned to defend the relative advantages of a minority of the working population. One of the challenges which confront trade unionism in the twenty-first century is therefore to revive, and to redefine, the role as sword of justice." (Flanders, 1970: 15).

Section I

Introduction

Trade unions have been important institutions of industrial society; they have helped deliver significant outcomes in terms of improved living standards, equity and justice to workers all over the world. However, at the end of the twentieth century, unions face a situation marked by the universal trend towards greater liberalization of economic and political regimes. The changing environment requires new approaches and strategies on the part of unions if they are to remain major social actors contributing to dynamic and equitable growth. It is argued in this note that liberalization/globalization, which brings formidable challenges to unions, also provides them with opportunities to play a far more effective and politically important role in society.

This note reviews three sets of issues which should figure in a discussion of the changing role of trade unions. These are: (i) the traditional role of unions; (ii) the changing environment in the world of work and its impact on unions; and (iii) union responses in terms of new approaches and strategies. The different

economic, political and geographic settings of unions around the world are given special attention.

The issues raised have been assembled with the following objectives: (i) to identify the gaps in knowledge concerning the responses of unions in different environments; (ii) to define an agenda for further research highlighting the contribution of labour and unions to society; and (iii) to set the terms for policy debates involving unions and researchers on promising approaches for the future. The above objectives have been incorporated into a programme on "Organized labour in the 21st century", undertaken by the International Institute for Labour Studies of the International Labour Organization. The issues listed above are being investigated within the framework of studies organized by the Institute in different countries. Based on the findings of these studies, which are at various stages of completion, this paper discusses some questions relevant to the future of labour movements, with special reference to developing countries.

The role of trade unions

Trade unions have traditionally performed three principal roles in their relations with individual employers, business associations, the State, and the public at large.

(i) The economic role of facilitating production and ensuring an equitable distribution of the value-added. This has been achieved mainly through collective bargaining and negotiations at enterprise level, industry/sector level or national level.

(ii) The democratic and representative role of providing voice and identity to labour at the workplace, and in society at large. This includes: (a) representing workers in individual grievance procedures; (b) giving voice to labour's views on economic and social policies at all levels including enterprises; and (c) promoting cooperation between capital and labour with a view to securing employment,

improved working conditions and living standards consistent with sustainable growth.

(iii) The social role of minimizing the risk of exclusion in an industrial society by: (a) promoting solidarity among workers in different sectors and occupational groups; (b) providing special services to members of unions; and (c) serving as an anchor for broad-based social movements sharing similar values and goals.

Bargaining and representation

The first and second functions roughly correspond to the two familiar roles of unions – negotiating on wages and working conditions, and representing workers' interests in various fora (Freeman and Medoff,1984). The balance of these two functions has been influenced by the pace and spread of industrialization over the past decades.

The experience of a number of industrialized countries suggests that, over a period of time, unions have grown from a predominantly bargaining role to a specialized role, representing the voice and interests of labour. This transition came with economic growth and a sustained increase in capital intensity both in product and labour markets. Unions served as a conduit for turning economic growth and prosperity into improved living standards for workers. The benefits of collective bargaining were transmitted to a broad spectrum of society in terms of wage and nonwage benefits, particularly through a reduction of working time. More importantly, unions helped maintain a wage structure which minimized income disparities between workers; in the process they managed to correct an imbalance in distribution which markets tended to create.

The post-war decades conditioned unions to function in a corporate environment, combining their traditional bargaining activities with the newly acquired voice and representation functions.

Corporatism, which was originally a state-sponsored arrangement for cooperation between labour and capital, was transformed into societal corporatism from which social policies have been derived through democratic decision making (Crouch and Dore, 1990). Workers identified common ground and interests with employers and exercised a moderating influence on business strategies. Together they developed labour policies which fitted in with the fluctuating fortunes of business. The new approach was particularly successful in countries like Japan where institutions governing industrial relations were modeled on those in industrialized Western countries.

Social cohesion

Unions nurtured social cohesion by involving themselves in the design of institutions which guaranteed a secure income and decent living standards in society as a whole. As industrialization and economic growth led to major changes affecting the age, gender and skill composition of the workforce, a new range of issues emerged for consideration by the unions. Over the years, they embraced a broader agenda including health care, leisure, recreation, retirement and non-wage benefits from employment. They appeared on new representative bodies and platforms for dialogue, and decisively influenced the content of social policy.
The ILO studies, particularly those on Israel, Japan and Sweden, show that at an intermediate stage, unions rose to the challenge of meeting the changing requirements of an industrial society; established themselves as credible partners and provided a variety of services to members, including mutual aid, credit, insurance, housing and consumer services mostly through cooperatives linked to union membership Nathanson *et al* 1999; Inoue, 1999; and Fahlbeck, 1999). The Swedish study suggests that in Scandinavia the preeminent position which unions enjoyed in terms of membership and influence over public policies was anchored

in the services which unions provided to their members. One of the oldest trade unions in the middle East, the Histadrut of Israel, grew in strength until the early 1990s with an impressive membership tally based on the provision of services, notably health care which covered practically the entire population.

The strength and influence of trade unions

The preceding discussion points to some tangible indicators of the strength and impact of unions which may be listed as follows: (a) union density - whether unions have built a solid base through membership of the workers they represent; (b) the capacity to mobilize - whether unions, irrespective of numerical strength, have the capacity to mobilize labour successfully; (c) labour institutions - whether the results of union action have been institutionalized through labour legislation, collective agreements, and union participation in the administration of benefits; and (d) union structures - whether unions have developed appropriate structures to deal with labour issues arising at local, regional and global level.

Union density

The proportion of workers who belong to a union has been the most visible symbol of union strength. Right through the period of industrialization in the developed countries, unions grew in strength, bringing nearly two-thirds of the labour force into their fold. This trend was reversed in the mid-1970s when union density dropped steeply in many industrialized countries. It has continued to increase in a number of developing countries, but at an extremely slow rate. There is considerable scope for growth in union membership among the developing nations, especially in the newly industrializing countries (ILO, 1997).

The growth of trade unions from the collective bargaining function towards a role dominated by voice and representation of workers, seems to have taken place

against the background of high density unionism which gained ground mainly in continental Europe and in Japan. The broad membership base which unions commanded and the equitable distribution which they promoted in major sectors and enterprises strengthened the position of unions, giving them more power to bargain or collaborate and to derive successful outcomes.

Mobilizing capacity

Apart from numerical strength the capacity to mobilize, which brings significant results for workers, is a direct measure of the degree of political support which unions enjoy. The experience of developed countries suggests that union capacity for mobilization has a synergistic effect on the development of democracy. Unions have consolidated their political space and in the process they have strengthened the democratic institutions of such societies. As industrialization spread, unions emerged as major partners influencing the allocation, stabilization and redistribution functions of modern governments. As a result the post-war decades in Europe have been marked by the ascent of an activist State which supervises the distribution of benefits to workers and their dependents. Certain governments have mobilized resources in excess of 50 per cent of GDP in order to finance the welfare society (Esping-Anderson, 1996; Tanzi and Schuknecht, 1995).

Labour institutions

Union capacity to deliver successful outcomes for labour means that the benefits they have won have to be incorporated in statutes governing the labour market. In industrialized countries, unions influenced the design and development of the post-war system of industrial relations which was based on a strong political commitment to full employment and workers' welfare. Some salient features of the system were: (a) participation in full-time employment, governed by an open-

ended contract; (b) collectively negotiated wage structure with minimal dispersion across skill categories; (c) social benefits to workers and their dependents distributed through the main income earner; (d) control over working time and safety standards; and (e) job security for individual workers. As it happened, the industrial society with an egalitarian base, fostered by unions, became a powerful engine of growth and prosperity.

The institution of industrial relations was not unique to the developed countries. Some variants emerged in developing countries too, albeit involving a smaller proportion of the total industrial workforce. In the aftermath of decolonization, many States initiated development programmes and embarked on industrialization based on import substitution strategies. The unions became major players, occupying a vantage position supported by State patronage. Regulated industries and public-sector enterprises, such as transport, communications and utilities, became a fertile ground for the growth of unions. In a few countries, such as India, where political pluralism and procedural democracy gained ground (Dahl, 1998), independent unions occupied a prominent place (Bhattacherjee, 1999).

Contractual laws and legal safeguards - mostly adapted from the industrialized countries – were established to fortify an incipient industrial society and to ensure the presence of a stable and committed labour force for the new urban industrial enclaves. Secure jobs, guaranteed higher wages and better working conditions were viewed as preconditions for the development of an industrial society. These provisions often became the critical elements of a "social compact" which set the terms of compromise between capital, labour and the State in sharing the national product (Webster and Adler, 1998). The compact worked in the early stages of industrialization, but eventually it failed to take on board the concerns of a broad

spectrum of workers in developing countries, where the labour institutions came to be viewed as problems rather than as solutions.

It is important to view the institutional safeguards for labour in a historical perspective, to assess their past contribution and evaluate their relevance to contemporary labour markets. The need arises because there are strident demands for the removal of these safeguards; it is argued that they protect the interests of workers, sometimes derisively referred to in developing countries as the labour aristocracy.

Union structures

Trade unions have adapted to the changing environment by creating new structures for organization and interest representation. Some functions have been centralized and taken over by apex bodies while others have been decentralized to plant or enterprise level. Collective bargaining has been centralized at national or sectoral level with a view to deriving framework agreements for the entire economy or sector. The post-war decades witnessed the establishment of new institutions for labour/ management cooperation. Enterprise unionism provided a platform to build on the macro-level framework agreements and to share the fruits of growth in an environment of cooperation.

The new structures for labour/management cooperation have been influenced by the economic and social environment of the countries or regions they belong to. In Japan, for example, such cooperation was built on the presence of "quasi-communities of labour" which adopted a problem solving approach within enterprises. The quasi-communities helped develop a pattern of enterprise restructuring with flexible employment practices based on retraining and relocation of workers and with minimal use of lay-offs (Inoue , 1999). The Works Councils, which started in countries like Germany, where labour and business practise

mutually beneficial consultation (Rogers and Streeck, 1993), are now being adopted all over Europe.

The changing environment

Recent decades have seen profound changes in the political and economic environment which have had a negative effect on the position and influence of trade unions. The interrelated factors which contributed to this situation may be listed as follows. First, globalization has led to intense competitive pressure in product markets, accelerated the mobility of capital, and added to the vulnerability of labour. Second, technological changes have made it possible to reshape production

through new forms of industrial organization, including sub-contracting and the spatial reorganization of production systems. Third, there are changes in the skill composition of the workforce along with large scale entry of women into labour markets.

There is a discernible trend towards enterprise downsizing and a shift in industrial employment away from large enterprises. This trend is connected with technological changes. The new units of production, each employing a smaller number of workers albeit with uniform skill endowments, tend to be geographically dispersed even outside the boundaries of urban labour markets (Sherlock, 1996).

The skill composition of workers is changing and they are increasingly differentiated by their competence. At the higher end of the scale, workers tend to be better educated, career minded, individualistic and less motivated by class interests and solidarity. On the other hand, there is a discernible concentration of workers at the lower end in service industries or occupations. Such workers tend to be either women or migrants.

Flexible labour market policies have gained legitimacy and political support In the climate of economic liberalism. Practices such as subcontracting, outsourcing and the hiring of temporary and part-time workers, long considered as atypical employment, are becoming more common, especially at the lower end of the labour market. The net outcome is an increased segmentation of labour markets. In addition, the political environment which conditioned the early phase of industrial relations is undergoing change. The historical alliance between the labour movement and the social democratic regime of industrial countries has weakened over time. The pervasive presence of an activist State, committed to full employment and pursuing expansionary economic policies in both public and private sectors, did not continue beyond the 1970s. In contrast the State has been withdrawing from the domain of employment and income policies, and governments have been moving away from any direct involvement in the creation of jobs. The new policy emphasis is on the governance of institutions to ensure the functioning of markets.

The sections below briefly review the consequences for labour of the above changes in different national settings.

Unions in industrialized countries

There are indications of a qualitative transformation of labour relations in the industrialized countries, which may be listed as follows:

(a) A new regime of decentralized production. New enterprises are decentralized, small or medium-sized units of production where unions tend to enjoy greater autonomy in workplace negotiations. At macro-level, unions increasingly take responsibility for harmonizing the interests of workers, and strive to achieve multi-employer agreements on minimum standards.

(b) Changing labour-management relations. Enterprise managers are turning to the development of human resources in preference to the conventional workplace management regimes preferred by unions. Human resource management policies are primarily addressed to skilled professionals and technicians at the higher end of the spectrum. Unions are adapting to the new structures, while maintaining their presence as a balancing force in the entire economy.

(c) Regionalization and trade unions. The transnational mobility of capital and production has led to a consolidation of markets at regional level, as in the European Union and NAFTA. Other regional trading arrangements may evolve in future. The implications for income distribution within and across regions remain to be explored.

(d) The rise of wage disparities. The differentiation of workers based on widening skill gaps has weakened the solidarity platform of trade unions. Unions are under pressure to develop wage policies, which accommodate productivity differentials for greater efficiency in resource allocation.

(e) Unions as service providers. Worker perceptions of union effectiveness were traditionally enhanced by the unions' role in administering active labour market policies and channeling benefits, such as skill upgrading, employment services, unemployment insurance, health care and pensions. Intense competition and the emphasis on privatization seem to have undermined the status of unions as providers of vital services.

(f) Changing attitudes towards unions. Worker commitment to unions appears to be weakening due to the rise of individualism. At the higher end of the skill spectrum, workers seem indifferent to a collective identity and are less dependent on unions. Their personal identity is defined less in terms of class and more in terms of social functions, autonomy and mobility.

Unions in less developed countries

Globalization has impacted on workers and their organizations in developing countries. Recent decades have witnessed a shift away from inward-looking industrialization strategies, a break from paternalistic industrial relations, and a significant rise in labour militancy. The build-up of competitive pressure in both domestic and external markets led to the adoption of liberal economic policies which were reflected in a move away from inward-looking industrialization and protectionism towards export-oriented industries and free trade policies. The State progressively withdrew from production and invited private capital to enter spheres traditionally reserved for the public sector. The earliest manifestations of this shift were among the newly industrializing countries of East and Southeast Asia.

Among those countries, notably in the Republic of Korea, Malaysia and Singapore, the State assumed the role of guiding the course of economic development and adopting industrialization strategies geared to export markets and foreign direct investment (Chang, 1994). Policy measures were designed to insulate these strategies from wage pressures and strikes. Legislation and executive action was preferred to collective bargaining. Official guidelines restrained the movement of wages, while transfers, promotions, lay-offs, retrenchment and job assignments were deemed to lie outside the scope of collective bargaining (Kuruvilla, 1996). Enterprise unionism, a role model from the developed countries, was encouraged as an appropriate forum for representing the interests of workers (Song, 1999). Elsewhere in the developing world, liberal economic policies came to the fore in the mid-1980s.

A mirror image of changes in the labour markets of industrialized countries associated with the adoption of liberal economic policies could be observed in the developing countries. Four elements have been pervasive in these countries: (a) the

disintegration of large workplaces and the rise of smaller geographically dispersed units of production; (b) an outward expansion of the labour market beyond the boundaries of the urban sector; (c) a skill-based differentiation of the workforce and (d) a rise in significant wage disparities. These developments have implications for the strategies of workers and their unions.

An ominous outcome of the retreat of the State was the breakdown of the social pact which trade unions had taken for granted. In many developing countries unions organized huge protests which were not simply a response to the decline in material conditions, but a reaction against the breach of trust implicit in the collapse of the pact. On the other hand, business leaders in the private sector made strident calls for the removal of protectionist legislation, which they believed was anachronistic and an impediment to industrial development.

The following paragraphs review the main challenges facing unions and their responses, mainly based on the evidence from case studies in developing countries. We then discuss some issues which are likely to figure on the union agenda in the coming decades.

Unions: Challenge and response

In general, trade unions adapt their strategies to meet the requirements of constituents in a changing environment. Such adaptation means going beyond traditional demands centred on wages, working conditions, and non-wage benefits met mainly through organization and collective representation. The relevant issues for consideration here are: whether unions have maintained their position with respect to traditional constituent demands; how they are adapting to the new environment by organizing new constituents, addressing new concerns, developing

new perspectives on their role in society, and enhancing their image as major social actors. The discussion is restricted to three sets of issues: (a) building the membership base; (b) changing the union structures; and (c) collective action for institutional benefits. The purpose is to highlight some strategic choices before unions in the newly industrializing and developing countries.

Membership campaigns

Webster and Adler (1998) observe that unions all over the world are surrounded by greater liberalization of economic and political regimes and that these two developments together hold out prospects for creating new rules of the game compelling key social actors - governments, organized labour, business and (in some cases) community organizations - to negotiate and conclude agreements on major economic and social policies. When social interests are mediated by democratic regimes there is an opportunity to resolve the tensions likely to arise in the course of economic liberalization and to negotiate a compromise solution. The capacity of unions to influence the course of events, however, depends on their strength and support among the unionized and non-unionized sections of society. Membership campaigns organized by unions may be viewed in relation to two target groups: the traditional and the non-traditional constituents. Traditional constituents are those in established union strongholds such as the public sector and labour-intensive industries, while non-traditional constituents are the new entrants to labour markets such as highly skilled professionals, white-collar workers, and casual workers in private-sector enterprises.

Strategies towards traditional constituents

The position of unions among traditional members has been affected because the changing environment has eroded their position as key allies of the State. The

global flight of capital and the decline or migration of specific industries has added to the growing vulnerability of labour.

Privatization, the downsizing of enterprises and the adoption of flexible employment practices have all affected the strength of unions in their traditional bastions.

Public employment policies are reaching a turning point. The capacity of the State for resource mobilization and implicitly for job creation is being circumscribed and it is highly unlikely that public expenditure reaching 50 per cent of GDP will ever materialize in developing countries.

Increasingly the State is moving away from any fiscal responsibility to manage the labour market from the demand side.

If unions are to build up their membership base in such an adverse environment they need to consider the special requirements of their traditional constituents, which are: (a) protection of employment, working conditions and social security; (b) training, human resource development and career mobility; and (c) provision of benefits, credit support, legal assistance and advisory services.

Unions have had some success in retaining members by promoting job security and upward mobility, and through channeling special benefits. This has been ensured through their participation in the administration of labour market policies and social security schemes (Nathanson et al., 1999; Wong, 1999). The role of unions in providing services such as skill improvement, unemployment insurance, social security and employment exchanges, have helped enhance workers' perception of union effectiveness and ensured their continued loyalty. It should be emphasized here that unions, in light of their experience in this field, have the potential to emerge as major development partners in society.

As the largest organized groups in developing societies, unions can make a unique contribution to the development community. They are directly involved with

economic systems of production and distribution; they can influence the course and content of employment, social and economic policies; they are representative and accountable; they have considerable experience in organizing the more vulnerable sections of society; and they have the experience and standing required to access national legal systems and public facilities. They can contribute through their long-standing relationships with such development institutions as consumer cooperatives, housing societies, health funds, and social security organizations. In order to make full use of this potential, however, unions need to tend their public image.

