

Trade unions and economic inequality

Perspectives, policies and strategies

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The ongoing global financial crisis has moved the issue of economic inequality into the spotlight of public debates. Its importance is underscored by the growing evidence of the negative impact that economic inequality has on major social, political and economic issues such as economic growth and development, corruption, crime and instability, poverty and deprivation, social immobility and discrimination in the labour market, stress and unhappiness, gender and health inequality, childhood advantage and educational failure, family breakdown and teenage pregnancy, polarization and fragmentation between communities, ethnic groups, regions and social classes (ILO, 2008 and 2013; Wilkinson and Pickett, 2009; Seguino, 2010; McKnight and Nolan, 2012). However, trends of growing inequality have been going on for much longer and indeed may have contributed to the global financial crisis. As the ILO's *World of Work Report 2008* has shown, the period between 1990 and 2005 was marked by increasing income inequality (as measured by changes in the Gini index) in approximately two-thirds of all countries examined (ILO, 2008). Similarly, the share of wages in total income has declined in 51 out of 73 countries for which data are available (*ibid.*).

But how do trade unions view economic inequality? In an attempt to better understand trade union views and policy and strategic response to economic inequality, the Global Labour University alumni network has run the global trade union survey "Trade Unions and Economic Inequality: Perspectives, Policies and Strategies". This article presents some of the main findings of the preliminary assessment of this ongoing survey.¹ The first part describes the perspectives of trade unions on economic inequality: its main indicators, causes and impact. The second part looks into some of the main policy proposals and strategies pursued or proposed by trade unions to tackle issues of economic inequality. The third part examines whether the policy proposals and strategies of unions are successful, establishes some of the main factors that influence the success of unions' policies and strategies, and provides an overview of the main actors with which trade unions cooperate and the forms of cooperation chosen. Finally, the last part summarizes some of the main findings and insights of the survey.

The perspective of trade unions on economic inequality

The survey attempted to assess the way trade unions see the issue of economic inequality. This was done by asking them to identify the main indicators of economic inequality, as well as its causes and effects. Moreover, they were asked to state how important the issue is for their agenda.

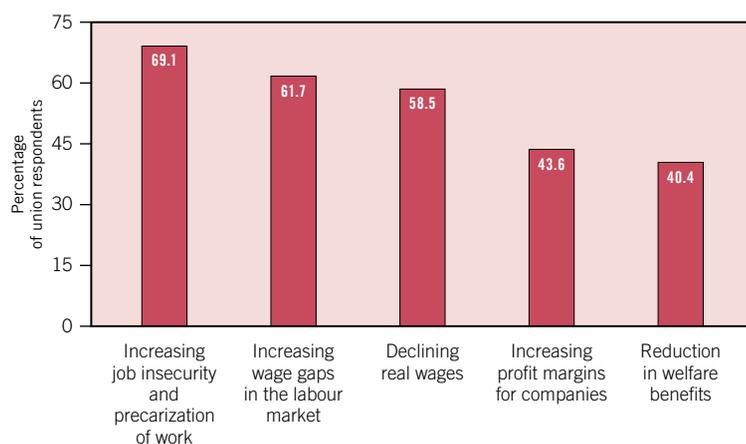
1. Further information on methodology and the profile of trade union respondents can be found in the Annex.

Indicators of economic inequality

Trade unions were asked to point to some of the main indicators of economic inequality in their respective country. While the questionnaire provided a list of indicators, the respondents had the possibility to add other indicators specific to their own country. The survey shows that the most frequent indicators of economic inequality, cited by more than half of respondents, are: increasing job insecurity and the precarization of work, followed by declining real wages and increasing wage gaps in the labour market. Less than half of respondents cited increasing profit margins for companies and the reduction in welfare benefits (figure 1).

More than one in four respondents (26.6 per cent) pointed out other indicators, many of which are related to those shown in figure 1. These include: increased outsourcing and contract work leading to wage differences among regular and contract workers; increasing rates of informal workers and wage gaps among them and formal workers; the concentration of wealth in a few hands; increased wage gaps between men and women; the inadequacy of benefits in relation to basic needs; unequal access to social services; and narrowing down of space for workers' participation in decision-making.

Figure 1. Main indicators of economic inequality



Causes of economic inequality

Almost all respondents (95 per cent) have elaborated on how their union views the causes of economic inequality. Two main threads of causes can be identified here: (1) causes related to broader political trends across the world; and (2) causes related to specific labour policies.

Broader political trends. Most trade union respondents link rising economic inequality to neoliberal globalization and neoliberal capitalism. More

specifically, respondents have identified a number of issues, such as: the increasing power of transnational corporations and the subordination of national economies to international capital; pro-capital government policies and regulations and the unequal distribution of power and wealth in society; a regressive tax system; corruption; the fact that economic policy is often detached from social policy and that there is a lack of interventions aimed at “lifting up” the poor; declining social benefits, low investment or the privatization of public services; and a lack of agrarian reforms. Obviously, unions’ views on the broader causes of rising inequality also reflect their country’s particular history and specific conditions. This is the case in Brazil, where almost all respondents pointed to the long history of inequality in the country, or in Nepal, where unions referred to the lack of political stability.

