

COLLECTIVE BARGAINING: LEVELS AND COVERAGE*

A. INTRODUCTION AND MAIN FINDINGS

Industrial relations systems, operating at national, sectoral and local levels, play an important role in determining economic and labour market performance. They constitute a “web of rules” relating economic agents who, while pursuing their self-interests, generally find it beneficial to reach a degree of consent and some form of (more or less conflictual) co-operation. In providing procedures for consensus-building and conflict resolution, these arrangements are shaped by specific national legislation and labour market conditions, and by each country’s prevailing attitudes towards work, conflict and co-operation.

There are many ways to analyse systems of labour relations in OECD countries. For example, Chapter 4 of the 1991 *Employment Outlook* examined trade union density (the proportion of workers who are union members), and noted widely differing rates of unionisation across countries, ranging from around 10 per cent in France to over 80 per cent in Sweden.

Union density is just one indicator of the character of a country’s industrial relations system. The extent to which employees are covered by collective agreements concluded at various levels – national, regional, sectoral or company – is another important feature of the system by which wages and other employment conditions are set. In many countries, workers who are not union members are in fact – through extension and enlargement provisions both within and outside the bargaining unit – covered by the terms and conditions of union contracts. In addition, strong unionisation in a sector or geographic area may induce non-union employers to offer terms and conditions similar to those found in collective agreements.

Key features of collective bargaining arrangements are outlined in Section B. Irrespective of the level at which bargaining takes place, a central goal is to reach compromises and agree upon rules for facilitating

conflict resolution. Importantly, collective negotiation over the terms of employment can also have the function of providing “collective goods”, the nature of which will depend on central features of the bargaining system. For example, multi-employer bargaining can facilitate certain kinds of economic restructuring through provisions on training and skill formation, where both market and government “failure” are likely impediments [OECD (1993); Soskice (1990)]. It may also standardize employment conditions, taking wages out of competition. Nothing, however, guarantees that such collective goods will actually be produced and, even if they are, worker and employer organisations may not attach the same values to them. Apart from discussing these factors, Section B introduces the various levels at which bargaining can occur and the concept of co-ordination between levels. Institutional, structural and economic factors which determine the spread and scope of collective bargaining are also outlined.

Section C presents the available information on collective bargaining coverage (and unionisation rates) for OECD countries. Several findings are of particular importance. First, in 12 out of 17 countries for which data (referring generally to 1990) were available, at least two-thirds of employees are covered by collective agreements. Second, as is the case with rates of unionisation, coverage rates vary widely: the Nordic countries and most of continental Europe have a much higher level of coverage than North America and Japan. Third, while a high rate of unionisation leads, by definition, to a high coverage rate, the opposite is not necessarily the case. For example, the unionisation rate in France and Spain is roughly 10 per cent, yet collective bargaining coverage is 92 and 68 per cent, respectively.

The empirical findings of large differences in coverage across countries and of considerable variation between unionisation and coverage within countries is *prima facie* evidence of the importance of institutional factors. Section D, therefore, explores some of these in greater detail. Three elements of collective bargaining

* This chapter is based on a draft by Dr. Franz Traxler from the University of Vienna, using data received from private consultants and national statistical offices. The chapter also uses a data set on trade union density supplied by Dr. Jelle Visser from the University of Amsterdam.

that are particularly important are examined: *i*) the prevailing level at which collective agreements are concluded; *ii*) the degree of co-ordination between levels; *iii*) the importance of extension mechanisms. Countries characterised by single-employer bargaining, such as Canada, Japan and the United States, tend to have lower coverage rates compared with countries where bargaining is conducted at higher levels and where employer organisations and union federations are strong. Strong unions, however, are not necessary for high coverage rates. For example, relatively high rates in Belgium, France and Portugal seem partly attributable to the importance of extension mechanisms in these countries.

In light of the findings on bargaining levels and extension mechanisms, there is some reason to believe that if the provision of “collective goods” is an important factor in attracting employers to collective bargaining, it is more likely the case for multi-employer bargaining. This is because industry-wide agreements tend to take wages and other working conditions out of competition, and because the bargaining is more distant from the enterprise and therefore tends to place fewer restrictions on managerial prerogatives such as work assignments,

Other economic and institutional determinants of coverage rates, such as sectoral characteristics and firm size, are addressed in Section E. While coverage varies across industries – with manufacturing and transportation tending to show the highest coverage rates – the degree of cross-industry variation is rather dissimilar across countries: high in systems where single-employer bargaining is predominant and comparatively low in most countries characterised by multi-employer bargaining.

Section F examines an important issue for policy-makers: has there been a trend in recent years towards decentralisation in collective bargaining, and in labour relations more generally? If so, this should take the form of increased bargaining at the enterprise and/or establishment level. The empirical evidence, largely qualitative, is mixed. Some countries, such as the United Kingdom and New Zealand, have moved in this direction with a significant decline in multi-employer forms of bargaining. The evidence is less clear for most other countries, some of which have moved towards centralisation and decentralisation simultaneously, depending on the issues involved.

Section F also examines the hypothesis that the past decade has witnessed an important trend towards deregulation of labour relations and markets. The argument here is that, for a variety of reasons, individual employment relations are increasingly replacing collective agreements. The limited time-series data on coverage rates suggest a more nuanced view. In some enterprise-centred systems (*e.g.* in Japan and the United States) or in countries where major institutional changes in policies have occurred (*e.g.* New Zealand and the United Kingdom), there has been a clear decline in coverage. By contrast, in countries such as Germany, Finland and Spain, coverage has been rather stable, while it has increased in France and Portugal.

Based on the findings of this chapter, it seems appropriate to regard bargaining systems as governance institutions in their own right. To cope with economic challenges, they provide the actors with a range of specific options: for example, complex bargaining systems may allow decentralised negotiations over some issues, while maintaining more centralised bargaining in other areas. Clearly, collective bargaining in OECD countries is not evolving along the lines of a single model. Rather, the available evidence seems to point to continuing cross-country differences in bargaining structures rather than convergence,

B. CENTRAL FEATURES OF COLLECTIVE BARGAINING

Collective bargaining is a process of decision-making between parties representing employer and employee interests which implies the “negotiation and continuous application of an agreed set of rules to govern the substantive and procedural terms of the employment relationship...” [Windmuller *et al.* (1987)]. In most OECD countries, basic rules pertaining to collective bargaining are laid down in labour law, although there are important differences in the extent to which governments intervene in labour-management relations.¹

Bargaining takes place in many forms. For example, it can occur between trade unions and individual companies (single-employer bargaining), or between union federations and employer associations (multi-employer bargaining). Moreover, these levels are not necessarily mutually exclusive: different issues can be taken up at different levels. Unions in the **United States** tend to bargain with company management over detailed terms of employment. In countries with a tradition of “corporatism”, trade union confederations often negotiate national wage agreements with central employer organisations and sometimes enter into additional agreements with governments establishing wage or incomes policy guidelines. Japanese enterprise unions each year launch wage claims in their common *Shunto* offensive; German industrial unions negotiate industry-wide agreements by region; and in Australia, unions and employer associations argue wage cases before arbitration tribunals.

In all of these cases, the goal is to agree upon rules to facilitate compromises between conflicting interests over the terms and conditions of employment. Creating institutions to improve the bargaining position of workers has historically been an important impetus to collective bargaining. In replacing unilateral decision-making by the employer, bargaining has introduced an element of industrial democracy into the workplace [Cordova (1990); Windmuller *et al.* (1987); Traxler (1991)].

As a rule, however, some asymmetry of bargaining strength continues to exist in market economies, leading to different employer and employee preferences in bargaining arrangements. For workers, collective relations provide a protective function (ensuring adequate wages and working conditions), a voice function (influencing personnel and labour relations practices), and a distributive function (sharing in the fruits of technological progress and productivity). By contrast, employers may try to maintain individual employment relations, since they might expect to enjoy a bargaining advantage over employees. In addition, they might find bargaining time-consuming and inimical to their desire for managerial flexibility.

It would, however, be misleading to suppose that it is simply at the urging of workers and trade unions that employers have entered into collective bargaining. While as a rule it is true that the formation of unions preceded that of employers' associations, there are important examples where the initiative for multi-employer bargaining historically came from business [Windmuller *et al.* (1987)]. In addition, in a number of countries (particularly in continental Europe), collective bargaining has shown considerable stability over the post-war period. If employers' participation were mainly or solely enforced by union power, one would expect a significantly higher volatility over time.

A positive incentive for many employers to accept collective bargaining is that it can facilitate the provision of collective goods (over and above that of social peace) that otherwise might not be produced. Several types of collective goods can be noted, depending on the structure of collective bargaining. In the case of single-employer bargaining, the parties may share a common interest in the prosperity of the enterprise. If management recognises the employees' chosen representatives as a bargaining partner of equal standing, this may help "manufacture consent" and enhance compliance with the company's goals – leading to "productivity coalitions" which in turn may improve company performance [Windolf (1989)].

As for multi-employer bargaining, industry-wide collective agreements tend to standardize wages and working conditions and so produce a latent cartelisation among employers insofar as they take wages out of competition.² It has also been suggested that higher-level bargaining arrangements can weaken management resistance to unionism, partly because the union wage premium will likely be lower than under single-employer bargaining [Blanchflower and Freeman (1992)].

Multi-employer bargaining may also facilitate modernisation and restructuring. Such bargaining structures are sometimes seen as one way to overcome certain market failures [Soskice (1990)]. As recent examples from countries as different as Australia [Mitchell and Scherer (1993)], Germany [Jacobi *et al.* (1992)] and France [Goetschy and Rozenblatt (1992)] indicate, this may be particularly true for occupational training where

joint regulation by collective agreement, often including mechanisms for collective financing, can prove complementary to State and company programmes [see, for example, Streeck (1988a)]. Wage policy is another example. While multi-employer bargaining may be used as an instrument of wage restraint aimed at protecting employment or attracting investments, in some cases a general high-wage policy has been used to trigger economic restructuring. For example, one argument in support of Sweden's "solidaristic" wage policy is that it encouraged labour to move away from firms with low productivity, and thereby raise the productivity of the exposed sector of the economy [Meidner and Hcdborg (1984)].³

Apart from the interest it holds for individual employers, bargaining with trade unions is often held to be beneficial for the overall economy and society. For example, labour legislation establishing ground rules for collective bargaining was in many cases initially promoted with the intent of ensuring stability and social peace. Also, the "autonomous" regulation of employment conditions by strong bargaining partners can free governments from immediate responsibility in this domain, thereby increasing the legitimacy of the political system [Müller-Jentsch (1983)].

The fact that certain collective goods may be important to both employers and employees does not guarantee that they will be produced. Moreover, the value each party attaches to such goods may vary considerably with the economic environment and the particular strategies adopted by businesses to cope with that environment. In the case of single-employer bargaining, for example, companies may develop human resource strategies as an alternative to union recognition [Jacoby (1990)]. Incentives to opt out of bargaining may also arise if inter-enterprise wage differentials reach a critical level not offset by productivity differences [Blanchflower and Freeman (1992)]. This can also be true in multi-employer bargaining when, for example, a critical number of employers remain outside the collective agreement, benefiting from a lower wage bill. In addition, the effectiveness of collective agreements in encouraging on-the-job training can be weakened if firms outside the agreement engage in poaching the trained workers of others [Soskice (1990)].

Equally, the value attached to the collective-goods functions of bargaining can change as fundamental economic forces alter. For example, some analysts have suggested that in trying to shift from mass production to flexible specialisation, businesses' competitive strategies may clash with established labour practices [Whyman and Burkitt (1993); Thomas and Kochan (1992)]. Thus bargaining, particularly at centralised and branch levels, but also within enterprises, can be viewed by management as a rigidity inhibiting the continuous adaptation to market-driven changes. Enterprises may therefore prefer to replace traditional negotiating frameworks with more individualised forms of "human resource management",

In fact, there is a growing debate as to what impact the widely diverging bargaining patterns in OECD countries might have on overall enterprise and economic performance. Some employers now view unions and collective bargaining as forces hindering enterprises in today's more competitive and globalised economy. However, other schools of thought maintain that unionism and collective bargaining, by providing workers with a "collective voice" that protects them from unilateral management decisions, can set positive incentives for firms to adopt better management practices, change work relations in socially beneficial ways, and contribute to better productivity performance [Belman (1992); Freeman (1992)].

Given these conflicting interests and perceptions of the value of collective bargaining, its spread and scope depend upon a variety of factors. First, institutional factors such as the legal framework of labour relations can play a role in containing possible "defection" from collective bargaining. For example, compliance with collective agreements may be strengthened when these are legally enforceable (which is generally the case in OECD countries with the exceptions of the United Kingdom and New Zealand).

Similarly, the threat of undercutting by "outsiders" who are not members of the bargaining parties, and therefore not bound by the agreement, may be avoided by means of institutionalised extension procedures. The issue of "extension" in principle addresses both non-unionised employees and non-affiliated employers. In practice, employers tend to apply voluntarily the terms of collective agreements to their non-unionised employees.⁴ By contrast, the bargaining parties themselves have little means of bringing non-affiliated employers into line with their agreement. Only employer associations are characterised by a reasonably clear distinction between members and non-members allowing governments to extend agreements to non-affiliated firms.⁵

Works councils or similar bodies, which bring a consultative or advisory element to labour-management relations, also influence the structure of collective bargaining. They can represent potential competition to "free collective bargaining" as a regulatory and conflict-solving device at the local level. In some countries, their "co-determination" and "veto" rights on certain issues may come close to the bargaining model.⁶

Structural characteristics of unions and employer associations are also important. Were such associations able to organise their entire potential constituencies and make them comply with the terms of their collective agreements, there would be no need for extension. Even when this is not the case, bargaining associations may be so strong that the effects of their agreements spill over to the small group of remaining outsiders. This is the case, for example, in the Scandinavian countries, which tend to have above-average bargaining coverage, although extension practices are unimportant.

There are also economic factors. For instance, small, labour-intensive firms fearing leap-frogging wage claims by strong unions may feel more of a need than do large firms to join bargaining associations. In single-employer bargaining systems, on the other hand, small firms may be more hostile to unionism than larger firms.

The general economic climate is another aspect. Indeed, some analysts have argued that more intensive international competition and the spread of flexible technologies have created pressures on existing collective bargaining structures [Lash and Urry (1987); Piore and Sabatelli (1984)]. An increasing emphasis on managerial flexibility and job structures has, in this view, led to attempts both to decentralise bargaining arrangements (shifting from higher to lower levels of bargaining) and to "deregulate" labour relations overall (leading to a decline in collective bargaining coverage). Both aspects are addressed below. First, however, it is important to outline briefly the concepts of negotiating levels and co-ordination of bargaining.

Negotiating levels and co-ordination

Within certain limits set by each country's labour legislation, bargaining parties are, as a rule, free to choose the appropriate level, or specific mixture of levels, for their negotiations.

To simplify, three levels, not necessarily mutually exclusive, may be distinguished. **Economy-wide** bargaining is a bipartite or tripartite form of negotiation or "concertation" between union confederations, central employer associations and government agencies. It aims at providing a floor for lower-level bargaining on the terms of employment, often taking into account macroeconomic goals. Over the last decade, some form of economy-wide bargaining has been apparent in Australia, Belgium, Finland, the Netherlands, Norway, Portugal and (to a lessening degree) in Spain and Sweden.

Sectoral bargaining, which aims at the standardization of the terms of employment in one industry, includes a range of bargaining patterns. Bargaining may be either broadly or narrowly defined in terms of the industrial activities covered and may be either split up according to territorial subunits or conducted nationally. Sectoral bargaining is characteristic of Austria, Germany, the Netherlands and Switzerland, but is also important in the countries listed above as practicing economy-wide bargaining.

The third bargaining level involves the *company* and/or *establishment*. This type is predominant in Canada, the United States and (since 1991) New Zealand, and is becoming increasingly important in the United Kingdom [Millward *et al.* (1992); Kenyon and Lewis (1993)]. As a supplementary type of bargaining, it also occurs in a number of continental European coun-

tries, emphasizing the point that bargaining levels need not be mutually exclusive.

Bargaining systems are also characterised by the degree of co-ordination between levels. Co-ordination refers to the extent to which the different levels are integrated so as to prevent them from mutually blocking their respective purposes. For example, if economy-wide bargaining over macroeconomic goals is to be successful, the ability to ensure that they are respected at, say, the industry level is critical. One way to illustrate these relationships is to compare the United States and France. They differ greatly on both the preferred negotiation level and the degree of co-ordination.

The *United States* has no economy-wide or sectoral agreements which would establish a framework for supplementary agreements at lower levels. Single-employer bargaining is by far the dominant tendency, while multi-employer bargaining – which used to be important in sectors such as steel, coal and trucking – has been disbanded or has greatly diminished in importance [Kochan *et al.* (1986); Cullen (1987)].⁷

To the extent co-ordination of bargaining within an industry occurs, it relies on pattern (*i.e.* follow-the-leader) bargaining. Both single-employer bargaining and pattern bargaining foster negotiations that usually result in setting precise wage rates (rather than minima) and establishing in detail other employment conditions, such as work rules, job classifications and fringe benefits. In fact, pattern bargaining has declined along with multi-employer bargaining. Deregulation has fostered this decline by facilitating the entry of non-union firms.

By contrast, collective bargaining in *France* has expanded, partly as a result of government initiatives, into a full-fledged three-tier negotiation system in spite of low trade union membership. Economy-wide, multi-industry bargaining was revived in the late 1980s through the conclusion of national “orientation agreements” to encourage negotiation on issues such as economic modernisation, technological change and flexible working hours.⁸

Sectoral bargaining, partly at national and partly at regional levels, has traditionally been the most important type of negotiation. That importance increased with the 1982 Auroux laws, which obliged the bargaining parties already bound by a sectoral agreement to negotiate pay annually and discuss the sector’s job classification system and its economic development every five years. Generally, sectoral agreements set a floor under working conditions which may be improved in the course of bargaining at company level. A collective bargain reached between an employer association and one “recognised” union will bind all members of that association with respect to all their employees, whether those employees are members of that union, another union, or no union at all. In addition, around half of all sectoral agreements are usually extended by government decree.

The Auroux laws also stimulated company-level bargaining by making annual negotiations on pay and working time obligatory in firms with union representation. As a consequence, since 1981 the number of company agreements has increased fivefold, although they continue to cover a much lower number of employees than branch-level agreements [Coffineau (1993)].

C. AN OVERVIEW OF COLLECTIVE BARGAINING COVERAGE AND UNION DENSITY RATES

1. The concept and measurement of collective bargaining coverage

An indicator of the extent to which the terms of workers’ employment are influenced by collective negotiation is the coverage rate, *i.e.* the number of employees covered by a collective agreement divided by the total number of wage- and salary-earners.

The many dimensions and levels of collective bargaining create serious difficulties with regard to collecting accurate statistics on coverage. For example, some employees may have their working conditions regulated by more than one collective agreement, which makes it important to avoid double-counting. Some countries compile statistics on the basis of questionnaires completed by the bargaining units. One statistical problem this creates arises from collective agreements without a specified termination date, because the bargaining units might report on them only in their first year of validity. Extension mechanisms can also complicate data collection, since the bargaining units may be poorly informed about the number of employees and/or employers to whom their respective agreement is extended. Furthermore, bargaining domains may cut across conventional branch classification systems, thus making analysis of coverage by sectors difficult.

