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**Social dialogue indicators: an ILO database project**

Invited paper submitted by the International Labour Organisation<sup>1</sup>

**I. Introduction**

1. A database on social dialogue indicators<sup>2</sup> in the ILO is designed to respond to the long-standing and well-documented needs of the social partners, policy makers, academics, and researchers on issues relating to comparative global indicators of industrial relations and social dialogue. It will address the methodological and data source issues that have plagued such attempts in the past.

2. The outputs of this database will include: the development of a reliable and user-friendly database on timely and relevant indicators, the coordination – with an aim toward developing international standards – of existing methodologies and sources in an effort to improve the comparability of data, the integration and collaboration of departments in headquarters and the ILO field structure, and networking and capacity-building efforts aimed at increasing the ability of more countries to collect data where little or no such information currently exists.

3. A long-term objective of this initiative is the drive toward comparability of statistical outputs. The development and promotion of international methodological standards for periodicity, definitions, levels of detail and numerous other issues will significantly impact the comparability of statistics.

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<sup>1</sup> Based on the paper by M. Ozaki and C. Land-Kazlauskas: "Social Dialogue Indicators: A Database on Trade Union Density, Collective Bargaining Coverage and Other Industrial Relations Statistics". Prepared by S. Lawrence and J. Ishikawa.

<sup>2</sup> The first stage of the ILO database on social dialogue indicators is scheduled to examine variables such as trade union membership, trade union density and collective bargaining coverage rates.

## II. Background and Justification

### II.2 Responding to Demand

4. Demand for such information has been steady, and has been coming from numerous sectors of society – from ILO users, academics and policy makers to other international organizations and civil society groups.<sup>3</sup> The paucity of reliable data on variables relating to organization, bargaining and social dialogue is a cause for concern. The ILO is now focussing more attention on maintaining up-to-date information on workers' and employers' organisations around the world; the level, practice and application of social dialogue.<sup>4</sup> Trade union membership statistics come from many national sources; however, there is significant variability between countries in the methods used to collect the data, the definitions used, and the calculation of trade union density rates. All these affect the use of the data and the different purposes they can serve.

5. There is a great deal of consensus among ILO constituents that reliable, user-friendly, readily comparable statistics of social dialogue indicators are necessary. While quality is certainly an issue to which this database will pay close attention, it is generally agreed that the time for the production of such statistics is long overdue. The most current data available in the ILO dates from 1995, published in the 1997-98 World Labour Report.<sup>5</sup> By internalising the data collection and production of these statistics, the ILO seeks to enhance its ability to both respond to client needs in a timely fashion, as well as to provide regular updates, so that the relevance of the data remains strong.

6. Why is the collection and analysis of social dialogue indicators more important than other data that we could collect? In fact, the relevance of these indicators is suggested by their utility for a wide variety of parties and functions. The potential value of this data can be seen from the viewpoints of end-users who are external and those internal to the ILO.

7. Externally, there is a great deal that can be accomplished through the development and use of these statistics. They have an increasing role in measuring the social impacts of globalization, and in the development of social and economic policies related to this phenomenon. Parties engaged in dialogue and policy formation around social issues would do well to integrate these indicators as a means of assessing the realities of freedom of association and collective bargaining within their region, country or locality. The insight gained from such statistics can enable the ILO constituency to distinguish priorities for consideration and action. It can help shape the approach taken to address problems. It may also be used to track trends and ensure the adequate protection of the working population. These data provide a solid quantitative and qualitative foundation around which political dialogue can take place.

8. Internally, social dialogue statistics have been used in a number of instances<sup>6</sup> to quantify the degree to which the positive application of ILO core labour standards and fundamental principles has led to the successful practice of freedom of association, collective bargaining and international development.

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<sup>3</sup> The ILO Bureau of Statistics estimates that they receive approximately 20 requests for trade union membership and related data from external (Non-ILO) users each month. They report that requests for such data have been registered for over 10 years. There has been interest in such data from ICFTU with regard to their current Millennium Review Project.