There is an important element of taking the public on board when unions want to emerge as a voice defending the rights and interests of their constituents. An exclusively economic platform on which workers interests are in conflict with those of society could be counterproductive. The convergence of members' interests which characterized industrial society no longer applies in the newly industrializing countries, where there is conspicuous individualism and divergence of interests.

Technological innovation and rising productivity are causing major changes in traditional union strongholds, notably in public sector services. There are compelling reasons for the public service industries to remain competitive, ostensibly through an increase in productivity. Unions need to work out new strategies to respond to the changing environment. More importantly, they need to secure a niche as efficient providers of services both to their constituents and to the public at large.

Furthermore, rising consumer sensitivities and recognition of the fact that the public are important consumers of services provided by the State and utility industries, are beginning to bear on union strategies. Industrial action in a public-service industry is likely to cost more in terms of popular support since the damage

will probably, spread beyond the employers. The dilemma faced by unions in winning public support for industrial action has been highlighted in the ILO study on the Republic of Korea (Song, 1999).

Non-traditional constituents

Non-traditional constituents may be grouped into several distinct, but overlapping categories: (i) new entrants at the higher end of labour markets, including professional and white-collar workers; (ii) casual workers, who are either part-time or temporary; (iii) home-based workers and those in the informal sector; and (iv) women workers.

Two major groups of casual workers are part-timers and temporary workers. By and large, parttimers fall into two groups: (a) those with higher education and skills who choose to take qualitatively better jobs on a part-time basis; and (b) those with little education and few skills who are in low-paid jobs with limited career prospects. At the lower end of the skill spectrum, both part-timers and temporary workers are often young, women or migrant workers. Casual workers, in so far as they lack any long-term attachment to a single employer, tend to be disadvantaged in their access to the non-wage benefits which are usually linked to service in the same firm.

The informal sector has grown exponentially with an increasing share of new jobs either being created in, or outsourced to, the informal sector. Union strategies to bridge the gap between the formal and informal sectors are rapidly becoming central to the future of trade unions in these countries. The interests of workers in the two sectors are not necessarily antithetical. Several common elements and shared concerns bring them together and offer prospects for collective action (Sanyal, 1991). Members of low-income households in developing countries often

work in both the formal and informal sectors. Low-income workers from both sectors often live in the same neighbourhood, and have similar civic and community needs. These commonalities provide some basis for union-led action. Increasingly, the typical worker is no longer a male breadwinner supporting a dependent family. Currently there are more women in the labour force belonging to either two-earner or even single-earner households. The growth of a predominantly female labour force is built on activities which are part-time, temporary or home-based, thereby accentuating inequalities in the labour markets. In developing countries, the influx of women workers has mostly been towards insecure and poorly paid types of work.

The concentration of workers at the lower end of the labour market, especially in service industries and occupations, provides unions with a unique opportunity to build a new constituency.

There have recently been encouraging union initiatives to organize new members and create suitable structures to represent their interests (Sanyal, 1991; Bhattacherjee, 1999). However, no major breakthrough or conspicuous gains have been reported in this field. In light of the available evidence one can only surmise that organizing non-traditional members will be the main concern of trade unions in developing countries.

Trade union structures

The new economic environment requires a reorganization of trade union structures, which may be assessed by the following indicators: (i) decentralization and adaptation of unions to new forms of industrial organization; (ii) creation of new union structures to ensure representation of workers in the spatially decentralized units of production; (iii) measures to ensure the financial viability of unions which take on new responsibilities to provide services to the members, and

(iv) centralization and/or coordination of union functions through mergers or alliances at national or sectoral level. We focus on the first two indicators mentioned above, since they are given more attention in the studies.

Decentralized bargaining

The case studies reviewed here suggest that among the newly industrialized and developing countries, differentiation of the workforce and reorganization of production processes have led to the rise of bargaining in the decentralized units of production. This corresponds to experience in the industrialized countries, when unions increasingly took on a voice and representative function within the framework of company unions and Works Councils.

As the benefits from liberalized economic regimes filtered down to employees at the higher end of the skill spectrum, the orientation of workers shifted to economic issues. One discernible outcome was a gradual decline in radical political unionism and a rise in economic unionism demanding improved benefits at enterprise level. The new structures offered efficient solutions; they delivered better wages and fringe benefits, albeit to a smaller group, compared to the previous structures which had catered to larger numbers in an environment of greater militancy and class solidarity.

The rise of decentralized bargaining in India is associated with the rise of independent company unions which are not necessarily affiliated to apex bodies or political parties. From the 1980s onwards, independent unions pursuing decentralized bargaining became distinct entities in India, whereas they were already present in the newly industrialized countries of East and Southeast Asia (Song, 1999; Bhattacherjee, 1999). It has also been noted that the rise of

decentralized bargaining and independent unions was associated with greater regional disparities in income distribution.

A distinct feature of the situation in India, as well as in other developing countries, is the divergence of interests between the two extremes of a vastly polarized labour force. This makes it difficult for unions to combine traditional wage bargaining with their new role of giving voice and representation to workers at plant level. The first is a political task. The Indian experience suggests that the voice function is increasingly moving out of the domain of politically affiliated unions. The prolific growth of company unions which are not affiliated to political parties is a case in point (Bhattacherjee, 1999).

Union structures at the lower end

Decentralized and geographically dispersed units of production are not necessarily viable in terms of size and location for the purpose of unionizing workers. There is an inverse relationship between the cost of unionization and the size of enterprises which warrants a fresh look at organizational structures that can maximize the benefits of unionization.

What is the nature of the structure which can bring spatially dispersed smaller units into the union fold? Can workers be unionized on the basis of their enterprise identity which could be affiliated to a sectoral or industry-based union? What should be the preferred mode of representation at enterprise level? Should there be a single union representing the majority of workers or should there be multiple unions representing different interest groups which might overlap with occupational groups? Can workers be unionized on the basis of their occupational identity? These vital issues, which impinge on the future of trade unions, are currently being discussed in the policy fora of many developing countries.

A review of union structures in developing countries, notably India, suggests a tendency to separate the bargaining and voice functions; this has major implications for future union strategies.

A logical outcome of any separation of the bargaining and voice functions is a further deterioration in income distribution. That does not augur well for unions, or for developing countries. Any society which harbours deep inequalities in income distribution tends to limit the functioning of redistributive institutions. Trade unions in such societies might not be able to perform their role as the purveyors of social cohesion. In terms of future union strategies, this implies a serious effort to prevent any deterioration of income inequalities in developing countries.

In the rest of this paper we look at some union strategies which could prevent an aggravation of income inequalities.

Collective action and institutional benefits

Union capacity to deliver successful outcomes depends on whether workers' rights and interests have been incorporated into legislation or other regulatory instruments of the labour market. As for building institutional capacity, the following objectives have been prominent on the agenda of unions: (i) legislative provisions guaranteeing job security, unemployment insurance, and special benefits on termination of employment; and social security providing for health care and pension schemes; (ii) multi-employer agreements on employment, wages, working conditions, hours of work, and non-wage benefits of workers; (iii) ability to influence economic and social policies through consultation and dialogue with employers and public authorities.

Labour legislation, collective agreements, social security and minimum wages already in place are clear indicators of the strength and influence of trade unions.

They reflect a capacity to influence public opinion and mobilize action in support of the demands of their constituents. In developing countries, notably in Asia, unions have had significant achievements in maintainingor upgrading statutory safeguards on employment and working conditions. Nonetheless, such gains are mostly restricted to workers in the formal sector.

A politically important task for unions is to build distributive institutions to defend the interests of workers at the lower end of the market, particularly the vast reservoir of workers in the informal sector. Ideally this could be attained through macro-level framework agreements encompassing minimum standards of employment, minimum wage, portable benefits including health care and safety nets which workers are entitled to irrespective of the location of employment. The question is whether unions can empower themselves to guarantee a secure income and decent working conditions for all. Such empowerment is a precondition for unions to emerge as credible partners ensuring social cohesion.

Two significant observations emerge from the studies reviewed; they also point to the tasks ahead and help us define the content of union strategies in the coming decades. First, unions are faced with rising income inequalities in developing societies and therefore should focus more on strategies to prevent any further deterioration. Second, union success in safeguarding the rights and interests of workers has come through their participation in democratic institutions. Therefore, it is only through strengthening these institutions that unions can consolidate their gains.

Correcting inequalities

It is time the concerns of the lower tiers of the workforce figured prominently on the agenda for collective bargaining. In practical terms unions should aim at securing a

minimum income for all in the labour market. The means of action should be through establishing minimum standards on employment, wages, working conditions and social security, and also ensuring universal access to these standards.

Trade unions are ideally placed to lead an initiative for a social minimum wage, consisting of the right to income security and other entitlements such as education, health, shelter and a safe environment. The exact nature of such entitlements could be decided at societal level through agreements on redistributive transfers involving the social partners. Transfers aimed at meeting the basic needs of the population can help set the "reserve price of labour" at a politically acceptable level, which cannot be undermined by market forces.

The above approach to setting wages through redistributive transfers is significantly different from the conventional approach to fixing minimum wages through administered prices. Here the emphasis is on the political process which requires political parties to enter the field and organize the unorganized around a redistributive agenda. Only political democratization with a strong emphasis on mobilizing low-income groups would make the social minimum wage a reality in developing countries. This takes us to an even more important item on the union agenda i.e. strengthening democracy and human rights in developing countries.

Building democratic institutions

One lesson emerging from the experience of unions in industrialized countries is that civil and political liberties are essential preconditions for exercising labour rights, and that only a liberal democracy can provide the institutional environment for fulfilling these rights. Many developing countries correspond to the rudimentary stages in the evolution of democratic institutions. In a number of these countries trade unions have been instrumental in accelerating the pace of

transformation through their sustained support and solidarity with the struggle for liberal democracy. Only prolonged struggle and profound sacrifice have brought them closer to the goal of guaranteeing civil and political liberties to a broad spectrum of society.

The Republic of Korea is a clear example of unions transforming their initial organizing space into political space and decisively influencing the transition to democracy. Such transition was the culmination of a series of events, most notably the struggle to revive democratic institutions against an authoritarian regime. Democratization led to new union structures, the organization of new groups, multiple unionism and new political affiliations. Securing legal status for unions, particularly white-collar unions and industrial unions, was a significant achievement of the Korean labour movement. Similarly, the rise of multiple unions associated with political parties in a pluralist environment is a recent development (Song, 1999). The parallel development of democracy and trade unions in the Republic of Korea only underscores the synergy and strength the two institutions can derive from each other.

More importantly, the experience of East Asia is likely to be repeated in other countries. In this scenario trade unions would eventually lead the way to a constitutionally liberal society in which civil and political liberties, including the right to life, property and freedom of expression, become accessible to all citizens. This goal also implies a long and difficult journey ahead for the unions, as many developing societies are far from any constitutional guarantee of civil liberties. In such situations, it is the workers , notably migrants, minorities, those in the informal sector and in rural labour markets, who bear the brunt of human rights violations.

Trade unions, as representatives of a very organized and articulate group in society, have a historic mandate to defend and promote human rights. To achieve this, unions need to move beyond their customary role of defending civil and political rights as the basis of labour rights, and enter the broader terrain of defending economic and social rights. Union priorities in this field include appropriate human rights programmes in collaboration with other actors in society.

Here we come to the strategic importance of unions building alliances and coalitions between the partners in civil society with a view to building support for a human rights agenda. Such coalitions among interest groups in pursuit of common goals and shared values are absolutely essential for unions to fulfill their historic mission of maintaining social cohesion.

The value of collective action pioneered by unions as a means of attaining common objectives is widely recognized by a broad spectrum of interest groups. At the same time, unions themselves are entering partnerships or strategic alliances with other actors in civil society, including gender groups, cooperatives, community associations, human rights bodies, consumers and environmental groups. Often they require trade unions to transcend the boundaries of the workplace and address the concerns of communities, ethnic groups, religious organizations and neighbourhood associations.

The preceding discussion concerning the priorities of the labour movement in developing societies may be summed up as follows. A politically important option in the coming decades will be to build on its established role in safeguarding social cohesion. This implies a strategic orientation to the long-term goals of security, equity and justice for all in the world of work. The above goals are attainable through redistributive transfers, specifically aimed at correcting income inequalities and raising the level of social consumption. The strategies for reaching

the goals need to be anchored in the mobilization of diverse interest groups in society on a political platform. An enduring niche for the labour movement in developing societies means a relentless pursuit of the redistributive agenda.

Section II

Conclusion: The Changing trade union agenda for survival

It is common to emphasize the material challenges faced by trade unions, and with good reason. There have been increasing difficulties both in the external environment of union organization and action, and in the nature of the constituencies which unions seek to mobilize.

Externally, the economic environment has become far harsher. Global competition has intensified, putting new pressures on national industrial relations regimes. Industrialized market economies which had enjoyed several decades of relatively full employment have since experienced a return to mass unemployment. Massive job losses have been one of the elements of the "shock therapy" inflicted on the new market economies. Newly industrialized economies, in many cases previously cushioned from external shocks, have become subject to the fluctuations of global markets.

As governments grapple with the problems of adaptation to the new disorder in the world economy, the political environment in many countries – particularly those where labour movements are longest established – has become far more unfavourable. In some cases this is linked to the erosion of unions'' representative status as "social partners", in part in consequence of loss of membership.

The third external challenge comes from employers. In some countries there has been a growing unwillingness to accept trade unions as collective representatives of employees; in others, while collective bargaining has survived its scope has been reduced, and managements have established new forms of direct communication with employees as individuals. The fashion for team working has introduced new mechanisms of collective decision-making which in many

countries are detached both from trade union structures and from statutory institutions of workplace representation. In addition, the expansion of multinational companies has meant that leading employers are often willing and able to escape the regulatory force of national industrial relations systems. What may be termed the internal challenge stems from changes in the constituencies which unions seek to recruit and represent. Traditionally trade unions, particularly but not only in highly industrialized societies, were shaped by the existence (real, but often exaggerated) of a "normal" employment relationship. This involved a full-time job with a specific employer and usually a degree of long-term stability. The classic example was the "mass" worker in mining, manufacturing and transport, with limited individual resources in the external labour market but significant potential to exert collective pressure on the employer. Though early trade unionism in many countries was indeed based on a highly skilled "labour aristocracy", "modern" labour movements found their core constituency (at least in the private sector, which was dominant numerically and in shaping labour movement policy) among those who lacked substantial capacity for individual career advancement but were not so vulnerable as to be incapable of sustained collective cohesion.

The "normal" worker, and hence the "normal" potential trade union member, was thus a fulltime employee whose employment status was not merely casual. By extension, the "normal" employee was a man who was presumed to be the "breadwinner" for his family.

This in turn shaped the typical trade union agenda: predominantly concerned with terms and conditions of employment, and in particular with three aspects: achieving the payment of a "family wage", defining and reducing the standard working week, and constraining the employer's ability to hire and fire at will. While the realities were always more complex than this stylized account, and certainly varied between countries, this model of the traditional "normal" agenda is

far from a caricature. In many countries there have indeed been serious efforts, sometimes dating back several decades, to transform this agenda in order to appeal to a broader constituency. Achieving this transformation has become increasingly urgent.

The key reason is that "atypical" employment situations have become increasingly typical. Part-time work, short-term and casual employment, agency work, self-employment (both genuine and spurious), special government make-work schemes and of course unemployment have all become more common; in total, in some countries, they affect the majority of the economically active population. At the same time there have been numerous structural shifts in the sectoral and occupational distribution of employment: the decline of most of the traditional staple

manufacturing and associated industries and the growth of a wide variety of service industries, particularly in the private sector; the eclipse or transformation, partly under the impact of microelectronic technologies, of many traditional manual occupations and the growth of "white-collar" work (now in many countries the majority); the reversal of the process of employment

concentration with "downsizing" in former core industries and the expansion of small and medium-sized enterprises.

There has thus developed a diversity of forms of linkage to the labour market, and structural change has brought both winners and losers (though in most countries, losers far outnumber winners). Instead of presuming the existence of a "normal" worker it is necessary to differentiate.

Reich (1991), focusing on skills and functions, distinguishes "routine producers", "in-person servers" and "symbolic analysts"; the first two categories consisting primarily of dead-end and Often-precarious jobs, only (some of) the latter enjoying significant scope for advancement.

Standing (1997) has described contemporary labour markets as stratified into seven groups, which he terms the elite, the salaried, "proficians" (those without stable employment but with valuable marketable skills), traditional core workers, low-skilled "flexiworkers" who depend on casualized job opportunities, the unemployed, and those detached altogether from regular (or legal) work. Whatever classification is adopted, it is evident that the traditional core constituency of trade union membership has dwindled, while there has been expansion at two extremes: those with professional or technical skills who may feel confident of their individual capacity to survive in the labour market; and those with no such resources but whose very vulnerability makes effective collective organization and action difficult to achieve or perhaps even to contemplate.

These developments are evidently connected to the increasing feminization of the labour force.

To a substantial degree, "atypical" employment is female employment (Briskin and McDermott, 1993; Cook et al., 1992). The growing proportion of women in the formal labour market negates the traditional model of husband as wage-worker and wife as domestic worker, but in most countries domestic work remains primarily or exclusively female. The management of the relationship between time spent at home and in employment is thus a distinctive concern of an increasing – female – section of the workforce.

There has also been a different kind of transformation in the relationship between home and work. There is a stereotype of the traditional proletarian status which emphasizes a common work situation, an integrated and homogeneous local community, and a limited repertoire of shared cultural and social pursuits. Though exaggerated, this stereotype does identify a core of historical reality, particularly in the single-industry manual working-class milieu in which "modern" mass trade

unionism had its strongest roots. By contrast, in contemporary society the spatial location and social organization of work, residence, consumption and sociability have become highly differentiated. Today the typical employee may live a considerable distance from fellow-workers, possess a largely "privatized" domestic life or a circle of friends unconnected with work, and pursue cultural or recreational interests quite different from those of other employees in the same workplace. This disjuncture between work and community (or indeed the destruction of community in much of its traditional meaning) entails the loss of many of the localized networks which strengthened the supports of union membership (and in some cases made the local union almost a "total institution"). Many writers have seen these structural shifts as linked to a cultural and ideological decline of collectivism and a rise of individualism. In its simple form this argument involves a gross oversimplification (Kelly, 1998). Nevertheless the eclipse of the "mass worker" whose institutionalized solidarities were reinforced by the broader networks of everyday life does mean that the possibility and character of collectivism are today very different when work and everyday life are increasingly differentiated (Zoll, 1993). Pérez-Díaz (1987, pp. 122-3) has outlined the implications with great clarity. Traditionally, he argues, workers" collective orientations were externally defined: either they "acquired a class ethos or habit" because they were immersed in a social milieu where such values were unquestioned, or they were inspired by commitment to the ideal of "a new world or a different future". By contrast, today the traditional identities have been displaced and the transformatory ideals have lost their grip; workers adopt "a rational, instrumental or experimental attitude towards the unions (or parties)". To win their support, unions now have to pass a direct and pragmatic test.