Some countries rely on household or labour force surveys which include a question as to whether the respondent’s job is covered by a collective agreement. The advantage of such surveys is that they avoid the problem of double-counting as a result of workers being covered by more than one agreement. On the other hand, a statistical difficulty may arise from multiple job holders. There is also uncertainty about whether non-union members know how their working conditions are regulated. Other countries use employer surveys. These could be more accurate, as employers are likely to know of any agreement they have entered into (including those extended to them) and are likely to have a reliable count of employees at the enterprise.

Apart from these difficulties, any calculation of national coverage rates needs to take account of the fact

that, in a number of countries, some employees are excluded from the right to conclude collective agreements. Hence, it is important to differentiate between the *unadjusted* coverage rate, defined as employees covered by a collective agreement as a proportion of all employees, and the *adjusted* coverage rate, defined as the ratio of employees actually covered to the potential number who could in principle be covered as determined by the formal provision of bargaining rights.

The adjusted rate is used in this chapter, both because it better measures the diffusion of collective bargaining within its potential domain and because it shows the relative importance of collective bargaining compared with individual contracts as an alternative mode of employment governance. Of course, identifying the potential domain of collective bargaining implies the difficult task of disentangling the groups of employees with bargaining rights from those without. Detailed sources and methods used in compiling coverage statistics and in calculating coverage rates are outlined in Annex 5.A.

2. Cross-country comparisons of coverage and unionisation

Chart 5.1 shows adjusted coverage and unionisation rates for 17 countries around 1990. Coverage rates vary greatly, with values ranging from 18 to 98 per cent. In 12 out of 17 countries, at least two-thirds of those who enjoy the right to bargain are covered by some form of collective agreement, with Austrian, Finnish and French employees having coverage rates of above 90 per cent. By contrast, rates are considerably lower in countries characterised by single-employer bargaining; with 18 per cent coverage, the United States has the lowest rate of all OECD countries in the survey, followed by Japan, Canada and the United Kingdom.

The polar cases of Austria and the United States show the importance of the institutional and organisational contexts of labour relations for understanding national differences in coverage rates. U.S. labour legislation encourages single-employer bargaining, while Austrian labour law allows only bargaining units operating at the multi-employer level to sign collective agreements. Furthermore, while employer associations play virtually no role in the U.S. system, Austria's Federal Chamber of Business and Commerce (*Bundeswirtschaftskammer*, BWK) is among the best-equipped and most influential national associations in the world [Traxler (1986)]. Based on the principle of compulsory membership, the BWK covers the majority of sectors. As a result, with regard to issues regulated by "general" collective agreements signed by the BWK, the coverage rate approaches 100 per cent. Importantly, this also serves to emphasize that the extent of coverage of collective agreements across countries cannot be proxied by unionisation alone. Finally, in Austria agreements negotiated by sectoral employer associations are usually

extended to unaffiliated employers within the associations' domain [Klein (1992)]. By contrast, extension is unknown in the United States.

Chart 5.1 also gives an indication of unionisation defined as the number of union members as a proportion of all wage- and salary-earners. With some exceptions, these rates are calculated on the basis of "net" membership figures, *i.e.* they exclude to the extent possible self-employed, retired and unemployed union members [see OECD (1991), Annex 4.A, for details].

Like coverage rates, union density rates differ across countries by wide margins. Unionisation rates in Finland and Sweden are above 70 per cent, compared with figures below 20 per cent in France, Spain and the United States. With some exceptions, rates in Western and Northern European countries are above rates in other OECD regions; also, they generally seem to be higher in small countries than in large ones.

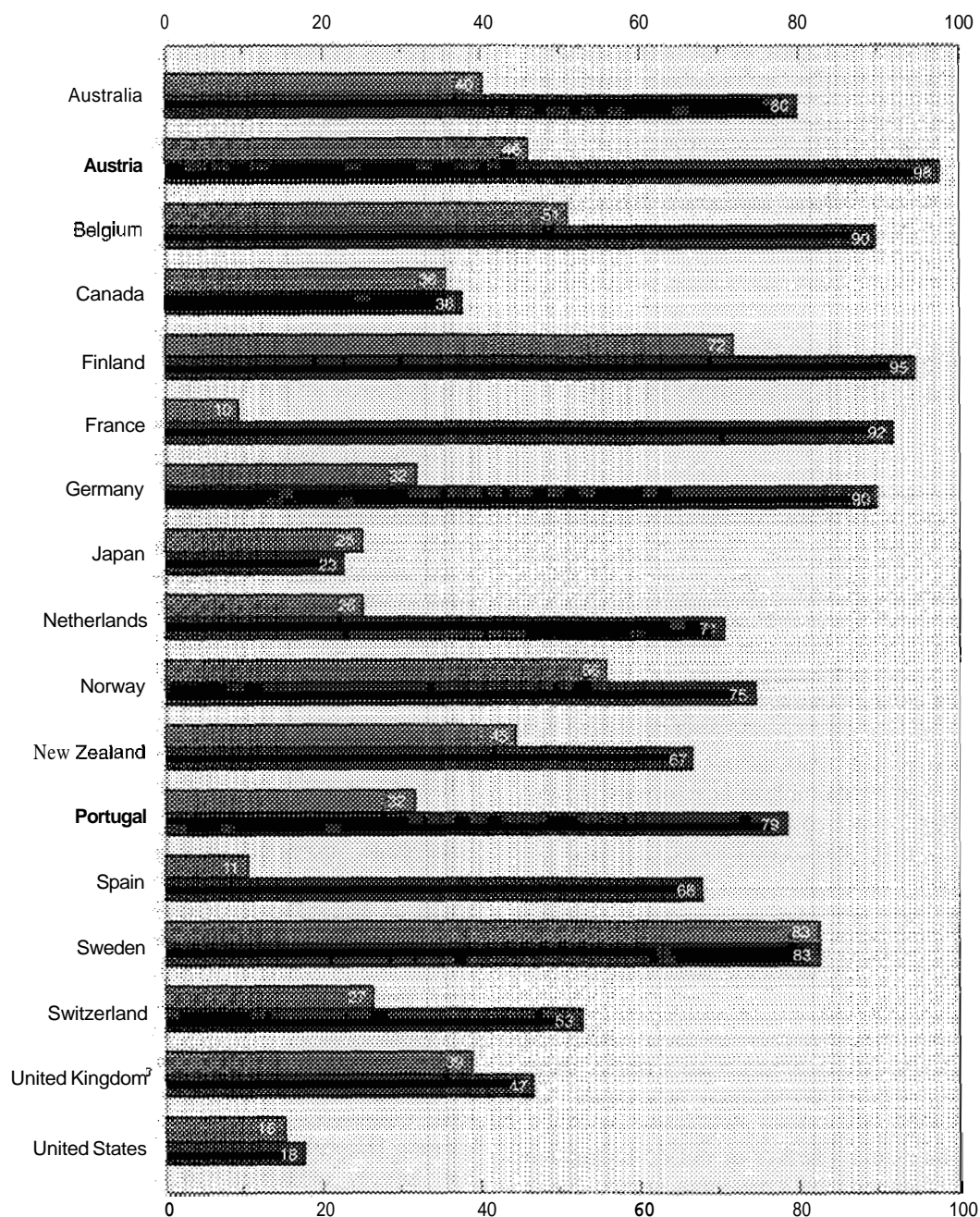
It is useful to consider the relationship between collective bargaining structures and union membership. In some countries, bargaining structures have likely been an incentive to join unions. For example, in Australia and (until 1991) New Zealand, the system of arbitrated "awards" has encouraged membership. In the United Kingdom and the United States, the traditional "closed shop" and "union shop" arrangements characteristic of some industries, whereby all employees in a bargaining unit were required to become union members, had the effect in the past of keeping membership high in some sectors.⁹

However, some bargaining structures may serve as disincentives to join trade unions. In France and Spain, for example, collective agreements as a rule do not discriminate in favour of union members; in fact, such discrimination would frequently be illegal. However, employers are legally obliged to bargain with recognised trade unions, no matter how low their membership. Furthermore, widespread extensions of the terms and conditions of collective agreements to both non-unionised employees and non-affiliated employers – while raising the coverage rate in a number of countries, particularly in Europe – may be a disincentive to unionisation. In both types of cases workers need not be union members to enjoy the advantages of union contracts,

Considering the relation between coverage and density rates, the unweighted average coverage rate for the 17 countries shown is around 30 percentage points higher than the average union density rate (68 *vs.* 38 per cent). Several groups of countries can be identified. First, there is a group – Canada, Japan, the United States – with below-average coverage and unionisation, and little difference between the two (even if among them both rates vary considerably). Another group features very high unionisation and coverage rates and relatively modest differences between them, *e.g.* Finland, Norway and Sweden. Finally, there are countries with sometimes quite considerable differences between the two indica-

Chart 5.1

**Trade union density and
collective bargaining coverage rates, 1990^{a, b}**



a) Figures have been rounded. The trade union density rate refers to the number of **trade** union members as a per cent of wage- and salary-earners. The collective bargaining coverage rate refers to the number of workers covered by collective agreements **as** a per cent of wage- and salary-earners. Coverage rates have been adjusted for employees excluded from bargaining rights. Methodological differences in the calculation of **trade** union density rates are explained in Table 5.7.

b) Data refer generally to 1990, except for the coverage rates in France, Germany, Japan and Portugal, where they refer to 1985, 1992, 1989 and 1991, respectively.

c) Coverage rate refers to Great Britain only.

Union density rate
Bargaining coverage rate

tors; the gap is especially wide in France, but also significant in countries such as Austria, Germany, the Netherlands and Spain. With the exception of Spain, these countries have above-average coverage rates, but only Austria also has an above-average rate of unionisation. Consequently, while a high unionisation rate is necessarily associated with a high coverage rate, across these 17 countries there is only a modest positive correlation ($r = 0.4141$) between the two rates. A full understanding of cross-country dissimilarities in coverage rates and within-country differences between unionisation and coverage requires examination of bargaining levels, the degree of co-ordination across those levels and the role of extension mechanisms. These topics are taken up in the following section.

D. BARGAINING LEVELS, CO-ORDINATION MECHANISMS AND EXTENSION RULES

Differences in prevailing bargaining levels among countries were emphasized earlier. An equally important feature is the degree of bargaining co-ordination, which can be either direct or indirect. *Direct* or *overt* co-ordination refers to the explicit pursuit of economy-wide co-ordination goals by the principal bargaining agents (*i.e.* the peak associations of business and labour, possibly joined by government agencies in tripartite arrangements). When co-ordination is achieved through the internal governance of the associations and/or through the pace-setting role of bargaining in key sectors, it may be termed *indirect* or *covert* co-ordination.

It is also useful to differentiate between the co-ordinating goals of the principal actors (*i.e.* government, trade unions, employers and their associations) and the bargaining system's actual capacity to co-ordinate. Goals may range from an economy-wide co-ordination of bargaining rounds to the lack of any co-ordinating claims. However, bargaining systems vary in their ability to attain the desired goals. Much depends on whether there is a sufficiently supportive institutional framework for economy-wide co-ordination, how frequently such co-ordination takes place, and whether or not co-ordination efforts suffer from defection by bargaining agents. Stark disproportion of goals and capacity is likely to create pressures for change in the bargaining system.

1. Review of country developments

Table 5.1 presents an overview of OECD countries' institutionalised bargaining levels, their predominant bargaining level and the (desired and actual) degree of bargaining co-ordination. The assignment of countries under these headings is based on qualitative judgements best

appreciated in conjunction with an overview of bargaining developments in individual countries. Using bargaining co-ordination as the point of reference, countries may be classified into three main groups: one with unco-ordinated bargaining, one characterised by covert co-ordination and a third relying on overt co-ordination. The review of individual country developments will help to show how differences in prevailing bargaining levels and in degrees of co-ordination are related to coverage rates.

i) *Unco-ordinated bargaining*

Unco-ordinated bargaining tends to occur where negotiations at company or plant level predominate. This type of bargaining is characteristic of Canada, New Zealand (since 1991), the United States and increasingly of the United Kingdom. In Switzerland, too, there is little co-ordination of bargaining, although negotiations there are primarily at the sectoral level.

The case of the United States was already presented in Section B. Bargaining patterns in *Canada* by and large resemble those in the United States, although union density rates differ considerably. Single-employer bargaining is the general norm, while multi-employer bargaining is most established in industries with many small firms, such as trucking and construction.¹⁰ However, in contrast with the United States, there has been no consistent trend towards decentralisation. There is some evidence from the late 1980s that multi-employer bargaining has somewhat expanded [Coleman (1993)]. Quebec and British Columbia, in particular, have encouraged bargaining by employer associations [Thompson (1987)].

The labour relations system in *New Zealand* has undergone profound change with the passing of the Employment Contracts Act in 1991. The Act brought about an extensive deregulation of labour law, including the dismantling of the previous *award* system and abolition of the provisions for union registration and recognition. Previously, most collective bargaining and settlement by awards was conducted at the multi-employer level preferred by the unions. In 1990, 3 out of 4 employees under a collective agreement and half of total employees were covered by multi-employer bargaining [Harbridge (1991)]. Since then, such bargaining has largely collapsed; according to a recent survey, 84 per cent of all covered employees in New Zealand derive their coverage from single-employer, enterprise settlements [Harbridge (1993)].

There has been a significant shift to lower-level bargaining in the *United Kingdom*. Sectoral bargaining started to weaken back in the 1960s, when an informal system of workplace negotiations developed which was backed by the bargaining power of the shop stewards under a tight labour market. As a result of changed labour market conditions and declining union influence during the 1980s, employers started to demand a further shift towards decentralised bargaining. This has meant, in

Table 5.1. **Bargaining levels and bargaining co-ordination, 1980-1994**

	Institutionalised bargaining levels ^a	Predominant bargaining level ^b	Economy-wide co-ordination	
			As a goal ^c	Capacity for implementation
Australia	1, 2, 3	2 → 3, 1	Overt co-ordination	High
Austria	2, 3	2	Covert co-ordination	High
Belgium	1, 2, 3	2	Overt co-ordination	Limited
Canada	1, 2	1	No co-ordination	Lacking
Finland	1, 2, 3	3 → 2/1	Overt co-ordination	High
France	1, 2, 3	2	Overt co-ordination	Limited
Germany	1, 2	2	Covert co-ordination	High
Japan	1, 2	1	Covert co-ordination	High
Netherlands	1, 2, 3	2	Overt co-ordination	Limited
New Zealand	1, 2	2 → 1	Overt co-ordination	Lacking
Norway	1, 2, 3	2 → 3	Overt co-ordination	High
Portugal	1, 2, 3	2 → 2/3	Overt co-ordination	Limited
Spain	1, 2, 3	2/3 → 2	Overt co-ordination	Limited
Sweden	1, 2, 3	3 → 2	Overt co-ordination	Limited
Switzerland	1, 2	2	No co-ordination	Limited
United Kingdom	1, 2	2 → 1	No co-ordination	Lacking
United States	1, 2	1	No co-ordination	Lacking

a) 1 = Company/plant level.

2 = Sectoral level.

3 = Central level.

b) → Direction of change

c) Overt co-ordination is based on centralised concertation of bargaining rounds among the peak associations of business and labour (possibly in co-operation with the state). Covert co-ordination relies on intra-associational governance by the peak associations and/or the pace-setting role of bargaining in key sectors,

most cases, a growing emphasis on plant-level negotiations, corresponding to a decentralisation of management accountability within large companies. Accordingly, the share of employees covered by multi-employer agreements has declined continuously. At the same time, major company and plant agreements have taken over the pace-setting role in annual wage rounds [Edwards *et al.* (1992)].

ii) Covert bargaining co-ordination

Austria, Germany and Japan rely on an indirect (covert) mode of co-ordination. In *Japan*, most collective bargaining takes place at the company level. However, negotiations are given a precise framework through separate internal co-ordination by both labour and business. Thus, the annual bargaining round is launched by means of the *Shunto*, the trade unions' nation-wide "spring offensive", which is based on general guidelines for pay demands set jointly by the national trade union centres [Togaki (1986); Shirai (1987)]. These guidelines are further specified by each sectoral union, which decides on the average wage increase to be sought in the sector and guides the enterprise unions' particular demands,

Parallel efforts to co-ordinate the bargaining policy of employers are made by the employer associations and the major companies, with the result that the companies' responses to trade union demands largely converge. Aside from this co-ordinated pattern of company bargaining, multi-employer bargaining between sectoral unions

and employer associations occurs in a few sectors, such as shipping, steel and automobiles. Finally, it is important to note that company agreements in *Japan* give management considerable leeway to modify individual payments, because several wage components are linked to managerial assessment of workers' performance.

In *Germany*, the vast majority of collective agreements are conducted at the sectoral level, differentiated by region. With some exceptions (such as Volkswagen), bargaining at the company level involves only small firms whose separate agreements closely follow the sectoral settlements. Co-ordination is assured by the associational strength of sectoral employer organisations and trade unions which control and co-ordinate the bargaining rounds undertaken at regional level. In addition, pilot agreements in key branches and regions of the metalworking sector usually serve as the model for bargaining in the rest of that sector, as well as in other branches. The practice of sectoral bargaining is backed by labour law, which makes supplementary bargaining by works councils over pay rates illegal, unless they are entitled to do so by an "opening clause" laid down in the collective agreement. Such clauses were, for example, included in agreements on working-time reduction and flexibility after 1984, the details of which were fixed in thousands of supplementary local "works agreements" [Jacobi *et al.* (1992)]. In practice, works councils have always been able to make some amends to sectoral pay agreements by negotiating on piece rates and various premia related to performance and work effort.

Signs of strain have recently become apparent in the eastern *Länder*, where firms have opposed the quick adjustment of effective wages to western levels and have been partially successful in delaying the adjustment process. Special-interest associations of small and medium-sized firms have begun to call for a plant-related bargaining approach, since they regard the policy of the sectoral employer associations as being too closely oriented towards the interests of large firms [EIRR (1992), No. 221]. An opening clause providing for pay bargaining at company level has been included in the most recent metal industry agreement for the eastern *Länder*; however, flexibility remains restricted, since the trade union has to agree to the conduct of such supplementary bargaining in every particular case.

Economy-wide concertation has a long tradition in *Austria*, which is usually classified in cross-national comparisons as one of the most "corporatist" countries. While tripartite concertation on labour legislation has by and large retained its importance, co-operation between the central confederations of business and labour (especially concerning combined price and wage controls) has declined, due to the economy's growing internationalisation. Hence, the key arena in collective bargaining has shifted to the sectoral level. In addition, while labour law tends to exclude collective bargaining at company or plant level, in practice local works councils often negotiate supplementary wage increases. As in Germany, there has been some decentralisation to company and establishment level concerning flexible working hours [Traxler (1992)]. Recently, "opening clauses" in sectoral agreements have allowed works councils to accept pay cuts when working hours are reduced to prevent redundancies.

iii) Overt bargaining co-ordination

Overt forms of co-ordination are institutionalised as multi-tier systems of collective bargaining. Ideally, the results reached at the distinct bargaining levels form a hierarchical order of collective agreements where lower-level agreements are intended to supplement those at the higher level. One can broadly differentiate between two-tier systems (Portugal) and three-tier systems (Australia, Belgium, Finland, France, Netherlands, Norway, Spain and Sweden).

