

# Trade union membership dynamics amidst COVID-19: Does social dialogue matter?

***Owidhi George Otieno***

PhD student, School of Economics, University of Nairobi, Kenya

***Dickson Onyango Wandeda***

Tutorial Fellow, School of Economics, University of Nairobi, Kenya

***Mohammed Mwamadzingo***

Senior Economist, Bureau for Workers' Activities (ACTRAV), ILO





## Introduction

The effects of the COVID-19 pandemic on workers are impossible to overestimate. The seventh ILO Monitor (ILO 2021a) on COVID-19 and the world of work indicates that 93 per cent of the world's workers reside in countries with some form of restriction including workplace closures due to the pandemic. About 8.8 per cent of global working hours was lost in 2020 relative to 2019 and equivalent to 255 million full-time jobs. With such high magnitude of employment losses and increased inactivity among workers who remained employed, trade unions were staring at unprecedented loss in membership due to COVID-19. Over and above this, the socio-economic disruptions in the world of work due to the pandemic have led to increased vulnerability of workers globally, especially young workers, women, migrant workers, informal economy workers, and workers with disabilities, among others.

Recognizing that the ILO Centenary Declaration for the Future of Work (2019) calls for a human-centred approach to the future of work by putting workers' rights, needs and aspirations at the heart of economic, social and environment policies, many trade union organizations responded swiftly to address the challenges of COVID-19 by supporting a human-centred recovery. Trade union responses were hinged on the ILO recognition that social dialogue contributes to the overall cohesion of societies and is crucial for a well-functioning and productive economy. In reshaping the recovery and the role of workers' organizations, utilizing social dialogue is therefore the surest effective mechanism for policy responses to the COVID-19 crisis.

A recent ILO study entitled *A Global Trend Analysis on the Role of Trade Unions in Times of COVID-19* (ILO 2021b) shows that the better results are in countries where social dialogue functions effectively. The study of 133 countries reveals that trade unions are playing a pivotal role in responding to the COVID-19 pandemic through strengthening their capacity to call for national policymaking and developing a longer-term strategy to combat the effects of the crisis at the national and international level. It shows that trade unions are collaborating with governments and employers' organizations in using effective social dialogue processes to design and implement appropriate strategies and policies to address the negative impact of the COVID-19 crisis and to build inclusive societies.

This article applies an econometric approach to data from the ILO global survey on the state of trade unions to examine the role of social dialogue in reshaping recovery, focusing on trade union membership as the engine for workers' organizations. Based on the econometric results, we propose policy interventions for effective participation of workers' organizations in reshaping the recovery. In doing so, trade unions will further buttress the ILO mandate for social justice and decent work, and ensure that the organization continues to play a leadership role in the international system in advancing a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient.

The article is organized as follows: first, we review literature on how important workers are to trade unions (membership) and the relevance of social dialogue in reshaping recovery

towards well-functioning and productive economies. The methodology used is then presented, together with the data and an analysis thereof, followed by a summary and conclusions. Finally, the article presents recommendations for policy interventions.

## Literature review

### *Reclaiming trade union membership*

The **ILO Future of Work Discussions** identified four main drivers that impact the world of work: globalization, and demographic, environmental and technological changes. These drivers profoundly affect the labour markets of today and tomorrow, and with that the future of trade unions: their potential of organizing and servicing workers, and of speaking with one voice to participate in inclusive and effective social dialogue.

Whereas important challenges existed before the ongoing pandemic, **COVID-19** has further aggravated existing social deficits and inequalities. Think of massive job losses, whole sectors that may disappear, or people in precarious employment with no access to unemployment benefits or healthcare. The current pandemic, and trade union responses, will determine the future of trade unions. ILO guidance for tackling the socio-economic impact of the Covid-19 crisis has been structured around **four pillars**, based on international labour standards: stimulating the economy and employment; supporting enterprises, jobs and incomes; protecting workers in the workplace; and relying on social dialogue for solutions.