Labour policies. According to the respondents, the most common causes in this area include: a lack of pro-labour policies, such as laws providing social protection and employment rights for workers doing non-standard forms of work, workers in the informal economy, and workers in micro and small enterprises (MSEs); a lack of employment policies, including policies aimed at upgrading workers’ skills; the growth of the low-wage sector and non-standard, contract employment; work intensification and productivity gains whose benefits are not shared with workers; income policies which suppress wages to create a more investment-friendly environment; wage freezes in the public sector; poor labour law enforcement; and the persistence of the gender pay gap. Less cited causes are: the difficulties faced by unions when they try to organize workers (especially with the expansion of the services sector); declining unionization rates and weak and fragmented unions; and the weakening of tripartite bodies (the limited role of unions in policy-making) and collective bargaining framework.

The impact of economic inequality

The impact of economic inequality is discussed by an overwhelming majority of respondents (91.5 per cent) in terms of (1) how it affects society in general; and (2) how it affects workers in particular.

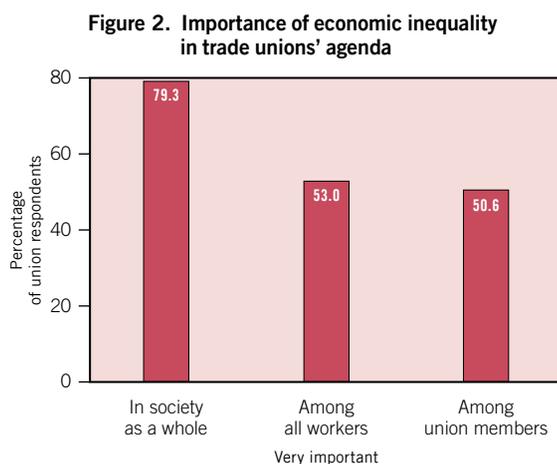
The impact of economic inequality on society is seen as particularly worrying. Not only can it lead to social and political unrest and threaten democracy, it is also seen as causing poverty (even among those in employment), health problems (including mental problems), and further cuts in social and public services; and social problems (some of which affect young people in particular) such as social exclusion and injustice, crime, prostitution, increased violence in the family and against women in particular, migration and the resultant “brain drain”, increased life insecurity and suicide rates, and increased dependency within the family. Some respondents said that

economic inequality leads also to environmental degradation, the slowing of economic growth and the worsening of people's socio-economic situation, and increased authoritarianism.

The impact of economic inequality on workers is also very significant. Several respondents emphasized how economic inequality retroacts on the main causes behind its increase. For example, unions see economic inequality as contributing to rising unemployment and low, insecure and unstable wages (affecting women and young people in particular); as leading to more job insecurity, precariousness and deteriorated working conditions; and as weakening trade unions. Also, economic inequality erodes workers' solidarity and collective bargaining coverage as unions find it more difficult to negotiate better working and employment conditions. The negative impact of economic inequality on workers reinforces social inequalities as, for example, children are left with poor or limited access to education.

The importance of economic inequality for trade unions' agenda

Trade unions were then asked to assess the importance of the issue of inequality: (1) in society as a whole; (2) among all workers – both union and non-union members; and (3) among union members as regards their agenda (in terms of strategy and policy proposals). The survey shows that the share of trade unions attaching a very high level of importance to economic inequality *in society as a whole* is higher than the share of trade unions attaching the same level of importance to economic inequality for all workers or for trade union members (figure 2). Of the 93 per cent of trade union respondents answering this question, almost four in five (79.3 per cent) said



their union sees the question of economic inequality in society as a whole as very important. This share drops to 53 per cent when asked about economic inequality among all workers, and even lower when asked about economic inequality among union members (50.6 per cent).

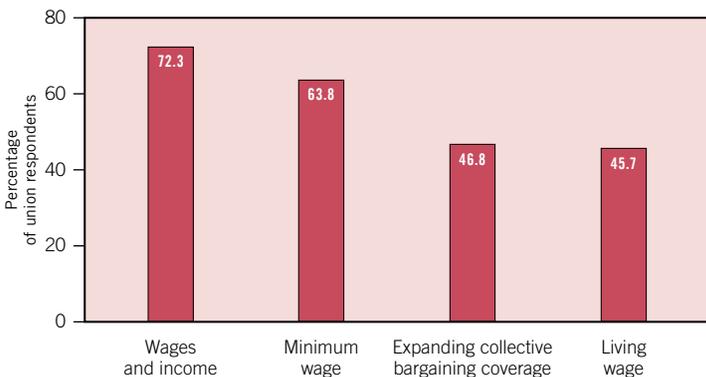
Union policies and strategies on economic inequality

The survey shows that trade unions see economic inequality as a very serious challenge to society and workers and that the issue has a very important place in the union agenda. But what is their response to economic inequality? What kind of policies and strategies do they pursue to combat economic inequality?

Wage and income policies and strategies

Nearly three in four survey respondents (72.3 per cent) indicate that wage and income policies are commonly pursued or proposed by trade unions to tackle issues of economic inequality (figure 3). When it comes to the area of wage and income policy, respondents frequently refer to the principle of “equal pay for equal work”, often with a focus on the situation of women and precarious workers. They mention a number of policies and strategies such as the minimum wage, wage increases in the public sector, a universal pension plan and grants for children, the expansion of health coverage, tax policies, productivity-sharing schemes and the extension of collective bargaining. The most dominant policies and strategies, however, are minimum wages, which are cited by nearly two in three respondents (63.8 per cent), expanding collective bargaining coverage (46.8 per cent) and living wage policies and strategies (45.7 per cent).