In *Portugal*, a two-tier system composed of sectoral bargaining and tripartite concertation has evolved since the early 1980s. Tripartite negotiations have led to several economy-wide incomes policy agreements, most recently in 1992. Due mainly to inter-union competition, the system suffers from limited co-ordination capacities. Correspondingly, there are great variations over time in the effectiveness of tripartite incomes policy aimed at containing inflation. Bargaining at the company level is rare, since private employers in Portugal – in contrast to many other countries – tend to oppose company bargain-

ing. This is mainly due to the comparatively low wage levels laid down in sectoral agreements, and to the employers' interest in discouraging union activities within the enterprise [Barreto (1992); Gaspar (1992); Pinto (1990)].

Among the countries characterised by three-tier systems, Finland, Sweden, Belgium and Spain will be briefly discussed. Economy-wide bargaining seems currently most entrenched in *Finland*, with peak associations of employers and employees negotiating package deals on wages, prices, and economic and social policy. In practice, such agreements constitute guidelines rather than binding provisions: in any central bargaining round, several unions enter separate negotiations at the sectoral level. This may occur in two ways [Lilja (1992)]. First, some peak associations on both sides may allow sectoral adjustments to the central agreement. Second, sectoral union affiliates may, without authorisation from their confederation, deviate from the central agreement in order to attain better bargaining results. In many cases, this is possible only by means of industrial action. Finland's relatively high strike propensity can be traced to such defections, which in turn result from inter-union rivalry.

Finally, central and sectoral agreements are complemented by workplace bargaining, particularly in large enterprises. It is an important goal of employers to extend the bargaining process to the company level. The central incomes policy agreement for 1992 and 1993 is a step in this direction. Aimed at restricting inflation and enhancing the country's competitiveness, the agreement emphasizes the necessity to develop a bargaining system that enables the parties to pay closer attention to the needs of companies and their employees at the workplace [EIRR (1992), No. 218].

The *Swedish* bargaining system has undergone considerable decentralisation over the last decade. Sweden's previous, highly centralised, bargaining structure had been capable of reconciling the blue-collar workers' (LO) demand for a "solidaristic" wage policy with the employers' (SAF) interest in matching wage increases with the competitive position of the export-oriented sector.

This arrangement entered into crisis as it became progressively less capable of taking into account the needs of the export sector. Destabilizing impulses also arose from the increasing strength of white-collar and public employees, which led to the formation of bargaining cartels outside the domain of the LO and SAF. In the 1980s, the LO-SAF co-ordinating position in economy-wide bargaining was gradually replaced with pay competition between separate bargaining cartels. Following a period in which collective bargaining oscillated between the central and sectoral level [Kjellberg (1992)], SAF announced in 1991 that it would no longer take part in centralised wage bargaining and, in addition, later withdrew from almost all corporatist bodies. Sectoral bar-

gaining, combined with covert co-ordination by the central associations, is the most likely future scenario.

In *Belgium*, there is a hierarchical three-tier system of bargaining laid down in law. Economy-wide agreements are concluded by the peak associations in the National Labour Council, and subsequently provide a framework for the sectoral agreements signed in the Joint Committees; these may in turn be further elaborated by company agreements. Among the three levels, sectoral bargaining – often differentiated by region – is considered predominant [Spineux (1990)]. In principle, higher-level agreements set binding provisions for those at lower levels [du Bled (1992)]. However, actual practice proceeds less smoothly. On the one hand, Belgium's regional cleavages have generated jurisdictional conflicts over what issues should be dealt with at the distinct levels [Vilroxx and van Leemput (1992)]. On the other hand, between 1976 and 1986 economic difficulties prevented the bargaining parties from arriving at economy-wide agreements. During this period, collective bargaining was under tight State control, including the imposition of a wage freeze from 1982 onwards.

In 1986, the tradition of bipartite economy-wide bargaining was revitalised, with central agreements signed every two years. The 1989 Law on the Protection of Competitiveness has reinforced the authority of the Central Economic Council (*Conseil central de l'économie*, CCE), in which the social partners periodically discuss issues of Belgian competitiveness. The law also provides the government with the means to overrule bargaining outcomes and intervene in pay-setting in response to adverse trends in the economy.

From 1976 to 1986, *Spain* saw a series of national accords which, in various combinations, included the government, political parties, the peak employer association (CEOE) and one or both of the two major union confederations. In addition to their contribution to stabilizing the young democracy, these accords concentrated on incomes policy by setting bands for wage increases, to which lower-level bargaining units generally conformed [Jimeno (1991)]. As the government switched to tighter macroeconomic policies at the end of the 1980s, such concertation lost its material base. In 1992, a degree of economy-wide concertation was restored when the CEOE and the two major union confederations agreed to set up a permanent social dialogue. This initiative coincided with a new government interest in macroeconomic concertation on matters of economic restructuring. An initiative for a tripartite agreement on competitiveness, however, foundered because of union opposition to its emphasis on wage restraint, and unions have since become increasingly hostile to government proposals on labour market reform, leading up to a general strike in January 1994.

Sectoral bargaining, which usually sets minimum standards for working conditions, is most frequently conducted at the provincial level, and only in exceptional cases at the national level (*e.g.* in the chemical industry).

At the company level, both works councils and trade unions are entitled to conclude collective agreements. However, this takes place only in a limited number of large companies, due to poor union presence in the workplace. The recent interest in decentralised bargaining shown by the CEOE reflects both the employers' call for more flexibility and the resistance of some of CEOE's affiliates to the rigidities involved in sectoral bargaining [EIRR (1992), No. 216; Lucio (1992)].

2. An overview of bargaining patterns

The preceding discussion of bargaining levels and types of co-ordination helps in understanding the classifications in Table 5.1 which shows the main patterns and trends. The column on "institutionalised bargaining levels" demonstrates that there is no country where bargaining is exclusively conducted at one level – indeed, in some countries it occurs at all three. However, in most countries there is a clear predominance of one specific level, with sectoral, multi-employer bargaining prevailing most often. As Chart 5.1 has already shown, the countries with predominant company/plant-level bargaining tend to have the lowest coverage rates.

In a number of countries, the predominant bargaining level has changed over the last decade, moving "upwards", "downwards", or even in both directions simultaneously (see also the discussion of centralisation/decentralisation trends in Section F.3). The predominance of company and sectoral bargaining seems more stable over time than economy-wide bargaining, as shown by the changing composition of the group of countries characterised by predominant economy-wide bargaining. This obviously has to do with the fact that the co-ordination goals of economy-wide bargaining are quite ambitious and difficult to realise.

Table 5.1 also suggests that only a few countries with economy-wide bargaining goals are equipped with corresponding co-ordination capacities. This is mainly due to incomplete co-operation of certain national peak associations of either business or labour (*e.g.* France, Spain and Sweden), defection of some of their affiliates from central accords (*e.g.* the Netherlands) and deadlock in central negotiations (*e.g.* Belgium and Spain).

There seems to be more balance between co-ordination goals and capacity in the Austrian, German and Japanese systems, where goals are more moderate (with collective bargaining mainly taking place below the economy-wide level) but where, at the same time, substantial co-ordination takes place via internal governance by the central associations and/or via a pace-setting role of key sectors in bargaining. In several countries with predominantly single-employer settlements (Canada, the United Kingdom and the United States), co-ordinated bargaining is unlikely to occur due to the absence of both

co-ordinating associations and a multi-tier system of hierarchically ordered bargaining levels.

3. The role of extension mechanisms

Governments can influence collective bargaining coverage by defining the rights and duties of the bargaining parties. This is done, *inter alia*, by union recognition and union security provisions, and by regulation of the right to strike and lockout. Extension rules are another determinant of coverage. Apart from the established practice of employers extending a collective agreement to non-unionised employees of the bargaining unit, two main legal mechanisms of extension can be distinguished.

The first makes a collective agreement generally binding within its domain (*i.e.* a particular economic sector and/or region) and covers both employers and employees who are not affiliated with the bargaining parties. Generally, this can be done by the responsible authority (normally the Ministry of Labour) at the request of the bargaining parties. The application of this provision is often tied to special preconditions. In Finland and Germany, for example, labour legislation provides that collective agreements can be declared generally binding only when the bargaining parties cover more than a certain percentage (50 per cent in the German case) of the employees within the agreement's domain.

The second may be termed an enlargement, in line with the French terminology [Despax et Rojot (1987)]. This is designed to make collective agreements binding on employers and employees in certain geographical or sectoral areas outside the agreement's domain if they are economically similar to those covered by the collective agreement, and if there are no parties capable of conducting collective bargaining.

The implications of legal extension provisions go beyond a simple count of the number of workers (and employers) directly affected. The existence of such provisions may encourage membership in, or discourage defection from, employer federations. Under administrative extension, an individual employer must observe minimum wages and/or working conditions agreed to by the employer association in his/her sector of economic activity. Rather than having the terms of remuneration dictated by outside bodies, individual employers thus have an incentive to join employer organisations in order to influence agreements. However, the existence of employer organisations for bargaining purposes cannot simply be attributed to incentives generated by extension mechanisms. For example, as noted earlier, employers may value certain collective goods that are easier to produce if they are organised. In addition, if employers face strong union federations, they have an obvious incentive to form counter-organisations.

Chart 5.2 classifies countries according to the pervasiveness of extension practices and the degree of collective bargaining coverage. There are three, partly overlapping, groups. First, in Austria, Belgium, France and Portugal, a significant number of collective agreements, in particular at the branch level, are regularly extended, although there may be variations in the way extension provisions are implemented. In France and Portugal, for example, ministerial decrees commonly extend collective agreements to non-affiliated workers and employers [Barreto (1992); ministère du Travail (1993)].

Australia's award system represents a special case of extension. In the federal system, unions have the right to serve demands on all employers of an industry, thereby making even unaffiliated employers party to the arbitration process. In some state jurisdictions, awards can be declared to be common rules applicable to all employers within their domain [Mitchell and Scherer (1993)].¹¹

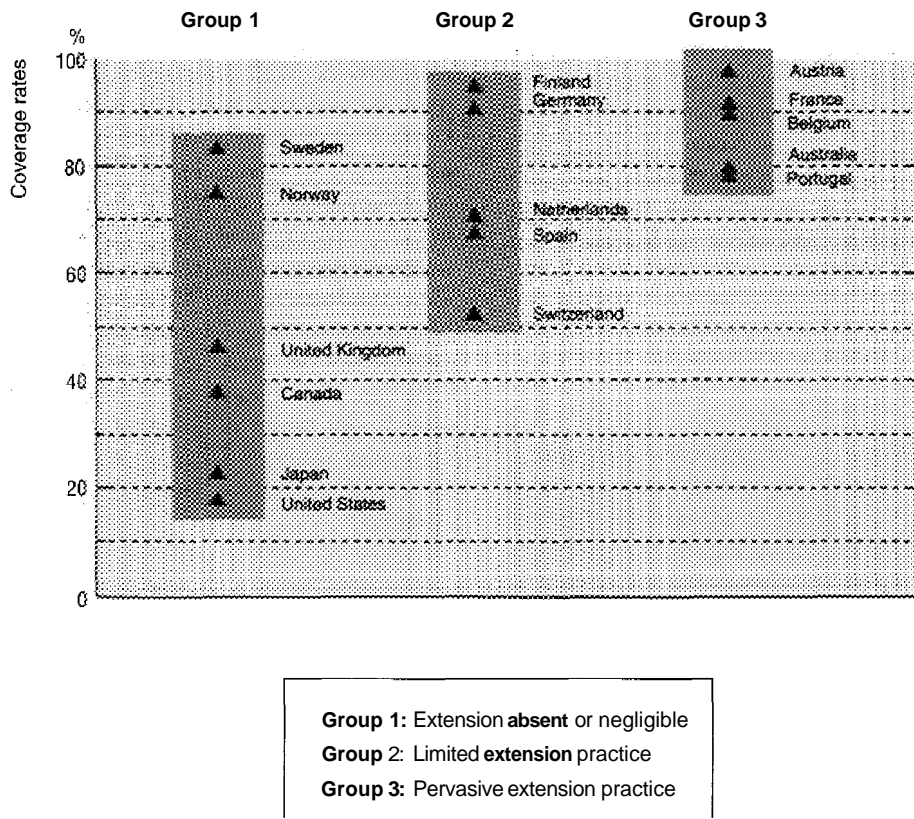
Among a second group, Finland, the Netherlands and Switzerland have in common a more limited, but still considerable impact of extension. The share of employees covered via extension among the total number of employees covered in these countries has been estimated at 19, 14 and 13 per cent, respectively [Kauppinen (1992); Korver (1991); Bauer and Baumann (1993)]. Germany, where outside employers largely follow the outcome of sectoral bargaining, and Spain are characterised by a more moderate use of the extension mechanism. At the end of 1992, for example, less than 2 per cent of valid collective agreements in Germany, notably in construction, textiles and clothing, had been declared generally binding. This added only about 3 per cent of employees to collective bargaining coverage.¹²

Among the countries without extension procedures are the United States, Canada (with the exception of Quebec), the United Kingdom, Japan, Norway and Sweden. The first three countries demonstrate the incompatibility of single-employer bargaining and extension procedures. In the United Kingdom, the decline of multi-employer bargaining was accompanied by the dismantling of extension procedures. Under the Employment Protection Act of 1975, firms could be obliged to pay wages not less favourable than those fixed by collective bargaining in the industry. This widely used provision was rescinded in 1980. Similarly, the Fair Wages Resolution of 1946, which had required government contractors to comply with working conditions as determined by collective agreements in the industry, was rescinded in 1983 [Siebert (1991)].

Also in Japan, extension practices, although provided for in labour legislation, are extremely rare. Furthermore, Norway and Sweden demonstrate that extension mechanisms can be absent not only in decentralised bargaining systems, but also in highly centralised ones. When associations are strong, collective agreements signed by them tend to determine working conditions outside their own domain. For example, Swedish unions

Chart 5.2

Extension rules and coverage, 1990



Source and notes: See Chart 5.1 and Annex 5.A.

usually conclude “subsidiary” agreements with employers unaffiliated with employer associations. In 1990/91, these agreements covered nearly 12 per cent of the total number of blue-collar workers under a collective agreement in the private sector [Nilsson (1991)].

Considering data on coverage and union density in conjunction with countries’ use of extension mechanisms can shed some light on the following issues: is coverage greater in countries with strong extension rules? Is union density lower where extension is widespread? Is the difference between the two indicators greater where extension is pervasive?

It is evident, first, that coverage rates are high in most countries classified as having a pervasive practice of extension. Three of the five countries with at least 9 of every 10 workers covered by some kind of collective agreement fit this description. However, it is also clear that high coverage rates are not uniquely associated with such mechanisms, as indicated in the case of Norway and Sweden. Second, where extension is prevalent, union density is not necessarily low. While France stands out as having the lowest union density rate among OECD coun-

tries, Australia, Austria, Belgium and Portugal have above-average rates.

Next, countries where the difference between the two indicators is largest are often those where extension possibilities are strongest. This is not necessarily an indication of the importance of extension in explaining the level of collective bargaining coverage. For example, Austria has the highest coverage rate of the 17 countries shown in Chart 5.1, and one of the largest gaps between that rate and union density; yet, as noted earlier, this country’s main employer organisation is based to a large degree on compulsory membership, so that agreements reached in its domain lead to almost total coverage [Traxler (1986)].

Finally, interest in the application of extension rules is not limited to employers and trade unions. Governments themselves can use extension provisions to develop regulation where direct prescription is either not possible or not desired. In the case of Australia, for example, the Constitution has been interpreted as precluding the federal parliament from legislating comprehensively on employment conditions, and awards by

arbitration tribunals have often constituted the mechanism through which the federal government can achieve changes in employment conditions or institute wage restraint rules.

In France, governments have frequently encouraged the conclusion of collective agreements in order to achieve consensus on legislative reform which would have been more difficult in the political arena: these agreements often provide the basis for subsequent legislation. Similarly, in Finland and the Netherlands governments have encouraged agreements – which are later made generally binding – as a basis for establishing supplementary pension funds and other social insurance provisions.¹³

4. Summary

There are large differences in collective bargaining coverage rates across OECD countries, ranging from under 20 per cent in the United States to virtually 100 per cent in Austria. One factor of importance is the predominant level at which bargaining takes place. Coverage is always lower in countries characterised by single-employer bargaining compared with those where agreements are mainly concluded at the sectoral or economy-wide level. The evidence is less clear that the degree of “co-ordination” of bargaining has an impact on coverage rates. For example, Japan is characterised by covert co-ordination of wage bargaining by pattern-setting unions through its *Shunto*, by extensive public debate on what an appropriate average wage increase should be, and by strong links and implicit understandings between large firms both within and across *keiretsu* groupings [Dore *et al.* (1989)]. That does not, however, translate into high coverage rates. Evaluating the impact of legal extension rules on coverage is not easy, and no simple conclusion is possible. While countries where extension is important generally have high coverage rates, it is not clear to what degree extension explains the coverage rate, and extension is in fact absent in some countries with high coverage rates.

Section B argued that the provision of collective goods may attract employers to enter into collective bargaining: “productivity coalitions” in the case of single-employer bargaining, and cartelisation or some standardization of wages and working conditions, in combination with increased opportunities for the joint regulation of economic restructuring, in the case of multi-employer bargaining. Considering this in light of the above findings, there is some reason to believe that the second type of collective good may be the more important rationale. This is because productivity coalitions do not necessarily presuppose single-employer bargaining. In fact, they can also be set up within the framework of multi-employer bargaining or even without any union participation. By contrast, standardized working conditions are necessarily tied to multi-employer bargaining.

While any form of collective bargaining restricts management prerogatives more than individual contracts, the crucial point in comparing single- and multi-employer bargaining is that they generate contrasting effects on both wage competition and management prerogatives. Company-centred bargaining systems tend to set actual wage rates, thus restricting employers’ room to manoeuvre. Multi-employer bargaining systems usually only set a floor under wages, thus leaving the employer some leeway to pay higher rates. Since multi-employer bargaining is more distant from core management prerogatives than is company-centred bargaining, it tends to restrict managerial prerogatives less. Finally, while multi-employer bargaining, in combination with extension, moderates inter-firm competition in the labour market, a company agreement directly alters the position of enterprises in that its economic effects discriminate between the respective company and its competitors, unless any wage differences are offset by productivity. This can create a stronger incentive for employers to avoid collective bargaining in a company-centred system.¹⁴

E. OTHER DETERMINANTS OF COLLECTIVE BARGAINING COVERAGE

1. Coverage in the private and public sectors

Developments in the public sector are important for the spread of collective bargaining, because a number of governments have placed various restrictions on the conduct of bargaining in this sector. Demarcations in bargaining rights may refer to criteria as different as the kind of task and occupation (*e.g.* exclusion of police from bargaining), and the status of employment (*e.g.* exclusion of civil servants). In addition, over the last few decades, trade unions have found it easier to organise employees in the public than in the private sector. As defined here, the public sector includes public administration, education, health, social services and other public activities such as postal services and transport; by contrast, state-owned businesses are excluded.

Beginning with the role collective bargaining plays as a means for employment regulation in the public sector, three types of arrangements can be distinguished. First, in half of the countries under consideration, collective bargaining is the sole or predominant mode of employment regulation. Alternatively, employment conditions may be governed either exclusively or predominantly by statute, with only consultative rights conceded to trade unions. Finally, statutes and collective agreements can coexist as two types of regulation applying to distinct groups of public employees.

