

# Trade Union Growth and Decline in Asia

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## **Abstract**

*We examine trends in union density and union influence in several Asian countries. Though we find variation in union density, all countries experienced union decline in the 1990s. Asian countries also vary on our new union influence measure. We use a logics of action framework to examine the institutional context surrounding union growth, decline and influence in each country. Based on our examination of how these institutional contexts are changing, and what we know about the strategies of unions, we are not hopeful regarding the near term prospects for reversing union decline.*

## **1. Introduction**

The goal of the paper is to assess, comparatively, the growth, decline and prospects for renewal of trade unions in selected Asian countries. We first examine union density and union influence using a new measure that takes into account both the level and coverage of collective bargaining. We then explain the diverse national patterns of union growth and decline and the levels of union influence that we find, using a new logics of action framework. Finally, we assess emerging union strategies to examine the potential for union revitalization in these countries.

We focus primarily on China, India, Japan, Korea, Singapore, Taiwan and the Philippines. This is a sample of ‘convenience’, in that we chose only those countries for which we could obtain consistent data on density, levels of bargaining and bargaining coverage. On the other hand, these are important countries in Asia (in terms of population or GDP), with relatively large labour movements (in absolute numbers or density), and thus are appropriate for this analysis.

In general, we find that there is variation in union density and levels of trade union influence within Asia and a steady decline in union density in the 1990s in all countries. We explain these patterns of growth, decline and

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influence by referring to the logics underlying the institutional context in which unions operate and how those logics have changed over time. We inquire into the potential for union revitalization through a survey of current trends, and we conclude that Asian unions have much to do before they can reverse the declines in membership and improve their influence.

## 2. Evidence on union density and union influence

### *Density*

We use the same measure of trade union density used in the OECD, i.e. the percentage of union members in the total wage/salaried work-force.

Table 1 contains the data for our sample. The table presents a varied picture of union growth and decline. In Japan and Singapore, trade union density started to decline in the late 1970s. In the Philippines, union membership has varied considerably over the years, decreasing under martial law,

TABLE 1  
Trade Union Density: Selected Asian Countries, 1974–1999 (%)

	<i>Japan</i>	<i>Singapore</i>	<i>Korea</i>	<i>Taiwan</i>	<i>India</i>	<i>China</i>	<i>Philippines</i>
1974	33.80	30.19	16.04	20.49	16.55	NA	NA
1975	34.14	30.42	17.25	21.79	16.64	NA	NA
1976	33.44	31.04	17.97	23.28	16.82	NA	NA
1977	32.68	30.72	18.81	24.47	16.98	NA	NA
1978	32.21	29.74	18.89	24.34	17.16	NA	NA
1979	31.29	29.30	18.48	25.18	17.60	51.80	26.00
1980	31.11	26.79	15.51	26.16	18.17	NA	23.26
1981	30.85	23.65	15.39	27.35	18.00	55.90	25.71
1982	30.52	22.14	15.37	26.77	18.32	64.99	28.28
1983	29.75	20.80	14.80	27.70	18.54	NA	22.14
1984	29.18	19.37	13.74	28.79	18.81	NA	21.60
1985	28.75	20.60	12.77	32.54	19.09	68.99	20.67
1986	28.15	20.67	12.59	34.50	19.36	NA	20.63
1987	27.71	19.30	14.09	39.25	19.60	NA	19.52
1988	26.94	18.55	18.01	41.59	19.79	NA	18.83
1989	26.13	17.83	18.75	43.46	19.57	NA	24.77
1990	25.37	16.88	17.31	49.25	19.40	NA	24.75
1991	24.78	16.44	15.92	51.92	19.22	NA	24.75
1992	24.50	16.78	14.97	52.23	19.07	NA	24.08
1993	24.34	17.13	14.19	52.80	18.91	68.53	24.13
1994	24.25	16.51	13.49	53.21	NA	NA	25.23
1995	23.97	15.58	12.68	50.09	NA	69.76	24.95
1996	23.40	17.10	12.26	48.49	NA	68.79	22.58
1997	22.79	16.38	11.22	45.97	NA	62.25	21.86
1998	22.53	16.89	11.50	44.57	NA	62.15	21.70
1999	22.18	17.99	11.82	44.19	NA	61.56	NA

*Note:* Union densities for all the countries excepting the Philippines have been calculated as percentages of union members in the total wage/salaried work-force. In the case of the Philippines, union density has been calculated as the percentage of union members in the total non-agricultural work-force.

increasing thereafter and decreasing again in 1990s. Korean union density increased after democratization in 1987, but has also declined in the 1990s. In India, although the reliability of official union density data is suspect (Das 2000), data from a variety of different sources show the beginnings of a decline in the 1990s. For example, Bhattacharjee (2001: 22) shows decline in the unions submitting annual 'returns' to the central government. Das (2000) shows that the rate of union growth has declined sharply — in the state of West Bengal, during the nine years (1982–90) in the pre-liberalization period, 4380 new unions with a total membership of 629,151 were registered. In the nine years following liberalization (1991–9) the number was 2686, with 240,624 new members (Das 2000). Thus, the rate of new formation has also decreased in the 1990s. Taiwan and China both show increasing union density in the 1980s but declining figures in the 1990s, particularly after 1995 in the case of Taiwan. The decline in union density in China reported in Table 1 is probably understated. Our separate investigation of the number of union members shows that, while trade union membership increased from 51.62 million in 1979 to 103.99 million in 1995, it declined to 89.13 million in 1998, a 15 per cent drop. The density data in Table 1 show only a 9 per cent drop during the same period.

While there is variation across countries in the pattern of growth and decline prior to the 1990s, the common pattern of decline in the 1990s led us to examine the argument that this decline is due to a change in economic structure with employment shifts from industry to services. The data on economic structure changes (these data are available from the authors, but are also published by numerous international organizations) suggest that the change in economic structure is consistent with declining density in Japan, Singapore and Korea, but not in China, Taiwan, India and the Philippines. In the latter countries, union decline has occurred even as the percentage of employment in industry has been increasing. Thus, idiosyncratic country-specific reasons are particularly important in explaining union density changes in many Asian countries.

There are some problems with using the union density variable *alone* as an indicator of the significance of unions. First, unions in Asia are not homogeneous. They mean different things in different societies. Second, unions are defined differently in different countries. Third, there are differences in how wage employment is calculated. Fourth, union membership data collection systems (national surveys versus data from union reports) differ in their reliability. Hence we use an additional measure to examine the significance of unions in Asia.

### *Union influence*

Our measure, called 'Union influence', is a proxy for labour unions' ability to represent their potential membership as well as their influence in the socioeconomic sphere. We combine two different variables to create our measure.

The first variable concerns union influence in the socioeconomic sphere. We follow the well established literature in using the *level of bargaining* (or the extent of bargaining centralization) as a proxy for union influence on various socioeconomic issues such as unemployment, inflation and inequality (see Bruno and Sachs 1985; Calmfors and Driffill 1988; Iversen 1999; Layard *et al.* 1991; Schmitter 1981; Soskice 1990; Western 1997). There are several problems with measures of the level of bargaining, however. The first is that measuring the degree of centralization or decentralization is not easy, given that some subjects (e.g. wages) are bargained at central level while others (such as working conditions/benefits) may be bargained at the local level. Second, the degree of centralization changes over time. Third, worker involvement in shop-floor decision-making often takes place at times at an informal level. Fourth, the level at which bargaining takes place does not say much about the scope of bargaining (Ruyssveldt and Visser 1996). In our Asian sample, the scope (what the parties can bargain about) in many countries is severely restricted. Although we cannot do much about the bargaining scope issue (we do not have all the data to model variations in scope), we can improve the extent of centralization measure by (a) incorporating the levels of bargaining, (b) identifying which level is dominant, and (c) including changes in bargaining structure over time.