Figure 3. Wages and incomes: Dominant union policies and strategies



Minimum wage. The survey reveals that the minimum wage is among the top policies or strategies pursued or proposed by trade unions to tackle issues of inequality. Minimum wage demands are framed mainly around (1) the need to establish minimum wage rates either at sectoral or national level; or (2) increasing minimum wage rates (inflation indexation, decent minimum wage rates to sustain the family costs). A number of respondents referred to policy proposals to extend and improve minimum wage provisions to informal workers, precarious workers and other groups normally excluded from coverage by the minimum wage. The need to reform the minimum wage-fixing system – that is, to move away from a decentralized or provincial to a national system of minimum wage setting – is another policy proposal cited by a number of respondents. Finally, there are also proposals to democratize the tripartite structures setting the minimum wage in some countries, either by establishing union participation or by strengthening union involvement.

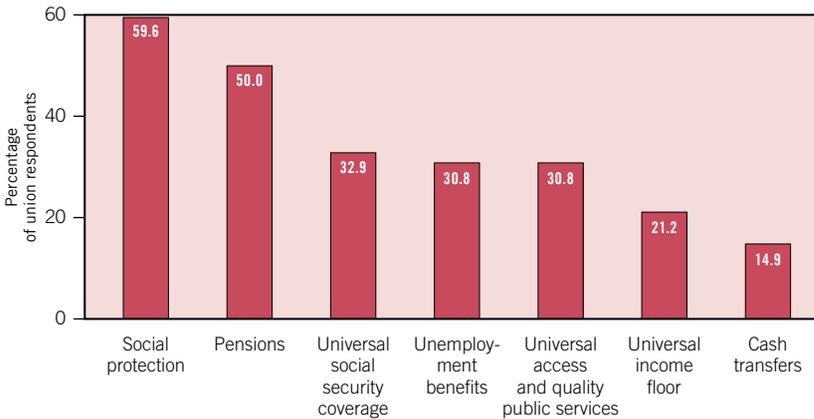
Expanding collective bargaining coverage. Most of the policy proposals and strategies around expanding collective bargaining coverage aim at introducing legal provisions which (1) ease union certification procedures and bring workers into one bargaining unit; (2) address issues of exclusion from collective bargaining rights for specific groups of workers (informal workers, precarious and atypical workers); and (3) lower the threshold for collective bargaining agreements (CBA).

Living wage. Demands for a living wage are considered as a means “to address broader inequalities in [the] society” (South African respondent). Respondents appear to use the terms “minimum wage” and “living wage” interchangeably. In South Africa, the living wage is understood as “a minimum wage sufficient to cover a specific quality and quantity of housing, food, utilities, transport, health care and recreation”. Similarly to the minimum wage, proposals around the living wage consist mainly in one or more of the following: establishing or increasing living wage rates to provide decent living conditions; establishing a living wage in the private sector; and moving beyond the minimum wage to demand living wages.

Trade union policies and strategies on social security and protection

The survey shows that social security and protection is another important policy and strategy area for trade unions. It is mentioned by almost three in five respondents (59.6 per cent) (figure 4). Similarly to wage and income policy, the social protection policy area includes a number of other policies and strategies which aim at increasing social security and protection for workers. Aside from demands to ratify pertinent ILO Conventions, proposed

Figure 4. Social security and protection: Dominant union policies and strategies



interventions in the area of social protection policy consist mainly in establishing or adjusting the benefits of the social security scheme to the prevailing living standards, or expanding the scheme to provide more comprehensive social protection to all citizens without any conditionality. Some respondents have also proposed:

- regular, individual incomes for women and young people (to facilitate their entry into the labour market);
- universal pension plans providing decent living standards, and universal grants per child without any conditionality;
- health insurance for public employees and their children, a universal health-care system, and health coverage for workers and their families through their companies; and
- quality public services including adequate incentive schemes to retain qualified workers who can provide quality services.

As figure 4 shows, among the various policies and strategies pursued by trade unions to enhance social protection the most common are pensions (cited by half of the respondents) and universal social security coverage (cited by one in three). What follows is a summary of the main union proposals in some of the most cited policy and strategy areas.

Pensions. Policy proposals around pensions consist mainly in establishing or improving pension benefits and public pension schemes to provide decent living standards for old people and for all workers of pensionable age. A number of trade unions cited proposals for lowering the retirement age; defending existing pension schemes; and tax policies which support pension schemes.

Universal social security coverage. Universal social security is not a dominant strategy employed by trade unions to address issues of economic inequality, as only 32.9 per cent of respondents have cited this. Aside from some of the policy proposals discussed in the area of social protection, respondents have proposed universal social security coverage for workers in MSEs and those in non-standard, atypical or precarious forms of work.

Unemployment benefits. Almost one in three respondents (30.8 per cent) cited unemployment benefits as a policy and strategy area for combating inequality. Most commonly, proposals include demands for compliance with the ILO minimum standards for social security, and the enforcement of existing labour law provisions and schemes for increasing unemployment benefits (for example unemployment benefits equal to minimum wages for workers who have been able to work for less than a year, and linking unemployment benefits to a decent income or a living wage). There are also some policy proposals to simplify the requirements for accessing unemployment benefits and opposing cuts in benefits. Few respondents have cited proposals for union-provided unemployment insurance schemes.

Universal access and quality public services. Again, almost one in three respondents mentioned universal access and quality public services as a policy and strategy area in which their union is engaged to tackle issues of economic inequality. The few comments made by union respondents provide limited insight on this particular area. With a few exceptions, most respondents have only reiterated the importance of universal access and quality public services and their union's support for struggles and campaigns for such services.