This more calculative orientation, which certainly creates possibilities of far greater

individualism, makes practicable the new managerial efforts to capture workers" loyalties and displace identification with trade unionism, and may in turn be reinforced by such efforts. But it also reflects the degree to which unions have experienced "a serious moral and intellectual crisis [and] their reserves of moral indignation seem to be depleted" (Pérez-Díaz, 1987, pp. 114-5). Hence the evident material problems facing trade unions cannot be separated from less tangible problems of ideology. To resist the hostile forces ranged against them, unions must mobilize countervailing power resources; but such resources consist in the ability to attract members, to inspire members and sympathisers to engage in action, and to win the support (or at least neutrality) of the broader public. The struggle for trade union organization is thus a struggle for the hearts and minds of people; in other words, a battle of ideas.

In this paper I consider some of the ideas which can contribute to this battle.

The representation of workers" interests – and their definition, which is necessarily a prior process – has never been straightforward. Building collective solidarity is in part a question of organizational capacity, but more fundamentally it is part of this battle of ideas. The crisis of traditional trade unionism is reflected not only in the more obvious indicators of loss of strength and efficacy, but also in the exhaustion of a traditional discourse and a failure to respond to new ideological challenges. It is those whose projects are hostile to what unions stand for who have set the agenda of the past decades. Unions have to recapture the ideological initiative.

As a starting point, the labour market perspectives of the "mass worker" with a standard model of full-time employment, firm-specific job security and limited scope for occupational advancement can no longer dictate the central content of bargaining policy. To construct trade union programmes with which vertically and horizontally differentiated groups of workers can identify requires a sensitive redefinition of what interests are represented. If on the one hand unions must be

alert and receptive to (possibly altered) expectations and aspirations on the part of actual and potential members, on the other a priority must be to construct an agenda which can unite rather than divide. To do so, unions must scrutinize the concepts which have inspired the offensive of employers and the political right and attempt to reclaim these for different purposes. I consider a number of examples.

Union Flexibility

Flexibility emerged, notoriously, as a rallying cry directed against forms of social regulation – by law or by collective agreement – which have tempered the arbitrary and unequal workings of the labour market. The ideological bias of the term is

obvious: presenting as "rigidities" those labour market protections which neo-liberals wish to weaken and restrict, making workers more disposable and more adaptable to the changing requirements of the employer. This "negative flexibility" (TUAC, 1995, pp. 5) has naturally been opposed by most trade unions.

Yet flexibility can have alternative meanings. The 1970s objective of "humanization of work" was in essence a claim for flexibility in the interests of workers through the human-centred application of technologies, the adaptation of task cycles and work speeds to fit workers" own rhythms, the introduction of new types of individual and collective autonomy in the control of the labour process. This agenda has in large measure been hi-jacked as part of the new managerialism of the 1980s and 1990s (with its mendacious rhetoric of "empowerment" and "human resource development").

Can unions recapture the initiative? A rigid division of labour and narrow standardization of tasks were impositions of a particular model of capitalist work organization, a form of subordination which involved a degradation of status for many workers. To the extent that some of the features of Taylorist-Fordist systems

have lost their attractions to many employers, space exists for unions to mobilize support for radical alternatives which transcend some of the divisions within the labour force. For example, one widespread trend in manufacturing over the past decade or more has been the introduction of team working, with team members performing a variety of tasks and exercising a degree of discretion over operational decisions. In many countries, unions viewed such initiatives with considerable suspicion; understandably, since teamwork was typically one element in a move towards Japanese-style "lean production" and hence a recipe for job-cuttingand "management by stress" (Parker and Slaughter, 1988). However, simple resistance often proved ineffectual, since union members themselves were frequently attracted by the rhetoric of autonomy and job enlargement. More viable in the longer run have been strategies of "critical engagement", in which unions have responded by mobilising support for their own demands in the process of negotiating change. For example, a comparative study of work restructuring in the motor industry (Kochan et al., 1997) shows clearly that unions in some countries have been able to exert significant influence on the change process by such means.
Another key issue in the contemporary world of work is that of time-flexibility. Again, this has often involved making workers more available and disposable to suit the changing requirements of employers. On the one hand this can mean the extension of working time to "unsocial" hours and days: evening and night-work, weekend working; on the other, payment only for those hours when the employee can actually be set to work (Alaluf et al., 1995). The latter can entail, for example, the use of split shifts or even – notoriously in Britain – "zero-hours" contracts where the employee must be available but is paid only if called to work.
There is however a worker-oriented meaning of flexible working time which can directly confront that of the employers — and which offers potential for moving from the defensive to the offensive and integrating very different types of

employee interest (Mückenberger, 1995). This centres on the idea of time-sovereignty: the ability to influence the patterns of the working day, week, year and lifetime to optimize the temporal linkages between employment, leisure, career development and domestic life. "Traditional rigid conceptions of working time do not suit the diversity of employee interests" (Lapeyre and Hoffmann, 1995, pp. 8-9). Most notably, women workers (unless and until there is a radical redistribution of domestic responsibilities) have a particular interest in ensuring that there is genuine flexibility of choice between full-time and parttime employment, and that the contractual position and career potential associated with the latter are not inferior to those in full-time jobs (Cunnison and Stageman, 1995, pp. 202).

More generally, opening new areas of choice in the organization of individual working time could be seen as an important trade union principle (Matthies et al., 1994) The operation of "flexitime", originally devised to suit managerial requirements, certainly provides scope for a "personalization" of the working day (Leccese, 1997, p. 169) attractive to many workers.

Similarly, the development of "annualized hours" systems has reflected employers" interest in flexibility but can also be adapted to suit workers" own choices. But the negotiation of individual working time will allow the employer the upper hand, and hence create new possibilities for exploitative relations, unless undertaken within a collectively regulated framework. Moves towards greater flexibility thus create both the need and the potential for new forms of trade union regulation (Raasch, 1995).

Just as unions have increasingly been involved in negotiating flexitime, so there has been considerable union involvement in phased retirement agreements. Again, such deals have often been initiated by employers as a form of partial redundancy; but a flexible rather than abrupt transition from "normal" employment to retirement suits the wishes of many older workers themselves. Much more

generally, unions could appeal to many workers by pressing for increased choice of both the quantity and the distribution of working time to match individual circumstances and preferences, and by establishing the groundrules to ensure that such flexibility is not used to employees" disadvantage.

Job Security

The most dramatic feature of labour market trends in the past two decades has been a massive growth of insecurity. Survey evidence from a range of countries shows that the fear of job loss – either through collective redundancy or through victimization by the employer – is the overwhelming work-related concern of employees today. Part of the function of trade unionism is to resist such this insecurity; but to the extent that such resistance is company- or sector-specific, its consequences may well prove divisive. The fight for company-level security, if successful, by stabilising the position of "insiders" may make the labour market situation of "outsiders" even more precarious. Where public employees struggle to retain protections which in the private sector were lost a decade ago, their unions may be seen as defenders of sectional privilege. (It may have been only because of very distinctive political circumstances that the public-sector strikes in France in 1995 and 1996 evoked considerable popular support.)

Yet it is surely essential that to address workers" current consciousness of extreme job insecurity, trade unions develop programmes which offer hope of real employment opportunity yet do so in a non-divisive manner. In constructing an agenda which links the interests of the precarious, the unemployed and the relatively secure, it is again possible to seek a distinctive trade union application of current rhetoric which is often used mendaciously. One concept which has become increasingly popular among policy-makers is "employability": the argument is that individuals can no longer anticipate unbroken employment within a single

organization but can avoid labour market vulnerability by acquiring valued competences, including adaptability itself.

This is the basis on which the European Commission (1997) envisages a "balance" between flexibility and security: a balance which in Dutch labour market debate has been given the name "flexicurity" (Wilthagen, 1998).

Commonly this rhetoric is no more than a means of individualising the problem of unemployment and deficient job opportunities and scapegoating the unemployed for their own marginalization; as Lowe (1998, p. 248) puts it, "the concept of "life-long learning" is shifting the onus of human resource development onto the individual".

A purely supply-side labour market policy aimed at increasing individual "employability" is likely to result primarily in a more qualified cohort of unemployed; a frustrating mismatch between enhanced skills and the limited skill content of available jobs (particularly in the expanding service sector); and perhaps also in a demographic shift in the structure of employment and unemployment.

However, the concept of employability is in principle one which can be made central to trade union policy. This would imply the coordination and integration of demands which unions have indeed often embraced: first, for enhanced individual entitlements to education and training, and for flexible opportunities to benefit from these throughout the working life; second, for more effective (and worker-oriented) provision both by employers and by education and training institutions; third, for demand-side policies to encourage employment growth and, no less importantly, to provide appropriate employment opportunities for "upskilled" workers. As Lowe argues (1998, p. 249), "job quality could be a basis for collective action, especially among well educated young workers whose expectations are still high".

There is significant scope for action at company and sectoral level, to influence the process of work restructuring and technological innovation in the direction of upskilling rather than deskilling. The comparative study of the transformation of work in telecommunications edited by Katz (1997), for example, shows that the contrasting strategies adopted by unions in different countries have been a significant factor in explaining the very different ways in which jobs have been reconfigured. But some of the issues involved require economy-wide intervention to match supply and demand of skills – including, perhaps, action to ensure that foreign inward investment does not merely take the form of low-skilled and disposable jobs but enhances the scope for "employability" policies.

Part of the difficulty is that these demands address different interlocutors and involve different levels of initiative, and hence may fail through lack of coordination. To take a concrete example:

the imaginative and innovative proposals developed by IG Metall a decade ago (Tarifreform 2000) were overwhelmed by the macroeconomic problems affecting the German labour market after unification. Conversely, one of the difficulties for any "alliance for jobs" – now once more a central issue following the change of government in Germany – is how to translate a central agreement into action at the level of individual companies (Streeck, 1998, p. 537). Unions themselves could become central actors in building linkages between these different levels of decision-making so that citizens are enabled "to define together supply and demand" within the labour market (Lipietz, 1996, p. 271).

The New Mindset

This connects to a third theme: opportunity. Again, this is a concept which has been

appropriated by the right but should be reclaimed for the labour movement. For most of the twentieth century, the core workforce which formed the main basis of trade unionism achieved their employment status through the dull compulsion of circumstance. Career advancement and self-directed occupational mobility are aspirations increasingly salient for unions" actual and potential constituencies. As Waddington and Whitston (1996, p. 163) note in their study of white collar workers" attitudes, "new union members... look to unions to negotiate a fair and

equitable framework within which individualized aspects of the employment relationship – which are often career related – may be worked out".

The weakening of the ties to the existing occupation and employer is however emancipating only to the extent that real and preferable alternatives are open. As with the themes of flexibility and employability, so more generally: it is evident that while the choice among alternative options is an individual project, its reality is deceptive and even threatening unless a genuine and favourable structure of opportunities exists.

This creates important openings for unions to address what Leisink (1996) calls "occupational interests". To enhance the opportunity structure is necessarily a collective project, one which challenges both employers" discretion and the anarchy of market forces. In many ways a redefinition of the traditional function of trade unionism, this is another key dimension of a union agenda which can appeal to diverse constituencies in solidaristic fashion (Kochan and Wever, 1991, p. 373). In essence, then, the challenge for trade unions is to win the argument that individual choice is liberating only when the options available are those that workers wish to choose. In the past, many unions have favoured inflexible regulation out of fear that this provides the only safeguard against manipulation and exploitation by employers; in the current situation this protection must be

guaranteed primarily by procedural rules which enhance individual discretion and by active labour market policies which provide an advantageous framework for career decisions. In both respects, unions have a vital role to perform.

The New working environment

Changes in the organization of production and the employment relationship (such as teamworking, quality circles, performance-related pay, personalized contracts) are often accompanied by a managerial propaganda offensive in which "empowerment" is a central rhetorical device.

Such mendacious discourse typically provides a "democratic" gloss to employer efforts to intensify production pressures, cut staffing numbers and undermine traditional forms of collective regulation.

The "new workplace" is one in which employees often have increased responsibilities but with reduced power and resources. As labour costs are reduced through the imposition of "lean" organization, employees are simultaneously pressed to take increasing concern for "quality" and "customer care". The effects may be profoundly alienating; yet the ideological argument that more stressful work is more worthy and that intensified external pressure means greater autonomy has proved strangely effective. The big lie seems to work: as Dejours (1998) insists, evil is rendered banal and the intolerable becomes tolerated. The paradoxical consequence, suggests Coutrot (1988), is a form of "forced cooperation" whereby employees embrace their newly (re)defined roles for want of any visible alternative. Yet this acceptance is only partial: for example the annual British Social Attitudes surveys reveal a large and increasing proportion of workers (approaching two-thirds) believing that management "try to get the better of employees" and that "big business benefits owners at the expense of workers". The detailed case studies undertaken by Scott (1994) reveal a similar picture.

In a recent report on world labour, the ILO (1997, p. 27) referred to the "democratic function" performed by trade unions. This can be understood in a double sense: by virtue of their capacity for collective representation, unions can give employees a "voice" within the workplace and limit unilateral and arbitrary management action; but in addition, unions can challenge the authoritarian and hierarchical structures of contemporary employing organizations and can press for an extension of citizenship rights to employment. In many of the developed economies, such demands gathered pace in the era of stability and growth; in a period of stagnation and recession the emphasis has been on more immediate material issues. In developing economies with a substantial labour surplus, questions of industrial democracy have more often than not been regarded as a diversionary luxury (Ramaswamy, 1988, p. 239).

Nevertheless, trade unions" democratic function could speak to real grievances and concerns in a way which strengthens unions legitimacy and appeal.

Unquestionably there is considerable scope to exercise this function by challenging the widespread current abuse of concepts of democracy at work and exposing the anti-democratic character of much that passes for "human resource management". By focusing their own demands and activities on the contradiction between management rhetoric and everyday reality in the workplace, trade unions have the potential to address current worker discontents in ways which generalize fragmented experiences and permit new forms of solidarity in the pursuit of genuine empowerment.

Needless to say, unions" capacity to mount a credible campaign for greater democracy in employment will be severely weakened unless they can demonstrate their own democratic credentials. This poses evident challenges for unions to scrutinize and if necessary reconstruct their own representative capacity and internal processes of agenda-building and decision-making.

Old trade unions vs. new trade unions on the use of community

The traditional "normal" employment relationship involved a sharp dichotomy between life at work and outside. Where trade unions were longest established and collective bargaining most strongly developed, unionism itself tended to reflect and reinforce this dichotomy. This has not been universally the case, however: unions in some countries, particularly where capitalist wage labour has not long been the dominant basis of production, have typically embraced broader community concerns.

More established unions could well learn from the experience of newer union movements. One reason is the erosion of the "normal" employment relationship. Another is the extent to which "community" has become an ideological device in contemporary political argument.

Arguments around the idea of "community" have two aspects. One is negative: a legitimation of the withdrawal of elements of state provision, intervention and regulation in social welfare and labour market policy. "Communitarianism" can thus provide an alibi for deregulation. Another strand of argument is more positive: the thesis that the organizations of "civil society" can mobilize pressure, and perhaps generate resources, which can counteract the destructive impact of global competition and global corporations. Unions obviously have a strong interest in engaging in this debate and in influencing conceptions of community in accordance with their own objectives.

The links between work and community can be seen in two dimensions. First, as well as producers, workers are also consumers and citizens; unions which can relate to (potential) members in all these roles can build a deeper relationship than if they merely focus on employment-related issues. Second, workers produce goods or services for diverse groups of consumers, customers or clients. Employers

(and other manipulators of opinion) often attempt to counterpose the interests of one against the other. Unions are in a better position to represent their members" interests if they can build alliances with those at the receiving end of their productive activity. This is particularly the case perhaps in the public sector: Johnston (1994, pp. 9-10) explores how public service unions in the United States – which have provided the driving force for union renewal in the 1990s – have had to adopt a "public interest" logic and construct coalitions with NGOs and with representatives of user groups. Conversely, in the case of workers with a vulnerable labour market position in the private service sector, effective organization may be possible only through seeking such alliances: constructing the basis for regulating "a [local] labour market with help from community groups that share an interest in raising wages and labour standards" (Wever, 1997, p. 465). In the case of such initiatives, concludes Lipsig-Mummé (1998, p. 20), "their dual anchorage – in the community and in the union – allows them the potential for creativity".

It is often argued that the increase in the number of women trade unionists has in itself led to a broadening of the unions" agenda. "Because their lives are grounded in the community as well as in paid work, in caring for others as well as in working on their own account, their trade union agenda has always been wider than men"s.... Important new issues have been brought onto the movement"s agenda, such as health and the quality of community life, childcare and the responsibilities of a multicultural society" (Cunnison and Stageman, 1995, p. 242). But building "social unionism" (COSATU, 1997; Waterman, 1998) is not simply a gender issue. All workers have an interest in the quality of life in the broader social milieux which they inhabit, and unions which can "mediate between the economic and social structure" (Piore, 1994, p. 537) may increase their attraction and legitimacy. One example is the tempi della città campaign in Modena in the mid-1990s, when

the local unions joined with community groups, business organizations and the local authority to agree changes in the timetables of transport services and communal facilities to match the varying requirements of workers-as-citizens. Much more generally, current emphasis on "life-styles" – which some critics perceive as a source of individualism – provides "a focal point alternative to work-based identities" which in one respect threatens unions but in another offers opportunities for a new basis of recruitment and representation (Piore, 1991, pp. 403-4).

Establishing a "social unionism" has implications for unions" organizational structures. In many countries, the primary unit has been the company or workplace branch; indeed in Japan and many other Asian countries, unions as such are enterprise-specific. Such a structure has an obvious collective bargaining logic, but can reinforce divisions between "insiders" and "outsiders".

Moreover, even in terms of traditional "business union" objectives a company-based structure may no longer be as effective in the past. Many workplaces are no longer social units: "lean production" has reduced the scope for socialising on the job, diversification of work schedules means increasingly that only a fraction of the workforce is present at any one time, subcontracting entails that workers on a single site may be employees of different companies, and individuals often live a considerable distance from their work.

This creates a need for alternative organizational mechanisms. For example, Richter et al. (1996) recount the experience of one of the regions of the German metalworkers" union in building activity around the localities where members (and potential members) live rather than where they work. This also offered the basis for creating links between employed and unemployed, and between working and retired members. (It should be noted that while unions in some countries – notably in Italy – retain substantial numbers of pensioners in membership, it is difficult to

integrate them in the life of the union where workplace-based structures predominate.) To appeal to younger workers – in most countries seriously underrepresented in union membership – unions will almost certainly have to develop alternative, locally-based structures. Moving away from the bureaucratic formalities of traditional meetings to alternative, more participative types of collective activity is also a necessary part of organizational innovation if unions are to appeal to a more diverse constituency with very different cultural backgrounds to those of the traditional trade unionist. One may perhaps note here the success of the British TUC in developing anti-racist campaigns in a style totally different from its traditional approach to organization.