Social, economic, environmental and developmental changes affect the future of trade unions. The shift from manufacturing towards services, environmental change, the informalization of the economy, automation and technological change determine the capacity of trade unions to organize and service workers. Today, legal restrictions and violations of trade union rights, such as the right to organize and to bargain collectively for all workers, are widespread. Not surprisingly, trade union membership is lower where there are violations of trade union rights, but is declining in both developed and developing countries. This in its turn also erodes legitimacy in collective bargaining and social dialogue. Such decline in trade union influence has a strong impact on people in non-standard or precarious types of employment, such as temporary and own-account workers or workers in the informal and gig economies. In other words, the changing employment relationship is not only a threat to workers, but also to workers' organizations.

In this context, the ILO Bureau for Workers Activities (ACTRAV), on the occasion of the ILO Centenary celebration, published a report on the **current state of trade unions in the world** (Visser 2019) and dedicated ACTRAV's *International Journal of Labour Research* to the issue of **"The Future of Work: Trade Unions in Transformation"** (ILO 2019b). Both publications aim at supporting the labour movement in its own deliberations on how workers' organizations can react to the fundamental changes that are affecting the world of work.

One of the contributing factors leading to the reduction in trade union power is the decline of membership levels, both in absolute as well as in proportional terms. The scope of action a trade union enjoys is to a great extent determined by the size of its membership base (Riley 2003). This refers to a union's capability for financial and organizational survival as well as to its ability to influence employers, to be heard by the general public and to have an impact upon society. What therefore drives decline in trade union membership?

First, trade unions are always vulnerable to erosion of their membership and influence, but particularly during difficult situations (Bryson and Forth 2010). The COVID-19 pandemic presents one of the worst vulnerable situations for such erosion. To avert this, trade unions must respond to the pandemic.

A second factor is decline in worker demand for union representation. Such was the case in the United States between 1977 and 1999 (Farber and Krueger 1992). With this understanding and with the millions of jobs lost due to the COVID-19 pandemic, workers need representation more than ever before. Trade unions must therefore rise up and represent workers who continue to be declared redundant after workplace closures occasioned by the COVID-19 pandemic.

Third, trade union membership may decline either due to structural changes (environmental determinants such as business cycles) or from interventions (for example, through involvement of union officials in recruitment) (Mason and Bain 1993; Riley 2003). A further decline in trade union membership due to COVID-19 could be due to two causes: first, the virus having been predicted to have originated from human–animal interactions is a structural threat; and second, trade union activities have been reduced due to the restrictive measures put in place by governments to contain the pandemic, thereby reducing to a minimum trade union recruitment and organizing opportunities and opening up a Pandora's box for a decline in trade union membership.

Fourth, a change in the labour market also reduces trade union density (Bockerman and Uusitalo 2006). On this understanding, the new labour market dimensions presented by the COVID-19 pandemic (including remote working, observing social distancing at workplaces, and automation, as well as workplace closures) reveal evident labour market uncertainties that prompt union membership decline.

### ***Dynamics of social dialogue***

From the onset, the ILO Centenary Declaration on the Future of Work recognized that social dialogue contributes to the overall cohesion of societies and is crucial for a well-functioning and productive economy. However, the COVID-19 pandemic has destroyed the social fabric and economies are currently neither functioning well nor effectively producing. The pandemic therefore threatens human dignity and social justice. To combat this crisis, trade unions must harness the fullest potentials of technological progress and productivity growth through social dialogue. This is because social dialogue, including collective bargaining and tripartite cooperation, contributes to successful policy and decision-making. Indeed, the ILO

Global Jobs Pact (ILO 2009) following an earlier world crisis emphasized that social dialogue is a “strong basis for building the commitment of employers and workers to the joint action with governments needed to overcome the crisis and for a sustainable recovery”. To stimulate the economy and labour, including supporting businesses, jobs and incomes, job losses could be avoided while enterprises could be supported in retaining their workforce through well-designed schemes implemented through social dialogue and collective bargaining (ILO 2009). The ILO further emphasized that in times of heightened social tensions (as now presented by the COVID-19 pandemic), strengthened respect for and use of mechanisms of social dialogue including collective bargaining are vital to address a crisis in a socially responsible manner. Enhanced social dialogue is therefore the cornerstone restoring social order in a sustainable manner from the debris of the COVID-19 pandemic.