Our second variable is the unions' ability to represent their potential membership. Any such measure must incorporate the bargaining systems' breadth (coverage). *Bargaining coverage* is important because it tells us how many people are actually covered by collective bargaining agreements, a direct measure of union effects.

It is true that bargaining coverage and the levels of bargaining are likely to be correlated. (In general, more centralized regimes have higher coverage.) We still require both measures however, given that in some countries high coverage is due to factors other than centralization (e.g. rules that extend collective agreements to the rest of industry, such as in France). Further, these two variables represent analytically different constructs. Centralization (bargaining levels) is used as a proxy for union influence in the national socioeconomic sphere, while coverage is indicative of union success in representing its membership.

We use data on bargaining levels and bargaining coverage that have been collected by the ILO. Since the ILO data show the levels of bargaining in each nation, which level dominates in each nation, and the trend for the last ten years (the direction of change in bargaining structure), these data are more informative than a simple classification of different bargaining levels in each country used in previous research. These data are shown in Table 2, along with the bargaining coverage data from the ILO. Columns (1)–(3) of Table 2 report the primary data on levels of bargaining, which levels are dominant, and the trend regarding levels. Column (4) shows the percentage of workers covered by collective bargaining agreements — a fairly straightforward measure.

In order to use the ILO data on levels meaningfully, we create a new extent of centralization variable as shown in Table 3. Our scheme assumes a

TABLE 2  
Bargaining Level, 1987–1996, and Coverage Rate, 1980–1995

Countries	Bargaining levels (N/S, C) (1)	Dominant levels (N/S, C) (2)	Trend		Col. barg. coverage (%) (4)
			N/S	C	
			(3)		
China	C	C		i	15.10
India*	N/S, C	N/S, C	s	i	2.00
Japan	N/S, C	C	s	i	24.00
Korea	N/S, C	C			17.00
Malaysia	C	C			2.60
Philippines	C	C		i	3.70
Singapore	N/S, C	C	s	s	18.80
Taiwan	N/S, C	C			3.40
Australia	N/S, C	C	d	i	82.70
Austria*	N/S	N/S	s	i	98.00
Belgium	N/S, C	N/S	s	i	90.00
Canada	N/S, C	C	d	i	37.00
Denmark*	N/S	N/S	s	i	69.00
Finland*	N/S	N/S	s	i	95.00
France	N/S, C	N/S, C	s	i	90.70
Germany	N/S, C	N/S	s	i	91.00
Italy	N/S, C	N/S, C	s	i	83.30
Netherlands	N/S, C	N/S	s	i	76.00
New Zealand	N/S, C	C	d	i	55.00
Norway*	N/S	N/S			74.70
Portugal	N/S, C	N/S	i	i	73.30
Spain	N/S, C	N/S	i	i	76.70
Sweden*	N/S, C	N/S	s	i	87.00
Switzerland	N/S, C	N/S	i		52.00
United Kingdom	N/S, C	C	d	i	54.70
United States	N/S, C	C	d	i	20.70

## Notes:

N/S = national/sectoral level; C = company/plant level.

d = decrease, i = increase, s = stable.

\*India was adjusted according to Kuruvilla and Erickson (2002); Austria, Denmark, Finland, Norway and Sweden were adjusted according to Iversen (1999), OECD (1999), Schmitter (1981), Cameron (1984) and Calmfors and Driffill (1988).

TABLE 3  
The Degree of Centralization Based on Dominant Levels

Bargaining levels	Dominant levels	Centralization degree
N/S	→ N/S	5
N/S & C	→ N/S	4
N/S & C	→ N/S & C	3
N/S & C	→ C	2
C	→ C	1

N = national, S = sectoral, C = company level.

standard degree of difference between each level (which may not be warranted). We then combine the extent of centralization variable and the bargaining coverage variable to create our indicator of union influence. We use the percentages reported in Table 2 (column 4) to express coverage rates as ranging from 0 to 1. When all workers are covered by collective bargaining (100 per cent coverage), coverage takes on the value of 1. Where there is no bargaining at all, the value is zero. Our measure of union influence is the *product* of the centralization (levels of bargaining) variable and bargaining coverage. Its values range from 0 to 5. This measure allows us to make comparisons across countries in a systematic way despite differing conceptions of unions and the imperfections associated with the union density measure in Asia. Further, increases in a country's score on this measure over time will constitute a sign of revitalization of unions, although we do not yet have time-series data for all countries on coverage. We calculate the union influence indicator for both Asian countries and selected European countries to provide a comparative perspective.

It is important to outline what this variable means and how it relates to union density. First, it is reasonable to expect that generally, union density and centralization/coverage are related and mutually reinforcing. Empirically, confederations engaged in national level bargaining with wider coverage rates are normally characterized by high union density and usually have a significant influence on the social agenda and public policy (e.g. Sweden). Similarly, unions in decentralized systems tend to have lower coverage rates (Traxler 1994; Visser 1992), with little power or very limited influence on national decision-making (e.g. USA). Asian unions fall into the latter category. However, there are exceptions to the above rule. Despite a relatively decentralized structure with lower union density (France, Italy), bargaining coverage levels are high. This low-density-high-coverage phenomenon occurs because other institutional mechanisms are used to extend bargaining coverage to non-union firms and sectors. Stable and high coverage suggests that unions continue to have an important role in institutional settings, even if there are temporary declines in membership (Golden *et al.* 1999: 202).

Thus, the union influence variable and union density are likely to be associated, to be sure, but the strength of their association is highly dependent on institutional conditions. In some cases, such as France, the correlation may not be strong, while in others, such as Sweden, the correlation is likely to be much stronger. However, it is true that a minimum level of union density is necessary to generate some degree of union influence (absent unions, there will be no extent of bargaining). Asian countries are generally characterized by decentralized bargaining systems, and should exhibit low densities (thus a strong correlation), but they do not, since the institutional conditions and rules differ dramatically.

We would expect that, in countries with higher union influence scores, employers would have fewer opportunities (given union strength) to oppose union organizing (Freeman 1989; Western 1997). We would also expect that with high union influence there would be, *ceteris paribus*, less inequality, as

unions or other institutions extend union wages to the non-union sector. Similarly, high union influence is likely to be related positively to wage levels and to more voice in national level decision-making. Thus, we see the union influence variable as a symbol of union voice in both national and local decision-making, depending on how high the score is.

Table 4 reproduces the values on our union influence variable for each of the countries, along with union density figures, while Figure 1 shows the relationship between union density and union influence. Values closest to 5 indicate high influence. As the table suggests, Asian trade unions generally score much lower compared with their Western counterparts in terms of union influence. This means that the generally decentralized Asian systems are characterized by very low collective bargaining coverage *and* that Asian unions do not have as much impact on the socioeconomic scene relative to their European counterparts. This is true even in cases where union density

TABLE 4  
Union Density and Union Influence, Selected Countries

	<i>Union density*</i> (%)	<i>Barg. coverage**</i> (from Table 2)	<i>Barg. structure***</i> (from Tables 2, 3)	<i>Union influence†</i> (UI= Col 2 × Col 3)
China	63.4	0.151	1.0	0.15
India	18.8	0.020	3.0	0.06
Japan	26.3	0.240	2.0	0.48
Korea	15.2	0.170	2.0	0.34
Malaysia	12.6	0.026	1.0	0.03
Philippines	24.3	0.037	1.0	0.04
Singapore	19.8	0.188	2.0	0.38
Taiwan	29.1	0.034	2.0	0.07
Australia	41.3	0.827	2.0	1.65
Austria	48.0	0.980	5.0	4.90
Belgium	53.7	0.900	4.0	3.60
Canada	36.7	0.370	2.0	0.74
Denmark	74.3	0.690	5.0	3.45
Finland	74.3	0.950	5.0	4.75
France	12.3	0.907	3.0	2.72
Germany	32.7	0.910	4.0	3.64
Italy	42.3	0.833	3.0	2.50
Netherlands	29.0	0.760	4.0	3.04
New Zealand	43.7	0.550	2.0	1.10
Norway	57.0	0.747	5.0	3.73
Portugal	41.7	0.733	4.0	2.93
Spain	13.7	0.767	4.0	3.07
Sweden	84.7	0.870	5.0	4.35
Switzerland	28.3	0.520	3.0	1.56
UK	41.0	0.547	2.0	1.09
USA	18.0	0.207	2.0	0.41