Labour market policies and strategies

Using labour market policies and strategies to tackle issues of economic inequality is mentioned less frequently compared to other policy areas. The survey shows that none of the labour market policies are cited by more than half of the respondents. The top policies are: employment policies for women, unemployment policies, employment policies for young people and job security policies (figure 5). What follows is a summary of the main union proposals in some of the most cited policy areas.

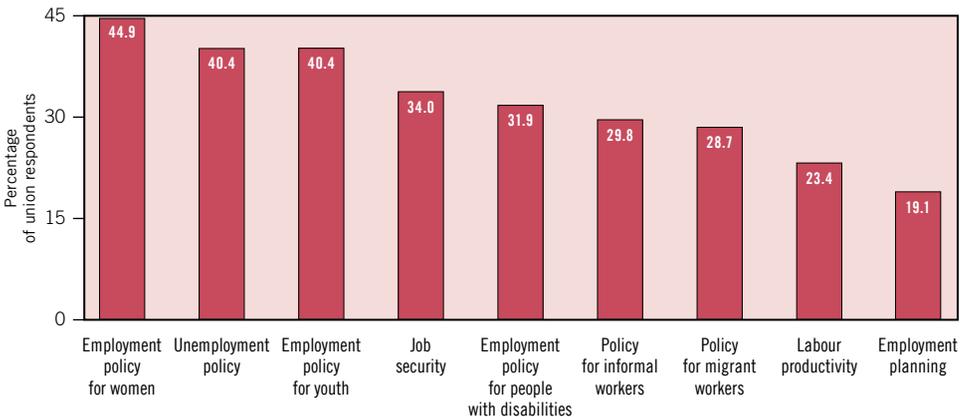
Employment policy for women. Although cited by less than half of the respondents (44.9 per cent), employment policies for women are the most common labour market policy employed by trade unions to tackle issues of economic inequality (figure 5). The relatively low share of respondents referring to this policy area, as compared to other areas, may reflect a general line of thinking expressed for example by Brazilian trade unions that demands a growth model improving the employment of all groups, including

women. Most policy proposals consist in demands for the full implementation of existing laws which aim at ensuring fair employment conditions, including unionization rights, and non-discrimination in terms of hiring, wages and social security benefits for all women. To this end, unions have attempted to lobby governments to introduce, or comply with commitments to, gender-responsive budgeting. Moreover, they demand gender analysis and gender-sensitive laws, policies and programmes (gender-sensitivity audit) at the national level.

Unemployment policy. The next most common labour market policy is on unemployment. Cited by over two in five respondents, discussions in this policy area range from simple articulations supporting the implementation of an unemployment policy (and unemployment benefits) in the country and prioritizing and supporting the employment of certain groups (women and youth), to concrete policy proposals aimed at increasing employment and job security and enhancing workers' employability. Policy proposals for increasing employment consist in demands for economic growth that creates jobs, and for income distribution schemes. A number of respondents cited proposals consisting in shortening the working time such as reducing working time (without reducing wages) and overtime and creating an extra shift (fifth shift) to increase employment (through provisions in collective bargaining agreements). Collective agreements (in public companies) which include provisions to hire more workers (for example through public procurements) and improve the quality of public services were also mentioned in this policy area.

Employment policies for young people. The number of respondents citing an employment policy for young people is relatively smaller than the number of those citing an employment policy for women (40.4 per cent and 44.9 per

Figure 5. Labour market: Dominant union policies and strategies



cent respectively). Similar to the employment policies for women, the relatively low number of responses may reflect the views expressed by a union respondent who argued that the union has opposed a “Youth Wage Subsidy” policy by the government on the basis that the issue of unemployment “should be addressed holistically without sectionalization”. This is not to say, however, that trade unions do not consider the issue of youth employment important; in fact, among those discussing this policy area, there is an emphasis on the urgency of tackling youth unemployment. Similar to other policy areas, most unions’ policy position consists in pushing for, or participating actively in, the formulation and implementation of a national policy for youth employment, with a strong emphasis on education and training.

Job security. The issue of job security has frequently come up in various areas. Over one in three respondents discussed specific policy proposals which aim at (1) strengthening the employment protection of existing workers; and (2) banning, reducing and regularizing the use of precarious work. With regard to the first set of policy proposals, respondents refer to policies and strategies which negotiate collective agreements protecting workers during company restructuring or public-sector reforms; demand job security for elder workers; and recommend government cost-cutting in exchange for maintaining employment in the public sector. On the second set of policy proposals, respondents have mentioned proposals which (1) change workers’ status from “outsourced” to “permanent” and from “informal” to “formal”, and (2) introduce labour law provisions which block the casualization of employment and the spread of contract work by regularizing the use of contract workers and ensuring that they receive the same pay and conditions as regular workers.

Employment policy for people with disabilities. Almost one in three respondents cited a union policy position on employment policies for people with disabilities (PWD). Most respondents articulated their unions’ support for the implementation of the existing legal provisions for the employment of PWD. Other respondents have cited proposals for the establishment or improvement of a national policy for the employment of PWD which includes a quota for their employment (5 per cent in Argentina), adjusted training programmes that address their specific needs, and the removal of barriers to access of workplaces.