In the Nordic and Anglo-Saxon countries as well as France and (since 1993) the Netherlands, a large part of

public employees are covered by collective agreements. In some cases, however, bargaining outcomes still require approval by statute. Collective bargaining appears to be most developed in Sweden, where since 1966 public employees enjoy broad bargaining rights, including (within certain limits) the right to engage in industrial action [Kjellberg (1992)]. In the Netherlands, free collective bargaining has now replaced previous arrangements whereby public sector trade unions only had a consultative role.

In the United Kingdom, a special arrangement involves employees covered by Pay Review Bodies. Consisting of representatives from unions, employers and government departments, these bodies are only entitled to submit recommendations to the government. During the 1980s, certain groups of employees (e.g. teachers and nurses) were shifted from free collective bargaining to wage-setting in the Pay Review Bodies, so that coverage in the public sector, as shown in Table 5.2, is now at around 78 per cent (while it was over 90 per cent a decade ago) [Edwards *et al.* (1992); Millward *et al.* (1992)].

In Canada and the United States, employment regulation in the public sector is less uniform than in the other countries, due to separate jurisdictions. In Canada, collective bargaining has characterised labour relations in the public sector since the 1960s, with distinct legislation at the federal and provincial levels. In all jurisdictions, however, restrictions on the conduct and results of col-

lective bargaining were introduced in the 1980s and early 1990s, mainly in order to reduce public expenditures [Thompson (1987)].

In the United States, there is considerable diversity between the federal, state and local levels concerning the right to bargain, from which certain employee groups may be excluded, and the scope of bargaining, with a varying range of issues excluded from negotiation. Nevertheless, with around 43 per cent, the coverage rate in the public sector is currently more than three times higher than that in the private sector.

In Austria, Portugal, Spain and Switzerland, employment regulation in the public sector is exclusively or primarily governed by statute. Only a small number of public employees are covered by collective agreements in Austria. In Spain, only public employees under non-standard employment contracts have a right to bargain, in contrast to regular civil servants [Jimeno (1991)]. In Portugal and Switzerland, the entire public sector is officially excluded from the right to bargain. In practice, however, the actual impact on employment relations of public-sector unions in all these European countries usually exceeds the consultative role formally granted to them, since a type of "quasi-bargaining" has developed, notwithstanding the fact that formal bargaining rights are absent.

Finally, Germany has established a mixed system of determining employment conditions, whereby about 40 per cent of public employees (*i.e.* the *Beamte*) are excluded from collective bargaining. Their employment conditions are set by statute, with an advisory role for the unions in the parliamentary process. By contrast, the coverage rate of employees equipped with the right to bargain is virtually 100 per cent.

Turning to the comparison of the coverage rate in the public and private sectors, Table 5.2 shows that it is considerably higher in the public sector in those countries where collective bargaining is institutionalised in both sectors. Aside from the United States, public sector coverage (adjusted for employees excluded from bargaining rights) is above 75 and often close to 100 per cent. Recalling that union density is also substantially higher in the public sector, it can be argued that the public sector has developed into a stronghold of unionism in general and of collective bargaining in particular (at least when bargaining procedures have been established) [see OECD (1991)]. It should be noted, however, that the higher coverage in the public sector tends to be accompanied by substantive restrictions in bargaining rights, including the right to strike.

As a rule, the public sector is more sheltered from market competition than almost any other sector. While this certainly enhances trade union power, governments may resort to restrictions of bargaining rights – as a functional equivalent to "market discipline" in the private sector – in order to keep expenditures for public employees in line with budget constraints.

b

Principal mode of employment regulation		Coverage rates (percentages)	
		Public sector	Private sector
Australia	Collective bargaining	98	72
Canada	Collective bargaining	80	30
Finland ^a	Collective bargaining	100	66
Germany	Mixed	59 ^d /100 ^e	88
Great Britain	Collective bargaining	78 ^f	40 ^f
New Zealand	Collective bargaining	94	55
Norway	Collective bargaining	97	62
Spain ^a	Statutory regulation	12 ^d /100 ^e	67
Sweden	Collective bargaining	100	72
United States	Collective bargaining	43	13

a) With the exception of Spain, the table does not show countries relying principally on statutory regulation for determining terms and conditions of employment in the public sector.

b) Data refer generally to 1990, with the exception of Finland (1989) and Norway (1992).

c) Coverage rate excludes firms covered by extension rules.

d) Coverage rate related to the public sector as a whole.

e) Coverage rate adjusted for public employees excluded from bargaining rights.

f) Data are based on the *Workplace Industrial Relations Survey* (WIRS), and exclude establishments with less than 25 employees.

Source: See Annex 5.A.

2. Coverage by industry

Earlier research has shown that workers in manufacturing, transport and public administration are more likely to be union members than those in agriculture, trade and financial services [OECD (1991)]. Similarly, sectoral variation, such as differing shares of overall employment in manufacturing and services, may be an important determinant of the extent of collective bargaining coverage.

Table 5.3 contains available data on coverage by industrial sector, grouped to the extent possible according to the one-digit ISIC classification system. As with unionisation, transportation and manufacturing tend to show the highest coverage rates. But there is wide variation in coverage across countries. The coefficient of variation tends to be considerably higher in countries characterised by single-employer bargaining, and lower in those with multi-employer bargaining.

Another important question is whether changes in the sectoral composition of employment have had any

impact on coverage rates, Table 5.4 shows the results of a “shift-share” calculation for six countries. This calculation examines the relationship between changing coverage rates and employment shifts between sectors (as defined here, at the one-digit level). For this purpose, national coverage rates at the end of an observation period were predicted on the basis of sectoral coverage rates at the beginning of the period, and of actual changes in the sectoral composition of employees during the period, assuming that the sectoral coverage rates had remained constant.

There are two main findings. First, at least at the one-digit level, shifts in sectoral composition alone would not have substantially changed the level of coverage over time, except in Portugal. Second, with the exception of Finland and Spain, the actual changes in coverage rates were considerably greater than had been predicted. Especially striking is the case of Great Britain, where the sectoral change apparently contributed nothing to the significant decline in coverage between 1978 and 1985 (which has continued at an even faster pace since then).¹⁵

Table 5.3. Coverage rates by industry, 1990^a

Percentages

	Industrial sector ^b									Coefficient of variation
	1	2	3	4	5	6	7	a	9	
Australia	..	74	80	99	72	72	88	68	88	0.12
Austria	100	100	100	100	100	100	100	90	78	0.07
Canada	15	41	44	72	35	14	56	12	56	0.52
Finland ^c	20	..	89 ^d	82	43	72	29	55	100	0.44
Germany	99	99	99	99	99	99	99	68	69	0.14
Great Britain ^e	85	63	48	52	45	23	80	38	68	0.34
Japan	11	34	33	79	7	11	51	28	14	0.74
Netherlands	69	66	76	30	96	65	84	61	66	0.25
New Zealand	30	42	68	78	61	56	79	44	68	0.27
Norway	34	87	74	96	65	49	84	58	92	0.27
Portugal	34	57	91	49	65	100	85	78	..	0.30
Switzerland	13	..	56	13 ^f	100	57	42	55	9	0.67
United States	4	20	22	..	22	7	34 ^g	3	22	0.61

Table 5.4. The impact on coverage of changes in the sectoral composition of employees

Percentages

		Predicted coverage rate at the end of the period ^a	Predicted change in the coverage rate over the period ^{a,b}	Actual change in the coverage rate ^b
Japan ^c	1980-1989	25	0	-5
Finland	1980-1990	55	0	0
Great Britain ^d	1978-1985	72	2	-6
Portugal	1981-1991	75	5	9
Spain	1983-1990	67	0	1
United States	1980-1990	25	-1	-8

a) Predicted rates were calculated on the basis of actual changes in the sectoral composition of employees, assuming that the sectoral coverage rate remained constant over time.

b) In percentage points.

c) Union members only.

d) Data based on the *New Earnings Survey* (NES).

Source: See Annex 5.A.

3. Coverage by gender and firm size

Aside from sectoral shifts, gender and firm size are other important variables which may affect coverage levels. Table 5.5 contains available data on coverage rates by gender. No clear pattern is discernible across the eight countries. In terms of the level of coverage, cross-country variation is pronounced: the coverage rate for men is lower in two cases (Australia, Norway), higher in four (Canada, the Netherlands, Switzerland and the United States) and equal to that of women in two further

	1980 ^a		1990 ^b	
	Male	Female	Male	Female
Australia	85	93	77	84
Canada	..	..	41	34
Great Britain ^c	71	68	64	64
Netherlands	..	..	80	73
Norway	..	..	73	79
Portugal	73	64	79	79
Switzerland	..	..	58	49
United States	31	19	21	15

.. Data not available.

a) Except for Australia (1974), Portugal (1981) and Great Britain (1978).

b) Except for the Netherlands (1987), Norway (1992), Portugal (1991), Switzerland (1992) and Great Britain (1985).

c) Data based on the *New Earnings Survey* (NES).

Source: See Annex 5.A.

cases (Portugal and Great Britain). Regarding changes over time, differences between coverage rates of men and women have declined in all countries where data were available.

Data on coverage by firm size are available for Australia, Canada, France, Great Britain and the United States, although comparability is limited due to the different size classifications (Table 5.6). In all countries, coverage increases with firm size.

This relationship could be due to the association of firm size with union density on the one hand, and employers' organising propensity on the other. There is empirical evidence that unionisation increases with firm size [see OECD (1991)]. However, it should be recalled that the impact of union density on total coverage rates is limited; arguably, differences in employers' willingness to organise are at least as important as differentials in unionisation. According to recent cross-national studies, employers' tendency to join an employer association significantly increases with firm size [Traxler (1993)]. As a consequence, coverage is positively associated with firm

Table 5.6. Coverage rates by firm size

Percentages

	Firm size (number of employees)	Coverage rate		
		1980 ^a	1985 ^b	1990 ^c
Australia ^d	under 20	..	..	59
	20-49	..	..	68
	50-99	..	..	79
	100-499	..	..	80
	500-999	..	..	82
	1 000 and over	..	..	86
Canada	under 20	..	11	10
	20-99	..	20	27
	100-499	..	46	48
	500 and over	..	55	56
France	10-49	81	91	..
	50-199	89	96	..
	200-499	94	98	..
	500 and over	96	100	..
Great Britain ^e	25-99	..	53	35
	100-499	..	69	57
	500-999	..	82	71
	1 000 and over	..	89	77
United States ^f	under 25	8	..	5
	25-99	22	..	10
	100-499	32	..	18
	500 and over	39	..	26

.. Data not available.

a) 1979 for the United States, 1981 for France.

b) 1986 for Canada, 1984 for Great Britain

c) 1992 for the United States.

d) Private sector only.

e) Figures based on the *Workplace Industrial Relations Survey* (WIRS).

f) Non-agricultural employees only.

Source: See Annex 5.A.

size even in countries characterised by multi-employer bargaining and pervasive extension practices – the case in Australia and France.

However, one would expect differences in coverage rates by firm size to be highest in systems characterised by single-employer bargaining and an absence of extension practices. In systems where enterprises and establishments tend to be the only bargaining arenas, coverage is especially sensitive to union strength at company level. The data in Table 5.6 confirm this hypothesis. In Canada and the United States, bargaining coverage in the largest firms (500 and more employees) is more than five times higher than in the smallest firms. By contrast, in the two countries relying mainly on multi-employer bargaining, coverage in the largest firms is only 10 per cent higher (France, 1985) and less than 50 per cent higher (Australia) than in small firms.

F. TRENDS IN COVERAGE AND UNIONISATION

Some analysts assume that there is a general long-term trend in labour relations and collective bargaining towards decentralisation and “disorganisation” [e.g. Lash and Urry (1987); Streeck (1988b); and Windolf (1989)]. According to this assumption, structural change has exacerbated the need for flexibility in manufacture, product quality and employee motivation. At the same time, it is argued, labour relations issues such as flexible working hours and performance-related pay, which must be dealt with as close to the workplace as possible, have gained in importance. In addition, rising living standards and the expansion of the service sector are supposed to have fostered individual self-interest at the expense of collective solidarity, resulting in a weakening of collective regulation. Two dimensions may be distinguished. The first refers to the decentralisation of the bargaining process, in the sense of a shift from higher to lower levels. The second relates to a process of “de-regulation”, i.e. the substitution of collective agreements by market competition. In order to assess whether there is any evidence to support these assumptions, this section analyses trends in the evolution of collective bargaining coverage rates since 1980. In comparison, time series data on trade union density are also presented.

1. Declines in trade union density

Table 5.7 shows the evolution of union density rates between 1970 (or another year in the 1970s) and 1990. There were gains in all Nordic countries (particularly large in Finland) and strong declines in, *inter alia*, France, Japan, Portugal, Spain and the United States. Overall, among the 23 countries for which full data were

Table 5.7. **Evolution of trade union density rates in OECD countries, 1970-90**

Trade union membership as a per cent of wage- and salary-earners

	Type of data*	1970	1980	1990
Australia	E	50.2 ^a	48.0 ^b	40.4
Austria	E	62.2	56.2	46.2
Belgium	E	45.5	55.9	51.2
Canada	R	31.0	36.1	35.8
Denmark	E	60.0	76.0	71.4
Finland	E	51.4	69.8	72.0
France	E	22.3	17.5	9.8
Germany	E	33.0	35.6	32.9
Greece	R	35.8 ^c	36.7 ^d	34.1
Iceland	E	68.1 ^e	75.2 ^f	78.2 ^g
Ireland	E	53.1	57.0	49.7
Italy	E	36.3	49.3	38.8
Japan	E	35.1	31.1	25.4
Luxembourg	R	46.8	52.2 ^h	49.7 ⁱ
Netherlands	E	38.0	35.3	25.5
Norway	E	51.4 ^j	56.9	56.0
New Zealand	E	..	56.0 ^k	44.8 ^l
Portugal	R	60.8 ^m	60.7 ⁿ	31.8
Spain	E	27.4 ^o	25.0	11.0
Sweden	E	67.7	7v.7	82.5
Switzerland	E	30.1 ^p	30.7	26.6
Turkey	R	18.1 ^q	29.2	21.5 ^r
United Kingdom	E	44.8	50.4	39.1
United States	E	21.2 ^c	22.1	15.6

.. Data not available.

* E = Based on employed members only.

R = Based on recorded membership, not corrected for possible retired, unemployed and self-employed members.

Some data for 1970 and 1980 may deviate slightly from those presented in OECD, *Employment Outlook*, 1991, because of new information received.

a) 1976. j) 1987.

b) 1982. j) 1972.

c) 1977. k) 1985.

d) 1986. l) 1991.

e) 1979. m) 1978.

f) 1983. n) 1984.

g) 1989. o) 1971.

h) 1981. p) 1978.

Sources: Data supplied by Jelle Visser, University of Amsterdam. See also Table 4.1 and Annex 4.A in OECD, *Employment Outlook*, 1991.

available, union density increased in 10 and decreased in 12, with one country (Germany) stable. This suggests, at least when taking 1970 as the base year, that the large decreases in unionisation claimed by many observers are not borne out by the data.

However, if the figures relating to the 1970s are separated from those for the 1980s, it can be seen that the gains which unions made during the 1970s (when rates went up in two-thirds of the countries) were lost during the 1980s (when rates fell in all but three countries). The unweighted average of union density rates in OECD countries (excluding Iceland, Luxembourg and New Zealand), which was 42 per cent in 1970 and 46 per cent in 1980, fell back to 39 per cent by 1990. In most countries where rates fell in the 1980s, absolute membership

has also fallen, despite expanding employment levels. According to all indications, this trend has continued into the 1990s.

2. A trend towards reduced coverage?

Has the coverage of employees by collective agreements declined alongside of trade union density? Such a trend would imply a deregulation of bargaining systems, in the sense of a move from collective negotiations between employers and unions to individual personnel relations and labour contracts.

Table 5.8 presents the evolution of total coverage rates for 11 countries. At first glance, there appears to be no general trend. Through the 1980s, coverage rates remained largely stable in four countries (Canada, Finland, Germany and Spain). With 9 percentage points, Portugal recorded a large increase in coverage. Between 1980 and 1985, France also recorded an increase – of 7 percentage points – and there is reason to believe that this gain was maintained through the latter half of the decade.

By contrast, since 1980 coverage has declined in the United States, Japan, Australia and the Netherlands.^g The decline in collective bargaining has been most pronounced in Great Britain; from the late 1970s to the beginning of the 1990s, its coverage rate fell by more than 20 percentage points.^h

Table 5.8. Evolution of collective bargaining coverage rates in selected OECD countries, 1980-90^a

	Percentages		
	1980 ^b	1985 ^c	1990 ^d
Australia	88	85	80
Canada	..	37	38
Finland	95	..	95
France	85	92	..
Germany	91	91	90
Great Britain ^e	70	64	47
Japan	28	..	23
Netherlands	76	76	71
Portugal	70	75	79
Spain ^f	..	67	68
United States	26	20	18

.. Data not available.

[Break in series in 1987.

a) Coverage rates have been adjusted for employees excluded from bargaining rights.

b) Except for Australia (1974), France (1981), Portugal (1981) and Great Britain (1978).

c) Except for Canada (1986) and Spain (1983).

d) Except for Japan (1989), Germany (1992) and Portugal (1991).

e) Figures are estimates based on a combination of results from the *New Earnings Survey* (NES) and the *Workplace Industrial Relations Survey* (WIRS).

f) Coverage rate excludes firms covered by extension rules.

Source: See Annex 5.A.

Given the above analysis, and the earlier findings on the impact of extension rules, two hypotheses on the determinants of changes in coverage rates over time can be put forward. First, important declines in coverage are more likely in company-centred systems. Over the last decade, 2 of 3 countries with predominant single-employer bargaining (Canada being the exception) recorded a decrease of their coverage rate; in only 2 of 7 countries with strong sectoral bargaining (the Netherlands and Australia) was there a decline in the coverage rate.

Second, changes in the institutional and legal framework (especially when involving the extension mechanism) seem to trigger the strongest changes in coverage. There are three countries where major reforms of the bargaining system have occurred. As already outlined, extension procedures were rescinded in the United Kingdom in the early 1980s and in New Zealand in 1991. In both countries, the coverage rate has decreased considerably since. By contrast, collective bargaining was institutionally strengthened in France at the beginning of the 1980s, contributing to a significant increase in coverage. Overall, State regulation continues to play a critical role in determining bargaining arrangements. Apart from the extension mechanism discussed above, issues such as union recognition and union security, and a “duty to bargain” set by legislation, can be of particular importance. For example, it is commonly held that the diverging paths in U.S. and Canadian industrial relations, in particular the increasingly different unionisation and bargaining coverage rates, are due to differences in legislative provisions on union recognition existing in the two countries [Kumar (1993)].

3. Is collective bargaining becoming more decentralised?

Turning finally to the decentralisation hypothesis, in nearly all countries employers have, over the last few years, expressed a strong interest in decentralised negotiations – presumably with the expectation of more flexible bargaining outcomes. Katz (1993) and Clarke (1993), among others, have argued that “the locus of collective bargaining is shifting downward”. While some discussion centres on wage drift phenomena and contingent compensation, often the evidence cited refers not so much to local wage negotiations as to other issues, such as working time and work restructuring.

Table 5.1, although based only on qualitative assessment, suggests that current trends are not so unequivocal. Undoubtedly, a shift downward in pay-setting has occurred in Sweden, New Zealand and the United Kingdom. In addition, the United States presents the case of a traditionally decentralised system which underwent further decentralisation in the 1980s.