Section III
Case Studies

This document would not be complete without looking at case studies from other countries, to see how unions there are coping with effects of a changing world environment and to see what can be learned from their experiences to enhance the well being of all. In addition, we have added a section on child labour.

Case Study 1:Child labour and its effects on FDI and the adult labour market The effects on Foreign Direct Investment

Child labour emerged as a global issue when many developed countries started fearing that exports from the developing countries, owing their competitiveness to low labour standards, could result in transferring jobs to the 'Third World'. The image of multinational corporations closing their plants in developed countries to take advantage of low labour standards,

including child labour, in developing countries has been often depicted. Such a worry was the rationale of the well-known (especially in Bangladesh, India, and Pakistan) Child Labor Deterrent Act introduced in the United States by Senator Tom Harkin and Congressman George Brown in 1993, planning to ban from the U.S. market manufactured or mined goods produced in whole or in part by children under 15 years of age. The Act declared that "[a]dult workers in the United States and other developed countries

should not have their jobs imperilled by imports produced by child labor in developing countries" [U.S. Congress 1993: 4].

Put in economic terms, the worry arises from the fact that the exploitation of children in many developing countries can artificially depress the cost of labour, leading to unfair "competitive advantage" in world markets and to a downward pressure on unskilled workers wages and employment in rich countries. To what extent does the empirical evidence confirm this argument?

First of all, it should be reminded that this argument concerns a small proportion of child labourers in the world. Just around 5 percent of the world's child labourers are estimated to work in formal economy export-related jobs (Bachman, 2000a: 547).

A paper by Rodrik (1996) on "Labor Standards in International Trade: Do They Matter and What Do We Do About Them?" explores the relationship between labour standards (including child labour) on one side, and labour costs, comparative advantage and foreign investment on the other side for a cross-section of 134 developed and developing countries for the late 1980s. The adopted indicator of child labour captures the extent to which child labour is condoned and is based on the inadequacies either in legislation or enforcement relating to

standards on child labour. From a series of regressions of labour costs per worker in manufacturing (controlling for productivity and other labour standards indicators) Rodrik finds the coefficient on child labour consistently negative and highly significant validating the expectation of child labour reducing labour costs. The coefficient on child labour is also found consistently positive and at time borderline significant in models of comparative advantage – measured by the ratio of textile and clothing exports to other exports excluding fuels – controlling for population-to-land ratios, average years of schooling in the population aged over , and different combinations of other labour standards indicators.
Finally in regressions of foreign direct investment31 (controlling for the black-market premium for foreign currency as a proxy for policy distortions, population, income growth in host country, and different combinations of labour standards indicators) the coefficient on child labour is found statistically-significant but going in opposite direction from the author's expectations: countries with more child labour have received less foreign investment during 1982-89 than would have been predicted on the basis of other country characteristics. The author speculates that it is possible that the child labour indicator is proxying for omitted country characteristics, leading to a bias for omitted variables, but nonetheless acknowledges that "the conventional wisdom about low-standard countries being a haven for foreign investors is far from being borne out" (Rodrik 1996: 57).

Summing up the study by Rodrik finds that the reduction in labour costs allowed by the existence of inadequacies either in legislation or enforcement relating to standards on child labour is quite a robust finding. However the results on comparative advantage and on foreign direct investment tend to pull in opposite

directions, with child labour creating comparative advantage in labour-intensive goods but discouraging foreign investment.

A study by Kucera on 'The Effects Workers Rights on Labor Costs and Foreign Direct Investment: Evaluating the "Conventional Wisdom" ' (2001) finds only partial confirmation of Rodrik's results from a cross-section of 170 countries for the mid-1990s using five different quantitative indicators of child labour as explanatory variables (among others) in models of manufacturing wages and foreign direct investment. Kucera finds a quite robust positive relationship between nationwide child labour indicators and manufacturing wages, and a negative (but non-significant) relationship between child labour in tradeable sectors and manufacturing wages (controlling for manufacturing labour productivity, per capita income, and other structural variables). The positive relationship is somewhat surprising but can be explained if one assumes that child labour reduces the relative supply of skilled workers, which presumably are mostly needed in manufacturing, making their wages to rise even controlling for productivity. The negative effect of child labour in tradeable sectors on manufacturing wages is instead consistent with a priori expectations, but it is interesting to note that the effect is statistically not significant and also not robust to the inclusion of regional dummies. Moreover, Kucera finds no solid evidence that foreign direct investment tends to be higher in countries with more child labour.

Since the available empirical evidence indicates that child labour does not attract foreign direct investment, it seems incorrect to blame child labour for job losses in rich countries. If child labour has an impact on rich countries labour markets, it may affect the relative wages of unskilled workers to the extent in which they work in labour-intensive industries directly competing with imports coming from the developing countries. However, the empirical evidence for labour cost saving through child labour in developing countries is not robust, while there is no

evidence at all of spill-over effects from child labour in developing countries to lower wages in developed countries. More research on the topic would be welcome.

Child labour impact on adult labour market

The earlier mentioned Child Labor Deterrent Act introduced in the United States in 1993 argued that a worldwide ban on trading goods produced by child labour would benefit the exporting countries practicing child labour through reduced adult unemployment. The rationale behind this statement is that, since children's work could be done by adults but is paid much lower wages, employers prefer to hire children rather than adults. Child
labour thus increases adult unemployment, which in turn forces adults to put their children to work generating a vicious circle. This idea is not exclusive to the Act, and has been often stated by researchers and by the Also Swaminathan (1998) finds that children work at simple repetitive manual tasks, based on a study of features of child labour in four informal industries (diamond cutting, ship-breaking, cleaning plastic cement bags, and plaiting plastic ropes) in an area of high economic growth in western India.

Data are taken from national sources and refer to 1990/1991 in 15 of 26 governorates for which there were observations on children working in industry. ILO itself in the book "Combating Child Labour", where it is asserted that '…child labour is a cause of, and may even contribute to, adult unemployment and low wages …' (ILO 1988: 90).

Notwithstanding its popularity, there are very few theoretical and applied studies examining the child labour impact on adult labour market. In what follows, we shall analyse the topic by addressing two sets of related questions:

(i) Are adults and children substitutes for one another? Are children paid much lower wages than adults for the same amount of work? And is this the only reason why employers choose to hire children rather than adults?
(ii) If adults and children are substitutes for one another, what is the nature and the size of the impact of child labour on the adult labour market?
The well-known 'nimble fingers' argument claims that children have special physical abilities (such as small fingers to make fine hand knotted carpets) that are not possessed by adults. Therefore if child labour was eliminated the industries requiring children's 'nimble fingers' would disappear and with them adult jobs would be lost. This argument has been proved to be invalid by Anker et al. (1998) in their book 'Economics of Child Labour in Hazardous Industries of India', where they collect the findings of five studies on child labour in different industries of India. In all the concerned industries it was found that children do not provide irreplaceable skills. In fact, these studies show that "most of the work activities performed by children are also performed by adults.

In other words, most child labourers work side-by-side with adult labourers. Obviously, adults can replace children in these work activities. […] Of course, a number of work activities are done to a large extent by children. However, […] virtually all of such activities are unskilled and generally involve less physical strength; again, it is clear that adult labourers can replace child labourers in these activities" (ibid: 8-9)34.
Although the argument of irreplaceable skills is clearly rejected by the empirical evidence, the substitutability of children with adults is not straightforward. Diamond and Fayed (1998) in their article 'Evidence on Substitutability of Adult and Child Labour' tackle the question for the Egypt's industrial sector, by using an aggregate production function with four inputs (child, adult male, adult female and

capital) and simulating employment and wage effects on adult labour as a result of removing child labour from a fixed labour supply. Interestingly Diamond and Fayed find that children and adult males are complement rather than substitutes for one another in Egyptian industries: a one per cent reduction in the children labour force would cause a 0.0236 per cent decrease in adult males employment (under the assumption of downwardly inflexible male wages and non-full employment output level) or a 0.0072 per cent drop in adult males wage rate (under the assumption that all wages are flexible). On the other hand, the data indicates that children and adult females are substitutes for one another in Egyptian industries: a one per cent reduction in children labour force would lead to a 0.2714 per cent increase in adult females employment (if female wages are assumed to be inflexible) or a 0.0505 per cent increase in adult female wage rate (if all wages are assumed to be flexible). They conclude that "the net effect of reducing child labour depends on the actual structure of the labour market …[and that] previous statements about Diamond and Fayed refer to low market wage rates available to women in Egypt (ibid: 65).

Data from UNIDO Industrial Statistics Database 2000 3-Digit ISIC.

More literature is available on the effect of adult wage on child labour supply, which is not related to the question we are posing in this section. For instance Basu (2000) shows from a theoretical perspective that, although a rise in adult wage should push some families out of poverty and lower child labour, when the wage rise is achieved by a minimum wage law it can cause some adults to be unemployed and send their children to work. The net effect of adult minimum wage on child labour is thus ambiguous, and tends to be positive (increase in child labour) when children are better substitutes for adults. Ray (2000) provides empirical tests of the relationship between adult wages and child labour supply in Pakistan and Peru.

increasing … employment of adults by reducing child labour may not be as accurate as they appear on the surface" (ibid: 70).

The complementarity between children and adult males and substitutability between children and adult females in the Egyptian industries can have various explanations. A possible reason is that women have generally lower skills than men (since they are less educated) so that they compete more directly with children for jobs. Also, if women and children irrespective of their productivity are paid less than adult males36, employers can see them as alternative ways to save on labour costs. Moreover, the data on employment structure in Egypt in 1995 shows that over 60% of manufacturing-employed women work in three sectors: textiles (30%), wearing apparel excluding footwear (16%) and food products (15%). It is conceivable that children can substitute adult women in these industries. On the other hand, just over 40% of manufacturing-employed men work in those sectors (textiles 24%, food products 16% and wearing apparel 2%). An additional 22% of male manufacturing employment is made up from: other non-metallic mineral products (6.6%), transport equipment (5.4%), machinery except electrical (5%), and iron and steel (5%). It is likely that children employed in these industries work side-by-side with adult workers performing activities complementary to those done by adult males.

Whether the substitutability between children and women and the complementarity between children and men is common to countries other than Egypt is an empirical question. The similarity in the sectoral distribution of male and female employment across developing countries may suggest so, but unfortunately, no other study (to our knowledge) is available on the elasticity of adult employment and wage rate to child labour, and further research is needed.

The substitutability of children and adult females found by Diamond and Fayed relates only to children working in industries. If we enlarge the picture to

agricultural and domestic activities, different factors come into play. Complementarity between adult and child labour in agriculture has been observed, for instance, in the Philippines by Mergos (1992, quoted in Sakellariou and Lall 1999: 151). Children complement adult labour also in the case of family enterprises, which are very common among poor households in many developing countries. As pointed out by Grootaert and Patrinos (1999) "there is a danger that promoting household enterprises will increase parents' demand for their children to work in these enterprises. … [Moreover] there is an important gender dimension to child labor in household enterprises. Employment of the mother is a critical determinant of child work, especially for girls. When women work as entrepreneurs, their daughters are often recruited to work in the home enterprise" (ibid: 159). Further enlarging the definition of child labour by including household non-economic activities reinforces the complementarities between adults and children, especially mothers and daughters. Mothers' employment in economic activities in fact almost always relies on daughters taking over the household chores, which, as discussed in the gender equality section, is often not compatible with school attendance and should therefore be considered as a form of child labour.

Summing up, while children do not provide irreplaceable skills and can be easily substituted for by adults, the available evidence suggests that they compete with adult females more than with adult males for employment in industries. However outside the industrial sector, in agriculture, household enterprises and for domestic chores, children seem to complement rather than substitute Developing countries employing children typically have output below full employment level and present open unemployment or under-employment, so it is reasonable to assume that employers are making a choice between adults and children and are not forced to employ children by labour supply constraints.

Payment by piece rate is found to be the general practice also by Usha and Devi (1997) based on interviews to 129 children working in beedi and agarbathi industries from a village in Tamil Nadu (India). However, they do not provide information about the piece rate paid to adults.

Evidence on wage discrimination against children emerges also from other studies. For instance Sharma and Sharma (1997) find that child workers in the glass bangle industry of Firozabad (India) get around 60% of the adult wage for the same amount of work.

These reasons are non-pecuniary in the sense that they do not represent direct labour costs. However, they could be considered pecuniary since they imply lower monitoring costs or higher productivity. Thanks to David Kucera for pointing this out. for adult work. So the presumed negative impact of child labour on adult unemployment or wages is restricted to the industrial sector and is likely to be of limited extent due to possible countereffects on male employment.

The actual substitution of adults with children depends on whether the employers have reasons for preferring children to adults. The most obvious reason for hiring children is to pay them less than adults for the same amount of work. Note that one can talk of exploitation only if children are paid less than adults after taking into account their different productivity. There are very few applied works measuring the adult-children wage differential, and even fewer trying to estimate the adult-children productivity differential, in order to evaluate the potential discrimination against children.

The previously mentioned book by Anker et al. (1998) on the 'Economics of Child Labour in Hazardous Industries of India' provides a detailed analysis of wage payments to adult and children in a set of informal industrial sectors. As indicated by the authors:

"[w]age payment is typically made on a piece rate basis in the industries covered in the workshop with the exception of work in mines40. In addition, some daily wage payment systems have such a strict control on output that they are very similar to a piece rate system. [...] When workers are paid by piece rate, children and adults often receive the same rate. Note that this does not mean that children and adults receive the same pay rate per hour [...] since children tend to work slower than adults. When daily wages are paid, evidence from the industries covered in the workshop indicates that children tend to get lower pay than adults for the same work. Researchers often use the crude assumption that children earn 50 per cent as much as adults. [...] While it is possible that there is some difference in the productivity of children and adults, there does appear to be straightforward discrimination against child labourers in these circumstances" (Anker et al. 1998: 17. Italic in text). In those industries where children and adults receive the same payment by piece rate, employers must have other reasons for hiring children. Anker et al. (1998) have found in fact that employers do have non-pecuniary reasons for hiring children, often felt to be more important than direct monetary cost savings, and have classified them into three sets: "The first set of non-pecuniary reasons for hiring child labour is that children are more innocent and less aware of (or able to act on) their rights: they are seen by employers as less troublesome, [...] more willing to perform monotonous work, [...] less likely to steal, [... less absent, and] less likely to be knowledgeable about, or to agitate for, workers' rights or to join trade unions" (ibid: 15)42.

"The second set of non-pecuniary reasons for using child labour is tradition. In many industries, there is a strong tradition of hiring children, [... and] in many settings employers feel that they have a social obligation to the community of providing jobs and income to the poor people" (ibid: 16).

The five sectors are: construction work, domestic services, shops and establishments, garages and workshops, hotels and restaurants.

Percentages do not sum up to 100 because employers were allowed to give multiple answers.

"The third set of non-pecuniary factors relates to the physical characteristics of children. It is almost common to advance the irreplaceability argument. Even though this argument is convincingly rejected by evidence [...] it nonetheless remains a popular notion.

Children's better health would appear to be one reason for hiring of children in industries where the health of many adults stands compromised by earlier work in industry " (ibid: 16). The findings of Anker . are in line with a research by Rao and Rao (1998), who present in the article "Employers' View of Child Labour" the results of a set of interviews with 125 employers from five informal sectors largely employing children in the growing industrial city of Visakhapatnam in India. The employers were asked about the reasons why they engaged child workers and were allowed for multiple answers. Overall, the most frequent answer (given by 64.8% of the respondent employers) was the children's suitability for the jobs; next was the lower labour costs/wages paid to children (59.2% of employers), followed by the possibility of being able "to extract more work" from children (55.2%)44. To these answers followed a set of other reasons, namely, sympathy for children's families (37.6%); the greater docility of children (28.8%); the ease of removing children from the job (16.8%); the avoidance of industrial relations problems (12.8%); the exemption from paying retirement benefits (10.4%) and the possibility to have advantageous terms of employment (5.6%). Within sectors, "lower labour costs/wages" and the possibility of being able "to extract more work" from children were the two reasons mentioned particularly by the employers in construction works (80% of employers mentioned both reasons), in shops and

establishments (92% mentioned lower costs and 48% more work), and in domestic services (64% mentioned lower costs and 72% more work).

As found by Anker et al., Rao and Rao's survey suggests that children, when paid by daily wage and not by piece rate, are paid less than adults irrespectively of their productivity. Moreover many employers, especially in construction works and domestic services, who declared "lower labour costs" to be a reason for hiring children, also consider children more productive than adults ("to extract more work"). This makes the discrimination against child labour even clearer. Moreover, Rao and Rao's survey confirms that employers have also non-pecuniary reasons for hiring child labour, among them the children's suitability for the jobs. Although not confirmed by the empirical evidence, the irreplaceability argument remains a popular notion.

Summing up, to the extent that adult and children are substitutes for one another, employers prefer hiring children on the grounds of lower wages and other reasons. Thus, in the industrial sector, child labour can have a negative impact on adult (especially women) employment and wage rate. Note however that whenever adult and children are paid on a piece rate basis – which appears to be common in many industries – child labour can have no impact on adult wages. On the other hand, a successful reduction in child labour would not produce an exactly proportional increase in adult employment or wages as one could expect, for a number of reasons. First of all in some industries adult and child labour can be complements rather than substitutes (as in the case of male adults and children in Egyptian industries). In these cases, if children were removed from work it is possible that employers would eliminate the job or adopt more sophisticated technology to get rid of the job. Moreover, where the employers' profitability is based on children's lower wages, eliminating child labour would put them out of business and automatically destroy the jobs they were offering. Finally since employers have

also non-economical reasons for hiring children, they would resist the process of substitution of adults for children. In addition, outside industrial activities (i.e. in agriculture, household enterprises and domestic chores) adult and child labour are complements rather than substitutes. Thus, if at the industrial level removing child labour might have a positive (but less than proportional) effect on adult employment and wages, at the macroeconomic level this effect is likely to be mostly trimmed down.

The idea that child labour might depress adult wages is strictly linked to the idea that child labour creates adult unemployment. If children enter the labour market and have a lower reservation wage – the argument reasons – either they displace adults from their jobs, creating adult unemployment, or they lower the adult wage rate. Both outcomes are subject to the condition of children being substitutes for adults (and vice versa), whose validity has been discussed in the previous section. Here we shall examine in which circumstances we would expect higher adult unemployment to be more likely than lower adult wages.

The issue can be analysed by using the framework adopted in the late ‘70s and early ‘80s by researchers interested in the hypothesis of adult women creating unemployment among young workers in the developed countries. In what follows we rely on the theoretical considerations made by Hamermesh (1985) in his article “Substitution between different categories of labour, relative wages and youth unemployment”, but apply them to the case of children and adults.