Trade union policy for informal workers. Surprisingly, a relatively low share (29.8 per cent) of respondents indicated that their union has a policy for informal workers. While policy proposals in this area mainly refer to informal workers, in quite a few cases respondents have mentioned temporary foreign workers and non-standard, atypical and non-regular workers. The most common policy position is regularizing informal workers and non-standard workers so that they benefit from the same rights and entitlements (decent wages, social security, leave rights) as formal workers. Related to this,

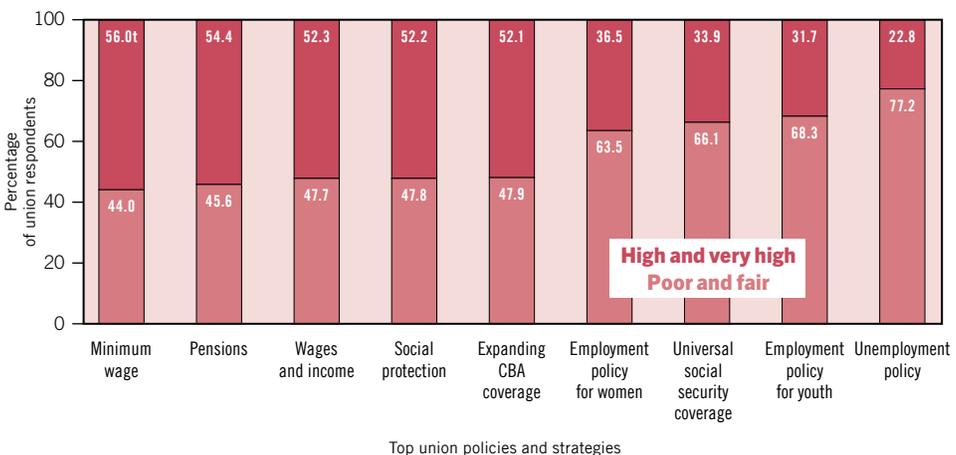
trade unions propose the introduction of legal provisions that ensure equal protection and benefits for informal or non-standard workers and strengthen the role of the national labour inspection system.

Trade union policy for migrant workers. Similar to the policy for informal workers, a relatively small share (28.7 per cent) of respondents has indicated that their union has a position on migrant workers. The most cited policy proposals in this area include demands for universal rights, full protection and non-discrimination (including the recognition of all working years needed for retirement no matter where people have worked, proposed by the unions in Brazil; and the right to vote in general elections after two years of residence in the country, proposed by unions in Argentina). In some cases, trade unions (especially those from migrant-sending countries) have developed a number of policy proposals concerning migrant workers from their own countries (Kyrgyzstan, Nepal and the Philippines).

Overall assessment

Trade unions were asked to assess the success of their own policy proposals and strategies (figure 6). Out of the top three policies and strategies of each of the three main policy areas, those that were seen as either successful or highly successful include minimum wages (56 per cent); pensions (54.4 per cent); wages and income (52.3 per cent); social protection (52.2 per cent); and expanding CBA coverage (52.1 per cent).

Figure 6. Union assessment of the success of dominant policies and strategies



Successful policy proposals and strategies

Trade unions were also asked to identify and discuss a policy proposal or strategy of their union that was particularly successful in combating economic inequality. Of the 64.9 per cent of respondents that provided detailed answers to this question, most mentioned policy proposals and strategies in the areas of wages, social dialogue and (the extension of) collective bargaining. What follows is a summary of these policy proposals and strategies and snapshots from some of the trade union responses.

Wages and income is the top area assessed as successful by 24.5 per cent of union respondents. Successful policies and strategies typically include establishing or increasing minimum wages; increasing wages or compressing the wage structure; and pushing for a living wage or improving the living wage calculations (examples of strategies in this area are provided in box 1). By pushing for minimum wage increases, unions are able to significantly improve the wages of the poor and, to a degree, of workers in the entire economy.

Social dialogue and (extending) collective bargaining is the next area of policy proposals and strategies: 12.8 per cent of respondents saw it as particularly important because its positive effect on wages and living wages, jobs, gender equality, protection for non-standard and precarious workers, and

Box 1. Trade union campaigns for the minimum wage in Germany and Thailand

The minimum wage campaign in the food and beverage sector in Germany

Union demands for minimum wages and the re-regulation of the labour market have seen progress in the last ten years. There is a much higher level of approval/consent in society on the need for minimum wages and on the need to re-regulate the labour market, increase taxes and pursue policies of distributive justice. The opposition parties have taken up the demands of the trade unions, and this general approval in society could be a basis for a shift after the elections towards more regulation and a minimum wage. Also, the posting of the workers' directive has led to more sector-based minimum wages¹ (Ver.di, Germany).

The minimum wage campaign in Thailand

Trade unions in Thailand were able to raise awareness and convince the main political parties in Thailand that the lack of a minimum wage is one of the main causes of economic inequality. The election in 2011 proved the importance of this argument as all the political parties proposed the minimum wage as their main policy. After the election the union was able to monitor and pressure the Government to implement a national minimum wage policy, which stands at 300 baht. (Thai Labour Solidarity Committee)

¹ The general election in Germany took place in September 2013 – after the survey had been conducted. The new government, a grand coalition between Christian Democrats and Social Democrats, has signalled its intent to phase in a minimum wage from 2015 to 2017.

Box 2. Extending and improving social protection in Argentina and Denmark

Universal Child Grant in Argentina

Under pressure of several rallies and actions carried out by the National Front against Poverty, in 2009 the Argentine Government was forced to implement the campaign's proposal for a Universal Child Grant. The Grant, which has benefited around 3 million children, has contributed to decreasing poverty especially among the very poor (Asociación de Trabajadores del Estados, Argentina).

Health equality in Denmark

Trade unions took up the issue health inequality due to social background and hard work. The union was able to engage 6,000 members in its political work and force the Government to give priority in its agenda to issues of health inequality (3F, Denmark).

productivity. If casual workers are included in collective bargaining negotiations, this contributes to reducing the gap in employment benefits among regular and casual workers and regularizing their employment status.