In times of crisis, tripartite cooperation between governments and social partners in pursuit of sustainable and effectively negotiated solutions is both inevitable and viable (Rychly 2009). To enhance employee competitiveness during a crisis at company level, creative win-win strategies are necessary in addressing reduced demand (Hyman 2010), thereby calling for trade union engagement in social dialogue. Tripartism has enormously contributed to shaping the world of work (Fashoyin 2005). Hyman (2010) as well observed that in countries with weak social partners and more liberal traditions, firms adjusted to the crisis by laying off workers. This is therefore a call for trade unions to stand up and be counted to avoid this – as has been witnessed since the outbreak of the COVID-19 pandemic.

Recent research as well joins the call for social dialogue given the implications of the crisis on wages. Uhlerova (2020) has found minimum rates of pay increases in selected production and non-production sectors in Slovakia during the pandemic. In this regard, participation in effective social dialogue would provide an opportunity for trade unions to enhance wage negotiations towards a better and sustainable recovery, given the wage cuts being imposed on workers due to the pandemic.

In a nutshell, the reviewed literature has shown heightened threats of declining trade union membership in times of the COVID-19 pandemic, coupled with the contributions of social dialogue in shaping the world of work in times of crisis. Based on these observations, we examine the determinants of trade union membership using the data collected by the ILO during its global survey on the state of trade unions amidst the COVID-19 pandemic (ILO 2021b) with a view to investigating whether social dialogue really matters!

## Methodology

### Theoretical model

There are two outcomes (either as a benefit or as a risk) associated with a change in trade union membership: (i) a strong trade union resulting from growth in membership; or (ii) a weak trade union resulting from a decline in membership. The theory of expected utility, on which this study is based, assumes that each trade union strives to maximize its membership subject to a number of constraints, or to minimize the risk of a decline in membership. In the ILO survey monkey on the state of trade unions amidst COVID-19, the respondents were asked the following question: “Has your organization experienced any changes in membership due to the COVID-19 pandemic? 1 = Yes, 2 = No”. Given the binary nature of this question, a trade union faces the possibility of an increase or a decline in membership as a result of COVID-19.

Change in trade union membership ( $y$ ) is therefore modelled as a function of social dialogue and a number of control variables ( $X$ ). *Trade union membership* =  $f(\text{social dialogue}, X)$ , where  $X$  is a vector of control variables, as defined in table 1.

Given the nature of the dependent variables, logistic regression model is adopted as the econometric method. The model:

$$P(Y = 1 | x) = P_i = \frac{e^{x'\beta}}{1 + e^{x'\beta}} \dots \dots \dots (1)$$

Equation 1 presents the probability of a change in trade union membership due to explanatory variables contributed by presence of COVID-19.

The probability of trade union membership not changing due to covariates influenced by the COVID-19 pandemic is given as

$$P(Y = 0 | x) = 1 - P_i = \frac{1}{1 + e^{x'\beta}} \dots \dots \dots (2)$$

When there are  $k$  explanatory variables the logit of the probability is given by logarithm of the odds ratio,  $P_i/(1-P_i)$ , which follows a linear model:

$$\text{logit}(p) = \log\left(\frac{p}{1-p}\right) = \log(p) - \log(1-p) = x\beta = \beta_1 + \beta_2 X_1 + \dots + \beta_k X_k \dots \dots \dots (3)$$

If  $\beta_i=0$  then the corresponding factor ( $x_i$ ) has no effect; if  $\beta_i > 0$  then the factor increases the probability of the event to occur; and if  $\beta_i < 0$ , the corresponding factor reduces this probability.

## Empirical model

To determine the probability of change in trade union membership, the following model was estimated:

$$\text{Trade union membership} = \beta_0 + \beta_1 \text{Social dialogue} + \beta_i X + \mathbf{u} \dots\dots\dots (4)$$

Where ( $\beta_0$ ) is the intercept term; ( $\beta$ 's) are the estimated coefficients; and  $\mathbf{u}$  is the stochastic error term. The explanatory variables included in the model are defined in table 1.

## Data and definition of variables

Data were sourced by ACTRAV from the survey data collected through the survey monkey to assess the status of trade unions amidst the COVID-19 pandemic. The survey was undertaken globally among all the worker constituents of the ILO for the period 23 April 2021 to 24 May 2021. The variables included in the model are defined in table 1.