<sup>4</sup> GB280/WP/SDG/2: 3

<sup>5</sup> More recent statistics, with entries dating from as late as 1998, were made available for the November Report of the Working Party on the Social Dimension of Globalisation (See: GB.279/WP/SDG/2).

<sup>6</sup> Two recent works of the ILO to involve existing statistical indicators in an attempt to measure freedom of association and collective bargaining are: *Your Voice at Work: Global Report under the Follow-Up to the ILO Declaration on Fundamental Principles and Rights at Work and Organization, Bargaining and Dialogue for Development in a Globalizing World* (GB.279/WP/SDG/2).

Such data is essential to the establishment of baselines and the measurement of the decent work deficit. Although other existing indicators have been used to measure social dialogue, their adequacy has been questioned. The ILO publication, *Your Voice at Work* goes so far as to suggest that:

“There must be an improved system of statistics and indicators of progress that assist the ILO to measure the extent to which all those at work have a voice and representational security.”<sup>7</sup>

9. The improvement and proliferation of these indicators will assist the ILO to: establish a “dynamic global picture” of representation and collective bargaining and to draw conclusions about freedom of association; and to assess the efficacy of ILO assistance and identify priorities for future technical cooperation work. This will be key to measuring and implementing the ILO’s strategic objective of Decent Work, strengthening social dialogue. Better information can also serve to strengthen the ILO’s capacity to engage in debate on social dialogue and the social dimensions of globalization in international fora, and in particular with the Bretton Woods institutions, on behalf of its member States.

10. This ILO database project is intended to provide a single, authoritative database on industrial relations issues. A number of efforts are currently being carried out within the ILO to collect data on trade union density and collective bargaining coverage. Many of these endeavours collect such data merely as part of a much larger research scheme. Given the importance of the data, and the many potential methodological problems inherent in its collection at the national level, such statistics cannot be relegated to a small portion of a more broad, extensive study.

### **III. Data collection and verification**

11. At an initial stage, variables collected for this database are scheduled to be trade union membership, trade union density and collective bargaining coverage with as much breakdown as possible:

#### **III.1 Union membership and density**

12. Union membership (thousands) by

- Economic activity according to the International Standard Classification of all Economic Activities, ISIC, Rev. 2 or Rev. 3, to be processed by the consultants into four major sectors: Agriculture, Industry, Trade and Services
- Public and private sector
- Sex

NB: Wherever possible, union membership should be non-retired union members (where union membership covers the unemployed they should be available separately. Labour Force (thousands) by economic sector (as above), sex and age where possible (for many countries these statistics are already available at the ILO)

- Total labour force (NB: For those countries with the unemployed counted as union members, there has to be a breakdown of employed and unemployed within the total labour force figures)
- Or Non-agricultural labour force
- Or Wage and salary earners
- Paid employment in the formal sector

The most pertinent denominator will be decided in order to derive union density rates.

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<sup>7</sup>

ILO, 2000(a): 64. Emphasis in original.

### **III.2 Collective bargaining coverage**

13. Number of workers covered by wage agreements at national (central), sectoral and enterprise level  
NB: with indication of whether the above numbers include administrative extension or other automatic mechanisms of extension

14. Collective bargaining coverage rates (denominator: wage and salaried employees)  
NB: with indication of the dominant level of bargaining and the degree of coordination of wage bargaining (where relevant).

15. The data is expected to be collected at the lowest level of disaggregation available in a given country. This should allow the ILO to ensure that higher-level aggregates for these statistics can be prepared.

### **IV. Methodologies**

16. Proper documentation of the methodology and sources used is very important. For all sources retained, as detailed information as possible is sought with regard to:

- Title/Origin of the source
- Organization responsible for production of the statistics
- Periodicity of data collection
- Objectives and main users (aims of the publication, who are main users targeted)
- Coverage of geographical areas (where relevant)
- Concepts and definitions used
- Method of data collection

#### **IV.1 Issues to be addressed**

17. There are a number of challenges that this project will unavoidably face in developing rational, comparable and accessible statistics on social dialogue indicators. The first phase of the project will confront the various methodologies used by different national sources for reporting industrial relations statistics,<sup>8</sup> and some reconciliation of divergent data from multiple sources will have to be done. Appropriate methods have to be developed so that the ILO can take a standard approach to most if not all countries in the world. Definitions of trade unions and collective agreement coverage have to be established and agreed upon internationally. If the search for universally acceptable definitions is unrealistic and futile, one may try to set out different types of the definitions which the ILO can use.