First of all it should be clarified that the following analysis applies to any two subgroups of workers that can be considered substitutes for one another and who actually compete for the same jobs. Based on the evidence that child labour is essentially unskilled, the relevant subgroups here are children and unskilled adult workers.

General Comments

The interest in child labour is wide and growing both in theoretical and applied economics.

However, most of the economic literature has focussed on the determinants of child labour and their policy implications, generally neglecting the issue of the economic impact of child labour. In this paper an effort was made to collect and organize the available empirical works regarding the economic consequences of child labour. Given the small amount of empirical evidence available, the following conclusions should be considered as working hypothesis to be confirmed by further research.

• At the micro family level, the main findings are:

(1) In the short-run, child labour increases households' income and probability of survival.

The evidence on children's contribution to household income is relatively large, and pointing roughly at the same figure (20% of family income). Since the evidence shows clearly that poverty is the main determinant of child labour, any effort to reduce child labour should take into account that poor families will not survive without the children's earnings and should take actions to make up for the missing income.

(2) In the long run, child labour perpetuates household poverty through lower human capital accumulation. This is probably the most solid result of the empirical literature on child labour so far, with the following qualifications:

(i) Child labour and schooling are not necessarily mutually exclusive. Evidence of reduced enrolment rates and higher drop out rates among child workers is quite large. On the other hand, there is also evidence of children combining school and work, and of higher school attendance rates reached at cost of a decrease in

children's leisure time with marginal decrease in child labour. School-compatible work constitutes a problem to the extent that it is not skills-developing and subtracts time to other forms of human capital accumulation such as study at home.

(ii) Schooling may not lead to the accumulation of human capital. Evidence shows that schools may not be accessible, affordable, safe or of good quality, and may not even exist in certain areas. In these cases, removing child labour and encourage schooling is obviously not sufficient to generate human capital.

(iii) Child labour in most wage-employment non-agriculture activities does not lead to skills development. Evidence shows that most activities performed by children working in industries are unskilled, and that early-age entrance into the labour force does not imply higher earnings. Differently, household-based production activities and works in agriculture may be instructive.

(3) In the long run child labour perpetuates poverty through enhanced fertility. Virtually no empirical evidence exists of this hypothesis, the only work available referring to rural India in late 1950s. Further research is certainly needed.

• At the macroeconomic level, the main findings are:

(1) Child labour can slow down long run growth and social development through reduced human capital accumulation. Effects on growth through reduced human capital accumulation appear solidly backed by the empirical evidence. A lower human capital accumulation also has a direct negative effect on the level of social development. Effects on growth through reduced health and higher fertility remain instead working hypotheses until further evidence will be available.

(2) Child labour occurs mostly in the unorganised sector and in small units with simple technology and little capital equipment. Whether reducing child labour would speed up capital investment and technological change depends on the impact on adult wages. The only evidence available on the elasticity of adult wages

to children employment (for industrial Egypt) suggests this impact could be very small. Moreover an increase in adult wages might simply push out of business poor employers relying on child labour, without boosting investment and technological change. Overall, there is very little evidence of child labour slowing down technological change.

(3) Child labour can be expected to have an ambiguous impact on income inequality in the short run, and to increase income inequality in the long run. No evidence is available on this hypothesis.

(4) Child labour might affect more girls than boys, fuelling gender inequality in education.

Extensive evidence supports this statement. Gender inequality in education represents a major obstacle to social development. Moreover, the literature on gender inequality provides grounds to claim that this is another channel through which child labour can negatively affect long-run growth.

(5) Child labour does not attract foreign direct investment. There is no solid evidence that FDI tends to be higher in countries with more child labour. Moreover, the evidence of child labour impact on labour costs is mixed. The evidence on the supposed comparative advantage in labour-intensive goods produced with child labour is also uncertain.

• In the adult labour market, the main findings are:

(1) Child and adult workers can be substitutes for one another since evidence shows clearly that children perform unskilled activities that can be done by adults. Whether children actually do substitute adult workers creating adult unemployment and/or reducing adult wage rates remains an open question. The only quantitative evidence available (for industrial Egypt) suggests that children displace adult women while complement adult male workers, but the size of these impacts is very small. In practice the size of the impact on adult labour market depends on how

strong preference the employers have to hire children rather than adults. The evidence shows that children allow a substantial saving in labour costs when payment is in the form of daily wage (children's wage approximately 50-60% of adults' wage for the same amount of work) but not when payment is by piece rate. Further qualitative and scattered evidence suggests that in household-based production activities and in agriculture the complementarities between children and adults are stronger, hence the negative impact on adult labour market smaller or non-existent.

(2) To the extent that children compete with unskilled adults for the same jobs, child workers affect adult employment or adult wages depending on the structure of the labour market.

If adult wages are downward flexible, child labour is likely to decrease adult wages without affecting adult employment. If adult wages are at the survival minimum child labour displaces adult employment without affecting adult wages. Finally if both adults and children wage rate are pinned down to the same legal minimum, the impact depends on the employers' preference for children relatively to adults. To our knowledge, so far no empirical work has focussed on this issue.

Case Study 2 : Ghana, West Africa

There have been two principal driving forces of the process of globalization. The first is vastly improved transport and communications which have greatly reduced the importance of geographical distance. The World Bank (19 95) estimates that by 1960 maritime transport costs were less than a third of the 1920 level, and they have continued to fall. The jet aircraft has made most parts the world accessible in a relatively short time The fall in the cost of communications has even been m ore dramatic. According to the World Bank, the cost of an international telephone call fell six-fold between 1945 and 1970, and ten-fold between 1970 and 1990, and has continued to fall. The fusion of traditional communications technology and computer technology which has created the e-mail, Intern et etc. h as revolutionized world wide communications and virtually eliminated geographical barriers since there is now instantaneous transmission of information throughout the world.

The second principal driving force has been the dominance of free enterprise, market-oriented, liberalized trade policies and development strategy since the early 1980s. The collapse of the Soviet Union and the socialist regimes of Eastern Europe at the end of the 1980s has intensified this dominance since it removed the major contending economic strategies. Thro ugh the medium of " policy-based lending", the World Bank, the International Monetary Fund (IMF) and Western donor countries have ensured that an economic orthodoxy which favours liberalized trade and the free flow of capital, though not of labour, has been embraced by virtually all the developing countries.

What has been called the " triumph of economic liberalism" is one of the driving forces of globalization. This triumph of neoliberal ideas on economic management,

as well as the free movement of goods and capital and the relative immobility of labour, has led to a situation in which the influence of organized labour has been considerably weakened. The need to be “internationally competitive" has often meant reducing labour costs and increasing profits so as to enhance “shareholders’ value.” The desire to attract foreign investment has prompted even centre-left governments to turn a deaf ear to union preference s. Almost all governments now have to institute neoliberal reforms.

In large parts of the developing world, the economic liberalist reform objectives of privatization, deregulation, and open trade and investment have been introduced mainly through structural adjustment programmes (SAPs), supported by the World Bank and the IMF. Since 1983 the government of Ghana has been implementing such a programme of economic reforms aimed at reducing the role of the state in the economy, increasing the role of the private sector and the market, liberalizing the economy and integrating it mo re fully into the global market. The policies have included pursued have been fiscal and monetary restraint; exchange rate adjustment/devaluation; trade liberalization; divestiture of state-owned enterprises; and private sector promotion.

This paper examines the impact of these reforms on Ghanaian workers and looks at the response of organized labour to the new environment created by the reforms.

Trade union responses to Globalization

The reaction of the TUC to what it perceives as an unfavourable environment has taken many forms, but can be classified into two main sets of responses. First, the TUC h as attempted to influence the (policy) environment and make it less unfriendly; secondly, it has attempted to adjust to the changed environment as far as possible. This has also involved shifts in organizational focus and action. The TUC is trying to adjust to a new environment which itself is still evolving.

Therefore some of the responses are only in the form of proposals at this stage.

Policy Determination

The TUC has been aware from the start of the reform process that the changes taking place have serious implications for its members. It has therefore sought in various ways to influence the direction of policy through memoranda, conference resolutions, seminars and workshops, and through representation on bodies dealing with the implementation of specific policies and measures.

In 1993, in the tenth year of the economic reforms, the TUC and the ICFTU organized a Conferenceon the Social Dimensions of the Structural Adjustment Programme.

This meeting deliberated extensively on the performance of ERP/SAP in Ghana, and made observations and recommendations on privatization, trade liberalization, external debt, agriculture, small businesses and the informal sector, consultation and participation.

The TUC has mad e its views known on government policies, highlighting what it perceives as the negative effects on workers and society generally, and proposing remedial measures. In May 1986, the TUC issued a statement setting out its views on economic, social and political affairs.

Reference was made to a comprehensive position paper on the national situation presented to the government in February 1985, as well as other memoranda on economic and social issues submitted in the previous two years. Expressing regret that these representations to the government and its agencies "have hardly even received acknowledgement", the statement expressed in forthright terms the dissatisfaction of the TUC with the prevailing economic conditions:

"The situation that we face today is one in which harsh sacrifices are exacted from the mass of the working people in the name of economic recovery at the same time that their interests are overlooked. In the name of the efficient utilisation of resources, the basic health, education,and housing needs of the people, as well as access to utility services like water and electricity are all continually undermined through increasing fees and prices. In the meantime, selfreliance and genuine mobilisation of the resources of the nation in which the people play a central role has been abandoned for reliance on foreign aid and loans". (TUC Ghana, 198 6). The TUC thus took the position quite early that the opening of the economy to foreign cap ital, and reliance on development strategies imposed from outside were related to the situation in which the interests of the working people were overlooked. This theme was taken up again at the quadrennial congress of the TUC held in March 1988, which addressed among other issues thenational economy. The congress came to the conclusion that "the current worsening economic situation in the country, the brunt of which is being borne by the working people , is attributable in the main to the conditionalities imposed on the economy by the multilateral lending agencies, namely the IMF and the World Bank." The congress called for condemnation of the strict adherence by the government to the IMF/ World Bank conditions.

The quadrennial congress thus launched a fundamental and frontal attack on the whole reform programme. It requested the government to " discontinue forthwith" the major elements of the liberal reform agenda: currency devaluation, import liberalization, privatization, expansion of exports, decontrol of prices, etc. All these were denounced as not favourable to the working people of the country. The congress, of course, also noted the increasing burden of external debt servicing payments.

The 1988 Christmas and New Year message of the Secretary-General of the TUC continued this trenchant criticism of the reforms and the prevailing economic situation, detailing the negative effects of the reforms o n organized labour:

"The year 19 88 has been a difficult year for the working people in the country. Workers have had to put in a lot to survive the intolerable hardship. It is five years now since the inception of the nation's Economic Recovery Programme (ERP), but although the policies of the ERP affect the various social classes one can say without equivocation that as workers we have felt the brunt o f the policies despite the great sacrifices made by us under the programme. The year 1988 has not been different from the four previous years of the ERP. As workers we have had to work under severe constraints with the hope that things would get better for us to enjoy the fruits of our sweat and toil, but after five years we are yet to see the light of hope at the end of the tunnel. Rather, things are getting worse from all indications. Employment in the public sector has ceased to grow. In fact, it has declined due to the retrenchment exercise going on. Workers are becoming redundant because several local industries, which have been subjected to unfair competition from outside under the trade liberalization programme, has folded up. The army o f the unemployed is now being urged to seek refuge in the so- called informal sector an d this has brought about a massive increase in casual work. Men, women, young people and even children are driven to seek insecure, inadequate, and even dangerous jobs o n the fringes of society just to survive .

Those of the working population in gainful employment have also been hard h it by the effects of ERP/SAP and they are having to fight to protect their jobs because they are the first victims of the retrenchment exercises."

During the 1990s the TUC continued to comment on government policies and the national economic situation, but the criticisms were muted. With the SAP firmly entrenched, and the prospects for reversal virtually non-existent, recommendations

to the government to discontinue the entrenched policies "forthwith" would probably be futile. In addition, the collapse of the worldwide socialist alternative ha s mean t that people e very where have h ad to accommodate themselves to what appears to be the only viable development path. The TUC h as concentrated its attention in more recent years on ensuring that the process of policy formulation and implementation is as inclusive as possible in the hope that this will raise the quality of policies and improve the prospects of their being implemented efficiently and with fairness.

In this connection, the TUC was one of the institutions that pressed for the National Economic Forum which took place in September 1997 with the theme *Achieving a* National Consensus on Policy Measures for Accelerated Growth within the Framework of Ghana- Vision 2020. The TUC took an active part in planning the forum as well as in its deliberations. The Secretary-General of the TUC chaired the syndicate group, which discussed the theme Increasing Employment Opportunities and Promoting Human Development.

The TUC has also accepted, and indeed sought, representation on bodies charged with policy implementation because it believes it can better protect the interests of workers in this way. Thus,although the TUC was critical of the divestiture programme, it nevertheless agreed to serve on the Divestiture Implementation Committee (DIC). This made it possible for the TUC to fight for compensation for workers laid off in the process of divestiture. The TUC is also represented on other implementation bodies such as the Export Processing Zone Board and the Public Utilities Regulatory Commission, which is responsible for approving the tariffs charged by public utilities.

There has been some debate about the wisdom of the TUC participating in such bodies. Some hold that the small number of TUC representatives are unlikely to influence the decisions taken, while TUC participation will reduce its moral right

to criticize the decisions if they are unfavourable to workers. The dominant view in the TUC, however, is that it is better to ensure that the concerns and interests of labour are taken onto account when the decisions are being taken, because very little can be done later. The TUC reserves the right to criticize decisions taken by bodies on which it has representation.

The return to constitutional rule in early 1993 meant that the attempt to influence policy requiresnot only memoranda and comments on executive actions or participating in policy implementation.

It also requires lobbying Parliament to ensure that legislation takes account of the interests of workers. In 1994, the TUC appointed a parliamentary liaison officer as a means of establishing a formal and continuous relationship between the labour movement and Parliament. The officer has been formally introduced to Parliament and recognized by the House. The officer, who has exhibited dedication to the job, briefs TUC leaders on developments in the House and impending legislation. W hen a Bill is published it is examined for provisions concerning workers, the TUC is alerted, and if it decides to make representations to Parliament, the necessary contacts and arrangements are made.

A labour caucus has been established, comprising members of both the majority and minority parties, and meetings are organized with the TUC to discuss issues and impending legislation of particular interest to workers. Among the major achievements of the Tic’s lobbying efforts are the changes effected in legislation on the export processing zones (EPZ s). The TU C was able to ensure that the rights of workers to organize within the zones w ere not com promised, and it also secured representation for the TUC on the EPZ Board.

Attracting new members

Union membership has traditionally been derived principally from junior employees in the formal economy, mainly from relatively large establishments in both the private and public sectors. To counter the erosion in membership, there has been a n intensification of the effort to organize self employed workers and others in the inform al sector. Increased efforts are also being made to unionize senior staff and professional workers.

TUC initiatives to establish links with operators in the informal sector are not new. Indeed, one of the 17 affiliated unions, the Ghana Private Road Transport Union (GPRTU) ranked fifth in terms of membership, consists very substantially of self-employed transport operators. How ever, there has been a definite intensification of efforts to "organize the unorganized" as a means of shoring up declining membership. The organization department of the TUC and almost all the national unions are devoting time and energy to meetings with micro and small-scale operators with a view to affiliating them with to one of the national unions.

The task of organizing the unorganized appears to be easiest with respect to operators who already belong to some form of association. Thus the Ghana Hairdressers and Beauticians Association has been affiliated to the ICU, and constitutes the most organized informal sector group within the unions. Other groups of self-employed operators such as butchers (LGW U), carpenters and charcoal burners (TWU), and small-scale miners have been organized. GAW U has also organized groups of self-employed rural workers. In the capital city , efforts are being made to organize the large numbers of street hawkers , roadside trader s and newspaper vendors.

Unions provide various services to their inform al sector members or affiliates. In some cases, as with GAWU's farmer organizations, there is provision of limited credit and help with access to other forms of institutional credit. Many unions provide educational and skill development services.

They also provide channels for collective bargaining with public authorities on matters of interest to the operators. In some cases, legal support is provided for members.

Based on experience so far, K. Adu-Amankwah (1999) has summarized the main obstacles which have face d union organization in the inform al sector. These are the low financial returns from the sector in relation to the cost of organization, the absence of a ready package of benefits to attract informal sector operators, and lack of previous experience in union organization. The financial constraint is likely to be the most serious, for if increased membership only worsens the financial plight of the unions, the sustainability of the membership drive will be jeopardized and the capacity to offer benefits to attract informal sector operators will be weakened. Given the number of redundant workers, some attention has been given to retaining links with retrenched former m embers of un ions. It has been proposed for, instance, that life membership of unions may be granted in some cases. Another approach is to encourage the formation of associations of pensioners and retrenched workers. These may be assisted with training to function as self-employed operators. One such association of mainly retrenched workers is the Self-Employed Women's Union (SEW U), affiliated to the ICU. T his is an association of about 300 women engaged in micro and small-scale manufacturing and craft industries. The TUC has helped with their organization and has arranged a number of workshops on entrepreneurship and small business development for them.

The unionization of senior staff and professional personnel is going to be crucial for the continued vitality of the T UC and its unions. Globalization and technological developments are reducing the demand for unskilled labour while increasing the demand for highly skilled and professional personnel. Unions which continue to recruit only blue-collar workers are likely to suffer a diminution in numbers. In addition, senior staff generally earn higher salaries and their financial contribution through union dues can be particularly valuable.

Many unions have mounted aggressive membership drives with respect to senior staff and professional employees. Other factors are also working in favour of the unionisation of senior staff.

Retrenchment in the public sector, downsizing in the private sector, and the notion that wages and other labour costs have to be restrained to make Ghana attractive for foreign investment have made many senior and professional personnel feel as vulnerable as junior staff to possible redundancy and erosion of income. Many senior staff have also realized that being covered by a legally-binding collective bargaining agreement puts them on a firmer basis for negotiating for improved service conditions than the informal arrangements that their staff associations have had with employers.

The intensified drive by unions to attract senior staff has provoked a counter-offensive from the employers. The Ghana Employers Association (GEA) has issued public statements, organized conferences and published articles opposing the unionization of senior staff. The GEA's stated reasons for its opposition are many and varied. There is first the genuine problem of deciding which employees are representatives of employers or shareholders, and therefore to be excluded from union membership. On this, the ILO Committee on Freedom of Association (1963 and 1966) has advised as follows:

“it is important that the scope for managerial staff and the like should not be defined so widely as to weaken (worker) organizations by depriving them o f a substantial proportion of their present or potential membership .”
The GEA has tended to define “shareholder's representative” rather widely. In the view of the Executive Director of the GEA, a shareholder's representative is “anybody selected by the shareholder as his representative or any staff whose functions entail taking important decisions which have serious repercussions o n the shareholder's business, as sets or liabilities.”