► Table 1. Definition of variables

| Variable                         | Variables description   |
|----------------------------------|---|
| Change in trade union membership | 1=if trade union membership has changed due to COVID-19, 0 otherwise            |
| Social dialogue adopted          | 1=if trade unions adopted social dialogue during COVID-19, 0 otherwise          |
| Containment measures             | 1=if countries adopted containment measures during COVID-19, 0 otherwise        |
| Capacity building                | 1=if trade unions have conducted capacity building during, 0 otherwise          |
| Change in union income           | 1=if trade unions have experienced change in income, 0 otherwise                |
| Type of dialogue                 | 1=if trade unions adopted tripartite dialogue, 0 otherwise                      |
| Additional training              | 1=if trade unions conducted additional training                                 |
| ILO support                      | 1=if trade unions received support from the ILO, 0 otherwise                    |
| Inadequate fund                  | 1=if inadequate fund is a challenge to trade unions, 0 otherwise                |
| Limited mobility                 | 1=if trade unions experience inability to move because of lockdown, 0 otherwise |
| Inability to hold meetings       | 1=if trade unions are unable to hold meetings, 0 otherwise                      |
| Advisory services                | 1=if trade unions offered advisory services, 0 otherwise                        |
| Membership training              | 1=if trade unions offered trainings to its members., 0 otherwise                |
| Virtual meeting                  | 1=if trade unions meet members through virtual meetings, 0 otherwise            |
| Membership registration          | 1=if trade unions conduct membership registration, 0 otherwise                  |
| Virtual education                | 1=if trade unions conducted virtual education, 0 otherwise                      |

**Descriptive statistics.** Table 2 presents the percentage distribution of dependent variables and control variables. The findings show that overall, 82 per cent of trade unions have experienced changes in membership resulting from COVID-19, while 83 per cent of trade unions adopted social dialogue as a response to the pandemic; 100 per cent of trade unions

across all countries reported that their respective countries adopted lockdown and restrictive measures to contain the pandemic; 85 per cent of trade unions conducted various capacity-building measures during COVID-19; globally, 76 per cent of trade unions experienced a decline in their other sources of income; about 80 per cent of trade unions globally were engaged in tripartite consultations; 75 per cent of trade unions offered advisory services on work issues to their members in response to the pandemic; nearly 58 per cent of trade unions reported having received support from either the ILO or other international agencies to help them in mitigating the negative effects of the pandemic; and about 56 per cent of trade unions reported experiencing inadequate funds amidst COVID-19. Results further show that 76 per cent of trade unions conducted virtual meetings during the pandemic while 65 engaged their members through virtual education.

► Table 2. Percentages for explanatory variables

| Variable                          | Mean     | Standard deviation |
|-----------------------------------|----------|--------------------|
| Change in trade union membership  | 0.828283 | 0.379054           |
| Social dialogue adopted           | 0.826531 | 0.380599           |
| Containment measures adopted      | 1.000000 | 0.000000           |
| Capacity building                 | 0.846939 | 0.361898           |
| Change in union income            | 0.986111 | 0.117851           |
| Type of dialogue                  | 0.804819 | 0.406023           |
| Additional training               | 0.762887 | 0.427522           |
| ILO support                       | 0.580645 | 0.496128           |
| Inadequate fund                   | 0.561404 | 0.498406           |
| Inability to move due to lockdown | 0.412281 | 0.494419           |
| Limited mobility                  | 0.605263 | 0.490952           |
| Inability to hold meetings        | 0.473684 | 0.501512           |
| Advisory services                 | 0.754386 | 0.500272           |
| Membership training               | 0.447368 | 0.499418           |
| Virtual meeting                   | 0.763158 | 0.427022           |
| Membership registration           | 0.587719 | 0.494419           |
| Virtual education                 | 0.649123 | 0.479352           |

Source: Computed from ILO survey monkey data set (May 2021).