18. While little can be done during the initial stages of database development to increase the reliability and comparability of data, activities aimed at improving the comparability of these indicators should be undertaken through capacity-building efforts at the national and regional levels, as well as on an international level using the mechanisms of the ILO's International Conference of Labour Statisticians.

19. Increasing the relevance of statistics is strongly linked to strengthening the connection between the original sources and end users of statistics. It is an essential aspect of this database to engage governments and social partners in the debate around issues of meaningfulness, timeliness and comparability. Such a dialogue will encourage the parties to consider the usefulness of these statistics in policy formulation and in debates on the social impacts of globalisation at the local, national and international levels.

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<sup>8</sup> For a discussion of the difficulties faced when working with industrial relations indicators, see ILO, 1997; Visser, 1997; Bamber & Lansbury, 1998

## V. Challenges ahead

20. This ILO project will serve in going a way towards obtaining a response to a long-standing and well-documented demand. Future iterations of this database will need to develop effective means of anticipating and responding to evolving needs of users as well as seeking ways to improve the capabilities of the statistical producers. These improvements are not limited to comparability, but also advances in turn-around time with the collection, analysis and publication of statistics, increasing the levels of detail and developing a schedule for the regular updating and revision of the database.

21. The ILO should work to increase countries' abilities to produce and utilize social dialogue indicators. Beneficiaries of these efforts will include the national statistical offices and Ministries of Labour. Long-term benefits will be realized for all end-users of the social dialogue database through the subsequent improvements in its coverage and reliability.

22. Capacity building efforts must also be undertaken in regions where industrial relations statistics are non-existent due to, amongst others, a lack of resources or expertise at the national level. While the long-term, optimistic goal should be complete international coverage of social dialogue indicators, a more realistic approach is necessary in the short-to-medium-term. In the initial stages, one or several representative countries will be targeted within a region where such statistical reporting systems are lacking. Technical cooperation projects can then be focused on countries with some pre-existing infrastructure, minimising the expenditure of financial and staffing resources.

23. The involvement in a working party at the 17th International Conference of Labour Statisticians (ICLS) in 2003 and a subsequent Meeting of Experts on Labour Statistics, may raise the awareness of the importance of such a database and lead to the long-term aim of the adoption of appropriate guidelines for relevant statistics. Working from the lessons learned through the research stages of the project, and from the guidelines set out in the 2003 working party, recommendations and more comprehensive instruments for guiding the standardization of social dialogue indicators may be foreseen for the 18th ICLS, that is scheduled to take place in 2008.

24. The views of the ICLS, which brings together labour statisticians from national statistical offices, governments, employers' organizations and workers' organizations, would be valuable for the future developmental work. This development work is being done in close collaboration with the Bureau of Statistics; the sole recognized authority within the ILO for technical assistance in establishing and improving data collection and analysis within a member State. This aspect will have obvious implications for all other ILO databases that rely on national statistical data, improving both the quality and coverage of the data which they incorporate into their own work.

25. New indicators<sup>9</sup> should also be developed in future, and innovative ways of quantifying the levels of worker voice outside of the traditional, formal world of work must be envisaged to get an accurate picture of the true levels of social dialogue in developing countries. Maintenance of the database will involve a certain level of anticipating and responding to these important developments, as well as the knowledge base itself.

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<sup>9</sup> The levels at which collective agreements are negotiated is one of the best known indicators of trade union power and worker voice currently being developed. There are a number of methodological problems that must be addressed before such a subjective, situation-specific indicator can be operationalized as an objective and comparable gauge of worker representation.