The employers cite among their reasons for opposing the unionization of senior staff, possible divided loyalty and misuse o f confidential information by unionized senior staff/ management personnel. The employers also argue that it would be distasteful for managers to belong to the same trade union as their subordinates, or even worse, for union leaders who may be junior staff to direct the affairs of a un ion in which their superiors are members. The employers believe this would tend to undermine or erode the authority of the senior officers concerned.
It seems that the employers are particularly concerned about what they believe would be the negative effect of senior staff unionization on foreign investment. On this issue, the Executive Director o f the GEA has written as follows :
“The government is invited to take a position on the issue with a view to discouraging the unionisation of management staff. The GEA is of the view that government's efforts at attracting foreign investment may be seriously undermined if senior and management staff of companies is allowed to unionise, knowing the history of trade unions in the country. Foreign investors in particular may feel insecure in the sense that they cannot have loyal senior and management staff they can rely on to ensure increased profitability and reasonable profit, which is the driving force behind any investment” (K. Amoasi- Andoh, 1998).

The country's constitution and laws guarantee freedom of association and the government has declined the invitation from the employers to intervene. In a statement issued in October 1997, the Ministry of Employment and Social Welfare declare d as follows:

“The Ministry recognises the fact that every Ghanaian is guaranteed freedom of association including the freedom to form or join a trade union of his choice. Senior staff members in any enterprise are therefore at liberty to form or join trade unions. However, since the levels of management responsibility vary fro m on e organization to the other the Ministry's position is that Employees and Management should look at their organizational structures and determine which categories of employee s should be unionised.”

Both sides in the debate accept the prescription in principle, the problem is where to draw the line.

The unions have been reasonably successful in unionizing senior staff. The two largest, the ICU and the PSWU, have strong senior staff representation in their unions. The ICU has about 4,000 senior and management staff from 29 companies among its members, and the companies include most of the major private sector establishments in the country. According to the PSWU senior officers have numbered among their ranks from the inception of the union. The unions have not had things all their own way. The three biggest unions have all had instances in which management resisted the unionisation of senior officers, and cases of unionized senior officers renouncing their union membership.

Education development of union officers and activists

Within the limits imposed by the prevailing environment, the task of mobilizing members and obtaining improved conditions for them depends to a considerable

extent on the skills of trade union officers and activists in the areas of organization and negotiation. The Ghana TUC has recognized this and made the education of its members one o f its priority concerns. The preamble to the TU C's educational policy affirms that:

"Trade union education has clearly established itself as one of the most important services that trade union s can pro vide for their members. Properly designed and implemented, trade union education plays an indispensable role in raising awareness among union members and providing them with skills to meet the challenges that confront the union s."

The institutional arrangements for giving effect to the educational policy centre mainly on the Education Committee and the Labour College. The Education Committee, consisting of seven members of the Executive Board, is responsible for implementing all aspects of the TUC 's educational policy, and is required to promote the full participation of national unions in seeking to achieve the objectives of the policy.

The Labour College, which is regarded as the focal point for developing and managing the educational programmes, has the following specific functions:

i) Develop study material and provide the technical and administrative support for executing education and training programmes;

ii) Train trainers and develop a pool of educators to handle trade union education and compile a list of trainers for the national unions and regions;

iii) Implement a comprehensive education and training programme for the trade union movement;

iv) Liaise with institutions of higher learning for support in programmes;

v) Promote learning and studying in the labour movement by organizing seminars, outreach programmes, academic and non-academic courses and discussions.

The Labour College will certainly need additional resources, material and human, to discharge the above functions, but there is already vigorous activity. Training programmes are being organized for various categories of members and officers such as shop stewards, local/branch officers, union staff/fie ld officers, national officers/ members of the Executive Board, and women/ youth activists. Training at the Labour College covers three broad areas; trade union education (collective bargaining, grievance handling, organizational skills, health and safety, conduct of meetings and labour laws); trade union history (in Ghana and generally, but with special reference to European trade union history); and special programmes, covering topical issues of interest both at home and worldwide. Basic accounting is offered for some levels of officers, and the re is said to be a general request for more emphasis on management training.

There are some acknowledged problems in the field of education. The first is that there is not enough of it. Financial limitations mean that not as many people as desired are currently being catered for. Another problem is that there is no clear division of labour between the unions and the Labour College as to the courses offered, leading in some cases to avoidable duplication of effort, which is particularly regrettable in view of the resource constraints. Another problem mentioned is insufficient attention to participant

selection, leading to persons of widely different backgrounds being enrolled in the same course. This tends to reduce the utility of the course, the level being too low for some participants and too high for others.

The educational programmes of the TU C depend quite substantially on external funding. The courses at the Labour College receive funding from the Netherlands Trade Union Federation, the Commonwealth Trade Union Council and the ICFT U Afro among others.

Enhancement of wages and working conditions

Wage restraint has been a constant element of public policy throughout the reforms, and the current emphasis is on wage restraint as a means of attracting foreign investment. This preoccupation with making Ghana attractive for foreign investors has produced an alliance between government and private business in opposition to demands for w age increases by organized labour. At the Tripartite Committee, the TUC has had to face the combined strength of the employers and government, who have coordinated their position on the minimum wage, for instance. This government-private employer collaboration is motivated by more than the fact that the government is also an employer.

It appears that the government considers it part of its economic management responsibilities to ensure that the division of the national value-added between wages and profits is biased in favour of profits as a n incentive to private investment.

The government and employers have succeeded in installing the capacity to pay of employers as virtually the only factor to b e taken into account in w age determination. At the same time, deregulation and privatization of the utilities and other vital services have produced steep increases in the prices of these services. This is justified by what is said to be the economic cost of providing the services. There are clear indications that the real value of wages declined in the 1990s. T o a large ex tent, trends in the minim um wage can b e used to approximate what is happening to wages generally since the minim um wage serves as a bench mark for incomes, especially in the low and middle ranks. The real value of the daily minimum wage (April 2000) is about half its value in 1991. This is roughly in line with the change in the dollar equivalent of the minimum wage over the same

period. In July 1991, when allowances were first consolidated into wages, the daily minimum wage was equivalent to $1.25, while it is now equivalent to about $0.60. The serious erosion in the income of large numbers of workers is generating considerable soul searching on t he part of organized lab our and pressure on w age negotiations.

Job creation stimulus

In the face of dwindling formal sector employment opportunities, the TUC has been mobilizing resources from its members to invest in productive enterprises as a means of creating employment as well as strengthening the financial base of the unions. In pursuit of this objective the TUC has established a Labour Enterprise Trust (LET) which holds m ember s' contributions and invests themoney either by itself or in collaboration with others.

The decision to institute what has been called an enterprise ownership policy was taken at the quadrennial congress in 1996, and was presented a s an "important initiative to meet the challenge of job creation and employment security and the need for organized labour to establish itself as an obviously equal and constructive partner in the nation al development of Ghana."

The broad objectives of the enterprise ownership policy were stated as:

i) to create and secure employment;

ii) to promote the national development of Ghana through appropriate investments;

iii) to secure a fair return for workers as shareholders;

iv) to strengthen the economic base of trade unions in Ghana; and

v) to create the conditions for promoting workers' participation as an integral aspect of labour relations in Ghana.

At the inception of the trust, it was expected that all the estimated 500,000 unionize d workers would purchase a minimum of 100 shares at 50, 000 cedis

each. The collection of subscriptions was to be spread over 20 months, and by the end of 1998, a total initial capita l of 25 billion cedis (equivalent to about $10 million at that time) was expected to be realized. Actual contributions fell far short of the projected sum, however, and at the end of the subscription period only a little over 90,000 ha d been contributed, yielding about 20 percent of the expected initial capital.

So far the LET has made three major investments. It has purchased a 20 per cent share in a $5 million car park project located in the commercial centre of the capital city of Accra. It is also the majority shareholder in an insurance company and it has invested in four tankers to provide water at competitive rates to residents in Accra. The LET Board has had to ensure a balance between safe investments and number of jobs created. Only the insurance company, designed to employ 27 full-time staff and 200 full-time agents, can be said to provide a reasonably large number of jobs but the LET has made an initial modest contribution to job creation. Upcoming projects include the establishment of a commercial bank, a security service, service stations, and radio taxi services. These will make further modest contributions to job creation.

Role of women in unions

Women are under represented in the unions with an estimated share of 9-10 per cent in total membership. This is substantially below women's share of formal sector employment, which is about 25 percent. The Ghana TUC has a long-standing commitment to mobilize women for the national unions, to encourage them to take leadership positions so that the concern s of female members can be effectively articulated, and also to ensure that the policies of the TUC take account of women's concerns. In accordance with this commitment, a women's section w

as established in the TUC in 1969, and in the same year women organizers were appointed for the regional offices at Kumasi and Cape Coast.

The Ghana TUC has formally ad opted a gender policy based on the conviction that "the integration of women and achievement of gender equality are matters of human rights and a condition for social justice which should not be seen in isolation as a women's issue." The TUC believes that a gender policy is needed because, owing to the marginalization that women have generally suffered, they need to be treated differently by means of affirmative action in order to achieve greater social justice for all members. The broad objectives of the TUC's gender policy are stated as:

i) to create gender awareness with in the movement;

ii) to secure proportionate representation within the union structures;

iii) to promote the integration of gender considerations in collective bargaining agreements;

iv) to strengthen the legal rights of women in society and at the workplace;

v) to formulate strategies for the protection of workers in the EPZs and in the informal sector.

Considerable emphasis has been placed on increasing the involvement of women in decision making in all the structures of the labour movement. In addition to the women's desk at the TUC, seven national unions have set up women's wings and committees at national as well as regional levels.

Some unions have also appointed women organizers and coordinators, and there is an increasing trend towards assigning negotiating responsibilities to women. Four unions – PSWU, TWU, ICU, and PUWU – have women on their joint negotiating committees. The idea is growing that the inclusion of women in the negotiating committees will ensure that the peculiar problem s of female employees are taken into account in negotiations. It is expected that the practice of including women in

negotiating teams will be embraced by all the national unions. Various training programmes have been arranged for women organizers as well as rank-and-file members.

The TUC is convinced that grooming female members to assume leadership positions will help raise its image and will strengthen the TUC and the national unions. It is also true, however, that there has been some pressure from the international trade secretariats (ITS), to which some of the unions are affiliated, for unions to include women in decision- making positions . Some IT S are said to have made this a condition for their unions to benefit from programmes which they sponsor. The activities of the women's desk of the TUC have also benefited from considerable financial contributions from international organizations and NGOs. This pressure or encouragement from outside has been useful for there are still substantial problems militating against women's active involvement in union work. Some of the problems identified include; lack of knowledge about unions on the part of women; difficulty in combining union work with family responsibilities; lack of confidence and unwillingness to compete against men in elections; and preference for men during elections to union offices. On the last issue, there has recently been a welcome development from an unlikely source. The local union of the Ashanti Goldfields Corporation, which makes up about 40 per cent of the total membership of the Ghana Mine Workers Union, has elected as its secretary a female union member. In the elections, this lady unionist polled about 90 per cent of the votes.

The TUC and its women's section, in collaboration with other women's organizations, have been making efforts to improve the economic and social status of women. A large part of this drive has centred on encouraging the education of w omen a t all levels and countering the social attitudes that tend to give priority to the education of boys. The TUC emphasizes the importance of educating girls. The

TUC has also participated in campaigns to promote the welfare of women in the workplace and in society generally. The women's desk has played a leading role in raising awareness about the problem of sexual harassment at the workplace, and in emphasizing the need for adequate paid maternity leave. The TUC has also been very vocal in condemning violence against women and in calling for stiffer punishment for such crimes as rape.

Expansive role of trade unions

It has been pointed out (Newland, 1999) that trade unions tend to benefit when they take an expansive view of their role, seeking to represent no t only the concerns of their members but those of broad-based political parties. In Southern Africa, trade unions such as COSATU have participated actively in popular political and social struggle, and such activities, it is claimed, can enhance the labour movement's popular esteem and boost membership.

An extraordinary congress of the TUC in 1969, when a national election was due, decided that the TUC would not align itself with any political party, and that national union leaders should be debarred from party politics. This non-political party stance was reversed by the second quadrennial congress of the TUC held in September 1978, which endorsed:

"the Executive Board 's decision to enter into alliance with other progressive organizations and collaborate with such other persons or groups of persons that might share the aspirations of the working people for the purpose of fulfilling the labour movement's initiative to create a political force for the defence and protection of the interest of the broad masses of the Ghanaian p people ''(my emphasis).

The TUC accordingly sponsored a political party, the Social Democratic Front, to contest the general elections he ld in 1979 . This party was spectacularly

unsuccessful in the elections, winning only 3 out of 140 parliamentary seats, and performing badly also in the presidential elections.

Suitably chastened by this experience, the TUC subsequently effected an amendment in its constitution, which reaffirmed its neutrality in party politics. The TUC has forged alliances with other workers' organizations and other elements of civil society in pursuit of common objectives. Within the labour movement, the TUC has established an alliance with bodies such as the Civil Servants Association, the Ghana National Association of Teachers, the Ghana Registered Nurses Association, and the Judicial Service Staff Association. These other workers' organizations and the TUC are united in a Workers' Forum, which deliberates on issues related to the salaries and conditions of service of workers and puts up a common front when appropriate. The TUC as the most representative workers' body often takes a leadership role.

In consultations on the minimum wage and other issues determined at the National Tripartite Committee, it is the TUC which represents workers, but the TUC consults extensively with these other organizations and includes their representatives in its delegation.

Outside the labour movement, the TU C has often made common cause with civil society organizations such as the Ghana Bar Association, the National Union of Ghana Students and the Ghana Journalists Association in support of national objectives such as ensuring free and fair elections; promoting freedom of expression; encouraging the independence of the judiciary; and promoting economic development an d stability. Freedom of expression has received particular attention in the TUC's endeavours, no doubt because it is so central to the achievement of the other political and economic goals. The TUC has persistently called for the media, especially the state owned media, to be freed

from government control. The TUC is currently represented on the National Media Commission, the body charged by the national constitution with responsibility for ensuring the independence of the media and for insulating the state-owned media from governmental control.

In Ghana, as in many African countries, distinctions of ethnicity, gender, income and wealth, and sometime s religion constitute potent divisive forces making for civil strife and social disintegration. There is often a need for conscious attempts at social integration based on a policy of inclusion under which all sections of the population have a say in national decision-making. The rich and the powerful always have their say, the TUC provides an avenue through which the underprivileged can ensure that the interests of ordinary people are taken into account. Poverty is often a source of social alienation, and the TUC's struggles for an improvement in the living
standards of working people, and the achievement of social justice generally, make important contributions to social cohesion.

Global cooperation

The work of the TU C is greatly aided, especially in the are a of capacity building, by the collaborative interactions it undertakes with international and external trade union bodies in Africa and in the rest of the world. The Ghana TUC is affiliated to the Organization of African Trade Union Unity (OATUU) and to the International Confederation of Free Trade Unions (ICFTU).
Some of the nation al unions a re also affiliated to their corresponding international trade secretariats.
The Ghana TUC also has fruitful bilateral collaboration with many national trade union centres, particularly in Europe. The Netherlands Trade Union Confederation

and its Swedish counterpart appear to be the most active bilateral collaborators of the Ghana TUC. As the most representative labour organization in the country, the TUC participates in ILO meetings and programmes on behalf of the labour movement in Ghana.

These international connections have proved very beneficial to the TUC in many respects.

Through reports, commentaries and other publications of the leading international trade union organizations and the ILO, the Ghana TUC is brought up to date on developments in the international economy and their impact on the labour movement globally as well as locally. But perhaps the greatest contribution of these international bodies is the organization both locally and overseas of a large number of conferences, workshops, seminars , and training programmes on issues of importance to the work of trade unions.

The establishment of an African Office for the IC FTU h as been particularly important in terms of generating programmes of support targeted at African trade unions. The main programmes that ICFTU-A fro has brought to the Ghana TUC include the 1993 Conference on the Social Dimensions of Structural Adjustment Programmes, a workshop on ex port processing zones, and the recently launched New Project Approach to Structural Adjustment.

The Organization of African Trade Union Unity has also been active in marshalling trade unions to confront the challenges posed by the structural adjustment programmes in African countries. Its activities are, however, hampered by inadequate funds. Financial difficulties also led to the demise of the Organization of Trade Unions of West Africa (OTUWA), although efforts are being made to resurrect it.

It is now acknowledged by trade unions in the developed as well developing countries that the challenge of global capital can only be met by unions which have international connections, and that the forging of strategic links between organized labour groups in different countries is an imperative in an era of globalization. Developing country trade un ions, in particular, stand to benefit from the alliances being forged at international level between trade unions, environmental associations and human rights groups to ensure that the rights of workers everywhere are respected, and that globalization produces not only profits for capital but also improved conditions for workers and their families.

Case Studies 3: Spanish trade unions and the new world environment

Abbreviations

AES: Economic and Social Agreement (1984)
AMI: Interconfederal Framework Agreement (1980)
AN: High Court
ANPE: National Association of Middle School Teachers
ASEC: Interprofessional Agreement for the Extra judicial Settlement of Disputes
CCOO: Trade Union Confederation of Workers Commissions (majority)
CEMSATSE: Spanish Confederation of Doctors/Union of Male Nurses
CEOE: Spanish Confederation of Employers Organizations
CES: Economic and Social Council
CIG: Galician Interunion Confederation
CGT: General Confederation of Labour
CNT: National Confederation of Labour
CSIF: Independent Trade Union Confederation of Public Servants
CSUT: Unitary Trade Union Confederation of Workers
ELA-STV: Solidarity Confederation of Basque Workers (majority in the Basque Country)
ET: 1980 Workers Statute, amended in 1994, 1997 and 1998
ETT: Temporary Employment Enterprises
FORCEM: Foundation for Further Training

INEM: National Employment Institute
LOLS: Fundamental Law on Freedom of Association (11/1985)
LPF: Law on Representation and Participation of Public Servants (9/1987)
PRECO: Interconfederal Agreement for the Extra judicial Settlement of Disputes
PSV: Social Housing Promotion (UGT Cooperative)
RASEC: ASEC Regulations
RDLRT: Royal Decree-Law on Labour Relations (1/1977)
SIMA: Interconfederal Mediation and Arbitration Service
SMR: Most Representative Trade Union (for the whole of Spain, UGT and CCOO)
SOC: Trade Union of Rural Workers
SSE: Enterprise Trade Union Department
SU: Unitary Trade Union
Sa.: Ruling
TRLPL: Revised Text on Labour Procedure (2/1995)
TS: Supreme Court
TSJ: Autonomous Community Higher Court of Justice
UGT: General Workers Union Trade Union Confederation (majority)
UPA: Union of Small Farmers (UGT Federation)
USO: Workers Trade Union
WCL: World Confederation of Labour

Labour standards at the regional level

The role of Spanish trade unions at regional level within Europe may be characterized as enthusiastic in terms of words but short on action. The country has undergone an intense development process since the beginning of political democratisation in 1975 which justifies to a certain degree the absence of front-line positions. The geographical situation of the country as a peninsula tends to make contacts with other European countries more difficult. In the statements put out by unions there is a clear awareness of international solidarity, as may be observed in one of the resolutions approved at the Sixth CCOO Congress in 1996.
"International trade unionism must as a matter of course impose social clauses in

all international trade agreements and also in those relating to regional integration or inter-regional associations. These clauses must provide explicit guarantees of the exercise of freedom of association and must be based, as a minimum, on observance of the recommendations and standards of the International Labour Organization".