**Regression analysis.** Table 3 presents the marginal effect, coefficients, standard errors and probability values of the logistic regression output. The coefficient ( $\beta$ ) of the estimated binary logit model measures the impact of a one-unit change in an explanatory variable on the log of odds of a trade union membership, holding other explanatory variables constant. The marginal effect predicts the magnitude in probability of change in trade union membership attributed by the change in explanatory variables. The coefficients for social dialogue, capacity building, membership fee, dialogue type, ILO support, and membership registration are statistically significant at 95 per cent level of confidence.



► Table 3. Logistic model regression results

| Variables                     | Marginal effect | Coefficients | Se    | P-value |
|-------------------------------|-----------------|--------------|-------|---------|
| Social dialogue               | 0.261           | 0.217        | 0.069 | 0.048   |
| Capacity building             | 0.142           | 0.258        | 0.069 | 0.005   |
| Membership fee                | -0.013          | -3.290       | 0.982 | 0.010   |
| Dialogue type                 | 0.020           | 0.169        | 0.057 | 0.021   |
| Additional services           | 0.242           | 1.764        | 2.140 | 0.410   |
| ILO support                   | 0.149           | 0.259        | 0.084 | 0.031   |
| Inadequate fund               | 0.054           | 2.028        | 1.503 | 0.177   |
| Inability to move             | 0.000           | -0.008       | 1.766 | 0.996   |
| Limited access to internet    | -0.198          | -3.824       | 2.358 | 0.105   |
| Inability to organize members | -0.152          | -3.436       | 2.437 | 0.159   |
| Inability to hold meetings    | -0.004          | -0.212       | 1.937 | 0.913   |
| Advisory services             | 0.069           | 2.294        | 2.300 | 0.319   |
| Membership registration       | 0.517           | 6.271        | 3.051 | 0.040   |
| Virtual education             | 0.017           | 1.387        | 1.801 | 0.441   |
| Constant                      |                 | -8.987       | 5.056 | 0.076   |

Note: \*P-value<0.05 implies the coefficients are statistically significant at 95% confidence level, based on two-tailed test. Some variables were dropped from the model.

## Discussion

Social dialogue is defined by the ILO to include all types of negotiation between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue, or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations), with or without indirect government involvement. The main goal of social dialogue itself is to promote consensus building and democratic involvement among the main stakeholders in the world of work.<sup>1</sup>

The econometric result has established that social dialogue has significant and positive impact on trade union membership. The probability of trade union membership increasing amidst COVID-19 is 26 per cent in the event trade unions engage in social dialogue as a means of consensus between workers and employees during the pandemic.

Capacity building had a statistically significant positive effect on trade union membership. In particular, trade union membership is more likely to increase amidst COVID-19 by 14 per cent if capacity building is conducted. Such capacity building includes training on COVID-19 awareness at the workplace, financial management during COVID-19, occupational and health measures, response to government measures to address COVID-19 and the ILO policy framework in response to COVID-19.

<sup>1</sup> [https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm\)%20%20a](https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm)%20%20a).

A change in membership fees has a statistically significant negative effect on trade union membership. A change in such fees resulting from the effect of COVID-19 is likely to cause a decrease in trade union membership of 1.3 per cent. On the other hand, social dialogue has a positive significant effect on trade union membership; the econometric result indicates that trade union membership is more likely to increase by 2 per cent if tripartite cooperation is adopted as a mechanism of social dialogue. Membership registrations and recruitment through media positively influence trade union membership. The probability of trade union membership increasing is 51 per cent if trade unions are engaged in membership registration during COVID-19.

Overall, limited access to internet, inability to organize members and inability to hold meetings have a negative but insignificant effect on trade union membership. Equally, additional services to members during COVID-19, inadequate fund, advisory services, and virtual education have a positive but non-significant effect on trade union membership.

## Summary and conclusion

This article has applied an econometric approach using data on the state of trade unions amidst the COVID-19 pandemic to explain the contributions of social dialogue in increasing and enhancing trade union membership amidst the COVID-19 pandemic. The results have shown that social dialogue contributes about a 26 per cent increase in trade union membership during a crisis. The findings are consistent with other studies that have also proved the role of social dialogue in shaping the world of work in times of crisis (ILO 2009; Rychly 2009; Hyman 2010; Fashoyin 2005). We conclude that social dialogue is critical in shaping the recovery from the COVID-19 pandemic and trade unions have no choice but to embrace effective social dialogue, as this provides an essential foundation for successful policy and decision-making processes that will enable these workers' organizations to address all the fundamental principles and rights of work in the future of work, including amidst crises such as the COVID-19 pandemic. Throughout all levels, trade unions need to embrace strong, influential and inclusive mechanisms of social dialogue.

