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Why trade unions are declining

Sep 28th 2015, 20:54 by E.H.

SOME 500 trade union members from 90 different unions will gather in Paris for the European Trade Union Confederation that begins on September 29th. They will discuss a range of important topics over four days, from youth unemployment to Europe's migrant crisis. They will also, no doubt, look at grim developments even closer to home. For, with a few exceptions, trade unions' membership numbers have dropped dramatically in the rich world over the last three decades. From a peak of 20m members in 1979 they fell to 14.5m in 2013 in America and from 12m to 6.5m in Britain, according to the OECD, a club of mostly rich countries. European countries, including Germany and France, have also seen huge drops in membership. Why?

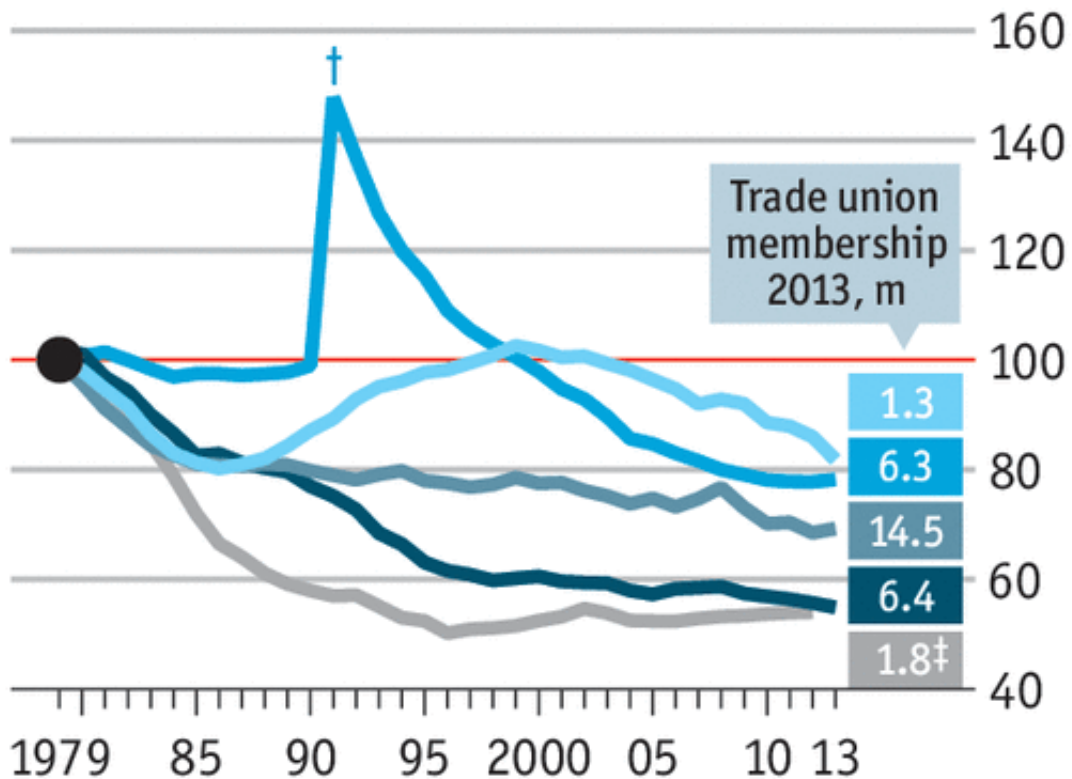


The decline is largely due to structural changes in advanced economies. Total manufacturing employment in America has fallen from nearly 20m in 1979 to 12m today. The kind of workers who have lost out—in particular, unskilled men—were precisely those most likely to be in a union in the first place. And what has sprung up to replace them crimps unions further. If you went to a factory in the 1970s, you would have seen assembly lines of people. Such workers were much more amenable to the idea of "class consciousness". Go to a factory today and you might get a few people monitoring robots and other whizzy bits of machinery. Add to the mix globalisation, which makes it harder for unions to regulate work, the rise of a more flexible service sector, and government policies (such as those imposed by a Conservative-led government in Britain in the 1980s under Margaret Thatcher) and the loss of union clout seems inevitable. More recent reforms to minimum wages and workplace discrimination have also reduced the need to be in one.

Walking out

Trade union membership rates, 1979=100

France Britain United States*
Germany Netherlands



Source: OECD *Survey data †Reunification of Germany ‡2012

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The failure of many unions to respond to these changes has further diminished their power. Few manage to appeal to younger workers or those who are self-employed or work part-time. Faced with declining membership figures, some unions have joined forces with others in an attempt to be more effective. Others yet have tried to modernise: in Britain, for example, UNISON, the second-largest union, now allows people to join online and has created an app which is popular with younger people. It has also changed the way it markets itself to potential members: highlighting services such as free legal advice rather than just its ability to strike. Instead of relying on “stewards” to recruit new members, it advertises in newspapers and on the television. But the pace of change in trade unions has often been slow. Several high-profile unions are still run by leaders who prefer staging industrial action as a means of recruiting new members. This means that membership in the private sector, particularly in America and Britain, has seen a larger drop than that in the public-sector (although the

numbers of private-sector union members has increased slightly more recently in Britain). As the public sector contracts, particularly in Britain, that may make the unions even more vulnerable.

This trend is not universal. In some countries trade union membership has grown: Spain, Ireland and Luxembourg have all seen an uptick in members over the past three decades. Meanwhile there is scope for even more growth in emerging markets. Since 1981, when records for Chile began, the number of people who are members of a trade union there has more than doubled. Between 1992 and 2013 the number of union members in Mexico increased by 25%. Workers at China's manufacturing plants may also increasingly start to organise themselves. And despite the declining number of members, unions in places such as France still hold sway in other parts of the market, determining wages or preventing businesses from expanding. But unless western unions start to widen their appeal, events such as this week's in Paris will become increasingly sombre.

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