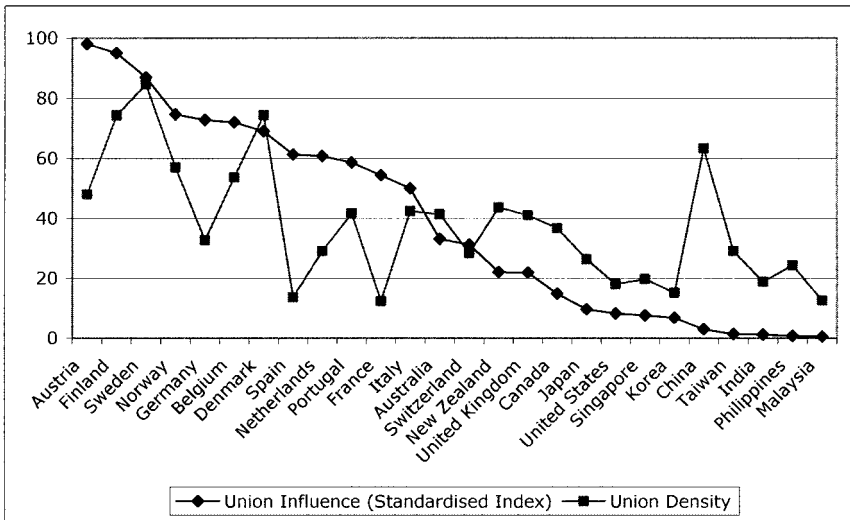
\* *Union density*: average of 1980, 1990 and 1995; China: 1979, 1993 and 1995; India: 1980, 1990 and 1993; Malaysia: 1986 and 1995 (ILO *WLR* 1997–8); Taiwan: 1987 and 1995 (ILO *WLR* 1997–98).

\*\* *Collective bargaining coverage*: for Asian countries except Japan: 1995 (ILO *WLR* 1997–98); for OECD countries: average of 1980, 1990 and 1994 (OECD *EO*, 1997).

\*\*\* *Collective bargaining structure*: during 1987–96.

† Union influence = collective bargaining coverage × bargaining structure.

FIGURE 1  
Union Density and Union Influence: All Countries

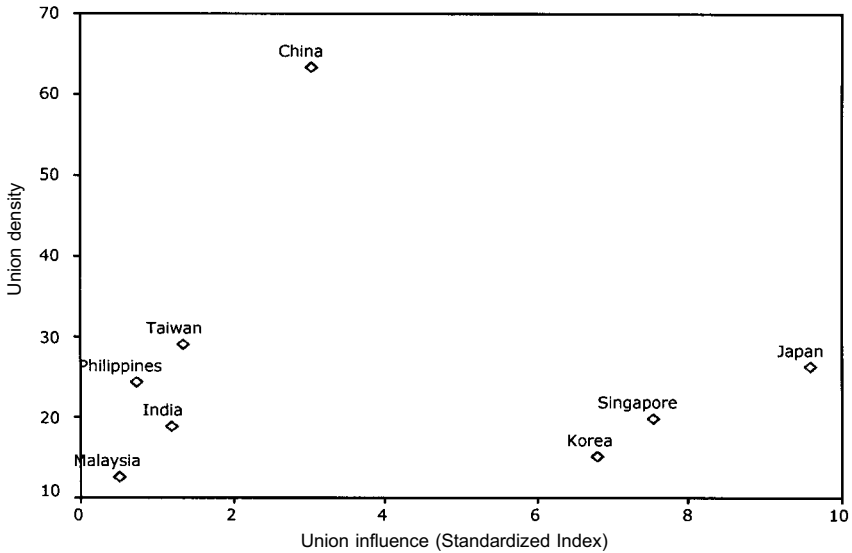


Note: To facilitate comparison, we changed the union influence variable range from 0–5 to 0–100 to be consistent with union density percentages.

is extremely high, such as in China. Figure 1 suggests that the relationship between union influence and union density is not linear. High influence does not guarantee high union density and vice versa. In some countries, such as the USA, Canada, the UK, Japan, Singapore and the Scandinavian countries, there is a close correspondence between union density and influence. In others, influence far exceeds density for a variety of reasons. In France and Spain, coverage is frequently extended by government decree. In Germany and Austria, a labour agreement signed by the employers’ association is applied on all affiliated firms’ employees, whether or not they are union members (Wallerstein *et al.* 1999: 383). In contrast, in Asia, particularly the Philippines, Taiwan and China, high densities exist but union influence is pretty low. Thus, union density figures tend to exaggerate real union influence in some Asian countries while probably understating real union influence in most European countries. In general, Figure 1 highlights the real impact of unions in Asia. From both a comparative and an absolute standpoint, Asian unions have fairly low influence.

However, there is variation within Asia. Figure 2, which magnifies the Asian portion of Figure 1, illustrates this variation. There are two clusters in terms of union influence in Asia. Japan, Singapore and Korea have low densities but score more on union influence relative to India and the Philippines, whose densities are higher than Japan, Korea and Singapore but where

FIGURE 2  
Union Density and Union Influence: Asian Countries



*Note:* To facilitate comparison, we changed the union influence variable range from 0–5 to 0–100 to be consistent with union density percentages.

influence is much lower. Taiwan appears closer to the Indian/Philippine pattern, while China is a clear outlier, with very high density but a very low influence score.

### *Summary*

The data on both union density and our new variable, union influence, suggest the following conclusions. There is some variation across Asian countries in terms of union growth and decline prior to the 1990s. There is, however, commonality across Asia in terms of union decline in the 1990s as shown by union density figures. The data also suggest that, while Asian labour movements, on average, do not lag behind their Western European or North American counterparts in terms of union density, they certainly do so in terms of union influence. In terms of our union influence measure, we see two dominant patterns in Asia: one pattern where union influence corresponds somewhat to union density, and a second pattern where union density differs dramatically from union influence scores. One problem with our measure of union influence is that our coverage data are not time-series data. Time-series data on this variable are not available.

Finally, while it is beyond the scope of this paper to present an extensive validation of the union influence variable, we find that, as expected, it is negatively related to a measure of inequality (measured by the Gini coefficient) in this sample. This and other validation results are available from the authors on request.

In the next section we will attempt to understand what accounts for the different patterns of union growth and decline prior to the 1990s, the commonality in terms of union decline post-1990s, and the variation in union influence within Asia and the lower scores on this variable (relative to Western nations) generally.

### 3. Logics of action and institutional contexts

We argue in this section that the answers to the questions posed above can be found in the vastly differing and changing institutional contexts in which Asian unions operate. To describe these contexts, we rely on the logics of action framework suggested by Frenkel and Kuruvilla (2002), and on prior research on change and transformation in Asian industrial relations (Kuruvilla and Erickson 2002) in which the institutional context is of prime importance.