Equal pay for work of equal value is another area of trade union work identified as particularly successful by 7.4 per cent of respondents. Successful cases here include campaigns for the recognition of all labour rights for domestic workers, gender equality, and equal treatment of public-sector workers (teachers).

Social protection campaigns are identified as successful strategies by 7.4 per cent of respondents. These campaigns have aimed at universalizing the coverage by extending protection to those excluded from the scheme; improving the quality and equality of the benefits; extending protection to children and eliminating child labour (box 2 provides examples of campaigns in this area in Argentina and Denmark).

Other successful policies cited here include changes to labour law; unions providing employment and other special services; programmes aimed at building trade union capacities; stopping privatization of strategic sectors of the economy; and workers' involvement in discussing the national industrial policy.

Alliances

Trade union respondents were also asked to identify and discuss some of the main alliances they have built or entered into in pushing for policy proposals to combat economic inequality. The survey shows that aside from inter-union cooperation, the key strategic actors with which unions cooperate

are left-wing political parties; social movements; labour groups organizing precarious, non-standard, migrant and informal workers; organizations of pensioners, the unemployed, young people and women; community organizations; rural movements such as Movimento dos Trabalhadores Sem Terra (MST), Via Campesina and environmental groups; progressive research institutes and universities; and the media. Some trade union respondents also cited international organizations such as the ILO and Global Unions; the “Quality Public Services” campaign of the Building and Wood Workers International (BWI), the International Union of Food Workers (BWI) and the Public Services International (PSI); the American Solidarity Centre; the Friedrich Ebert Stiftung; the International Labour Research and Information Group; and the Clean Clothes Campaign.

The main forms of collaboration and engagement are joint actions such as national awareness and pressure campaigns; referendums and petitions; demonstrations and mobilizations (during public hearings); advocacy (including media advocacy) and lobbying for the introduction and implementation of labour laws and other policy proposals; drafting bills, position papers and resolutions and conducting research on the topic; joint conferences and round tables, seminars, forums, meetings and lectures; and filing complaints.

Facilitating and constraining factors

Trade unions were asked to identify the most critical factors in the success of their policy proposals and strategies.

Facilitating factors can be grouped into two main groups: (1) factors related to internal union structures, processes and visions; and (2) factors related to the political and economic environment.

Factors related to trade unions. Some of the factors discussed here are more related to union strength in general, and others to a specific policy proposal. With regard to the former, respondents have mentioned high levels of unionization and the successful extension of the union to the non-traditional sectors; the general strength and persistence of a union; effective collective bargaining, which includes new issues such as job security and issues of non-standard workers; and the active participation of unions in tripartite bodies.

Facilitating factors related to specific policy proposals include prioritizing policy proposals; mobilizing resources, raising awareness and educating the membership, workers and the wider public about the policy proposal; labour unity and coordinated action at the national or international level around the issue; knowledge about the specific policy issue and professional negotiators; the establishment of venues for discussion and cooperating with other civil society groups and political parties around the policy proposal; and the use of alternative media.

Factors related to an enabling political and economic environment include a legal framework, and national and regional schemes which facilitate the implementation of the specific policy (for example the fixing of a minimum wage, social security schemes and labour market policies); a government commitment to combating economic inequality and allocating the resources necessary for implementing a specific policy proposal; strong tripartite structures which enable better negotiation at all levels; the existence of successful experiences (*Bolsa Familia* in Brazil, or food support programmes such as *Bait-ul-Mall*, the Employees Old-Age Benefit Institution and Benizeer Income Support Programme in Pakistan); joint efforts of public agencies and greater coordination with the aim of developing policies focused on the labour market; funding from international partners; and the existence of favourable economic conditions.

Constraining factors can be divided into three main groups: (1) factors related to the political and economic environment; (2) factors related to the attitude of employers; and (3) factors related to internal union structures, processes and visions.

Factors related to an unfavourable or hostile political and economic environment. Some of these factors are more related to general political and economic trends, such as the global financial crisis and wage inequality; neo-liberal policies at the global and European Union level; the worsening of the economic situation in the country; a high incidence of unemployment; widespread informal and non-standard work which limits the impact of existing laws and policies among the poorest of the poor; media hostility towards unions and union campaigns; and conservative thinktanks and power groups opposing progressive policy proposals.

Other factors are more directly related to the political will of governments. They include: a lack of integrated policy-making and coordination; the lack of a legal framework or political support for the specific policy (such as the lack of an integrated national scheme promoting minimum wages); the limited capacity or unwillingness of governments to enforce existing laws and implement policies (including the limited number of labour inspectors compared to the high number of enterprises, and government orders which exempt companies from certain laws and policies such as the minimum wage); a legal framework which weakens trade unions and collective bargaining (leading, for example, to more union fragmentation by blocking centralized bargaining and the extension of collective bargaining agreements); weak tripartite structures and unwillingness to provide space and information to trade unions in the policy-making process; labour courts favouring employers; governments attaching low priority to labour-related bills and supporting the proposals of employers; countries refusing to ratify pertinent ILO Conventions; and governments shifting their responsibility for finding jobs for the unemployed to private agencies.

Resistance of employers' organizations. The next most cited constraint is employers' resistance to policy proposals such as the minimum wage, or to the enforcement of existing laws and regulations. Other constraints include employers' preference for working with or establishing "yellow" trade unions; their strategies of prolonging and fragmenting collective bargaining negotiations; authoritarian work environments that make it difficult to enforce even basic workers' rights; and employers preventing workers from managing their own pension schemes.