However, in a majority of OECD countries the sectoral level has remained the principal arena for wage determination. In addition, during the 1980s and early 1990s, economy-wide bargaining continued or was re-established in a number of, mainly European, countries. Prime examples are the "social pacts" concluded in Portugal and Spain throughout the 1980s, the central incomes policy agreement of Finland in November 1991; the tripartite common policy framework in the Netherlands concluded in December 1989; and the 1992 tripartite Norwegian employment commission report.

In Australia, the Accord struck in 1983 by the government and the Australian Council of Trade Unions can also be said to have centralised and co-ordinated the wage determination process, with the trade unions accepting wage restraint in exchange for influence in economic policy. However, under the influence of the Accord, Australia's industrial tribunals subsequently initiated a process of decentralisation, coupling wage settlements with increased enterprise-level bargaining (over "restrictive practices", changes in work organisation, skill formation, etc.) in order to achieve higher economic performance [Lansbury and Davis (1987); Mitchell and Scherer (1993)].

Similarly, developments in France (where the Auroux laws of the early 1980s have strengthened both company and sectoral bargaining, and where in addition national framework agreements have been revitalised), show concurrent centralisation and decentralisation trends. Their coexistence is a paradox only when the distribution of bargaining tasks among the distinct levels is interpreted as a zero-sum game in which the growing significance of one level implies a weakening of the others. It seems that arguments presuming a general

decentralisation trend proceed from this misleading assumption.

Such arguments have another shortcoming: they tend to treat collective bargaining institutions as dependent on worldwide changes in the economic and cultural environment, underestimating their potential to actively influence how these changes impact on a particular society. For example, complex multi-level systems can choose to discuss distinct bargaining issues at different levels. The ability to choose between a range of options increases with the strength of the higher-level bargaining associations – unless these overstretch their co-ordinating capacities in an attempt to achieve irreconcilable goals (as in the Swedish case). In addition, the role of State regulation in shaping the structure of the collective bargaining system should not be underestimated.

It is also useful to distinguish between organised and disorganised forms of decentralisation. While the latter type results from a breakdown or dismantling of higher-level arrangements, decentralisation is organised when higher-level parties deliberately delegate bargaining over certain issues to a lower level. Under these circumstances, overall control over the bargaining process remains with the delegating parties, as is the case, *inter alia*, in Austria and Germany. For example, collective agreements in Germany on the reduction of weekly working hours in the metal industry have included detailed guidelines with regard to the discretion of works councils to modify the process at company level. There is some evidence that organised decentralisation is also occurring in Finland. In Sweden, too, it is likely that the central associations will retain control over the shift towards lower-level bargaining.

	Under a single-employer agreement ^a			Under a multi-employer agreement ^a			Under both a single- and multi-employer agreement		
	1980 ^b	1985	1990 ^c	1980	1985	1990	1980 ^b	1985	1990 ^c
France ^d	24	35	..	80	86	..	..	31	..
Great Britain ^e	10	11	..	39	40	27-30	20	13	..
Netherlands	11	12	| 13	65	64	| 58			
New Zealand	..	..	16	..	..	51	..	..	..
Portugal	8	8	7	..	..	..	65	67	72
Spain ^f	16	..	14	62	..	64			
Switzerland	..	..	6	..	..	47			

.. Data not available.

| Break in series in 1987.

a) In France and Spain, most workers covered by single employer agreements are also covered by multi-employer agreements.

b) Except for France (1981), Great Britain (1978), Portugal (1982) and Spain (1983).

c) Except for Portugal (1991).

d) Data cover firms and establishments with 10 or more employees only.

e) Data are taken from the *New Earnings Survey* (NES), with an estimate of multi-employer agreements for 1990 made by Siebert (1991).

f) Coverage rate excludes firms covered by extension rules.

Source: See Annex 5.A.

Some evidence on coverage rates by bargaining level

Data on the evolution of coverage rates by bargaining level over the 1980s might provide a useful test of the decentralisation hypothesis. For a number of countries characterised by a multi-tier bargaining system, some limited data are available on coverage by bargaining level. Data for the seven countries contained in Table 5.9 indicate that multi-employer bargaining still tends to predominate. For example, the ratio of workers covered by multi-employer agreements to those covered by single-company agreements ranges from 8 to 1 in Switzerland and almost 5 to 1 in the Netherlands and Spain (1990 data) to 2.5 to 1 in France (1985 data).¹⁸

However, as noted above, the 3-to-1 relationship in New Zealand in 1990 has been totally reversed since then. In addition, there is reason to assume that the proportion in Great Britain is now less than 3 to 1, although the data seem to suggest that the decline of sectoral bargaining has resulted not so much in a growing significance of single-employer settlements, but rather in an increased share of employees who are not covered by any collective arrangement.

Overall, it seems that there is insufficient empirical evidence to support a generalised decentralisation hypothesis. Importantly, the locus of bargaining may shift “downwards” and “upwards” simultaneously, depending on the particular issues involved. Social concertation and incomes policies remain important goals for governments in several countries. Particularly in Europe, governments feel the need to integrate labour relations into their measures to enhance economic performance in the face of growing regional economic integration.

G. CONCLUSIONS

This chapter has investigated the level and coverage of collective bargaining in OECD countries. The analysis

suggests that collective bargaining is not evolving along the lines of a single model. The 1980s (just as preceding decades) have seen a considerable variation across countries in the way bargaining is institutionalised and its parties are organised. These variations are associated with differences in the mode of coping with recent economic challenges. Thus, it is likely that differences in bargaining structures will continue.

In particular, the chapter has shown that, with some exceptions, the extent to which workers are covered by collective agreements has been fairly stable over the last decade. While some movement towards more decentralised bargaining is evident, sweeping generalisations about such a trend are not sustainable. Much of the apparent demand for discussing decentralisation has come from employers. However, despite increasing demands for “opening clauses” from sectoral wage agreements which would leave more room for local flexibility, at least in continental Europe the “collective goods” aspect of sectoral bargaining seems to retain its importance for both parties. It remains to be seen how much of the “opening clause” debate was stimulated by the recession, or whether such provisions will gain in long-term importance.

There is currently a growing debate as to what impact the widely diverging collective bargaining systems in OECD countries might have on economic performance. A “corporatist” school has maintained that a high degree of centralisation and economy-wide concertation can lead to superior economic performance, as measured, *inter alia*, by job growth, unemployment and inflation. More recently, other authors have claimed that both the least centralised and the most centralised bargaining structures produce better economic performance than does “intermediate”, *i.e.* industry-level, bargaining. Differences in empirical results between these studies seem often due to diverging country classifications. It is planned to further examine these relationships in future issues of the *Employment Outlook*.

NOTES

1. The International Labour Organisation, in its Recommendation No. 163 concerning the Promotion of Collective Bargaining, has recommended to governments to ensure that: "collective bargaining is possible at any level whatsoever, including that of the establishment, the undertaking, the branch of activity, the industry, or the regional or national levels".
2. In practice, as multi-employer agreements tend to establish minimum wages rather than actual wages, they give employers sometimes considerable leeway to match wages to company performance.
3. In addition, once trade unions have been recognised as bargaining partners, multi-employer bargaining may serve as a mechanism to reduce their interference in management prerogatives. The higher the level of bargaining, the more generalised and remote from the workplace the provisions of any agreement will tend to be. Such remoteness may, to some extent, keep union influence out of the enterprise, although in a number of countries the participatory and informal bargaining role of works councils has restored some of that influence.
4. This is done in line with ILO Recommendation No. 91 of 1951 on Collective Agreements.
5. In some countries, extension procedures have been challenged since they prevent "outsiders" from underbidding wages and force new or marginal enterprises to pay the entire compensation package, which, it is alleged, will stifle competition and have a negative effect on job creation, particularly for the low-skilled.
6. As Hancké (1993) notes, relationships between union bodies (which may view parallel consultative mechanisms with suspicion) and works councils vary – in only three of a sample of seven European countries did the unions dominate the consultative bodies.
7. According to an analysis of collective agreements covering 1 000 or more employees, already in the late 1970s 82 per cent of manufacturing employees working under a union contract were covered at the single-employer level [Derber (1984)].
8. Although intersectoral agreements are not supported by all union confederations, the 1991 agreement on vocational training, for example, was reflected in numerous corresponding settlements on grading and classification at both sectoral and company level [EIRR (1992), No. 225].
9. In both the United Kingdom and the United States, the use of such arrangements has been considerably constrained through legislation. In the United States, for example, apart from the general interdiction of closed shop practices, 21 states have additionally outlawed union shops by means of "right-to-work" legislation.
10. Outside construction, single-employer bargaining accounts for about 78 per cent of all workers covered by major collective agreements (involving 500 or more employees) [Coleman (1993)].
11. In New Zealand, similar provisions providing for extension to unaffiliated employers (which was previously widespread) were repealed in 1991 with the passage of the Employment Contracts Act [Harbridge and Moulder (1993)].
12. Data communicated by the German Ministry of Labour and Social Affairs.
13. In the case of the Netherlands, the government is now considering restricting the extension of agreements, particularly those relating to social insurance provisions, in view of the impact of such provisions on labour costs.
14. For example, the comparatively high union/non-union wage differential in the United States explains, at least in part, why large numbers of employers have consistently followed anti-union policies [Blanchflower and Freeman (1992)].
15. This is consistent with other empirical work on U.K. unionisation rates showing the relative unimportance of shifts in employment compared with changes in the legal and institutional environment [Freeman and Pelletier (1990); Peetz (1990)].
16. Part of the decline in the Netherlands is due to the increase in the number of employees after the start of a new labour force survey in 1985.
17. In addition, the coverage rate in New Zealand is reported to have dropped by around half since 1991 [Harbridge (1993)].
18. It is important to note that in some of these countries most workers covered by a company agreement are also covered at branch level. In France, for example, of the 35 per cent covered by a single-employer agreement in 1985, only around one-tenth were exclusively covered by such agreements.

SOURCES AND METHODS OF COLLECTIVE BARGAINING COVERAGE STATISTICS

A. GENERAL

Where data are based on sample surveys, coverage rates were calculated directly from them. Otherwise, the coverage rate was calculated on the basis of the number of employees covered by a collective agreement divided by the corresponding total number of wage- and salary-earners. Data on total wage- and salary-earners were taken either from the *OECD Labour Force Statistics* or from national sources or a combination of the two. If there was a choice, national sources were preferred because they usually bear a closer relation to the national statistics on collective bargaining coverage.

For Section E.1, the definition of the public sector is given in the text. It should be noted, however, that national definitions of the public sector are not fully identical, primarily because the scope of State activities varies across countries. Figures used in this section rely on national statistics.

B. SOURCES AND METHODS BY COUNTRY

Australia

Data are based on a sample survey of employers on *Award Coverage, Australia* (cat. No. 6315.0) conducted by the Australian Bureau of Statistics. This survey covers all wage- and salary-earners with the exception of the permanent armed forces, employees in agriculture and private household workers. Data are available for April 1954 and May of 1963, 1968, 1974, 1983, 1985 and 1990. Because of improvements in the registers of businesses and modifications to some definitions, results from surveys conducted since 1983 are not strictly comparable with previous surveys.

Austria

Data on coverage are not collected. However, the specific features of the Austrian bargaining system allow a reliable estimate. Due to compulsory membership in the principal peak association of employers (the BWK), whose domain fully comprises those segments of ISIC sectors 3, 4, 5, 6 and 7 which have the right to bargain collectively, the coverage rate in these sectors is effectively 100 per cent. The same holds true for sectors 1 and 2, the latter being covered partly by the BWK and partly by a voluntary employer association. Employees are not covered by collective agreements in areas where there is no employer association. This applies to parts of sectors 8 and 9 which are not organised by the BWK. In sector 8, non-coverage involves blue-collar workers in business services

(19 515 in 1990). Altogether, the total number of uncovered employees is estimated at around 40 000, which corresponds to an adjusted coverage rate of 98 per cent. It should be noted that this figure refers to the number of employees under any kind of collective agreement. In comparison, the number of employees under wage agreements is somewhat smaller, although pervasive extension practices guarantee high bargaining coverage.

Belgium

There are no official coverage statistics; an estimate of the total coverage rate was made by an expert at the Ministry of Employment and Labour [du Bled (1992)].

Canada

Data are based on the *Labour Market Activity Survey*, a household survey undertaken by Statistics Canada. The survey excludes residents of the Yukon, the North-west Territories, and persons living on Indian reservations. Data refer to the last job held in the year.

Finland

Coverage rates are estimates provided by the Finnish Ministry of Labour [Kauppinen (1991)] on the basis of data from the *Statistical Yearbook of Finland*. Data on sectoral coverage do not include employees covered by extension.

France

Data were taken from a country study by Carlitz (1991), which in turn documents results of surveys undertaken in 1981 and 1985 by the *Service des Etudes et de la Statistique* of the French Ministry of Labour. These surveys only covered establishments with ten or more employees which, in 1985, excluded around 23 per cent of employees. In order to make the data more comparable, an estimate of the total coverage rate was made on the basis of trends in coverage rates by firm size (see Table 5.6), with the coverage rate of establishments with less than ten employees assumed to be around 80 per cent.

Germany

Coverage data used for Chart 5.1 and Tables 5.3 and 5.8 were communicated directly by the German Ministry for Labour and Social Affairs, while figures in Table 5.2 are

derived from trade union publications [WSI (1991)] and the German *Statistical Yearbook*. As a rule, statistics refer to western Germany only.

Japan

The *Yearbook of Labour Statistics* contains data on bargaining coverage compiled from information provided by unions. The main difference from all other figures used in this chapter is that these data refer only to union members covered by a collective agreement. In 1989, about 28 per cent of persons belonging to trade unions were not covered by such agreements. However, it can be assumed that companies which recognise trade unions do not, as a rule, discriminate between their unionised and non-unionised employees in terms of employment conditions.

To arrive at an estimate of the actual aggregate coverage rate, this study uses data on the difference between unionisation and bargaining coverage in the United States, whose labour relations system, in terms of bargaining level and union density, somewhat resembles that of Japan. In the United States, the total number of employees covered by collective agreements exceeded the number of union members in 1980 and 1989 by 12 and 14 per cent, respectively. These percentages were used to estimate Japan's total and sectoral bargaining coverage.

Netherlands

Data on coverage are drawn from a country study by Knurver (1991). The main source is the *Dienst Collectieve Arbeidsvoorwaarden* of the Ministry of Social Affairs and Employment. For government employees, the *Kerngegevens bezoldiging overheids personeel* prepared by the Ministry of Internal Affairs has been used. There are no official figures on coverage by gender; the data in Table 5.5 are a rough estimate by Korver (1991), based on the *Labour Accounts (Arbeidsrekeningen)* 1987, and the Netherlands *Statistical Yearbook* (all prepared by the Central Statistical Office).

New Zealand

Coverage statistics rely on a special study undertaken for the OECD by Harbridge (1991), who calculated the number of full-time-equivalent workers covered by bargaining settlements registered with the Arbitration Commission for the 1989/90 bargaining round. Computing coverage rates from these statistics raised the problem of finding employment figures corresponding to the coverage calculation in full-time equivalents, as well as to the demarcation used for the public and private sector. The *Quarterly Employment Survey (QES)*, undertaken by the Department of Statistics, was used for this purpose. However, the QES includes working proprietors, and excludes agriculture and establishments with less than three employees. In order to adjust the data for working proprietors and agriculture, data from *OECD Labour Force Statistics* were used. It was not possible to make analogous adjustments to the employment statistics by sector. Hence, data on employment by industry were taken directly from *OECD Labour Force Statistics*. As a result, sectoral coverage rates may be somewhat underestimated.

Norway

Coverage rates are taken from a country study by Hippe and Nergaard (1992) using data from two surveys undertaken in 1989 and 1992. While the 1992 survey covers all employees, the 1989 survey excludes some categories of employees, establishments and regions and also uses a somewhat different methodology. This chapter uses data from the 1992 survey which asked respondents whether their wages were completely or partially determined by either a collective agreement or a personal contract.

Portugal

Figures are compiled by the Ministry of Employment and Social Security on the basis of information regularly provided by enterprises [Gaspar (1992)]. Time series data are available from 1981 onwards. Aside from public employees formally excluded from collective bargaining, the figures do not include workers in domestic services and seasonal workers in agriculture. Since coverage is probably rather low in these branches, the coverage rates shown in this chapter may be slightly overestimated.

Spain

Data on coverage were taken from a country study by Jimeno (1991). They are based on the *Estadística de Convenios Colectivos*, annually compiled by the Statistical Office of the Ministry of Employment on the basis of information submitted by bargaining units. Comparable time series data are available from 1983 onwards. They tend to considerably overstate the level of coverage; for example, in some sectors reported coverage is greater than the total number of employees. This results from double-counting of overlapping coverage through company and sectoral agreements, as well as from the bargaining units' tendency to overestimate their constituency. The report by Jimeno estimated that 80 per cent of employees covered by a company agreement are also covered by a sectoral agreement, and that bargaining units may overestimate coverage by 20 per cent. Accordingly, the coverage rates used in this chapter have been corrected for these two biases. Data refer exclusively to collective agreements signed by bargaining units. In addition, the proportion of workers covered by extension is estimated by the Ministry of Labour and Social Security at around 4-5 per cent.

Sweden

Data were compiled by Nilsson (1991) from reports of private sector employer associations and statistics on subsidiary agreements signed by the LO trade union. Data referring to coverage in the public sector are from Statistics Sweden, *Statistiska Meddelanden, Lön och Sysselsättning inom offentlig sektor*.

Switzerland

Coverage statistics are from a study undertaken by Bauer and Baumann (1993) for the *Office fédéral de l'industrie, des*

arts et métiers et du travail, on the basis of information from the bargaining units.

United Kingdom

There are three main sources: the *New Earnings Survey* (NES), the *Time Rates of Pay and Hours of Work* (TRPHW) and the *Workplace Industrial Relations Survey* (WIRS). All have limitations. The NES included a question on coverage in 1973, 1978 and 1985. It excludes part-time workers (about one-third) whose earnings are below the minimum threshold for taxable income, which is especially important for the coverage rate of female employees. Data from this survey probably overestimate the level of coverage.

The TRPHW series refers only to collective agreements covering 5 000 or more employees. The WIRS, which was conducted in 1980, 1984 and 1990, is limited to establishments employing 25 people or more, and excludes agriculture and coal-mining. Main results from all three sources are summarised in a report for the OECD by Siebert (1991).

Coverage data for the various tables in this chapter were taken from the NES and the WIRS, as specified in the respec-

five footnotes. Data on total coverage for 1978 and 1985 were taken from the NES. For 1990, the total coverage rate was estimated as follows: 1985 NES data were corrected for agriculture and mining so that they broadly correspond to the WIRS in terms of sectoral coverage. This corrected NES coverage rate is 64 per cent. The corresponding 1984 WIRS rate was 71 per cent. Assuming that this difference remained unchanged yields a 1990 coverage rate of 47 per cent for the economy as whole, since the WIRS records a coverage of 54 per cent for 1990. Although this is only a rough estimate, it can be assumed that in the early 1990s less than half of British employees are covered by collective agreements.

United States

Data are based on the *Current Population Survey* of the U.S. Department of Labor, Bureau of Labor Statistics. In this survey, employees are asked whether they are members of a union and/or whether they are covered by a union or employee association contract. Data are available from 1973 onwards, with a continuous time series starting in 1983. The latter series is based on annual averages, while data prior to 1983 refer to May of each year.