The Frenkel–Kuruvilla (2002) argument is that national industrial relations configurations (institutions, policies and practices) reflect the interplay of three underlying logics: the *logic of industrial peace*, the *logic of competition*, and the *logic of employment-income protection*. The central idea is that the relative strengths of each of these logics vary over time. Frenkel and Kuruvilla (2002) and Kuruvilla and Erickson (2002) demonstrate how the logic of industrial peace underlay the development of most industrial relations configurations in Asian nations in the 1940s and 1950s. Often the primary focus of industrial relations (IR) policy was on dealing with or reducing industrial conflict, and institutions and laws were configured for that purpose. However, with outward looking development strategies and increased competition associated with foreign direct investment and trade, the logic of competition has assumed greater influence, causing a reconfiguration of IR institutions, policies and practices, which in many cases changed the balance of power between employers and unions. An example of changes would be laws and policies that helped employers manage their workplaces more flexibly, or the suppression of union activity. The logic of employment-income (EI) protection becomes important when either states or unions articulate the need for some degree of employment or income protection, such as protection against layoffs, increased unemployment benefits and increased training and retraining. Often the support for this logic grows after the effects of the logic of competition are felt, such as the increase in unemployment resulting from restructuring. We now confine ourselves to examining how these logics have affected unions in each of the countries, ordering them by the clusters shown in Figure 2.

*Japan*

The salient features of the Japanese industrial relations system are well known, and have included enterprise unions, lifetime employment systems, broad-based training and seniority based wages. (See Berggeren 1993; Jacoby 1993; Kuruvilla and Erickson 2002, for descriptions of the Japanese system.) Thus, it is both the bargaining structures and the internal labour markets developed by Japanese firms that are reflective of underlying logics. The logic of industrial peace was reflected in the stability provided by the national-level wage negotiations via the springtime *shunto*, and the collaborative labour–management relations at the firm level engendered by enterprise unions and legislation on joint labour–management committees at the workplace. The logic of employment-income protection was reflected in the lifetime employment system, particularly for the 30 per cent of workers in large keiretsu. The logic of competition was reflected through various institutions and policies. These included the system of production organization, subcontracting and the keiretsu system that permitted the practice of *shukko* (transferring workers from one company in the keiretsu to another) which resulted in the flexible use of human resources, but also helped to sustain the lifetime employment promise). Several authors have suggested that from the 1960s to the early 1990s the key outcome of the Japanese IR system was the simultaneous achievement of both stability and flexibility (Dore 1986; Kuruvilla and Erickson 2002), implying that the relative strengths of the different logics were roughly in balance. As industrialization grew, Japanese unions flourished, reaching a high of 35 per cent density in the 1970s. Since then, there has been a steady decline in union density, owing primarily to the shift from industry to services. (There was no major change in institutional features.) In 1960, 23.6 per cent of the work-force was employed in industry, while 27.5 per cent was employed in the service sector; in 1980 the figures were 34.6 and 54.4 per cent respectively, and by 1990 the figures were 33 per cent and 62 per cent respectively.

By the late 1990s, all aspects of the Japanese system were undergoing transformation (Kuruvilla and Erickson 2002). Large firms have broken and continue to break the lifetime employment norm and have changed hiring practices (with more mid-career hires and short-term employment contracts), and there are changes in organizational structure towards flatter organizations, eliminating the dual hierarchy system that has existed for decades. There have been changes in corporate governance (Yamakawa 1999: 11), performance is increasingly a bigger determinant of pay than seniority (Lincoln and Nakata 1997: 48), and there is increased wage variation and reduction in pay (Benson 1998: 212; Department of Labour 1998: 4). Clearly, these changes suggest the dominance of the logic of competition in the 1990s. And trade unions have been weakened as a consequence. As Morishima (1999) notes, ‘unions in Japan are currently facing a difficult time with increased membership losses and decreasing membership loyalty’ (p. 11), while Rengo (the predominant peak level federation) is making

efforts to strengthen the industry federations to make up for the weaknesses of enterprise unions by pushing for unification of industrial federations. Thus, the logic of competition is ascendant in Japan, and the logic of EI protection, which was partly a function of the strong internal labour markets, has become weaker during the last decade, resulting in some decline in union density.

### *Singapore*

Singapore's industrial relations system has not experienced rapid or fundamental change (Kuruvilla and Erickson 2002). The basic contours of the system have remained quite stable since the 1970s, characterized by a tripartite industrial relations structure with joint decisions by representatives of labour, employers and government on a number of subjects, notably wages, through the tripartite national wages council. The close ties between the ruling party (People's Action Party) and the unions (National Trade Union Congress) ensured that tripartism was successful. Stability was a key goal of the IR system (Chiang 1988), reflecting the importance of the logic of industrial peace. There was a focus on dealing with conflict. In case of a strike, a call for mediation or third-party intervention would result in the strike being prohibited. Similarly, wage stability was achieved through the efforts of the tripartite National Wages Council.

However, some institutions and rules reflected the logic of competition. The scope of collective bargaining is restricted by legislation — bargaining over transfers, promotions, layoffs and job assignments are not allowed (although some employers and unions routinely bargain on these matters). Thus, this institutional environment (for further details of the environment see Leggett 1993) provided employers with both stability and flexibility at the workplace, while unions remained content with their voice at the national level. This voice has enabled unions to influence the introduction of policies that are consistent with the logic of employment income protection, then and now. For example, during the Asian financial crisis layoffs were minimized as a result of tripartite agreement, but employers were provided financial relief through an agreement that reduced their contributions (temporarily) to the Provident Fund System (government-run retirement benefits). Further, consistent with this logic, Singapore has made training and retraining a national priority, with a national integrated approach to skills development that is noteworthy (Kuruvilla *et al.* 2002).

Singaporean unions have not witnessed any of the sudden decline in union density faced by other nations in Asia in the 1990s. Rather, our data show a steady decline in unionization over the years that is consistent with the shift in employment from industry to services. Employment in the industrial sector decreased from 41 per cent of the work-force in 1980 to 32 per cent in 1997, while the service sector accounted for an increased share of employment (from 56.8 per cent in 1980 to 68 per cent in 1997). The decline is likely to be sharper in 2002, however, given the recent job losses — almost 20,000

workers are expected to lose their jobs through layoffs owing to the low economic growth (*The Economist*, 3 November 2001: 48).

### *Korea*

After years of repression of unions, democratization in 1987 resulted in a surge in union organizing, and militancy. Union density increased from 12 per cent to almost 18 per cent by 1990, alternative union federations were formed, the scope of bargaining expanded substantially, and trade unions, confronted with a management unused to collective bargaining, were able to use their economic power to win substantial nominal wage increases (75.2 per cent for all industries during 1988–90) (Park and Lee 1995: 7; Shin and Wailes 1997: 3). These developments highlight the importance of the logic of employment and income protection in the 1987–91 period. (See Park and Lee 1993, and Kuruvilla and Erickson 2002 for more detailed reviews of the Korean system.) In response, employers accelerated the process of restructuring, as the low-cost competitive model was no longer viable. This threatened employment and union density (see Table 1), reflecting an increase in strength of the logic of competition. The Asian financial crisis beginning in 1997 also resulted in a wave of bankruptcies, restructuring efforts and declining employment. The IMF bailout of the South Korean economy paved the way for far-reaching changes in industrial relations in 1998 (Park 1998). Significantly, labour was given participation in national decisions through the creation of a tripartite commission. The Commission reached an agreement — a social pact for dealing with the economic crisis — with several key decisions on industrial relations. These included (in addition to recognizing the KCTU, an alternative union federation) the establishment of an unemployment insurance fund (\$3 billion) coupled with expansion in the amount and periods of unemployment benefits, collective bargaining rights for the public sector from 1999 onwards, the freedom of labour unions to be active politically. These changes are consistent with an EI protection logic. However, the commission also revised labour laws to permit layoffs (including advance notification of intended layoffs, and obligations of the employer in the case of layoffs) and the ability to use temporary labour for periods up to one year. In addition, the agreement outlawed the long-standing practice of employers' paying the wages of full-time union leaders. As is evident, these decisions reflect the importance of the logic of competition.