A weak and divided trade union movement is considered as a constraining factor by many union respondents. More specifically, the respondents have cited low union density; unions' inability to mobilize support for their policy proposals; lack of inter-union cooperation around the specific policy proposal; the limitations of union organizing among informal, non-standard, precarious workers; and the decline of union influence over the policy machine (some trade unions have developed a special relationship with political parties which have traditionally belonged to the left but have increasingly pursued neoliberal policies). Several respondents have also referred to the lack or vagueness of policies and strategies, which are often a product of a lack of knowledge and capacity concerning the area in question – for example pension schemes, the extension of collective agreements, and enhancing the quality of collective bargaining.

Main findings and insights

Growing economic inequality is viewed by trade unions as a threat to democracy and political stability, and as leading to more social inequality and a number of social problems. Whether in the global North or South, the respondents have identified a number of indicators of economic inequality in their countries, the top three being: (1) increasing job insecurity and the precarization of work; (2) declining real wages; and (3) increasing wage gaps in the labour market. Similarly, some of the main causes of economic inequality cited by trade unions are pro-capital government policies and regulations; economic policies that are detached from social policies; low investment in, and the privatization of, public services; regressive tax systems; income policies which suppress wages; and a lack or limited level of legal regulations covering informal and non-standard workers.

Clearly, trade unions' views on economic inequality – its causes, impact and indicators – bring together the most important challenges facing the labour movement across the world. Thus, tackling economic inequality means not only challenging the root causes of the weakening of trade unions, but also some of the forces undermining democracy and social justice in our societies. In light of this, it is not surprising to see that trade unions attach higher

importance to issues of economic inequality in society as a whole over economic inequality issues affecting all workers or union members in particular.

But to what extent do the policies and strategies chosen by trade unions reflect the very high level of importance accorded to economic inequality in society as a whole?

The survey reveals that there are three main or general policy areas in which trade unions intervene: (1) wages and income policies; (2) social protection and security policies; and (3) labour market policies. Of these, statutory minimum wage and pension policies dominate, which are components of wage and income policies and social protection policies respectively (that is, they are referred to by at least half of the respondents – 63.8 and 50 per cent). Although minimum wage and pension policies play a very important role in reducing economic inequality, their impact may be relatively insufficient for a number of reasons. For one thing, if policies and strategies of increasing minimum wages are not targeted at particular sectors or groups of workers, they have limited effect in compressing the wage structure and their contribution to reducing economic inequality may be rather limited. Moreover, in countries where precarious and informal work is spreading, a significant share of workers are excluded from the application of minimum wage and pension coverage. At the same time, mechanisms for the extension of collective bargaining are often limited or absent in these countries. Indeed, fewer than half of respondents cite extending collective bargaining coverage as a union policy or strategy (figure 3) and many mention barriers hindering such an extension, for example lack of solidarity among workers.

Meanwhile, policies and strategies which may have a stronger impact on reducing economic inequality in society more broadly conceived, such as universal social security coverage (32 per cent), universal access and quality public services (30.8 per cent), a universal income floor (21.2 per cent), and cash transfers (14.9 per cent) are pursued by trade unions only to a limited extent. Moreover, while the most cited indicator of rising economic inequality is increasing job insecurity and the precarization of work, slightly over one in three trade unions have claimed that they are involved in or pursue policies that strengthen job security. The survey also shows that policies aimed at protecting some of the most vulnerable groups, such as informal and migrant workers, are mentioned only by a relatively small share of trade unions (29.8 and 28.7 per cent respectively).

A number of reasons may explain the apparent “gap” between the very high levels of importance that unions give to issues of economic inequality in society as a whole and the concrete policies pursued or proposed to address these issues. While trade unions may be well aware of the importance of tackling economic inequality in society, their concrete resources and capacities may constrain them. The choice to embark mainly on minimum wage and pension policies may have been influenced also by past experiences in the successful adoption of these policies (figure 6). In this regard, a union’s

choice and the successful adoption of a policy proposal (as a state policy for example) are influenced by a number of factors which may facilitate or constrain the adoption or implementation of the proposal. These factors may include the political and economic environment and employers' attitudes towards trade unions, labour laws and policies. While an enabling political and economic environment does play an important role, the survey reveals that trade unions' strength, capacity, unity, and ability to form alliances with other groups is just as important.

The capacity and expertise of unions to develop sound policy proposals may be of particular importance here. The survey shows that many trade unions do not take a macroeconomic approach to income and wage policy. Similarly, a number of trade union policy proposals lack clarity or are underdeveloped, for example in areas such as cash transfers, employment policies for people with disabilities, and policies for informal and migrant workers. Also, the fact that unions use the terms "universal income floor" and "minimum wage" interchangeably reflects their limited understanding of the former or the latter or both. Three out of four respondents come from a federation or a local union, while in practice policy proposals are usually dealt at the confederation level, which may partly explain the underdevelopment or lack of clarity of certain policy proposals.² This raises the need for confederations to involve their affiliates and members to a greater extent in the process of policy-making. Raising awareness and educating the membership about union policy proposals is cited in the survey as an important factor that facilitates the successful adoption of a specific proposal. However, if the lack of clarity and the underdeveloped union policies on economic inequality reflect limited trade union capacities, there is a pressing need to provide unions with the tools and capacities to craft policy proposals that enable them to engage in a more meaningful way with economic inequality.

