

# Trade union membership and collective bargaining coverage: Four options

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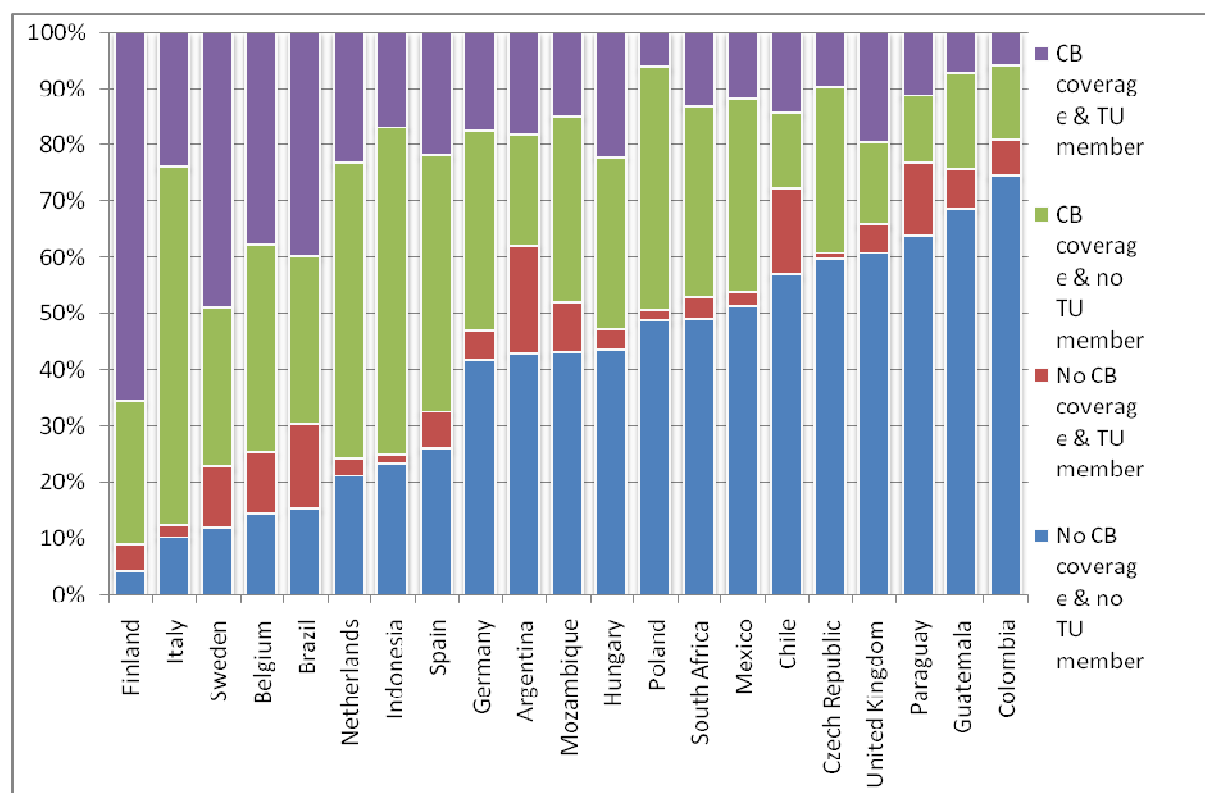
The worldwide expansion of the *WageIndicator* enables to include ever more countries in international comparisons. Particularly interesting results can be derived from these comparisons in the field of industrial relations. In this note we concentrate on the relationship between trade union membership and collective bargaining coverage, and we do so for 21 countries. These include 12 EU member states: Belgium, Germany, Finland, Hungary, Italy, the Netherlands, Poland, Spain, Sweden, the United Kingdom, and the Czech Republic; seven Latin American countries (Argentina, Brazil, Chile, Colombia, Guatemala, Mexico, and Paraguay), two African countries (Mozambique and South Africa), and one Asian country, Indonesia. We investigated this relationship based on *WageIndicator* data collected in 2008 and 2009.

In all countries involved, negotiating collective agreements is an important task of the trade unions, if not their most important task. Against this backdrop, a close relationship may be expected between trade union membership and collective bargaining coverage. Indeed, in some countries most employees are both trade union members and covered by collective agreement. In “our” countries this combination is most clearly the case in Finland, where it held for 70% of the *WageIndicator* respondents. In Sweden half of the respondents was trade union member and covered by collective bargaining as well. In the other 19 countries the share of respondents with this combination was (far) less than half; the share of union members in their respective workforces (union density) is also much lower than in Finland and Sweden. Yet, also in these countries we found a considerable group of employees covered by collective bargaining but not being a union member. The share of this group was at least about 15% (in the United Kingdom, Chile, Paraguay, Guatemala, and Colombia), growing to nearly 50% in Spain, over half of all respondents in the Netherlands and nearly two-thirds in Italy. This reflects the fact that collective agreements are nearly always also negotiated for non-union members, be it in the United Kingdom and in most Latin American countries nearly exclusively at

company level. The high share of those “covered by collective bargaining but no trade union member” in countries like Spain, the Netherlands and Italy is related to the fact that in these countries collective agreements are often mandatory extended: the government, or sometimes an industry board, can apply a collective agreement generally binding for all employees (and employers) in an industry.

A third group is made up by trade union members not covered by collective bargaining coverage. As could be expected, this is nearly everywhere the smallest category, though in three Latin American countries (Argentina, Brazil and Chile) still accounting for 15 to 20% of all respondents. The respondents in question may be trade union member for other reasons than being covered by collective agreement, for example because as a union member they are entitled to unemployment benefits, but it may also be that union members are discriminated against in collective bargaining. The latter practices deserve closer scrutiny. Finally, there is a fourth option: not being a trade union member and not being covered by collective bargaining. The table shows that, counted for the 21 countries, this group is unfortunately the largest one, though the differences across countries are large too: from a quite small share (4%) in Finland to majorities of respondents in Mexico, Chile, Czech Republic, United Kingdom, Paraguay, Guatemala, and Colombia. In particular English and Czech sympathisers with the trade unions may be negatively surprised by the fact that their union and collective bargaining situation does not compare positively with that in a number of Latin American countries.

*Table: Share of employees covered / not covered by collective bargaining and yes / no trade union member, for 21 countries*



*Source: unweighted WageIndicator data, selection employees in 21 countries, Januari 2008-December 2009*

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