## Recommendations for policy interventions

This study has shown that social dialogue provides constructive processes that maximize the impact of crisis responses to the needs of the real economy. Social dialogue, including collective bargaining and tripartite cooperation, therefore contributes to successful policy and decision-making. It is a strong basis for building commitment of employers and workers to the joint action with governments needed to overcome the crisis and for a sustainable recovery. In reshaping the recovery and the role of workers' organizations, we propose that workers' organizations need to engage in the strong, influential and inclusive mechanisms of social dialogue in the following ways:

- (i) Through social dialogue and in a human-centered approach, engage all stakeholders in strengthening the capacities of social partners and governments, including labour relations institutions and processes for effective social dialogue.
- (ii) Through social dialogue, engage governments in stimulating their economies by harnessing the fullest technological progress and productivity growth potentials in developing effective and sustainable fiscal and monetary policies for a jobs-led recovery for all, leaving no one behind.
- (iii) Through social dialogue, engage all governments and development partners in supporting sustainable businesses, jobs and incomes by developing sustainable social protection policies and employment services that stand out in times of shocks.
- (iv) Through social dialogue, engage all social partners in protecting workers by developing and harnessing occupational safety and health policies towards the promotion of all the fundamental rights and freedoms of work for all workers including youth, women, workers with disabilities, migrant workers, gig economy and informal economy workers as well as other new and emerging forms of work in the future of work.
- (v) Through social dialogue, engage all social and development partners in embracing environmental protection, climate change and just transition, including trade union engagement in the multilateral system.

## References

- Bockerman, Petri, and Roope Uusitalo. 2006. "Erosion of the Ghent System and Union Membership Decline: Lessons from Finland." *British Journal of Industrial Relations* 44(2): 283–303.
- Bryson, Alex, and John Forth. 2010. "Trade Union Membership and Influence 1999–2009", NIESR Discussion Paper No. 362.
- Farber, Henry S., and Alan B. Krueger. 1992. "Union Membership in the United States: The Decline Continues", NBER Working Paper No. w4216.
- Fashoyin, Tayo. 2005. "Tripartism and Other Actors in Social Dialogue." *International Journal of Comparative Labour Law and Industrial Relations* 21(1): 37–58.
- Hyman, R. 2010. "Social Dialogue and Industrial Relations during Economic Crisis: Innovative Practices or Business as Usual?", ILO Industrial and Employment Relations Working Paper No. 11.
- ILO. 2009. *Recovering from the Crisis: A Global Jobs Pact*. Adopted by the International Labour Conference at its 98th session, Geneva, 19 June 2009.
- . 2019a. ILO Centenary Declaration for the Future of Work.
- . 2019b. "The Future of Work: Trade Unions in Transformation." *International Journal of Labour Research* 9(1–2).
- . 2021a. "ILO Monitor: COVID-19 and the World of Work", Briefing note, seventh edition, updated estimates and analysis.

—. 2021b. *A Global Trend Analysis on the Role of Trade Unions in Times of COVID-19: A Summary of Key Findings*.

Mason, Bob, and Peter Bain. 1993. "The Determinants of Trade Union Membership in Britain: A Survey of the Literature." *British Journal of Industrial Relations* 21(3): 379–393.

Riley, Nicola-Maria. 2003. "Determinants of Union Membership: A Review", Wiley Online Library. Originally published 1997.

Rychly, Ludek. 2009. "Social Dialogue in Times of Crisis: Finding Better Solutions", ILO Industrial and Employment Relations Working Paper No. 1.

Uhlerova, Monika. 2020. "The Role of Trade Unions and Social Dialogue during the Crisis: The Case of Slovakia". *Central European Journal of Labour Law and Personnel Management* 3(1).

Visser, Jelle. 2019. "Trade Unions in the Balance", ILO/ACTRAV Working Paper.