The restructuring process and the financial crisis have weakened unions, although the fall in union membership in Korea is not easy to detect, since there has been some increase as a consequence of allowing the teachers to organize (via the tripartite agreement). In addition, perhaps more rapidly than in many other countries, employment in the industrial sector in Korea has started shrinking dramatically post-1997 as Korea moved away from low costs as a source of competitive advantage, and also because Korean firms have relocated to lower-cost areas. This would lead to more union

decline. The service sector, in contrast, has accounted for a steadily increasing share of employment, from 28 per cent in 1960 to 54 per cent today. To some extent, the decline in manufacturing unions is illustrated by the fact that job security was the primary bargaining issue in 1998 in Korea (Kuruville and Erickson 2002).

### *India*

India is a case that our new measure of union influence does not capture very well. Indian union density is not that high and its union influence score is extremely low, although Indian unions perhaps have the most supportive institutional environment in Asia, and have the opportunities to increase their strength, given the steady growth in employment in the industrial sector. The logic of industrial peace and the logic of employment-income protection anchored the development of industrial relations institutions and policies after independence in 1947. It was the strong ties between unions and political parties, within a context of inward-looking import substitution industrialization, that resulted in labour friendly policies. The Factories Act of 1948 laid down highly developed standards of safety, health and working conditions, including mandated child care facilities at large factories. There was a strong focus on dispute prevention, and strikes or lockouts had to be withdrawn if conciliation or mediation was initiated by one of the parties. Laws were extremely protective of workers. For example, the Industrial Disputes Act (1948) required that employers needed prior permission of the government to lay off (layoffs were for a temporary period only and employees were paid a portion of their wages during layoff), or retrench workers (permanent layoffs) or even close industries. Such permission was most often denied by government, given the connections between unions and political parties. (See DeSousa 1999 for a more detailed description of the development of Indian labour law.)

Thus, unions, despite their relatively low density, were protected in the workplace and retained considerable influence at the national level through their ties with political parties, and via their high density in the public sector.

Economic liberalization in 1990 brought about a sea change in industrial relations practices. (See Venkataratnam 1993 for details on the changes.) On the one hand, employers, faced with increased competition, have become more aggressive in their labour relations. In several key industries and firms, union membership has declined as employers have reduced manpower through voluntary retirements, as well as increasing subcontracting. On the other hand, there is an increased schism between the unions and their traditional allies, the political parties. The former opposed economic liberalization while the latter (all parties) supported it. Most importantly, individual state governments are attempting to change labour laws at the state level in order to make it more attractive to foreign investors, resulting in a new employer-business coalition. There are insistent calls from both foreign investors and employers for revamping labour law to make layoffs and

retrenchments easy (referred to as 'exit' policy), a proposal that is pending at parliament. Clearly, the logic of competition is increasing in strength in India, and the institutional environment is less favourable to unions. Although we do not have clear national data showing union decline, data from individual states show clear evidence of decline (Das 2000).

### *Philippines*

Consistent with the logic of industrial peace, labour laws in the Philippines were modelled after those in the United States. During the import substitution phase of Philippines development (1945–60), unions grew in the newly established industries. However, with the accession of President Marcos and the consequent martial law, labour unions were suppressed. The martial law period also contributed to the fragmentation of an already fragmented labour movement, with several federations opposed to martial law in opposition against the Trade Union Congress of the Philippines (TUCP), which Marcos supported. Currently, although the Philippines claims approximately 8000 unions with a total 3 million members, these unions are divided among 173 different federations and labour centres.

Although many labour laws were restored at the end of the martial law period, the unions, weakened by fragmentation and with their strength sapped by martial law, confronted an export-oriented industrialization policy based on the competitive advantage of low labour costs. Thus, employers' policies and practices tended to be based on the logic of competition, and the consequent restructuring, particularly in the early years of 1990, weakened the labour movement further.

Two trends in practices have particularly affected unions. The first is extensive subcontracting, which has created a large pool of casual and temporary workers with little protection. Writers such as Barranco-Fernando (1995) use the terms 'casualization, subcontracting, and informalization of the labour force', the latter a term that unions and activists use extensively in their protests. The second is the tendency of firms to follow aggressive anti-union practices, particularly in the electronics sector, which is the largest export industry. Regional governors too have created anti-union export regions in the Philippines (Kuruvillea *et al.* 2000: 36).

While union density has declined as a result of these activities, collective bargaining has not flourished either (Ofreneo 1994). Most importantly, however, only about 600,000 workers are shown as being covered by collective bargaining agreements in data published by the Department of Labour for 1996. This was reduced to 535,000 in 1999. The Asian financial crisis has accelerated the restructuring, resulting in what Kuruvillea *et al.* (2000: 48) call an 'increasingly small core of permanent workers who work under functional flexibility strategies, and a growing periphery of workers who are the subjects of numerical flexibility strategies'. The logic of competition clearly dominates in the Philippines. Finally, given that all candidates friendly to the labour movement lost their seats in government during the

last election, we cannot expect changes in policies consistent with the EI protection logic either. Thus, the environment for unions is not positive.

### *China*

Until 1978, Chinese IR policy reflected the logic of EI protection to a great degree. Under the well known 'iron rice bowl' system (Chiu and Frenkel 2000; Littler and Lockett 1983; Warner 1987), employees were allocated to state-owned enterprises (SOEs) which guaranteed lifetime employment and a wide range of benefits, including housing and education. Wage levels were set centrally, and the Party played a supervisory role in the factory. All large industries were owned by the state, and they were unionized by the ACFTU (All-China Federation of Trade Unions). The ACFTU served primarily as a transmission belt for state ideology, but was also responsible for worker welfare at the workplace. Through a system of workers' congresses, workers did have some strategic input into enterprise business plans. It is this background that resulted in union density figures at about 70 per cent.

The shift in economic strategy begun in 1978 has resulted in changes in the institutional environment facing Chinese unions (Chiu and Frenkel 2000). First, state-owned enterprises were given autonomy to run their business and make profits. The government withdrew the centralized wage scales and job allocation and permitted the employment of workers on short-term contracts to allow firms to pursue HR strategies that were consistent with their competitive position. Enterprises were also encouraged to link rewards to performance through the use of bonus systems (Child 1995: 163–4), and more recent evidence suggests that this indeed is happening in some state-owned firms (O'Leary 1998). There were several changes in labour law, culminating in a new comprehensive law in 1994 that is applicable to all workers. Prior to this, there were different laws for SOEs (state-owned enterprises) and foreign firms. For example, a 1984 regulation required foreign-invested enterprises (FIE) to pay between 120 and 150 per cent of local enterprises in the same industry (though this does not seem to be applied consistently).

On the one hand, the logic of competition has been gaining ground here and is reflected in these changes. On the other hand, the Chinese state has also been enacting rules and pursuing policies that are consistent with the logic of EI protection. The new 1994 law, for example, mandates labour unions in every enterprise and provides unions with the right to enter into collective bargaining with employers on a prescribed range of matters including wages and working conditions, while also specifying employer support for union activities through a tax on payroll and provision of union offices. The same Act specifies minimum labour standards regarding wages, hours of work, health and safety, and discrimination against women and young workers.