We have already noted that Spanish trade union confederations are members of international bodies. While the UGT continues to be a member of ICFTU, the ELA is a member of WCL. Both are members of ETUC; CCOO has been forced to shift its position with the fall of the communist regime in many countries and the World Trade Union Federation; for years it sought admission to ETUC, which was finally granted in 1991 despite a certain reluctance on the part of the Spanish confederations that were already members. It was admitted to ICFTU42 in 1998. Virtually all its member federations already belonged to the International Professional Secretariats of ICFTU, and participated in activities and negotiations. Perhaps for that reason, reference should be made to the UGT, whose Thirty-Seventh Congress in 1998 noted the need to "grant the ETUC a sufficient mandate and representation, on behalf of national confederations, so that linking agreements may be formalized at the European level and to provide it with the capacity for mobilization, thereby transferring powers to European Trade Union Federations." The same Congress also demanded more effective ETUC participation in the standard-adoption and decision-making processes by EU institutions, "and, where necessary, before the Community's courts of justice."

Progress in setting regional minimum labour standards has been spectacular within the European Union, not so much in quantitative as in qualitative terms. Only in the 1990s did national confederations manage to obtain the capacity to negotiate European collective agreements with European employers' confederations. In 1992, the social partners agreed and the member countries stipulated in an

Additional Protocol to the Treaty of Maastricht that European collective agreements could be strengthened by Community standards and even that they could replace such standards before they were laid down, two possibilities which have been incorporated into the Treaty of Amsterdam. The second possibility has been influential in changing the attitude of UNICE to European collective bargaining, even though the employers' confederation does not yet have the authority to negotiate at this level. The fact that the European Union has on various occasions communicated to them its intention to legislate on certain labour matters has helped to overcome resistance and encourage negotiation with ETUC. Various European interconfederal agreements have already been signed – most recently on 14 January 2000 between the ETUC, CEEP and UNICE on fixed-term contracts. On 29 September 1998, two European sectoral agreements on the regulation of working hours were signed in the railway and maritime transport sectors. The Federation of Transport Unions signed on behalf of trade unions in both cases, and co-signatories were the Community of European Railways and the European Community of Shipowners Associations. The coordination agreements examined below are also of a sectoral nature.

Regional trade union coordination

The lack of coordination between Spanish trade unions in relation to European matters goes to such an extreme that they do not even coordinate their presence in the international bodies in which they participate. As a result, the statements made at union Congresses remain at the mercy of chance alliances.

The beginnings of trade union coordination exist in the European region, but have not yet reached Spain, partly owing to its geographical situation, partly because of the problems of consolidation, and partly because of a third reason which will be examined below. Despite the lack of formal progress there is sporadic and

occasional coordination between Spanish trade unions and those of other European countries. We may mention the strikes in the railways and road transport sectors in recent years, and the solidarity strikes by Renault factories in Spain to support the reopening of the factory in Vilvoorde (Belgium) in April 1997. These strikes took place at a time when it was said that the closure in question would probably benefit the Spanish factories.

The Ninth Congress of the European Trade Union Confederation (1999) adopted a resolution for the Europeanisation of industrial relations which proposed to:

(i) conclude with employers' organizations a new Framework Agreement on independent collective bargaining at European level;

(ii) promote a coordinated strategy for European negotiation, led by the European industrial federations;

(iii) prepare a charter for the mutual recognition of membership between trade unions belonging to the ETUC;

(iv) support the European industrial federations in their efforts to increase the number of European enterprise committees.

At sectoral level, the first industrial federation to coordinate its national trade unions was the European Federation of Building and Woodworkers which approved the Declaration of Principles on Collective Bargaining of the European Construction Unions in 1999. Noting the broad differences between countries (for example, the number of working hours varies from 36 to 45), the Declaration proposes that coordinated negotiations should begin with working time, which should not exceed 1750 hours per year. The Declaration proposes the following steps:

(i) exchange of information;

(ii) exchange of policy experts;

(iii) creation of an information pool on agreements and working conditions;

(iv) drawing up of a Best Practice List, for use in negotiation with employers.

Foundations for regional and global coordination

Spain's geographical situation is very different from that of the countries which signed the Doorn agreement (1998) which originated in a Belgian government initiative of 1996. In that year wage negotiations between unions and employers failed, and the government fixed the wages of Belgian workers according to the average of those existing in France, Germany and Holland. This indicates the degree of uniformity achieved in geographical, economic and even cultural terms of the four countries concerned. This is not the case for Spain and the bordering countries. Relations with Portugal are beginning to emerge from an old mistrust which has led to mutual ignorance of the national legislation of both countries. The union contacts undertaken so far, such as those between Andalucia and the Algarve, are very slight, and do not even extend to a commission to study similarities and differences. Unemployment is very low in Portugal whereas in Spain it is very high; the system of collective bargaining is different, as are working conditions. For example, the average wage in 1996 was 711 ecus per month in Portugal against 1794 in Spain. On the northern border, France belongs to the group of advanced countries, and although there are contacts with the CGT and CFDT, coordination between the confederations has not been attempted. Nevertheless, on many occasions French trade unions have supported dispute actions that have had repercussions for employment in Spain, without consideration to international aspects. Working conditions are also different, and the average wage in France is 2146 ecus. Finally, Italy has many points of contact with Spain and the national trade unions hold meetings, although there is still something of a divide on the subject of joint action.

Union relations outside the European Union

Latin America. The presence of Spanish trade unions outside the EU is more limited than within the Union; however, a few instances of low-level coordination may be highlighted, especially in Latin America. This activity is connected with the possibility of Spanish enterprises entering the markets of these countries. The major Spanish banks are investing heavily in most Latin American countries, as are national companies in energy and telecommunications. Spanish trade unions have collaborated with those of the host countries representing these enterprises and have helped to organize and coordinate inter-state initiatives. In the services sector for example, where links are established, there has been little action so far: a few meetings have been held and a number of documents drafted. UGT helped to set up the Iberoamerican Interunion Group of Telefónica in 1997, with representatives from Argentina, Brazil, Chile, Mexico and Peru, where Spanish Telefónica has subsidiaries. Workers' commissions have promoted meetings in the banking sector involving the trade unions of Latin American countries. Other activities offer support for democratic unionism in certain countries, either in relation to authoritarian powers, or to trade union options favoured by the public authorities. Thus, we may refer to support for the establishment of EUROSTAT (European Commission), *1997 Yearbook*, Luxembourg 1997, p.134.

Information supplied by Ms. Rueda Catry of the ILO and by the Secretariats for International Relations of the CCOO and UGT.
An Interamerican Trade Union Confederation, similar to ETUC, which could take the place of ORIT. Advice is given to the Colombian CUT on the subjects of peace and training for unionists.

Efforts are made to support the consolidation of the Argentinean Workers Union incorporated in the FREPASO, in its fight to break the CGT monopoly. In simple terms, this is a follow-up to the trade union movement in Cuba and Mexico with a view to possible future development. At times, sectoral federations play an important role, albeit at the level of technical support. Examples are the work of the CCOO Teachers Federation with its opposite numbers in Latin America on the issues of equality for women, further training and pensions. In all these cases, the foundations and NGOs linked to Spanish trade unions act in parallel.

North Africa. The second priority for Spanish trade unions outside the European Union is North Africa, especially Algeria and Morocco. Relations with North African trade unions are in their infancy, at the level of initial contacts. A good demonstration of this is the creation in Helsinki, during the Congress of the European Trade Union Confederation (June 1999) of a Mediterranean Forum including Italian and French unions, and the Workers Union of Arabic speaking North Africa. A seminar on democratisation is currently being prepared with Algeria and there are one or two sectoral contacts, such as in the agriculture sector on the subject of migrations.

European multinational enterprise committees remain to be developed, with a view to linking enterprise representatives from different countries, not only in Europe. Spain has no more than 30 such multinationals, a tiny figure compared to the total of 1480 which are obliged to set up these committees, and which includes representatives from non-European countries. Despite the limited number of MNEs in Spain, the contact and coordination may be important, especially in the protection of workers' rights in the face of speculative movements or asocial investors.

The future of trade unions in Spain

It is appropriate here to summarize the changes which are taking place in regard to labour and union matters. Spain is experiencing a strong process of globalization, above all as a result of membership in the European Union. The country is affected more and more by decisions adopted in Brussels, for which reason the European trade union option is tending to increase in popularity.

The process of mediation appears to have been fully assimilated by the trade unions, since the Federation of Public Services is the most numerous in the UGT and CCOO. By contrast, postmodernism with its effects on small enterprises, enterprise networks, independent work and teleworking appears to be a major challenge which has not yet been met by the country's unions.

Many people share the opinion that trade unionism is the product of large manufacturing areas, giving rise to solidarity among manual workers, although the world of today, which is ever freer and more diverse, will see the end of such organizations. In our opinion, the fragmented market is only an optical illusion of a moment of transition, since it immediately gave rise to enterprise groups and networks designed to coordinate the activities of employers in large areas. One example may be the computer industry where only a few huge concerns remain, which share the world market and manufacture goods with the cooperation of hundreds of small specialized industries. In these new areas, workers require a kind of computerized and informed unionism, with international cohesion, in order to protect themselves in the new varied types of employment. Employers adopt both contractual (groups) and associated (networks) forms, and cannot easily be located by their negotiating partners, so that collective bargaining must surely be modified. It is necessary to penetrate changing employer structures, as well as collegiate

decision-making bodies, probably with the assistance of legislation being introduced on this subject in the European Union.

What has been the response of unions to these changes? The change had to be adopted at the same time as the move to a democratic society was taking place in Spain. Given the small number of managers, who were poorly trained and also exhausted by the daily task of establishing trade unions on a membership basis, the so-called transition showed a strong trade union influence in all its aspects. Workers' organizations did not renounce their right to express an opinion and mediate on the major economic and social issues affecting their members, following the example of other countries.

The challenges faced by Spanish trade unionism in the past few decades include both common and specific elements in relation to challenges in other countries. The brake on the market economy system disappeared with the collapse of communism in 1989 and the empire of power and rivalry is taking possession of the labour market more strongly than ever. There is only weak opposition from socialist and social democrat political parties, which share in the so-called unique or politically correct way of thinking. In the circumstances, the function of trade unions to perfect the ideal of freedom, equality and fraternity, is being strengthened in enterprises and must also be exercised in other areas, in conjunction with the organizations concerned. The defence of democracy, solidarity, human rights and freedom must be conducted on three levels: in enterprises, in national society and in the international arena. It is essential to support Third World countries so that the philosophy of the market does not pit workers from developed countries against those from developing countries.

The particular challenges of Spanish trade unionism are not really a question of fighting the reductionist trends in pensions or privatisation. These problems are common to all European countries. Possibly the most significant problem lies in

the tendency of autonomous communities to break up, leading to the creation of an independent industrial relations framework, to which we have repeatedly referred. Evading the centrifugal impulse through some kind of regional link and coordinating individual experience without impeding common action is a challenge which Spanish trade unions are not yet prepared to meet.

Case Study 4: Global Challenges to Japanese Trade Unions

Changes in the economic environment

In spite of significant changes in the economic environment, labour/management relations in Japan have not changed to any significant extent from the previous two decades. The basic characteristics of the company-based union, the seniority-based wage profile, the spring labour offensive that features annual wage talks early in the year, long-term employment and workforce adjustments organized primarily within the internal labour market all continue to this day. Any increase in labour disputes typical of a low-growth economy has not yet been observed. It can be said the Japanese trade union movement has made few changes in its traditional style and practice. One reason could be the fact that divisions in the post-war labour movement which persisted for years have at last been overcome and most unions have been consolidated into the 8-million strong Rengo. For t he first time, trade unions have shaped themselves into a stable social force.

Institutional changes in industrial relations remain minimal as a result of two factors. First, partnership and confidence between labour and management, which have developed steadily over many years, remain firm in the 1990s. This is the base of the Japanese corporate system, which forms a quasi-community for employees. Here, the accepted idea is that lay-offs only occur in marginal enterprises suffering persistent poor performance. Lay-offs, which are common practice in the United States, basically do not occur in Japanese companies. Second, Japanese employment and wage systems are not rigid by any means, contrary to what many observers erroneously report.

The internal labour market of a Japanese corporation, and the quasi-internal labour market including its affiliates, provide for employment adjustment based on moving workers to different jobs, training/relocation, and restraints on recruitment. Therefore, the mobility of the workforces is consider able. The pay system featuring seniority, which is not directly related to job type, serves to facilitate the mobility of labour within the corporation. This makes it unnecessary for corporate management to resort to lay-off, so that normal practice is to retain employees. The social consensus and information sharing leading to wage determination through the spring labour offensive helped the Japanese economy recover from rampant inflation in the aftermath of the oil crises in the 1970s, because of its wage moderation effect. In the current serious recession and the deflationary pressures on the Japanese economy, the spring labour offensive serves to slow the deflationary spiral caused by the worsening employment situation and the decline in wage levels. The approach helps adapt wage levels to fluctuations in the economy and to inflation or deflation, and acts as a built-in stabilizer.

The market doctrine

In the context of continuing economic problems, there is a tendency to favour public policies and corporate management practices based on the new market doctrine. There is also a school of thought that relates the causes of Japan's economic stagnation to the traditional practice of retaining workers and using a largely equitable pay system. Advocates of market principles argue for enhancing flexibility by making lay-offs much easier, and by attaching more importance to the external labour market. Since 1997, there have been moves towards expanding temporary staffing schemes and promoting job-placement agencies in the private sector. Recent revisions of the Labour Standards Law allow more scope for fixed-term employment contracts. Trade unions have launched campaigns against these

moves, which have resulted in some restrictions on implementing the revised provisions.

Under the tightening budgetary constraints, initiatives to reduce social welfare, pensions and health care benefits have become highly controversial issues. Holding companies, previously very restricted byanti-trust considerations, are generally permitted to divest operations into separate corporate entities, or reorganize themselves and their affiliates into industry groups. These developments have caused some concern that the effectiveness of collective bargaining at company level might decrease with the globalization of corporate management.

On the supply side of labour, too, several factors have emerged to facilitate these changes. The employment of women and older people is increasing and since these workers show a strong

tendency to opt for part-time jobs, they help diversify employment forms and working conditions.

They also help develop changes in the traditional wage structure based on full-time workers and thus reduce wage discrepancies.

No social force is overtly hostile to trade unions in Japan. However, the market approach seems to be gaining influence, even though unemployment is rising and widening wage discrepancies are observed in some sectors. Also, for corporate management, a tendency towards “short-termism” is observed. This approach looks for short-term returns on investment and respects fast decisions on business options, rather than attaching importance to long-term, stable employment and business success.

Long-term and short-term employment

Rengo defends long-term employment and stable wages. It also attaches importance to expanding individual union members' options in their working style, increasing union involvement in human resources development, and fair positioning of staff. Rengo has drawn up guidelines for the growing new workforce with its higher mobility and part-time workers. The guidelines propose assuring workers' right to subscribe to social insurance schemes, and the right to fair treatment. These efforts are in line with Rengo's policy of increasing trade union representation at workshops.

A joint study between Rengo and DGB on "The future of work", published in September 1997, touched upon this point. The study states: "in the working and employment systems, long-term, stable employment for regular workers must be placed in their core. Long-term, stable employment of regular workers can assure a labour system that combines contemporary technological innovations with human skills. Namely, it can help provide effective future-oriented training schemes that enable to supply high performance labour, or required skills. High performance labour can not be materialized under short-term, unstable employment. Also, for short -term employment, fair wages and working conditions must be assured."

A campaign against "the doctrine claiming market principles are best" is expressly stated as the basis of Rengo's policy for 1997 to 1999. This position is geared to Rengo's social strategy of a "sustainable welfare society" built in the long-term interest of people living on their salaries.

A new socioeconomic model

Rengo Rials has presented its concept of future society. The research institute has provided two social models, in which Rials affirms that society in the 21st century will have to choose between two options: one is "individualism or the almighty market", and the other is "respect for individuals and social solidarity". The second model is presented as the basic concept of the "welfare socio-economic model" which is a sustainable system. This concept looks at inter-dependence between the social system and the market system, and aims to achieve the optimal balance between economic success and social welfare. This is a kind of macro-socioeconomic model that makes the best use of market forces within a framework of the development of human abilities and welfare as a social foundation, participatory democracy and guidance in macroeconomic policies.

Rengo Rials has also examined competitiveness for business enterprises facing fierce international competition, and it proposes a "competitiveness model compatible with social progress". This model is set against the behaviour of corporations which seek to exploit low-wage workers employed on short-term contracts. Such companies readily dismiss employees and transfer their operations from one place to another, seeking the least expensive location. This is the "low-road approach" leading to lower wages and lower productivity. This direction emphasizes shareholders' interests, looks at return on equity as the sole criterion for successful management, and disregards job security and the social aspects of corporate activities. Managers often try to undermine the effectiveness of government policy, evade public responsibilities, or deny trade unions. This can be described as the "competitiveness for shareholders" model. Against this, Rengo Rials has proposed "the competitiveness for stakeholders" model. This is based on long-term employment, better use of

innovations in corporate organization and technology, highly skilled workers and the benefits of industrial democracy, including labour/management consultation. All these elements provide flexibility for an industry or business enterprise. This model is based on the traditional Japanese employment system which was established as a sustainable social compromise arising from the fierce industrial conflicts of the early post-war labour movement in Japan. It can be described as a Japanese version of the "high-road approach", reflecting a belief in high skills/high reliability/high quality/high productivity. This model was an important theme in an international symposium held in December 1997 in commemoration of the tenth anniversary of Rengo Rials.

Japan sees many discussions on corporate governance. In the business world, some argue for new regulations on company management and corporate structure in order to further promote shareholders' capitalism: Rengo criticizes these efforts. Rengo is preparing its campaign strategy for the 21st century, aiming at a realistic and desirable model of social and economic progress.

Case study 5: Chile's Unique Response to Globalization

Decade of The 1970's

Unlike other Latin American countries where the trade union movement tackled the challenges of globalization as progressive adjustments deriving from economic and political modernization in a democratic framework, in Chile this process of major change was the result of violent, drastic and massive adjustment by an authoritarian government, which denied political or social freedoms and was overtly anti trade union. Thus, for Chilean trade unionists, the processes related to

globalization and its structural effects were experienced simultaneously with the political and social effects generated by the military government. Consequently, the struggle to restore political democracy in Chile, in which trade unionists were the leading players, was often also linked with criticisms of the new economic model, since it was considered that the authoritarian military regime and the new model were two sides of the same coin.