BIBLIOGRAPHY

- BAGLIONI C. and CROUCH, C. (eds.) (1990), *European Industrial Relations*, London: Sage.
- BAMBER, G.J. and LANSBURY, R.D. (eds.) (1993), *International and Comparative Industrial Relations*, London: Allen and Unwin.
- BARRETO, J. (1992), "Portugal: Industrial Relations Under Democracy", in Ferner, A. and Hyman, R. (eds.), pp. 445-481.
- BAUER, T. and BAUMANN, B. (1993), "Les Conventions Collectives de Travail en Suisse en 1992", mimeo (short version in *La Vie Économique*, No. 6).
- BELMAN, D. (1992), "Unions, the Quality of Labor Relations, and Firm Performance", in: Mishel, L. and Voos, P.B. (eds.).
- BLANCHFLOWER, D.G. and FREEMAN, R.B. (1992), "Unionism in the United States and Other Advanced OECD Countries", *Industrial Relations*, Vol. 31, pp. 56-77.
- CARLIOZ, M. (1991), "Note de synthèse: la négociation collective en France", unpublished report for the OECD.
- CLARKE, O. (1993), "Conclusions: Towards a synthesis of international and comparative experience of nine countries", in Bamber, G.J. and Lansbury, R.D., pp. 245-275.
- COFFINEAU, M. (1993), *Les Lois Auroux, dix ans après*, Paris: la Documentation française.
- COLEMAN, W.D. (1993), "Employers' Associations in Canada", unpublished report for the OECD.
- CORDOVA, E. (1990), "Collective Bargaining", in Blanpain, R. et al. (eds.), *Comparative Labour Law and Industrial Relations in Industrialised Market Economies*. Dordrecht: Kluwer, Vol. II, pp. 151-177.
- CULLEN, D.E. (1987), "United States", in Windmuller, J.P. et al., pp. 301-323.
- DERBER, M. (1984), "Employers Associations in the United States", in Windmuller, J.P. and Gladstone, A. (eds.), *Employers Associations and Industrial Relations*, Oxford: Clarendon Press, pp. 79-114.
- DESPAX, M. and ROJOT, J. (1987), *Labour Law and Industrial Relations in France*, Dordrecht: Kluwer.
- DOLVIK, J.E. and STOKLAND, D. (1992), "Norway: The 'Norwegian Model' in Transition", in Ferner, A. and Hyman, R. (eds.), pp. 143-167.
- DORE, R., BOUNINE-CABALÉ, J. and TAPIOLA, K. (1989), *Japan at Work: Markets, Management and Flexibility*, Paris: OECD.
- DU BLÉD, S. (1992), "Champ couvert par les négociations collectives", unpublished report for the OECD.
- EDWARDS, P. et al. (1992), "The United Kingdom: Still Muddling 'Through'", in Ferner, A. and Hyman, R. (eds.), pp. 1-68.
- EUROPEAN INDUSTRIAL RELATIONS REVIEW (EIRR) 1992, No. 216.
- EUROPEAN INDUSTRIAL RELATIONS REVIEW (EIRR) 1992, No. 218.
- EUROPEAN INDUSTRIAL RELATIONS REVIEW (EIRR) 1992, No. 219.
- EUROPEAN INDUSTRIAL RELATIONS REVIEW (EIRR) 1992, No. 221.
- EUROPEAN INDUSTRIAL RELATIONS REVIEW (EIRR) 1992, No. 225.
- FERNER, A. and HYMAN, R. (eds.) (1992), *Industrial Relations in the New Europe*, Oxford: Basil Blackwell.
- FREEMAN, R. (1992), "Is Declining Unionization of the U.S. Good, Bad or Irrelevant?", in Mishel, L. and Voos, P.B. (eds.), pp. 143-169.
- FREEMAN, R.B. and PELLETIER, J. (1990), "The Impact of Industrial Relations Legislation on British Union Density", *British Journal of Industrial Relations*, Vol. 28, No. 2, pp. 141-164.
- GASPAR, M.L. (1992), "Base de données sur les négociations collectives", unpublished report for the OECD.
- GOETSCHY, J. and ROZENBLATT, P. (1992), "France: The Industrial Relations System at a Turning Point?", in Ferner, A. and Hyman, R. (eds.), pp. 404-444.
- GREGG, P. and YATES, A. (1991), "Changes in Wage Setting Arrangements and Trade Union Presence in the 1980s", *British Journal of Industrial Relations*, Vol. 29, No. 3, pp. 361-376.
- HANCKÉ, B. (1993), "Trade Union Membership in Europe, 1960-1990: Rediscovering Local Unions", *British Journal of Industrial Relations*, Vol. 31, No. 4, December, pp. 593-614.
- HARBRIDGE, R. (1991), "Collective Bargaining Coverage in New Zealand", Wellington: unpublished report for the OECD.
- HARBRIDGE, R. (1993), "Bargaining and the Employment Contracts Act: An Overview", in Harbridge, R. (ed.), *Employment Contracts: New Zealand experiences*, Wellington: Victoria University Press.
- HARBRIDGE, R. and MOULDER, J. (1993), "Collective Bargaining and the Employment Contracts Act 1991: One Year on", *The Journal of Industrial Relations*, Vol. 35, No. 1, pp. 62-83.
- HIPPE, J. and NERGAAKD, K. (1992), "Collective Agreements Coverage in Norway", Norwegian Trade Union

- Centre for Social Science and Research (FAFO). Oslo, unpublished paper.
- JACOBI, O. *et al.* (1992), "Germany: Codetermining the Future", in Ferner, A. and Hyman, R. (eds.), pp. 218-269.
- JACOBY, S.M. (1990), "Norms and Cycles: The Dynamics of Industrial Relations in the United States, 1897-1987", in Abraham, K.G. and McKersie, R.B. (eds.), *New Developments in the Labor Market: Toward a New Institutional Paradigm*, Cambridge, Mass.: MIT Press. pp. 19-58.
- JIMENO, J.F. (1991), "Collective Bargaining in Spain: Rules, Coverage and Industrial Distribution", Madrid: unpublished report for the OECD.
- KATZ, H. (1993), "Decentralisation of Collective Bargaining: A Literature Review and Comparative Analysis", *Industrial and Labor Relations Review*, Vol. 47, No. 1, October. pp. 3-22.
- KAUPPINEN, T. (1992), "Note on Collective Bargaining in Finland", unpublished paper for the OECD.
- KENYON, P. and LEWIS, P.E.T. (1993), "Union Membership and the Legal and Institutional Environment: Labour Market Policy in Australia and the United Kingdom", *Australian Economic Review*. 2nd Quarter, pp. 48-60.
- KJELLBERG, A. (1992), "Sweden: Can the Model Survive?", in Ferner, A. and Hyman, R. (eds.), pp. 88-142.
- KLEIN, G. (1992), "Note on Collective Bargaining in Austria", unpublished report for the OECD.
- KOCHAN, T.A., KATZ, H.C. and MCKERSIE, R.B. (1986), *The Transformation of American Industrial Relations*, New York: Basic Books.
- KORVER, A. (1991). "Data Base on Collective Bargaining: the Netherlands", Amsterdam, unpublished report for the OECD.
- KUMAR, P. (1993), *From Uniformity to Divergence. Industrial Relations in Canada and the United States*, Kingston: IRC Press.
- LANSBURY, R. and DAVIS, E. (1987), "Australia", in Bamber, G.J. and Lansbury, R.D. (eds.), pp. 97-117.
- LASH, S. and URRY, J. (1987). *The End of Organized Capitalism*, Oxford: Polity Press.
- LILJA, K. (1992), "Finland: No longer the Nordic Exception", in Ferner, A. and Hyman, R. (eds.), pp. 198-217.
- LUCIO, M.M. (1992), "Spain: Constructing Institutions and Actors in a Context of Change". in Ferner, A. and Hyman, R. (eds.), pp. 482-523.
- MEIDNER, R. and HEDBORG, A. (1984), *Modell Schweden. Erfahrungen einer Wohlfahrtsgesellschaft*, Frankfurt/New York: Campus.
- MILLWARD, N. and STEVENS, M. (1986), *British Workplace Industrial Relations 1980-1984*, Aldershot: Gower.
- MILLWARD, N. *et al.* (1992), *Workplace Industrial Relations in Transition*, Aldershot: Dartmouth.
- MINISTÈRE DU TRAVAIL (1993), *La Négociation Collective en 1992*, Paris: la Documentation française.
- MISHEL, L. and VOOS, P.B. (eds.) (1992), *Unions and Economic Competitiveness*, Armonk, N.Y.: Sharpe.
- MITCHELL, R. and SCHERER, P. (1993), "Australia: The Search for Fair Employment Contracts through Tribunals", in Hartog, J. and Theeuwes, J. (eds.), *Labour Market Contracts and Distributions: A Cross National Comparison*, North Holland: Elsevier.
- MULLER-JENTSCH, W. (1983), "Versuch über die Tarifautonomie", in *Leviathan*, No. 11, pp. 118-150.
- NILSSON, C. (1991), "Note on Collective Bargaining in Sweden", unpublished report for the OECD.
- OECD (1991), *Employment Outlook*, Paris, July.
- OECD (1993), *Employment Outlook*, Paris, July, Chapter 4.
- PEETZ, D. (1990), "Declining Union Density", *Journal of Industrial Relations*, Vol. 32, No. 2, pp. 197-223.
- PINTO, M. (1990), "Trade Union Action and Industrial Relations in Portugal", in Baglioni, C. and Crouch, C. (eds.), pp. 243-264.
- PIORE, M.J. and SABEL, C. (1984), *The Second Industrial Divide: Possibilities for Prosperity*, New York: Basic Books.
- SHIRAI, T. (1987), "Japan", in Windmuller, J.P. *et al.*, pp. 242-252.
- SIEBERT, W.S. (1991), "Collective Bargaining Coverage - UK", Birmingham: unpublished report for the OECD.
- SOSKICE, D. (1990), "Wage Determination: The Changing Role of Institutions in Advanced Industrialised Countries", *Oxford Review of Economic Policy*, Winter, pp. 36-61.
- SPINEUX, A. (1990), "Trade Unionism in Belgium: The Difficulties of a Major Renovation.", in Baglioni, G. and Crouch, C. (eds.), pp. 42-70.
- STREECK, W. (1988a), "Skill Formation and the Limits of Neo-liberalism: The Enterprise as a Place of Learning", Discussion Paper FS I 88-16, Wissenschaftszentrum Berlin.
- STREECK, W. (1988b), "The Uncertainties of Management in the Management of Uncertainty. Employers, Labour Relations and Industrial Adjustments in the 1980s", in *Österreichische Zeitschrift für Soziologie*, Vol. 13, pp. 44-64.
- THOMAS, R.J. and KOCHAN, T.A. (1992), "Technology, Industrial Relations and the Problem of Organizational Transformation", in Adler, P.S. (ed.), *Technology and the Future of Work*, Oxford: Oxford University Press.
- THOMPSON, M. (1987), "Canada", in Bamber, G.J. and Lansbury, R.D. (eds.), pp. 80-96.
- TOGAKI, I. (1986), "Determination of Wages in Japan", in Bergmann, J. and Tokunaga, S. (eds.), *Economic and Social Aspects of Industrial Relations*, Frankfurt-New York: Campus, pp. 231-245.
- TRAXLER, F. (1986), *Interessenverbände der Unternehmer*, Frankfurt-New York: Campus.
- TRAXLER, F. (1991), "The Logic of Employers' Collective Action", in Sadowski, D. and Jacobi, D. (eds.), *Employers' Associations in Europe: Policy and Organisation*, Baden-Baden: Nomos, pp. 29-50.
- TRAXLER, F. (1992), "Austria: Still the Country of Corporatism", in Ferner, A. and Hyman, R. (eds.), pp. 270-297.
- TRAXLER, F. (1993), "Zwischen tariflichem Verbändemonopol und lohnpolitischer Flexibilität", in Bispinck, R. and Lecher, W. (eds.), *Tarifpolitik und Tarifsysteme in Europa*, Cologne: Bund Verlag.

- VILROKX, J. and van LEEMPUT, J. (1992), "Belgium: A New Stability in Industrial Relations?", in Ferner, A. and Hyman, R. (eds.), pp. 357-392.
- VISSER, J. (1989), *European Trade Unions in Figures*, Deventer and Boston: Kluwer.
- WHYMAN, P. and BURKITT, B. (1993), "The Role of the Swedish Employers in Restructuring Pay Bargaining and the Labour Process", *Work, Employment and Society*, December, pp. 603-614.
- WINDMULLER, J.P. *et al.* (1987), *Collective Bargaining in Industrialised Market Economies: A Reappraisal*, Geneva: ILO.
- WINDOLF, P. (1989), "Productivity Coalitions and the Future of European Corporatism", *Industrial Relations*, Vol. 28, pp. 1-20.
- WSI (1991), *Tarifpolitisches Taschenbuch*, Cologne: Bund Verlag.

STATISTICAL ANNEX

Sources and definitions

An important source for the statistics in these tables is **Part II** of *Labour Force Statistics, 1972-1992*, OECD. Changes between 1992 **and** 1993 have been estimated **from** several other sources: *Quarterly Labour Force Statistics*, No. 2, 1994, OECD; projections published in OECD *Economic Outlook*, No. 55; and data specially supplied by national authorities (see the sources and notes of the tables).

The data on employment, unemployment and the labour force are not always the same as the series used for policy analysis and forecasting by the OECD Economics Department, reproduced in Tables 1.2 and 1.3.

Conventional signs

- .. Data not available
- . . Decimal point
- | Break in series

Table A. Total employment by sex
Average annual growth rates in percentages

	Men						Women					
	1973-75	1975-79	1979-83	1983-91	1992	1993	1973-75	1975-79	1979-83	1983-91	1992	1993
Australia	-0.3	0.6	-0.1	1.5 ^d	-0.3	0.0	2.0	1.7	2.0	3.9 ^d	0.6	0.8
Austria	-1.1	0.8	0.9	0.7	0.8		-1.2	1.0	0.8	2.1	3.3	
Belgium	4.4	-0.4	-1.8	0.0	-1.1		0.8	0.9	0.2	2.0	0.5	
Canada	1.9	1.8	-0.6	1.1	-1.2	1.2	4.7	4.5	2.6	2.8	-0.4	1.1
Denmark	-1.8	0.7 ^b	-1.7	0.9			-0.5	3.6 ^b	0.9	1.4		
Finland	0.7	-0.6 ^b	0.9	-0.5	-7.6	-5.9	2.0	-0.0 ^b	1.9	-0.1	-6.5	-6.3
France	-0.4	-0.2	-0.7	-0.1	-1.2		0.8	1.6	0.7	1.4	0.5	
Germany	-2.5	0.3	-0.5	0.8 ⁱ	-0.3		-1.0	0.9	-0.0	2.0^e	1.7	
Greece	-0.5	0.8	0.6	0.1			1.6	1.1	4.1	0.7		
Ireland	-0.2	1.5	-1.4	-0.5			1.6	2.0	1.9	1.1		
Italy	0.6	-0.1	0.0	0.1	-1.1	.. ^h	2.4	2.7	1.3	1.6	0.3	.. ^h
Japan	0.5	0.7	0.8	1.1	1.1	0.6	-1.7	2.0	1.7	1.7	1.0	-0.3
Luxembourg	1.0	-0.7	-0.7	2.3 ^f	..		4.6	1.5	1.8	3.3 ^f		
Netherlands	-1.5	0.3	-0.8	2.1	1.3		2.9	2.7	4.0	5.3	3.2	
New Zealand	2.1	0.2	-0.3	-1.0 ^d	0.4		5.2	2.7	0.8	1.3 ^d	0.6	
Norway	0.9	1.1	-0.2	-0.4	-0.5	-0.5	2.9	4.4	1.8	1.4	-0.1	0.5
Portugal	-1.3 ^a	0.3	0.4 ⁱ	1.0	.. ^g	-2.8	-1.5 ⁿ	0.9	1.1 ^c	3.0	.. ^g	-1.2
Spain	4.2	-1.7 ^b	-1.8	0.8	-3.2	-5.4	-1.5	-1.3 ^b	-1.7	3.0	0.3	-2.4
Sweden	1.0	-0.3	-0.6	0.1 ^e	-5.1	-7.9	4.2	2.0	1.3	0.9 ⁱ	-3.5	-6.2
Switzerland	-2.8	-0.5	0.8	0.8	-2.1	-2.5	-1.9	0.6	2.0	1.6	-2.4	-2.5
United Kingdom	-1.0	-0.2	-2.3	0.4	-3.3	-2.8	1.5	1.2	-1.0	2.3	-1.0	-1.3
United States	4.6	2.5	-0.3	1.3	0.3	1.3	2.0	5.0	1.7	2.4	0.9	1.5
North America	-0.4	2.4	-0.4	1.2	0.2	1.3	2.2	4.9	1.8	2.4	0.8	1.5
OECD Europe ⁱ	-0.8	-0.2	-0.8	0.4	-2.0		1.2	1.4	0.5	2.0	-0.3	
Total OECD ⁱ	-0.4	0.9	-0.3	0.9	-1.4				1.2	2.2	-0.1	

a) Break in series between 1973 and 1974.

b) Break in series between 1975 and 1976.

c) Break in series between 1982 and 1983.

d) Break in series between 1985 and 1986.

e) Break in series between 1986 and 1987.

f) Data refer to 1983-90.

g) Break in series between 1991 and 1992.

h) Break in series between 1992 and 1993.

i) Above countries only.

Sources: OECD, *Labour Force Statistics*; and Quarterly *Labour Force Statistics*.

Table B. Average hours actually worked per person per year^a

	1970	1973	1975	1979	1983	1991	1992	1993
Total employment								
Canada	1 890	1865	1837	1794	1730	1719	1715	1719
Finland ¹				..	1 809	1 745	1 768	1 744
Finland ²	1982	1915	1 899	1 868	1 821	1 736	1 741	
France	1962	1 904	1 865	1 813	1 711	1 667	1 666	..
Germany	1949	1 868	1 801	1 764	1 733	1 603	1 618	1 588
Italy	1969	1 885	1 841	1 788	1 764		..	
Japan		2 201	2 112	2 126	2 095	1 998	1 965	
Norway	1766	1 694	1 653	1 501	1 471	1 408	1 415	1 416
Spain	..	..	..	2 148	2 052	1 931	1 911	1 905
Sweden	1 641	1 557	1 516	1 451	1 453	1 468	1 485	1 507
United States	1 889	1 874	1 832	1 808	1 787	1 770	1 768	1 776
Dependent employment								
France	1 821	1 771	1 720	1 667	1 558	1 540	1 542	
Germany	1 883	1 804	1 736	1 699	1 668	1 551	1 563	1 534
Netherlands				1 591	1 530	1 423	1 415	1 409
Spain				2 032	1 946	1 847	1 828	1 817
United States	1 840	1 830	1 789	1 767	1 754	1 736	1 736	1 743

a) Includes part-time work.

Sources:

Canada: Data supplied by Statistics Canada.

Finland¹: Data supplied by the national authorities (CBS) and estimated from the Labour Force Survey.

Finland²: Data supplied by the national authorities (CBS) and estimated from National Accounts data.

France: Data supplied by INSEE on a National Accounts basis.

Germany: Data supplied by the Institut für Arbeitsmarkt- und Berufsforschung.

Italy: Data supplied by the Italian authorities (ISTAT).

Japan: Secretariat estimates based on data from the Monthly Labour Survey of Establishments and the Labour Force Survey.