Thus, even though the laws make it easier for employers to follow competitive strategies, including layoffs (which potentially reduce union membership), they also provide support for Chinese unions freely to

organize workers in all enterprises. Empirically, however, union strength has been declining, and the growth of new unions is slow. This is due to three factors. First, despite strong protective new legislation at the national level, there is very weak enforcement at the local level, so it is possible to be non-union. Provincial and district level officials are willing to sacrifice the enforcement of labour standards to attract investment and generate additional jobs (Frenkel and Kuruvilla 2002). Second, employers have become both aggressive and anti-union in the face of weak enforcement, particularly in the low-cost labour-intensive factories producing textiles, clothing and footwear. In these factories, violations of working conditions and dismissals regulations are common. The above points testify to the increasing strength of the logic of competition. Third, the ACFTU itself has not been very active in organizing. By late 1995 there were fewer than 11,000 collective agreements, and even in these cases it is unclear to what extent bargaining actually occurred (Lee 1999: 56). Evidence suggests that Chinese workers have little faith in their unions (Baek 2000: 62). Chan (1998: 35) suggests that the ACFTU has neither the resources nor the trained personnel to vigorously organize the new FIE units. By 1997 only 35 per cent of all FIE units had a union, despite the favourable legislation, and even in those places little bargaining took place. These factors account for the juxtaposition of high (but declining) density and low influence that China experiences.

### *Taiwan*

Prior to democratization in 1987, and similar to China, the logics of industrial peace and EI protection were important in IR policy and practice in Taiwan. Unions existed in all state-owned industries, and the unions' role was to support the state and economic development rather than to bargain. Prior to the 1990s the state provided 70 per cent of the finances of the single union federation, the Chinese Federation of Labour (Pan 1994: 95), and controlled it quite closely. Union organizing in non-state enterprises was marginal, as a large majority of non-state enterprises were small paternalistic family-run firms where union organizing was not possible. An examination of the structure of firms reveals that more than 80 per cent of Taiwan's factories have fewer than 300 employees.

In 1984 the labour standards law was enacted, providing unions increased subjects to bargain over (Lee 1994), and in 1987 democratization ushered in greater freedom of unions from party control. Taiwan's union density climbed from 28 per cent in 1984 to 50 per cent in 1995, the largest increase in union density in Asia. Whereas the 1984 labour standards law prescribed minimum standards regarding working conditions, consistent with the logic of EI protection, the logic of competition was also evident. For example, unions were not permitted to bargain over the introduction of new technology and work standards. And, despite high union density figures, collective bargaining did not take strong root, particularly among craft unions. By 1995 there were approximately 295 collective bargaining agreements for

industrial unions and about six for craft unions. Lee (1994) also suggests that unions in general are not effective at handling employee grievances, and his survey in 1987 showed that fully 60 per cent of those who joined unions did so at the employer's request.

If coverage is low, then it begs the question of why density is high. The reason has to do with the labour insurance and health system for craft workers that the state introduced. The insurance system was provided only through the craft unions, so many craftsmen joined these unions. Kuruvilla *et al.* (2001) shows how the increase in craft union membership corresponded with an increase in labour insurance participation. And, in fact, the increase in craft union membership actually masked a slight decline in industrial unions during this period. Since 1995 membership of craft unions has also begun to decline, as the state introduced a new health insurance law which made the labour insurance system less attractive for craft workers.

In addition to that decline, a number of other factors threaten the Taiwanese labour movement. One is the newly elected Democratic Progressive Party's desire to alter labour legislation. This would force the KMT-dominated unions (who have been subsidized by the party) to collect dues from their members, a key threat to union density. Second, the rise of the DPP has brought about a divided labour movement, given the rise of a new federation (Taiwan Confederation of Trade Unions, TCTU). Third, the structural shift from manufacturing to services continues. The contribution of manufacturing to GDP declined from 46.3 per cent in 1985 to 36.3 per cent in 1995, while the contribution of the service sector to GDP increased from 47.9 per cent to 60.2 per cent. Employment in manufacturing declined from 40 per cent in 1990 to 28.5 per cent in 1997.

Fourth, there is the increase in product market competition for Taiwanese products, forcing firms to lower costs. On the one hand, Taiwanese firms are requesting a loosening of the labour standards prescribed in the 1984 law, particularly in terms of pensions and working hours, as part of their efforts at restructuring to compete effectively in the international market (Pan 2002). On the other hand, there has been a large relocation in manufacturing from Taiwan to the mainland to take advantage of lower Chinese labour costs. In the last year alone, the combined effects of the economic slowdown and relocation to China have caused an increase in unemployment from 2.9 per cent in June 2000 to 5.3 per cent in September 2001. Thus, both industrial and craft unions can expect further declines.

### *Summary*

The institutional features in each nation help us understand why most Asian countries have much lower scores on the union influence variable than their 'Western' counterparts. And, although the union influence variable does not fully capture union activities at the political level, we have seen in these cases that Asian unions do not have much political voice, apart from Singapore and India. The cases also suggest that the patterns of union growth and

decline until the mid-1990s are related to idiosyncratic factors in most countries but are also consistent with the change in economic structure in Japan, Singapore and Korea.

Most importantly, it appears that logic of competition appears to be gaining strength in the 1990s in all countries, resulting in policies, or employer practices, that are detrimental to the labour movement. Almost without exception, the economic environment poses threats to unions. In Japan, where unions have been relatively strong (in terms of both union density and union influence), the recession of the last decade has resulted in the breakdown of traditional employment relations structures such as lifetime employment which has negatively affected union density. In Singapore, the financial crisis and consequent slowdowns have resulted in job losses in unionized sectors. In Korea, restructuring by employers has reduced union numbers dramatically, while industrial relocation to the mainland from Taiwan has also reduced union density and increased unemployment. Moreover, although the Chinese economy is growing and labour laws are favourable, for various reasons the unions are not making any gains. In India established unions are threatened via employers' numerical flexibility strategies coupled with changes in the union–government relationship. In the Philippines, the 'casualization' of the work-force arising from the numerical flexibility strategies of employers has weakened unions considerably. It is against this context that we examine the prospects for revitalization below.

#### **4. Prospects for revitalization**

Given the patterns of union decline and the dominance of the logic of competition (currently) in most countries, we argue that revitalization of trade unions will depend heavily on two issues: (1) whether, by union action or government policy, IR institutions are reformed, based on an increasing strength of the logic of employment-income protection, and (2) what unions do by themselves in terms of new strategies to increase their numbers, or their influence in both national and bargaining terms. Although these two issues are related, we discuss them separately.

##### *Are changes in IR institutions likely?*

We will look here for signs of a strengthening of the logic of industrial peace or the logic of EI protection, either because unions have pushed for them or because governments have acted proactively to contain worker discontent. If the strength of this logic increases, then it is likely that IR and HR institutions will be reformed (at least in part) to be consistent with this logic. In Japan, currently, we do not see much of a strengthening of the logic of EI protection. Rather, as Kuruvilla and Erickson (2002) suggest, the Japanese IR system is in the middle of a fundamental transformation towards a direction more consistent with the logic of competition.

In Korea, the new industrial relations arrangements agreed to by the tripartite commission after the financial crisis represents a strengthening of the logic of employment-income protection (e.g. for the introduction of unemployment insurance). But the strengthening in this logic is accompanied by a strengthening of the logic of competition as well (e.g. for the freedom of employers to lay off).

In Singapore, the tripartite arrangement will ensure that unions have a voice, even if their numbers decline. Further, as Wong (2001: 5) suggests, unions in Singapore have shifted their priority from employment security to 'employability' — which we think is a more dynamic position and one that is consistent with the EI protection logic. The NTUC in Singapore has commenced several programmes such as the Skills Redevelopment Programme, which focuses on the older and less skilled workers who have not been able to keep pace with changing technology (Wong 2001). The union has also set up an educational and training fund, raised through donations from members, to help workers take up training on their own. The Singapore government has offered to match every dollar raised with three dollars from public funds.