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2. A federation is a nationwide body consisting of local trade unions organizing workers in the same sector. Most national federations are affiliated to a main confederation or national centre.

ANNEX Methodology and profile of trade union respondents

The survey questionnaire was sent to around 270 GLU alumni in 60 countries in December 2012. The alumni were asked to field the questionnaire by interviewing trade union officers responsible for policies and strategies in their respective unions or in trade unions with which they collaborate. Up to 15 November 2013, 94 trade unionists from 37 countries had responded.¹ The survey results were analysed using the Statistical Package for Social Sciences (SPSS).

Trade union respondents in this survey cover all income groups: 18 per cent of respondents come from low-income countries; 36 per cent from lower middle-income countries; 30 per cent from upper middle-income countries; and 16 per cent from high-income countries (see figure A1).²

Half the responses were made by representatives of union federations, almost one in four (24.5 per cent) were from a local union, and nearly one in five (19.1 per cent) from a confederation (see figure A2). The remainder

Figure A1. Respondents per income group

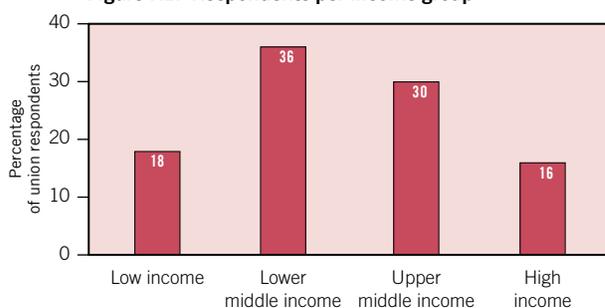
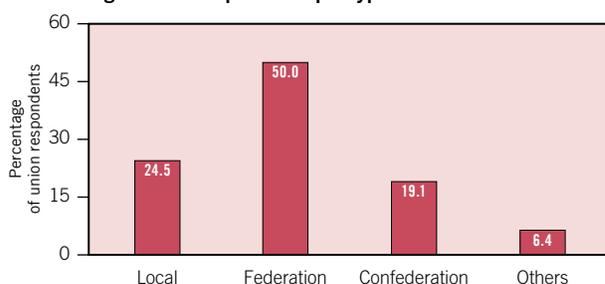
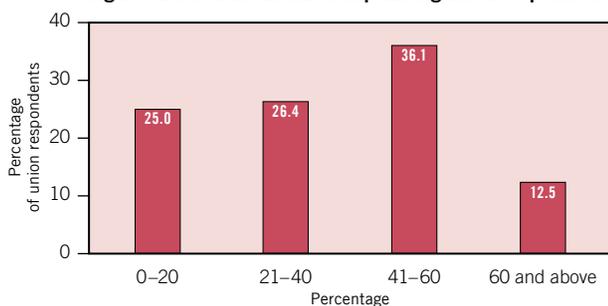
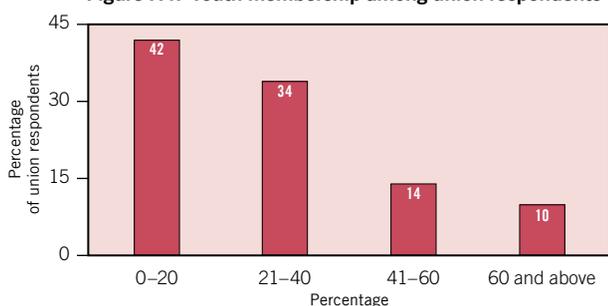


Figure A2. Respondents per type of union



1. Argentina, Bangladesh, Barbados, Botswana, Brazil, Cambodia, Canada, China, Cook Islands, Denmark, Germany, Ghana, India, Indonesia, Japan, Kyrgyzstan, Lesotho, Malawi, Mongolia, Namibia, Nepal, New Zealand, Nigeria, Pakistan, the Philippines, Russian Federation, South Africa, Spain, Sri Lanka, United Republic of Tanzania, Thailand, Tonga, Turkey, Ukraine, the United States, Zambia, and Zimbabwe plus the South African Development Community (SADC) region.

2. World Bank classification, available at <http://data.worldbank.org/about/country-classifications/country-and-lending-groups> (accessed 10 November 2013).

Figure A3. Female membership among union respondents**Figure A4. Youth membership among union respondents**

(6.4 per cent) represent either an association or a regional or interregional organization or a youth council. Forty-five per cent of the unions participating in the survey have been operating from two to 20 years, nearly one in five (19.8 per cent) from 21 to 40 years, and over one in three (35.2 per cent) for 40 years and above. Of the 94 per cent of those who responded to the question concerning their affiliation to a political party, a great majority (78 per cent) stated that they were not affiliated in any way.

In terms of membership, the majority of union respondents (63 per cent) draw their membership from multiple sectors and the remainder (37 per cent) from a single-sector union. The female membership of unions participating in the survey is relatively high. Of the 77 per cent of respondents who reported on their female membership, 36 per cent represent a union with a female membership of 41 to 60 per cent; over one in four with a membership of 21 to 40 per cent and up to 20 per cent respectively, while 12.5 per cent state that their female membership is 60 per cent or over (figure A3).

The youth membership of trade unions participating in the survey is relatively lower than the female membership (figure A4), with the most common definition of “youth” covering those aged between 18 and 35. Of the unions responding to this question (53 per cent), most (42 per cent) report that their youth membership is 20 per cent or less; over one in three respondents state that it is between 21 and 40 per cent; a small share (14 per cent) indicate that it is between 41 and 60 per cent; and the rest (10 per cent) report that their youth membership is 61 per cent or above.