Netherlands: Data are annual contractual hours on the basis of Labour Accounts data and were supplied by the national authorities (CBS).

Norway: Data supplied by the Central Bureau of Statistics.

Spain: Data estimated from the quarterly Labour Force Survey.

Sweden: Data estimated from National Accounts data.

United States: Data provided by the Bureau of Labor Statistics.

Table C. Civilian employment by sector

Average annual growth rates in percentages

Agriculture							Industry						
	1973-75	1975-79	1979-83	1983-91	1992	1993		1973-75	1975-79	1979-83	1983-91	1992	1993
Australia	-3.3	0.1	0.8	-0.2 ^d	-2.2	1.0	Australia	-2.3	-0.8	-2.0	0.3 ^d	0.7	0.4
Austria	-13.1	-3.1	-1.0	-2.5	-2.3	..	Austria	-0.7	0.6	-0.1	0.6	-1.8	..
Belgium	-2.8	-3.2	-2.3	-1.5	-3.1	..	Belgium	-1.9	-2.7	-4.1	-0.6	-1.7	..
Canada	4.8	1.1	0.0	-0.8	-3.8	3.2	Canada	0.6	2.5	-2.5	0.6	-2.8	-0.8
Denmark	0.2	-2.7 ^b	0.1	-2.1	..	..	Denmark	-4.5	0.9 ^b	-3.8	0.8	..	..
Finland	-5.6	-5.6 ^b	-0.6	-5.1	-5.6	-7.0	Finland	1.9	-0.5 ^b	0.3	-1.8	-11.6	-9.0
France	-4.1	-3.0	-3.2	-4.1	-4.5	-4.2	France	-1.1	-1.0	-1.9	-1.1	-3.0	-4.0
Germany	-5.2	-5.2	-2.4	-3.5 ^c	-5.1	-6.0	Germany	-4.2	-0.2	-1.9	0.7 ^e	-1.6	-2.9
Greece	-2.0	-2.5	1.0	-3.4	..	..	Greece	0.7	2.7	0.5	-0.1	..	..
Iceland	0.0	-1.2	-0.2	-0.7 ^f	..	..	Iceland	2.8	1.9	2.2	-0.5 ^f	..	..
Ireland	-3.4	-1.8	-3.8	-2.5	..	..	Ireland	0.3	2.0	-2.5	-0.3	..	..
Italy	-3.2	-2.2	-4.1	-4.0	-4.1	.. ^h	Italy	1.2	-0.2	-0.8	-0.8	-0.9	.. ^h
Japan	-3.2	-1.9	-3.5	-2.7	-3.7	4.4	Japan	-2.2	0.5	1.0	1.2	1.6	-0.7
Luxembourg	-5.4	-3.7	-5.0	-2.5 ^f	..	..	Luxembourg	1.1	-3.1	-2.0	0.5 ^f	-1.7	..
Netherlands	-1.7	-0.6	-1.0	2.2	-10.9	..	Netherlands	-2.6	-0.8	-3.0	2.1	..	..
New Zealand	0.8	1.9	0.4	-0.3 ^d	1.3	..	New Zealand	2.8	-0.6	-1.0	-2.9 ^d	-2.3	..
Norway	-8.3	0.3	-2.1	-3.0	-5.2	0.9	Norway	2.4	-1.0	-1.9	-1.4	-0.9	-1.7
Portugal	-1.9 ^g	-1.8	-5.0 ^g	-1.7	.. ^g	-1.6	Portugal	1.0 ^g	1.7	2.0 ^g	1.3	.. ^g	-2.7
Spain	-5.4	-4.8 ^b	-3.5	-5.2	-6.8	4.4	Spain	1.5	-1.9 ^b	-4.0	1.5	-4.0	-9.3
Sweden	-2.8	-1.9	-1.4	-5.4 ^e	4.8	-0.4	Sweden	1.9	-2.1	-1.8	-0.3 ^e	-9.7	-10.8
Switzerland	-2.0	-1.6	-1.6	-0.7	-1.5	-1.5	Switzerland	-5.4	-1.7	-1.2	0.6	-3.8	4.6
Turkey	-0.1	-0.1	-0.2	0.6	-6.3	..	Turkey	4.9	3.3	1.4	1.8	5.8	..
United Kingdom	-3.4	-0.8	-1.7	-1.4	-1.6	0.0	United Kingdom	-2.3	-0.7	-5.4	-1.2	-5.6	-5.0
United States	-0.9	0.0	0.2	-0.5	-0.2	-3.6	United States	-3.5	4.1	-2.2	0.6	-2.1	-0.9
North America	-0.9	0.2	0.2	-0.6	-0.7	-2.7	North America	-3.1	4.0	-2.2	0.6	-2.1	-0.9
OECD Europe	-1.9	-1.9	-1.8	-2.4	-4.8	..	OECD Europe	-1.1	-0.5	-2.1	0.1	-3.1	..
Total OECD	-2.0	-1.6	-1.8	-2.1	-3.9	..	Total OECD	-1.9	1.0	-1.6	0.1	-2.5	..

Services

	1973-75	1975-79	1979-83	1983-91	1992	1993
Australia	2.7	2.1	1.9	3.5 ^d	0.1	0.4
Austria	2.7	2.2	2.1	2.3	4.8	..
Belgium	1.7	2.0	0.6	1.5	0.4	..
Canada	4.4	3.2	2.0	2.4	0.2	1.6
Denmark	0.7	3.1 ^b	1.1	1.6	..	..
Finland	3.3	1.4 ^b	2.7	1.5	-5.3	-4.8
France	1.8	2.3	1.4	1.9	0.7	0.2
Germany	0.7	1.9	1.2	2.0 ^c	2.5	-0.5
Greece	1.8	2.4	3.1	2.8	..	..
Iceland	3.2	3.0	4.1	2.8 ^c	..	..
Ireland	2.0	2.8	2.1	1.0	..	..
Italy	3.2	2.5	2.5	2.4	0.0	.. ^h
Japan	1.8	2.4	2.1	2.0	1.4	1.2
Luxembourg	4.0	2.9	2.0	4.2 ^f	..	..
Netherlands	1.2	2.1	2.5	3.9	4.3	..
New Zealand	3.7	1.9	0.6	1.1 ^g	1.4	..
Norway	3.0	4.5	2.2	1.4	0.5	0.6
Portugal	3.7 ^g	2.6	6.6 ^g	4.0	.. ^g	-1.7
Spain	0.3	0.4 ^c	0.5	3.8	0.1	-1.5
Sweden	3.3	2.7	1.5	1.2 ^c	-1.8	-5.5
Switzerland	0.1	1.3	3.3	1.6	-1.4	-1.7
Turkey	4.0	5.5	3.3	3.2	8.6	..
United Kingdom	1.9	1.2	0.3	2.5	-1.0	-1.0
United States	2.6	3.5	1.8	2.5	1.6	2.4
North America	2.8	3.5	1.8	2.5	1.4	2.4
OECD Europe	1.7	2.1	1.6	2.4	1.0	..
Total OECD	2.2	2.7	1.7	2.4	1.0	..

b) Break in series between 1975 and 1976.

c) Break in series between 1982 and 1983.

d) Break in series between 1985 and 1986.

e) Break in series between 1986 and 1987.

f) Data refer to 1983-90.

g) Break in series between 1991 and 1992.

h) Break in series between 1992 and 1993.

Sources: OECD Labour Force Statistics; and Quarterly Labour Force Statistics.

Table D. Size and composition of part-time employment, 1973-1993

Percentages

	Part-time employment as a proportion of employment											
	Men						Women					
	1973	1979	1983	1991	1992	1993	1973	1979	1983	1991	1992	1993
Australia	3.7	5.2	6.2	9.2	10.6	10.3	28.2	35.2	36.4	40.8	43.3	42.3
Austria	1.4	1.5	1.5	1.5	1.6	..	15.6	18.0	20.0	20.1	20.5	..
Belgium	1.0	1.0	2.0	2.1	2.1	..	10.2	16.5	19.7	27.4	28.1	..
Canada	4.7	5.7	7.6	8.8	9.3	9.7	19.4	23.3	26.1	25.5	25.9	26.4
Denmark	..	5.2	6.6	10.5	10.1	..	..	46.3	44.7	37.8	36.7	..
Finland	..	3.2	4.5	5.1	5.5	6.2	..	10.6	12.5	10.2	10.4	11.2
France	1.7	2.4	2.6	3.4	3.6	..	12.9	16.9	20.0	23.5	24.5	..
Germany	1.8	1.5	1.7	2.7	2.2	..	24.4	27.6	30.0	34.3	30.7	..
Greece	..	..	3.7	2.2	2.8	..	..	..	12.1	7.2	8.4	..
Ireland	..	2.1	2.7	3.6	..	..	..	13.1	15.5	17.8	..	..
Italy	3.7	3.0	2.4	2.9	2.9	..	14.0	10.6	9.4	10.4	11.5	..
Japan	6.8	7.5	7.3	10.1	10.6	11.4	25.1	27.8	29.8	34.3	34.8	35.2
Luxembourg	1.0	1.0	1.0	1.9	1.3	..	18.4	17.1	17.0	17.9	16.5	..
Netherlands ^a	..	5.5	7.2	16.7	13.4	..	..	44.0	50.1	62.2	62.9	..
New Zealand	4.6	4.9	5.0	9.7	10.3	9.7	24.6	29.1	31.4	35.7	35.9	35.7
Norway ^b	5.9	7.3	7.7	9.1	9.8	9.7	46.5	50.9	63.3	47.6	47.1	47.6
Portugal	..	2.5	..	4.0	4.2	4.3	..	16.5	..	10.5	11.0	11.2
Spain	..	..	..	1.5	2.0	2.3	..	..	..	11.2	13.7	14.3
Sweden ^c	..	5.4	6.3	7.6	8.4	9.1	..	46.0	45.9	41.0	41.3	41.4
United Kingdom	2.3	1.9	3.3	5.5	6.3	..	39.1	39.0	42.4	43.7	45.0	..
United States	8.6	9.0	10.8	10.5	10.8	10.9	26.8	26.7	28.1	25.6	25.4	25.3
	Part-time employment as a proportion of total employment						Women's share in part-time employment					
	1973	1979	1983	1991	1992	1993	1973	1979	1983	1991	1992	1993
Australia	11.9	15.9	17.5	22.6	24.5	23.9	79.4	78.7	78.0	76.4	75.0	75.3
Austria	6.4	7.6	8.4	8.9	9.1	..	85.8	87.8	88.4	89.7	89.1	..
Belgium	3.8	6.0	8.1	11.8	12.4	..	82.4	88.9	84.0	89.3	89.7	..
Canada	9.7	12.5	15.4	16.4	16.8	17.3	68.4	72.1	71.3	70.5	70.0	69.3
Denmark	..	22.7	23.8	23.1	22.5	..	..	86.9	84.7	75.5	75.8	..
Finland	..	6.7	8.3	7.6	7.9	8.6	..	74.7	71.7	65.2	64.3	63.1
France	5.9	8.2	9.7	12.0	12.7	..	82.3	82.2	84.4	83.7	83.7	..
Germany	10.1	11.4	12.6	15.5	14.1	..	89.0	91.6	91.9	89.6	91.0	..
Greece	..	..	6.5	3.9	4.8	..	..	..	61.2	62.9	61.3	..
Ireland	..	5.1	6.6	8.4	..	..	..	71.2	71.6	71.6	..	..
Italy	6.4	5.3	4.6	5.5	5.9	..	58.3	61.4	64.8	65.4	68.5	..
Japan	13.9	15.4	16.2	20.0	20.5	21.1	70.0	70.1	72.9	69.9	69.3	67.7
Luxembourg	5.8	5.8	6.3	7.5	6.9	..	87.5	87.5	88.9	83.3	88.5	..
Netherlands ^a	..	16.6	21.4	34.3	32.8	..	..	76.4	77.3	70.1	75.0	..
New Zealand	11.2	13.8	15.3	21.1	21.6	21.1	72.3	77.7	79.8	74.2	73.3	74.2
Norway ^b	20.8	25.3	29.0	26.7	26.9	27.1	82.3	83.0	83.7	81.4	80.1	80.6
Portugal	..	7.8	..	6.8	7.2	7.3	..	80.4	..	66.7	67.4	61.3
Spain	..	..	..	4.6	5.9	6.3	..	..	..	78.0	76.8	75.9
Sweden ^c	..	23.6	24.8	23.7	24.3	24.9	..	87.5	86.6	83.4	82.3	81.3
United Kingdom	16.0	16.4	19.4	22.2	23.5	..	90.9	92.8	89.8	86.1	85.2	..
United States	15.6	16.4	18.4	17.4	17.5	17.5	66.0	68.0	66.8	67.2	66.4	66.2

a) Break in series after 1985.

b) Break in series after 1987.

c) Break in series after 1986.

Notes: The definition of part-time work varies considerably across OECD countries. Essentially three main approaches can be distinguished: i) a classification based on the worker's perception of his/her employment situation; ii) a cut-off (generally 30 or 35 hours per week) based on usual working hours, with persons usually working less hours being considered part-timers; iii) a comparable cut-off based on actual hours worked during the reference week.

A criterion based on actual hours will generally yield a part-time rate higher than one based on usual hours, particularly if there are temporary reductions in working time as a result of holidays, illness, short-timing, etc. On the other hand, it is not entirely clear whether a classification based on the worker's perception will necessarily yield estimates of part-time work that are higher or lower than one based on a fixed cut-off. In one country (France) which changed from 1981 to 1982 from a definition based on an actual hours cut-off (30 hours) to one based on the respondent's perception, the latter criterion appeared to produce slightly higher estimates.

Other factors as well affect the international comparability of the estimates. In some countries, the hours cut-off is based on hours for the main job, in others on total hours for all jobs. Certain countries do not consider unpaid family workers to be employed unless they work more than a minimum number of hours, so that such workers do not enter into counts for part-time workers. The following describes the sources and definitions used for OECD countries, as well as the adjustments made by the Secretariat to ensure historical comparability.

Table D. Size and composition of part-time employment, 1973-1993 (Cont.)

- Sources and definitions:** Estimates for Belgium, Denmark, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and the United Kingdom are from the annual Community Labour Force Survey and were obtained from *Labour Force Survey, Theme 3, Series C* (Eurostat) and from Commission sources. The part-time/full-time delineation is based on the respondent's own classification. Exceptions are Greece and Italy. For the former, a person is considered to be part-time if working fewer hours than stipulated in collective agreements applicable for the type of job at which the person is working. For Italy, a similar criterion is applied, i.e., a person works part-time if, in agreement with the employer, fewer than normal hours are worked in his/her particular type of employment.
- Anstralia:** Estimates are from the Labour Force Survey for the month of August (*The Labour Force Australia*, Australian Bureau of Statistics, catalogue No. 6203.0). Part-time workers are those who usually work less than 35 hours a week and who did so during the survey week. Prior to 1969, school teachers who usually worked less than 35 hours per week but who worked the full week during the reference week were considered part-time. They are now assimilated to full-time workers. Estimates prior to 1986 do not include unpaid family workers working less than 15 hours per week. No adjustments have been carried out for these breaks.
- Austria:** Data are based on averages of quarterly estimates from the *Mikrozensus* (Central Statistical Office of Austria), based on a usual hours criterion with a 35 hours cut-off. They are salaried workers and persons in private households only. Persons working less than 13 hours per week are not considered employed in the *Mikrozensus*.
- Canada:** Data are based on averages of monthly estimates from the Labour Force Survey published in *The Labour Force*, Statistics Canada, catalogue No. 71-001. Part-time is defined on the basis of total usual hours for all jobs, less than 35 for the years prior to 1975, less than 30 thereafter. Estimates were available for both definitions for 1975, and estimates for years prior to then have been adjusted using a ratio of new-to-old estimates calculated for 1975.
- Finland:** Data are based on averages of monthly estimates from the Labour Force Survey. Part-timers are persons who usually work less than 30 hours at their main job. Persons who did not indicate their working time (approximately 1-2% of the employed sample) have been grouped with full-timers. Unpaid family workers who worked less than one-third of their normal working time are not considered employed.
- France:** Data are from the annual *Enquête sur l'emploi* conducted in March of each year. Prior to 1975, unpaid family workers working less than 15 hours per week were not considered employed. Up to and including 1981, persons working less than 30 hours during the reference week were classified as part-timers, with the exception of persons without regular employment and persons working short-time. From 1982 on, part-time work is defined on the basis of the respondent's perception. No adjustments have been made for these breaks. Full-time employment for men does not include conscripts.
- Japan:** Data are based on averages of monthly estimates from the Labour Force Survey and published in the *Annual Report on the Labour Force Survey*, Statistics Bureau, Management and Coordination Agency. Part-timers are persons who were at work and who worked less than 35 hours during the reference week. Original data show a series break in 1966-1967 as a result of changes in the survey. Estimates prior to 1967 have been chain-linked to those for later years using estimates available for 1967 on both the old- and new-series basis.
- Netherlands:** Data are from the annual Labour Force Survey (*Arbeidskrachtentelling*, conducted in odd-numbered years) up to 1985, replaced by the continuous Labour Force Survey (*Enquête Beroepsbevolking*) from 1987 on. Interviews up to 1985 were conducted by local civil servants, and thereafter by a permanent trained interviewing staff. Part-timers are persons in the working population (i.e. persons at work, including self-employed and unpaid family workers) with less than 35 usual hours in the main job. The proportion of part-timers recorded by the Labour Force Survey increased substantially in 1987 relative to the 1985 survey. Estimates from the new and old surveys are not considered comparable.
- New Zealand:** Up to 1985, estimates are from the Quarterly Employment Survey (of establishments) and refer to the month of April up to 1979 and May thereafter. Figures were obtained from the *Labour and Employment Gazette* and from national authorities. The survey covers business establishments employing two or more persons in all industries except agriculture, hunting, fishing, waterfront work, seagoing work, and domestic service in private households. Working proprietors of businesses are considered full-timers. Work schedules of less than 30 hours per week are considered to be part-time. Coverage of total employment is estimated to be about 75 per cent (1988). Estimates of the proportion of part-time workers from this source were approximately 3 per cent lower for men and 6 per cent lower for women in 1988 than estimates from the Labour Force Survey (for which data are available only from 1986 on). From 1986 on, data are based on annual averages of quarterly estimates from the New Zealand Labour Force Survey. Part-time workers are persons who *actually* worked less than 30 hours in the reference week, except for persons who *usually* work 30 hours or more but did not work during the reference week, who are classified as full-timers. From April 1990 on, full-time and part-time status is based on usual hours worked. Persons who *usually* work 30 hours or more in the survey reference week are classified as full-timers, those who *usually* work less than 30 hours in the survey reference week are classified as part-timers. The definition was changed in April 1990 to reduce the seasonality that was occurring with usual hours worked. National authorities provided figures from 1986 onwards using the new definition. Estimates prior to 1986 have been chain-linked to those for later years using a ratio of new-to-old estimates calculated for 1986.
- Nonvay:** Figures are averages of quarterly estimates from the Labour Force Survey and were obtained from *Arbeidsmarked Statistikk*, Central Bureau of Statistics, and from national authorities. Up to 1988, only data on actual hours were available, and part-time work was defined as work of less than 35 actual hours per week. From the second quarter 1988, data on usual hours are collected. On this basis, part-time work is defined as work of less than 37 usual hours, except for persons working 30 to 36 usual hours who state that their work is full-time. Data prior to 1987 exclude unpaid family workers working less than 10 hours per week. There is a break in series after 1987. Estimates prior to 1989 have been chain-linked to those for later years using a ratio of new-to-old estimates calculated for 1989.
- Sweden:** Data are based on averages of monthly estimates from the Labour Force Survey and were obtained from *Arbetskrafts Undersökningen* (AKU), Central Bureau of Statistics. Part-timers are persons 16-64 who usually work less than 35 hours per week. Prior to 1975, persons usually working less than 35 hours for economic reasons were classified as full-time. The upper age limit for the survey's working-age population changed from 74 to 64 in 1986. Accordingly, to ensure historical comparability, part-timers in the 65-74 age group have been excluded from the data for years prior to 1986. Due to a revision in the Labour Force Survey in 1987, there is a break in series after 1986.
- United States:** Data are based on averages of monthly estimates from the Current Population Survey and were obtained from *Labor Force Statistics Derived from the Current Population Survey, 1948-1987*, Bureau of Labor Statistics, 1988. Persons whose usual working hours for all jobs total less than 35 hours per week are classified as part-time workers. Unpaid family workers working less than 15 hours per week are not considered employed.