In India the logic of employment-income protection is manifesting itself in several ways. To alleviate the negative employment effects of restructuring, a National Renewal Fund was established in 1997 to provide counselling and job training, the first step in an active labour market policy that is likely to be deepened (Venkataratnam and Naidu 1999). Although the BJP (Bharatiya Janata Party) government announced plans in 2001 to change labour legislation to promote workplace flexibility, this has not yet been discussed and ratified in parliament. Instead, the government introduced a policy to increase separation benefits, in line with an employment-income protection logic. In addition, the unions and their political supporters have maintained legislation protecting employees in the formal economy from layoffs and dismissals, and from other arbitrary management action (see Frenkel and Kuruvilla 2002).

In the Philippines, following the Asian financial crisis there was a surge in tripartism where the unions, employers and government issued a declaration asking employers to use layoffs only as a last resort. Ofreneo (2000) observes that this was successful, although others argue that there is nothing to sustain such tripartism. The resurgence of tripartism after the Asian financial crisis was not confined to the Philippines. It was strong in Korea, and even stronger in Malaysia, which had also seen declines in union numbers in the 1990s. For a description of such resurgences after the financial crisis, see Erickson and Kuruvilla (1998).

In China, the new industrial relations laws promulgated in 1994 were underpinned both by logics of competition and by EI protection. The right of unions to enter into collective bargaining agreements, financial support for the union (2 per cent of the wage bill of every firm is set aside for union expenses, and the union must be provided with an office on the premises) and minimum labour standards regarding wages, hours of work, health and safety and discrimination against women and young workers have

established a strong baseline from which unions can revitalize themselves. However, poor implementation and lack of union initiative militate against a further strengthening of the EI logic. Recognizing this, perhaps, the Standing Committee of the National People's Congress (the country's top legislative body) is currently (December 2001) considering six new draft laws to strengthen trade unions in China, including heavy punishments for violations of union rights. Thus, despite Frenkel and Kuruvilla's (2002) depiction of the overwhelming strength of the logic of competition in China, the government is reacting to it in ways that are consistent with a strengthening of EI protection logic. In Taiwan, we do not yet see signs of a strengthening of this logic.

Although we view these developments suggesting a strengthening of the logic of EI protection as a harbinger of institutional change that might benefit unions, our assessment is that they are relatively small developments. The logic of competition remains dominant. It is possible, consistent with the Frenkel–Kuruvilla (2002) argument, that the logic of EI protection might increase further in strength with the continued impact of policies and practices consistent with the logic of competition. As things get worse, there will be increased pressure by workers/unions for change, but it is difficult to say when this might occur in each country.

#### *What are unions doing to revitalize themselves?*

Unions can also increase their influence, both in the national socioeconomic sphere and in bargaining, in several different ways. We highlight below selected new trends, based on a review of recent literature. These trends include increases in union autonomy, a renewed emphasis on organizing, changes in union structures, alliances between unions and civil society groups, increased member servicing, and internationalization of union activity.

We do not claim that this is an exhaustive or representative list of what unions are doing. In addition, since these trends are relatively new, it is too early to gauge their impact. Hence we are appropriately cautious in how we interpret these trends *vis-à-vis* union revitalization.

First, in several countries there has been an increase in local union autonomy. In India many unions in the Mumbai region have disassociated themselves from the national federations to pursue a more economic collective bargaining agenda (Bhattacharjee 2001). This represents a departure from political unionism and external leadership that has been characteristic of unions in the past, and represents a new kind of economic activism. In Korea, the increase in union autonomy first occurred after democratization, but has intensified since then (Song 2001). In China, many local unions function with a high degree of autonomy from the ACFTU, although they must be affiliated to it (Chiu and Frenkel 2000). With the gradual withdrawal of the KMT party in Taiwan from their labour control strategy (personal interview with Shih-Wei Pan, general secretary, Chinese Federation of Labour (CFL), Taiwan, 1999), and with the rise of alternative federations to

the CFL, coupled with the elections of the DPP (Democratic People's Party), Taiwanese unions have become more independent of national federations. We interpret these movements towards independence as reflecting local union efforts to pursue an economic and self-interested strategy. This movement also represents a freedom from control by federations whose interests are often different from those of local unions. Further, this movement strengthens local bipartite industrial relations. In a few countries where we have anecdotal evidence (e.g. India), we find that this independence has resulted in collective bargaining gains (Bhattacharjee 2001).

A second trend concerns the renewed interest in organizing in both the formal and informal sectors in all countries. Union decline and the threats imposed by economic globalization have served to stimulate union self-examination in several countries. Thus, there is talk of new efforts at organizing in most countries. For example, the leaders of the ACFTU in China have directed all union leaders to go out and organize (Frenkel and Kuruvilla 2002). In some areas (e.g. export processing zones in the Philippines) there has been increased organizing activity. And there has been a new focus on organizing contingent, part-time and informal sector workers everywhere.

Organizing the unorganized (particularly those in the informal sector) is a significant development. As Bhattacharjee (2001) points out, as firms follow more numerical flexibility strategies, there will be an increase in the informal sector work-force. In India there is 'no other way but to increase membership by organizing vulnerable workers in the informal sector' (Bhattacharjee 2001: 1). The number of contingent workers has increased dramatically in Korea, and different estimates suggest that the number ranges from 25 to 50 per cent of the work-force in 2000 (Chang 2001), depending on how contingent workers are defined. Unions have made important changes in their constitutions to allow them to organize these workers (Song 2001), and many unions (e.g. in Chosun Hotel and AC Neilson Korea) have allowed the workers of subcontractors to be a part of the union.

In Japan, the primary trade union federation (RENGO), has made organizing independent workers, workers in small enterprises, and part-time and temporary workers a priority. Although by 2000 there has not been any appreciable increase in overall union density in Japan as a result of this new drive, there has been an increase in some sectors, notably in the textiles and garments sector and the food and allied workers sector. The primary union in both sectors here is Zensen Domei (The Japanese Federation of Textile, Garment, Chemical, Mercantile, Food and Allied Industries Workers Unions), and the increase in their numbers has come primarily from organizing part-time workers.

In several countries new unions have formed, even though overall density continues to decline. In Korea there has been a growth in women's and teachers' unions, while the well documented activities of SEWA in India in the informal sector has brought about parallel developments in several other countries (ILO 2000), particularly among domestic workers in Hong Kong and migrant workers in Hong Kong and the Philippines (Swider 2000).

Although we think that new organizing is a sign of union revitalization, we do not have evidence of the success of these efforts in every country. And we are mindful of the problems too. As Song (2001) suggests, local unions may often be too weak, in financial terms, to focus on extensive new organizing, and many national labour movements are not well endowed with funds (Suzuki 1998).

A third trend is the change in union structures. There is a discernible movement towards strengthening peak-level federations through co-ordination arrangements or via consolidation of union structures. In particular, a number of union mergers have taken place in Japan (Zensen Domei is one example) and several more have been planned for the year 2003 (Kuruvilla and Erickson 2002). Further, for the first time there is a new network of enterprise unions called Roren, whose objective is to co-ordinate bargaining against a focal employer. The highly fragmented Philippine labour movement has recently commenced attempts at union consolidation and co-ordination, although the movement is slow (Kuruvilla *et al.* 2000). Union co-ordination has been discussed between two major federations in India (Hiers and Kuruvilla 2000). In Korea, there has been some consolidation of public-sector federations, and in the banking industry there has been a shift in the level of bargaining from enterprise level to industry level.