Initially, during the 70s, the changes resulting from the introduction of the new economic model by the military regime had a high social cost, including falling wages and unemployment, and were reflected more generally in an all-round weakening of the structural setting in which trade unions could exist and act. Not only did the total number of members

decline, as a result of high unemployment, but also there was a fragmentation of trade union organization as unions declined in size. In short, both the structural impact resulting from the economic model adopted and the political constraints, which stultified union development, produced a regression in trade union activity and a drastic change in the composition of its social base. This situation can be regarded as critical since the process of weakening was global and new sectors did not emerge to strengthen and counteract the decline in historically more strategic centres. Also of crucial importance was the application of highly flexible and deregulatory labour legislation, which imposed serious restrictions on trade union action.

Despite that, it did not mean the demise of organized labour.

Decades of the 1980's & 1990's

The situation began to change in the 1980s, when the trade unions headed a vast social protest movement against the military regime and its policies, leading a social base wider than that organized in trade unions. However, this trade union

leadership was overtaken by party leaderships and its new profile as the cement for a wider social spectrum lost ground and finally disappeared.
Analysts agree that 1985 was when the foundations of the present Chilean economic process were laid, since it marked the beginning of a decade of economic growth and permanent job creation. An essential factor, political stability, began to emerge with the end of the authoritarian military government in 1990, opening up areas suited to social action. In the case of trade unionism, one of the significant effects was the rapid growth in membership during the first three years of democratic government, even though the average size of trade unions tended to decrease.

The 3 prong approach

At this stage, trade union strategy in Chile was characterized by three lines of approach:
social cohesion, legal reform and participation in national decisions. In the case of the first, it should be noted that the policies designed to strengthen social alliances were aimed at establishing a general framework to tackle the employment issue with the start of the first democratic government for 17 years. The signing of the National Tripartite Framework Agreement in May 1990 was the first outcome of that approach, and an unprecedented event in Chilean experience. Its principal value was to send a signal that the trade unions, employers' organizations and the Government were ready to agree the broad lines of economic and social development, as well as the will of the parties to regard them as a framework within which they were prepared to work. That signal, which helped to strengthen the stability of the process of change to democracy, was the result of a process of mutual concessions by the parties, such that its content can be seen as a kind of

"memorandum of understanding" rather than full convergence. The following three Agreements were more limited, but kept up the idea of social cohesion as a method of high social and political value. From 1994 onwards, however, the policy of national agreements came to an end because the parties thought that it did not deliver the benefits for which they hoped. The policy was to some extent replaced by the creation of the Productive Development Forum, a tripartite non-decision-making body which drew up a major programme of work on various subjects linked to the public and private agenda for action on economic and social development. The Forum succeeded in stimulating highly representative national debates. However, its importance declined after 1998 for reasons similar to those that had led to the demise of the national agreements.

Secondly, the trade unions concentrated on drawing up proposals aimed at the reform of existing labour legislation, especially opening up greater opportunities for trade unionism and collective bargaining. Although important reforms were introduced from 1990 onwards, there are still many aspects, which continue to limit trade union action and workers' collective action in general.

Thirdly, trade unionists shifted to negotiating strategic long-term agreements in companies with a high social and economic strategic value, with the objective of establishing a kind of compromise between the company management and the workers' organization to achieve both the company's economic targets and a satisfactory level of labour relations. The trade unions were trying in that way to show that in a globalized economy, a company could only compete successfully if the company as a whole tackled that competition and if the workers felt that they were being properly rewarded. The best examples of the strategy were in two large state enterprises and two in the private sector. In a more limited context than those alliances, company trade unions had also made significant efforts to get the

company management to negotiate with them on policies to increase productivity and to consider bonuses for the workers when they achieved good results.

These three lines of approach to global issues adopted by Chilean trade unionism has meant that they are seen by the public as a player with clear positions on issues of national interest, and thus surmount the position of weakness into which they had been forced by the military government. However, the degree of involvement they have achieved does not seem to have allowed them to strengthen their capacity for action at the level of their constituent social base.

Indeed, the evidence suggests a downward trend in membership and collective bargaining, that there are problems in representing the new classes of workers, resulting from changes in the structure of the economy and patterns of employment, as well as technological change, and that the influence of the trade union movement seems to be markedly less decisive in reaching major social, political and economic decisions. This is because its traditional action model is undergoing reform and trade unionism is involved in a complex process of renewal of its ideas and strategies, which naturally gives rise to tensions and uncertainties.

Our theory is that we are seeing the gradual replacement of collective trade union action by workers with another type of trade union action and representation that is seeking to find a place in the new social, economic, technological and institutional environment. This change is a complex process, involving major cultural reorganization, but there is no evidence that trade union action has been replaced by individual action or that forms of representation other than trade unions are emerging in the work place. Put another way, trade unionism is a crucial player in reaching a new consensus in the world of work.

Case Study 6 : Higher worker productivity: The key to Jamaica's success in the new global environment

The trade union movement in Jamaica

The modern Trade Union Movement in Jamaica had its birth in the widespread uprisings of 1938, a time of grim economic and social conditions in the island. The years preceding 1938 were marked by high unemployment, depressing living conditions and generally inhuman conditions. It was a cause for deep concern and some attempts were made to form workers groups or unions, which could speak for the thousands of people who faced increasing hardship. For the most part, however, the workers organizations and unions were not very strong. By 1919, a law was passed which sought to give legal status to trade unions, but that alone could not stem the tide of mounting difficulty. Times continued to grow harder.

By 1938 the frustration of the working class which had built up over the years, became explosive. A wave of industrial unrest swept the country, with workers on the waterfront, in the sugar industry, transportation sector and the government service taking the lead.

Out of the social upheaval of those years came a new type of trade union. Prior o 1938, the few trade unions in existence were organised largely on an industrial basis. Among them were: the Longshoreman's Union Number 2 and the Jamaica Hotel Employees' Association.

With the new consciousness of the working class, came the formation of general unions, representing workers in several sectors. One such union was the Bustamante Industrial Trade Union, registered on January 23, 1939 . JALGO – the Jamaica Association of Local government was founded in 1940. The Trade Union

Council was registered as a 'blanket' union on July 22, 1949 . This was followed by the Trade Union Congress. In October 1952 the National Workers Union (NWU) was registered. The BITU, NWU, TUC, and JALGO are regarded as the four major unions in Jamaica in the 1980s with a total of 72 trade unions as recorded by the Government Registry. These include a number of staff associations. Six employers' associations, which qualify as unions, in that they perform functions of bargaining, on behalf of their members, were also recorded.

Legislation

The principal item of legislation governing the conduct of trade unions in Jamaica is the Trade Union Act, which was enacted on October 25, 1919 . Its main provisions were: Registration of Trade Unions; vesting of property in trustees; submission of statements of accounts; rules of Trade Unions; withdrawal or cancellation of certificates of registration; amalgamation and dissolution of Trade Unions; and a distinction between conspiracies and combinations in pursuance of trade disputes.

By a series of amendments in 1938, 1940, 1952 and 1959, the Trade Union Law came to offer protection against intimidation of unions, provided for registration of a union, or a refusal to register a union.

The focal point of labour relations matters in Jamaica today is the Labour Relations and Industrial Disputes Act (LRIDA). This Act was passed in 1975 after much discussion and debate. The Act gave strength to companion Laws, which have generally assisted in improving living standards and giving more justice to workers as active participants in the Industrial relations process in the country.

The 1975 Act replaced the Public Utility Undertakings and Public Services Arbitration Law and the Trade Disputes (Arbitration and Enquiry) Law, under which, for example, strikes and lockouts were illegal in any area listed as an Essential Service.

The industrial disputes tribunal

The LRIDA provided principally for the establishment of an Industrial Disputes Tribunal (IRDT) as a final arbiter of disputes; compulsory recognition and protection against discrimination in respect of union membership; recognition of trade unions; settlement of disputes in the essential services; the setting up of a Board of Enquiry; a Labour Relations Code; and vesting the Minister of Labour with authority to declare a dispute to be one which is likely to gravely endanger the national interest and give him power to have the dispute put to compulsory arbitration.

The IRDT has come under much fire for its failure to ensure continued production while a dispute is before it, in many cases. The tribunal has also faced problems in the finality of its powers as evidenced by the growing frequency with which some employers are challenging its awards in court, and the outright rejection of some of its awards by some workers.

How unions serve workers

It is known that a worker alone cannot defend his or her job security or demand improvement in working conditions. The worker must therefore organize with other workers to achieve those ends. This is done by joining a trade union.

Through the Trade Union, workers can bargain from a point of strength. The Trade Union serves the worker in a variety of ways:

- organizing workers into stronger units.
- making negotiating skills and expertise available to workers for bargaining
- purposes, in order to secure just and proper rates for wages, better conditions of work, and protect the general interests of its members
- promoting the material, social, economic and educational welfare of workers through in-house programmes
- forming co-operatives among workers
- mobilizing public opinion on behalf of its members when necessary
- by strengthening the democratic process of governance.

The ongoing education of persons within trade unions is carried out on several levels. There are the internal programmes by which unions educate members on matters affecting administration, grievance procedures. Then, there are the programmes, which provide training in areas such as economics and social structure, politics and government, methods and techniques for workers education and trade union training. These programmes are carried out by the Trade Union Education Institute of the University of the West Indies Extra Mural Department. The TUEI was established in 1962, jointly by the UWI; the Government of Jamaica, three unions – BITU, NWU and TUC along with the American Institute for Free Labour Development. In the education scheme also, more recently the Joint Trade Unions Research Development Centre has begun conducting courses for delegates.

Collective bargaining

Where workers are not organized into a group or groups, they are generally subject to arbitrary decisions of their employers, regardless of the severity of the consequences. Matters having to do with employment, termination, wages and hours to work, as well as other matters, which directly affect the workers conditions of service can be adversely affected by the total disregard for the workers' interest. Unionised workers are also able to influence the decision of management through the process of collective bargaining.

Law defines collective bargaining, which is the central focus of trade union activity, as "negotiations between one or more organizations representing workers and either one or more employer, one or more organizations representing employers, or a combination representing employers".

Put more simply, collective bargaining is an exercise in which workers, through their trade unions, try to reach agreement with employers on wages and other conditions of employment and matters, which directly affect their conditions of service.

Joint trade unions research development centre

The Joint Trade Union Research Development Centre was established in September, 1980, through the co-operation of the Government of Norway, creating a new milestone in the history of the trade union movement.

The founding unions are the BITU, NWU, TUC, and JALGO, with the United Portworkers and Seamens Union and the Jamaica Union of Public Officers and Public Employees having affiliate status.

The principal aims of the Centre are:

- the education of the trade unionists
- the promotion of trade union interests and activities at all levels, with a view to making unions a part of the social, cultural and economic framework of the community
- the development of trade union leadership through training
- the education of the society as a whole on the role of trade unions in the country and the workplace, and the unions struggles for just social values and equitable economic development.
- the undertaking of community projects in conjunction with participating trade
- unions and international organisations where possible.
- the declaration of joint positions by the founding unions on issues of national
- and international importance.

Major factors constraining productivity improvement in Jamaica

can be grouped as follows:

Environment/Culture

- Lack of widespread and general awareness and understanding of productivity and its importance in national economic and social development
- In the policy and regulatory environment, lack of information and data on national and sectoral productivity performance

- Distrust between managers and their employees
- A general lack of confidence in the system and economy arising from(among others):

1. perception of inequity at the workplace as there is an absence of a clear link between effort and reward
2. lack of meaningful worker participation in the decision-making process
3. entrenched political "tribalism"[nepotism] which results in endemic corruption

- Paradigm paralysis where the parties do not react readily to change; a cultural attitude of taking things "easy"
- Weak infrastructures, such as poor roads, lack of adequate transportation and inadequate security for people, goods and services
- Outdated plant and machinery and inability to use available technology to access information and improve the process of productivity improvement.

Executive Capacity

- Inadequate management competence in the area of productivity management
- There is a great need for technical training in the area of productivity
- Although a number of organizations exist which profess to have expertise in the field of productivity, there is as yet none that can adequately serve as the catalyst for the desirable change
- There is a lack of quality standards and measurements

Blurred Picture of the Human Resource Component

- In general, the workforce is perceived as merely a cost, not an investment or asset. Therefore, while staff reduction is a ready tool for productivity, retraining or reskilling is hardly so considered
- It is yet to catch on that productivity/competitiveness is fueled by economic, human and social capital
- Social harmony through industrial democracy, mutual trust and trade union rights is yet to be entrenched.

Case Study 7: The New Histadrut - The General Federation of Labour in Israel

The Histadrut formerly represented one of the most powerful institutions economically, socially and politically in Israeli society. Throughout the first 45 years of the country's history, the Histadrut's strength gradually declined, as economic and political conditions changed. But, in 1994, it still covered about half of Israel's population and exerted a substantial influence.

The situation of the Histadrut changed radically with the enactment of the National Health Insurance Law (1995), which severed the link between the trade union organization and the provision of health care. With the bas ic motive for membership removed, the Histadrut has been compelled to begin anew in many respects, and in a different set of circumstances.

The new situation did not eliminate the organization's need to address the challenges facing the majority of trade unions throughout the world. Like its fellow trade unions, the New Histadrut is operating in a political and economic environment which has a negative impact on its position and influence. Although all Israeli governments for the past 20 years have advocated privatization and increased competition, this policy has been carried out more vigorously of late. At the same time, enhanced international competition and technological change have seriously affected employers in the business sector. In the last two years, recession and high unemployment have caused an unfavourable climate for unionization. Attempts have been made by government and employers to reorganize labour relations under the banner of increased efficiency. Such policies have raised strong demands for reduced regulation of the labour market, a position antithetical to the Histadrut's firm stance on stability in the work environment. Moreover, these

changes threaten to erode the solid, long-term relationships already established between employers and employees, the traditional basis of union strength.

When attempting to analyse New Histadrut functioning in this dynamic environment, we are obliged to consider its internal situation. Although it is difficult to distinguish between the organization's response to the special circumstances forced upon it since 1995 and the challenges facing trade unions in general, we may safely conclude that a significant element in the New Histadrut's conduct and policy is its battle for survival as an organization.

All the indicators examined in this paper reveal that the combination of internal and external conditions has eroded the influence of the New Histadrut. These factors include:

A drastic decline in tax-paying membership. The New Histadrut membership rests at between 30 and 35 per cent of all salaried employees, with an estimated 25 per cent in the business sector and 50 per cent in the public sect or. Before 1995, more than 50 per cent of the general adult population were tax-paying members.

Financial difficulties that limit its capacity to function effectively. This situation is caused by the absolute decline in membership as well as reduced tax rates.

The growing legitimacy of non-collective employment relations, such as individual employment contracts, temporary employment, and subcontracting, despite New Histadrut opposition.

Significantly, the organization's influence over the employees involved is minimal.

The increasing proportion of the labour force open only to individual recruitment.

This situation has evolved from the structural factors listed above. Given the New Histadrut's present agenda, staff and budget, an appropriate recruitment programme is almost impossible to implement.

An apparent decline in the power to conduct meaningful centrally negotiated collective agreements. Practically no significant agreements have been reached at the framework level, and some earlier agreements have been abandoned.
Inadequate union representation at local level. Increasing intervention of the courts in deciding industrial relations issues and the growing frequency of general strikes since 1995.
The tripartite bodies serve more as a forum for discussion than as a practical policy-making arena.
Consistently unfavourable public opinion. Although this attitude is not new, it has been more detrimental to the status of the New Histadrut since 1995.

Histadrut's New Approach

A number of steps have been taken by the New Histadrut to counteract its serious predicament. They are summarized below.

Membership

A general campaign to recruit new members was launched before the 1998 internal elections, with the participation of senior New Histadrut officials. Efforts were focused on recruitment in the workplace. As such recruitment potential is limited, three main groups of workers were targeted:
Women by protecting their rights and ensuring better representation.
Workers on individual contracts by increasing efforts to achieve some regulation of such contracts and by placing greater emphasis on individual legal counseling.
Employees hired through temporary employment agencies by negotiating collective agreements with the agency.

The campaign met with limited success, as the incentives for individuals to join the New Histadrut have yet to crystallize.

Financing and structure

As of 1995, the New Histadrut budget has been directly dependent on its much-reduced membership dues and organization tax receipts. This situation has forced a substantial reduction in expenditure, which was achieved by staff cutbacks and reorganization. Small local councils were merged into regional councils which are responsible for a larger geographical area, and some of the national trade unions representing similar r occupations were amalgamated. The reorganization has reduced the availability of services at local level.

The operational costs of the New Histadrut are still much larger than its regular income, and further staff reductions are being considered. The New Histadrut's leadership is attempting to resolve the dilemma of providing effective services and increasing income while operating at lower personnel levels.

Collective negotiation

The pressure to sign collective agreements is partly a result of the organization's financial difficulties. Employees covered by agreements negotiated by the New Histadrut usually become full dues-paying members or at least they pay the organization tax. On the other hand, the capacity of the umbrella organization to negotiate beneficial terms for its members has declined. Consequently, working conditions are being determined more and more at local or individual union level. As the New Histadrut is being judged more on the basis of its achievements, such concessions are undermining its long-term strength and image.

Collective action

The current tendency to demonstrate union power through general strikes has not produced any serious bargaining results although a long period is required before its benefits can be felt. This policy should be considered more as an instrument to unite members around a common cause.

Public opinion

Even among its members, support for the Histadrut has been on the decline for several years despite the public's continued assessment of the organization as a powerful, major institution. It is still too early to assess public attitudes to the revamped New Histadrut, though indications are that no positive change has taken place. Favourable public opinion is significantly more important today for attracting new members than it was before 1995, when membership was necessary for medical insurance.

Future attitudes to the organization will depend to a large extent on its performance. Issues such as promoting the economic and social welfare of members and potential members, improving the scope and effectiveness of trade union and other services, availability, credibility and political integrity, are important factors in creating more favourable attitudes.

Future agenda

The main issues on the New Histadrut agenda reflect its understanding of the needs of the general public. Beyond achieving financial solvency, these issues are: Retaining the conditions of the present social security system with respect to retirement pensions and social security benefits. Both are threatened by proposed regulations which are detrimental to the eligibility terms and the level of payments.

Protecting the health care system by combating government plans to increase the health tax or to charge for ser vices previously cover ed by the medical insurance system.

Participating in the struggle against growing unemployment and recession.

Protecting workers' rights in cases of privatization and transfers of ownership, as well as in those cases where efficiency moves jeopardize workers' rights.

Struggling for the extension of equal rights to women in the workplace, as well as promoting female participation.

Extending trade union protection to workers in the informal sector who earn less than the minimum wage and have no job security.

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