We see these movements towards consolidation and re-centralization as a key dimension of union revitalization efforts. Such consolidation, arguably, helps to increase union influence at the national level. The efforts in the Philippines and India are based on this notion, along with the need to counter the growing clout of employers. In Japan, Inoue (2000) suggests that the consolidation in Japan is to increase union political voice. Thus, while we see union autonomy as being good from a local bargaining perspective, we see the movement towards peak-level co-ordination as being important from the perspective of national voice and influence.

However, the movement towards consolidation/recentralization continues to be threatened by the strong pressures for decentralization in industrial relations. The movement towards increased decentralization is driven by employers in search of appropriate agreements to maintain competitive advantage, and this has been a worldwide trend (Katz 1993). The continued fragmentation of unions and rivalry between unions in many countries also militates against recentralization/consolidation efforts. For example, there is not much hope of co-operation between the two major Korean trade union federations (Federation of Korean Trade Unions and Korean Confederation of Trade Unions). In the Philippines, the two primary labour centres (Trade Union Congress of the Philippines and the Kilusang Mayo Uno) have been at loggerheads for over 15 years. In India, two of the largest federations — the All India Trade Union Congress and the Indian National Trade Union Congress — are only now talking about concertation, although there is rivalry among other federations. In Taiwan, the CFL (Chinese Federation of Labour), hitherto controlled by the Kuomintang party, has a new competitor in the Taiwan Confederation of Trade Unions (TCTU),

launched in 1997, recognized by the government in 2000 and affiliated to the Democratic Progressive Party now in power. The TCTU now comprises 18 unions and represents 270,000 members. For Asian labour movements to strengthen themselves, these federations must work together.

A fourth trend concerns alliances between trade unions and other civil society groups, notably women's organizations and environmental groups. This is most developed in Korea, although it is present in other nations also. A recent analysis of social movements in Korea (Kwon and Yee 1998), reveals that both Korean federations have been involved in alliances with civil society groups on a number of issues. Given in particular the growth of the contingent work-force, and the fact that women form the majority of that work-force, Korean unions have focused heavily on women's issues and have collaborated with groups such as Korean Working Women's Association, and Women's Link to fight discrimination. One successful example of the collaboration between labour unions and environmental groups has been the shifting of the Sa-yun dam in Ulsan.

Other successes include union collaboration with civil society groups on the abolition of the national security act; solidarity for contingent workers; abolishing the system of headship of the family; and people's action for the reform of unjust SOFA (US status of forces agreement). In China, for the first time, the ACFTU has been focusing on the issues of women workers, co-operating with various NGO groups. We do not have more information about the links between unions and civil society groups in other countries, but a recent ILO report (ILO 2000) argues that such links are growing everywhere. This linkage between unions and civil society groups is an important area for future research.

A fifth trend is the efforts of unions to be more relevant in their members' personal lives in order to retain member commitment. Union actions to meet these goals take various forms. In Singapore unions have for a long time focused on welfare benefits for members, such as lower priced textbooks for members, union-owned co-operative stores and union-sponsored health insurance. More recently, unions have made it a priority to work with the employers to improve health insurance, and to contribute to community development through fund raising, volunteerism and providing education grants to needy families (Wong 2001). In Japan, Inoue (2001) suggests several new initiatives by Japanese unions beyond their traditional focus on union-provided health care and retirement plans. One such initiative involves a new conception of life-long welfare, with help for members for marriages, births, housing, health management and retirement. In general, what we see here are efforts to broaden the attractiveness and relevance of unions to other members of society. However, the richer labour movements in Asia (Japan, Singapore) appear to have made more headway than poorer unions.

A sixth trend relevant to the revitalization question in an increasingly globalized world concerns labour transnationalism (union collaboration across national boundaries) in Asia. Recent reviews (Suzuki 1998) of Asian

labour transnationalism suggest, on the one hand, an increase in cross-border contacts generally, some successful bilateral union collaborations, an effort to create an Asia-wide union council within a multinational corporation, and a general increase in cross-border communication and contact. On the other hand, these reviews also suggest four major obstacles to transnational union activity: (1) national legislation that restricts transnational activities; (2) the absence of a well funded treasury which only Japanese and Taiwanese unions appear to have — Suzuki (1998) notes that richer unions tend to be more international in their outlook; (3) the general unwillingness of employers to bargain at the regional level; and (4) the absence of transnational bargaining bodies.

Our own view is that the essential preconditions for successful international co-operation do not exist in Asia. Gordon and Turner (2000), in their book on transnational collaboration across unions, note that an essential precondition for the success of international co-operation is the need among unions and workers for a perception of interdependence. They note (p. 257): ‘such a perception, it seems, must be based on a commitment to a shared goal the attainment of which is contingent on the co-operation of individual organizations from different countries’. Such a perception is notably absent in Asia.

Two factors are important here. The first is that, unlike in Europe and in North America, there are no transnational structures that will force unions to collaborate more in Asia. EC-level institutions and laws, combined with already strong national unions, have resulted in the growth of transnational bargaining structures such as European works councils. Labour transnationalism in the North American Free Trade Area (NAFTA) has not progressed very much, partly because of the lack of efforts by the unions themselves, and partly because of the absence of favourable institutions such as those in Europe. Yet NAFTA, through its *rules*, creates ‘spaces’ and ‘platforms’ for union collaboration (Compa 1997: 50). In Asia, where the most advanced plans for regional integration are to be found in AFTA (ASEAN Free Trade Area), there has been no discussion with respect to labour issues. Thus, regionalization has not helped in creating the sense of interdependence that Gordon and Turner (2000) highlight.

A second factor inhibiting the concept of interdependence is the difference in goals between unions and other informal groups. Although transnational activity among citizens’ groups has increased dramatically (e.g. the international toy campaign), Asian unions have not been integrated into these transnational networks. For many established unions (such as RENGO), internationalization means strengthening the ability to bargain on an international basis. As such, they focus on the already organized and established sectors in the economy. NGOs and other citizens’ groups (e.g. the Asia Monitor Resource Center) call for international solidarity that promotes workers’ rights in unorganized and informal sectors, including small businesses that do not fall under most countries’ labour laws. The goals of unions and informal groups are quite different, although there are some

small efforts being made to bridge this gap. But this divide also inhibits development of the sense of interdependence.

To conclude, on the one hand, there is reason to believe that the logic of employment-income protection may grow to an extent that IR and HR institutions may get reformed partially to be consistent with that logic. This may help revitalization. Further, the attention to organizing, consolidation of union structures, improved member servicing and increased transnationalism, if continued, might help stem the tide of decline. On the other hand, we do not know at this point when the institutional environment will change in the different countries, and it is not clear that labour movements in all Asian countries are equally capable of making progress on their own revitalization efforts. And, as we argued earlier, it is still too early to judge the effectiveness of these new actions by unions. Based on the available information, we are not convinced that the trends mentioned above are, in and of themselves, sufficient for successful revitalization.

## 5. Conclusions

The data reviewed in this paper suggest that, while union density varied considerably, all the countries in our sample experienced a decline in union membership during the 1990s. Despite varying levels of union density, most Asian unions score very low on a new measure of union influence, in both absolute terms and compared with unions in the West. We relate both these findings to changes in the strength of the logics underlying IR and HR institutions, policies and practices in these countries. We find that the logic of competition has increased in strength during the 1990s, causing policies and practices to be reformed in terms of that logic, which partially explains the declines in union density in the 1990s. The prospect for revitalization depends on changes in the underlying logics as well as actions by unions. While there is cause for hope in that unions have begun a process that may help them to rejuvenate, the new strategies they have adopted have not yet had much impact in stemming membership losses. In the near term, therefore, we are pessimistic about successful revitalization. However, one caveat is that more in-depth comparative field research on what labour movements in Asia are doing is necessary to make a more definitive prediction.

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