Table E. **Population of working age (15-64)**

Average annual growth rates in percentages

	1973-75	1975-79	1979-83	1983-91	1992	1993 ^d	1992 Population of working age (thousands)
Australia	1.8	1.6	1.8	1.7 ^b	1.0	1.2	11 680
Austria	0.2	0.6	1.1	0.6	0.6	0.2	5 302
Belgium	0.8	0.7	0.5	0.2	0.1	0.0	6 682
Canada	2.6	2.0	1.4	1.0	5.8	0.8	19 256
Denmark	0.2	0.4	0.6	0.4	0.3	0.2	3 489
Finland	0.7	0.4	0.6	0.3	0.2	0.2	3 385
France	0.7	0.7	1.3	0.6	0.3	0.4	37 632
Germany	0.1	0.4	1.3	0.6 ^c	1.2	0.7	44 890
Greece	0.7	1.3	1.3	0.9	0.2	0.2	6 879
Iceland	2.1	1.5	1.6	1.3	0.4	0.4	167
Ireland	1.9	1.7	1.3	0.6	0.2	0.2	2 182
Italy	0.6	0.7	0.9	0.2	0.2	-0.1	39 203
Japan	0.9	0.8	0.9	0.9	0.2	0.5	86 710
Luxembourg	1.8	0.3	0.8	0.7	1.1	.	271
Netherlands	1.4	1.4	1.3	0.8	0.6	0.1	10 433
New Zealand	2.6	0.9	1.4	1.0 ^b	0.9	0.1	2 251
Norway	0.6	0.6	0.7	0.6	0.5	0.2	2 771
Portugal	3.3 ⁿ	1.0	2.2	0.5	0.4	0.4	6 595
Spain	1.0	1.3	1.1	0.9	0.7	0.5	26 424
Sweden	-0.1	0.2	0.4	0.1 ^c	0.4	0.1	5 454
Switzerland	-0.4	0.2	1.2	0.7	0.8	0.2	4 689
Turkey	3.0	2.7	3.2	2.9	2.8	1.3	35 850
United Kingdom	0.1	0.5	0.6	0.3	0.1	-0.1	37 664
United States	1.7	1.7	1.2	0.8	0.9	0.8	167 355
North America	1.8	1.7	1.2	0.8	1.4	0.8	18 661.1
OECD Europe	0.7	0.9	1.3	0.8	0.8		279 963
Total OECD	1.1	1.1	1.2	0.8	0.9		567 215

a) Break in series between 1973 and 1974.

b) Break in series between 1985 and 1986.

c) Break in series between 1986 and 1987.

d) Secretariat estimates based on *OECD Economic Outlook*, No. 55, June 1994.Sources: OECD, *Labour Force Statistics*.

	1973-75	1975-79	1979-83	1983-91	1992	1993 ^f	1992 Labour force (thousands)
Australia	1.9	1.3	1.8	2.4 ⁱ	1.4	0.6	8 679
Austria	-0.8	1.0	1.4	1.1	2.0	-0.1	3 679
Belgium	1.1	0.8	0.5	0.2	0.6	0.6	4 237
Canada	3.7	3.0	1.9	1.6	0.3	1.1	13 873
Denmark	0.8	1.8 ^g	0.9	0.8	0.7	0.6	2 932
Finland	1.3	0.4 ^c	1.3	0.0	-1.3	-0.8	2 527
France	0.7	1.0	0.5	0.7	0.4	0.4	25 108
Germany	-0.5	0.3	1.0	0.9 ^f	0.9	-0.1	30 949
Greece	0.3	0.8	3.3	0.3	2.6	0.5	4 035
Iceland	2.6	1.9	3.1	1.7 ^g	-5.1	0.2	136
Ireland	1.1	1.6	1.5	0.3	1.4	1.4	1 353
Italy	0.8	1.2	0.9	0.8	0.1		24 612
Japan	0.0	1.3	1.3	1.3	1.1	0.6	65 780
Luxembourg	2.1	0.1	0.3	3.0 ^g	2.5	0.1	169
Netherlands	1.2	1.0	2.4	2.6	1.7	2.3	7 133
New Zealand	3.1	1.4	1.0	0.6 ⁱ	0.5	0.7	1 636
Norway	2.0	2.3	1.0	0.7	0.2	0.0	2 130
Portugal	1.5 ^b	1.5	0.4 ^d	1.3		-0.7	4 764
Spain	0.4	-0.1 ^c	0.7	1.3	0.3	0.9	15 432
Sweden	1.9	0.8	0.6	0.4 ^f	-1.9	-3.2	4 429
Switzerland	-2.3	-0.2	1.4	1.1	-0.6	-0.6	3 573
Turkey	2.1	2.2	0.8	1.6	1.1	1.8	20 696
United Kingdom	0.5	0.7	0.0	0.8	-0.5	-1.3	28 143
United States	2.3	2.8	1.5	1.4	1.3	0.8	128 548
North America	2.4	2.8	1.6	1.4	1.2	0.8	142 421
OECD Europe	0.7	0.9	0.8	1.0	0.2	4.7	186 037
Total OECD	1.2	1.6	1.2	1.2	0.7	0.1	404 553

a) These data are not necessarily the same as those in Table 1.2, some of which are derived from other sources.

b) Break in series between 1973 and 1974.

c) Break in series between 1975 and 1976.

d) Break in series between 1982 and 1983.

e) Break in series between 1985 and 1986.

f) Break in series between 1986 and 1987.

g) Data refer to 1983-90.

h) Break in series between 1991 and 1992.

i) Break in series between 1992 and 1993.

j) Secretariat estimates based on *OECD Economic Outlook*, No. 55, June 1994.Sources: OECD, *Labour Force Statistics*; and *Quarterly Labour Force Statistics*.

Table G. **Total labour force - men**

Average annual growth rates in percentages

	1973-75	1975-79	1979-83	1983-91	1992	1993	1992 Labour force (thousands)
Australia	0.8	1.0	1.3	1.6 ^d	1.3	0.2	5 065
Austria	4.7	0.9	1.5	0.7	1.0		2 147
Belgium	0.4	-0.1	-0.3	4.5	-0.1		2 444
Canada	2.6	1.9	0.9	0.9	0.1	0.9	7 649
Denmark	0.3	0.1 ^b	0.1	0.6			
Finland	0.6	0.0 ^a	0.8	0.0	-1.1	-0.8	1 341
France	0.2	0.2	4.1	0.1	-0.3		14 047
Germany	-1.1	0.0	0.8	0.4 ^e	0.1		18 055
Greece	-0.4	0.6	1.8	0.0			
Ireland	0.6	1.4	0.8	-0.2			
Italy	0.4	0.2	0.4	0.3	-0.5	.. ^h	15 452
Japan	0.9	0.7	0.9	1.0	1.2	0.9	38 990
Luxembourg	1.1	-0.6	4.5	2.6 ^f			..
Netherlands	0.0	0.1	0.7	1.4	1.3		4 283
New Zealand	2.1	0.6	0.6	-0.1 ^d	0.4		922
Norway	1.4	1.0	0.2	3.0	0.3	4.3	1 166
Portugal	1.5 ^a	0.5	0.2 ^c	0.8	1.7 ^g		2 674
Spain	0.8	-0.1 ^b	0.3	0.3	-0.9	-0.1	9 881
Sweden	0.5	-0.1	-0.2	0.1 ⁱ	-2.0	-3.4	2 306
Switzerland	-2.5	-0.6	1.0	0.8	-0.6	-0.7	2 206
United Kingdom	-0.3	0.1	-0.2	0.0	-0.8	-1.5	16 006
United States	1.3	1.8	0.9	0.9	1.1	0.5	70 588
North America	1.4	1.8	0.9	0.9	1.0	0.6	78 237
OECD Europe ⁱ	-0.1	0.0	0.4	0.3	-0.3		92 008
Total OECD ⁱ	0.6	0.8	0.7	0.6	0.0		215 222

a) Break in series between 1973 and 1974.

b) Break in series between 1975 and 1976.

c) Break in series between 1982 and 1983.

d) Break in series between 1985 and 1986.

e) Break in series between 1986 and 1987.

f) Data refer to 1983-90.

g) Break in series between 1991 and 1992.

h) Break in series between 1992 and 1993.

i) Above countries only.

Sources: OECD, Labour Force Statistics; and Quarterly Labour Force Statistics.

Table H. **Total labour force - women**

Average annual growth rates in percentages

	1973-75	1975-79	1979-83	1983-91	1992	1993	1992 Labour force (thousands)
Australia	4.0	2.0	2.6	3.7 ^d	1.5	1.1	3 614
Austria	4.9	1.2	1.3	1.9	3.4		1 532
Belgium	2.6	2.6	1.8	1.2	1.7		1 793
Canada	5.6	4.7	3.4	2.6	0.4	1.3	6 224
Denmark	1.6	4.1 ^b	2.1	1.1			
Finland	2.0	0.8 ^b	1.8	0.0	-1.5	-0.7	1 185
France	1.6	2.3	1.4	1.5	1.2		11 062
Germany	0.6	0.8	1.2	1.7 ^e	1.9		12 895
Greece	2.0	1.1	6.5	0.9			
Ireland	2.6	2.2	3.2	1.2	..		..
Italy	1.9	3.4	1.9	1.8	0.9	.. ^h	9 160
Japan	-1.5	2.1	1.8	1.7	1.1	0.1	26 790
Luxembourg	4.7	1.7	2.1	3.8 ^f			..
Netherlands	4.5	3.3	6.2	4.6	2.4		2 850
New Zealand	5.2	3.2	1.9	1.8 ^d	0.6		714
Norway	3.2	4.3	2.1	1.6	0.1	0.5	964
Portugal	1.5 ^a	3.0	0.8 ^c	2.1	.. ^g	0.5	2 090
Spain	-0.6	0.0 ^b	1.5	3.6	2.6	2.5	5 551
Sweden	3.8	2.1	1.6	0.7 ⁱ	-1.8	-3.1	2 123
Switzerland	-1.8	0.6	2.1	1.6	-0.7	-0.5	1 367
United Kingdom	1.8	1.7	0.2	1.9	-0.3	-0.9	12 136
United States	3.8	4.3	2.3	2.0	1.6	1.0	57 960
North America	4.0	4.3	2.5	2.1	1.5	1.1	64 184
OECD Europe ⁱ	1.9	2.0	1.6	1.8	0.8		64 708
Total OECD ⁱ	2.1	2.8	2.0	1.9	0.9		160 010

a) Break in series between 1973 and 1974.

b) Break in series between 1975 and 1976.

c) Break in series between 1982 and 1983.

d) Break in series between 1985 and 1986.

e) Break in series between 1986 and 1987.

f) Data refer to 1983-90.

g) Break in series between 1991 and 1992.

h) Break in series between 1992 and 1993.

i) Above countries only.

Sources: OECD, Labour Force Statistics; and Quarterly Labour Force Statistics.

Table I. Labour force participation rates"

Percentages

	1973	1979	1983	1991	1992	1993 ^b
Australia	69.8	69.2	69.3	74.0	74.3	73.9
Austria	65.1	64.9	65.6	68.4	69.4	69.2
Belgium	62.2	62.8	62.8	63.1	63.4	63.8
Canada	66.7	70.9	72.3	76.0	72.0	72.2
Denmark	75.9	79.8	80.9	83.8	84.0	84.4
Finland	71.7	75.5	77.4	75.7	74.7	74.0
France	67.8	68.4	66.4	66.7	66.7	66.7
Germany	69.4	68.3	67.5	69.2	68.9	68.4
Greece	57.1	55.4	59.9	57.3	58.7	58.9
Iceland	71.3	73.1	77.3	86.0	81.3	81.1
Ireland	63.5	62.4	62.7	61.2	62.0	62.7
Italy	58.7	60.2	60.1	62.9	62.8	59.1
Japan	71.7	71.8	73.0	75.2	75.9	75.9
Luxembourg	64.8	64.4	63.3	61.5	62.3	
Netherlands	57.6	56.5	59.0	67.6	68.4	69.9
New Zealand	64.5	66.3	65.3	72.9	72.7	73.1
Norway	68.7	75.6	76.5	77.1	76.9	76.8
Portugal	64.0	73.6	71.9	77.2	72.2	71.4
Spain	62.7	57.7	56.6	58.6	58.4	58.6
Sweden	75.5	80.5	81.3	83.2	81.2	78.5
Switzerland	77.7	73.8	74.5	77.3	76.2	75.5
Turkey	74.0	71.2	64.7	58.7	57.7	58.0
United Kingdom	73.0	74.3	72.4	75.2	74.7	73.9
United States	68.4	72.1	73.1	76.5	76.8	76.8
North America	68.2	72.0	73.0	76.5	76.3	76.3
OECD Europe	67.1	67.0	65.8	66.8	66.5	
Total OECD	68.2	69.4	69.3	71.4	71.3	

a) Defined as the total labour force divided by the population of working age (15-64) at mid-year.

b) Secretariat estimates based on OECD *Economic Outlook*, No. 55, June 1994.Sources: OECD, *Labour Force Statistics*; and *Quarterly Labour Force Statistics*.

Table J. Labour force participation rates by sex

Percentages

	Men						Women					
	1973	1979	1983	1991	1992	1993 ^c	1973	1979	1983	1991	1992	1993 ^c
Australia	91.1	87.6	85.9	85.6	85.8	85.0	47.7	50.3	52.1	62.2	62.5	62.5
Austria	83.0	81.6	82.2	80.5	80.7	..	48.5	49.1	49.7	56.3	58.0	
Belgium	83.2	79.3	76.8	72.8	72.6	..	41.3	46.3	48.7	53.2	54.1	
Canada	86.1	86.3	84.7	83.9	78.9	78.9	47.2	55.5	60.0	68.1	65.1	65.4
Denmark	89.6	89.6	87.6	88.5	..	..	61.9	69.9	74.2	78.9	..	
Finland	80.0	82.2	82.0	79.6	78.5	77.7	63.6	68.9	72.7	71.9	70.7	70.1
France	85.2	82.6	78.4	75.2	74.7		50.1	54.2	54.4	58.2	58.7	
Germany	89.6	84.9	82.6	79.8	78.9		50.3	52.2	52.5	58.2	58.6	
Greece	83.2	79.0	80.0	73.9			32.1	32.8	40.4	40.8		
Ireland	92.3	88.7	87.1	81.9	..	..	34.1	35.2	37.8	39.9	..	
Italy	85.1	82.6	80.7	79.7	79.1	75.1	33.7	38.7	40.3	46.2	46.5	43.2
Japan	90.1	89.2	89.1	88.9	89.7	90.1	54.0	54.7	57.2	61.5	62.0	61.7
Luxembourg	93.1	88.9	85.1	77.7	..		35.9	39.8	41.7	44.8	..	
Netherlands	85.6	79.0	77.3	80.3	80.8		29.2	33.4	40.3	54.5	55.5	
New Zealand	89.2	87.3	84.7	82.6	82.2		39.2	45.0	45.7	63.4	63.2	
Norway	86.5	89.2	87.2	82.9	82.6	82.2	50.6	61.7	65.5	71.1	70.9	71.1
Portugal ^a		90.9	87.6	89.4	83.1	81.4	..	57.3	57.2	65.6	61.9	61.9
Spain	92.9	83.1	80.2	76.0	74.8	74.4	33.4	32.6	33.2	41.2	42.0	42.9
Sweden	88.1	87.9	85.9	85.3	83.2	80.3	62.6	72.8	76.6	80.9	79.1	76.5
Switzerland ^b	100.0	94.6	93.5	95.1	93.7	92.9	54.1	53.0	55.2	59.4	58.5	58.1
United Kingdom	93.0	90.5	87.5	85.2	84.5	83.3	53.2	58.0	57.2	65.0	64.8	64.3
United States	86.2	85.7	84.6	84.7	84.8	84.5	51.1	58.9	61.8	68.4	68.9	69.1
North America	86.2	85.8	84.6	84.6	84.2	83.9	50.7	58.6	61.6	68.4	68.5	68.7
OECD Europe ^d	88.7	84.8	82.3	80.0	75.1		44.7	48.6	49.8	55.8	53.3	

Table K. **Standardized unemployment rates in seventeen OECD countries**

Per cent of total labour force

	1983	1988	1989	1990	1991	1992	1993
North America	9.7	5.7	5.4	5.7	7.0	7.7	7.2
Canada	11.8	7.7	7.5	8.1	10.2	11.2	11.1
United States	9.5	5.4	5.2	5.4	6.6	7.3	6.7
Japan	2.6	2.5	2.3	2.1	2.1	2.2	2.5
Central and Western Europe	9.8	8.4	7.5	6.9	7.4	8.1	9.1*
Belgium	12.1	9.7	8.0	7.2	7.2	7.9	9.1*
France	8.3	10.0	9.4	8.9	9.4	10.4	11.6
Germany	7.7	6.2	5.6	4.8	4.2	4.6	5.8
Ireland	14.0	16.2	14.7	13.3	14.7	15.5	15.8*
Netherlands	12.0	9.1	8.3	7.5	7.0	6.7	8.3*
United Kingdom	12.4	8.6	7.2	7.0	8.8	10.0	10.3*
Southern Europe	11.4	13.2	12.4	11.6	11.4	12.5	14.1
Italy	8.8	11.0	10.9	10.3	9.9	10.5	10.2
Portugal	7.8	5.7	5.0	4.6	4.1	4.1	5.5
Spain	17.0	19.1	16.9	15.9	16.0	18.1	22.4
Nordic countries	4.0	2.8	2.8	2.9	4.7	7.3	10.3
Finland	5.4	4.5	3.4	3.4	7.5	13.0	17.7
Norway	3.4	3.2	4.9	5.2	5.5	5.9	6.0
Sweden	3.5	1.6	1.4	1.5	2.7	4.8	8.2
Oceania	..	6.9	6.3	7.0	9.6	10.6	10.6
Australia	9.9	7.2	6.1	6.9	9.5	10.7	10.8
New Zealand	..	5.6	7.1	7.7	10.2	10.3	9.5
Total of above countries	8.5	6.7	6.2	6.1	6.8	7.4	7.8*

Note: In so far as it was possible, the data have been adjusted to ensure comparability over time and to conform to the guidelines of the International Labour Office. All series in this table are benchmarked to labour-force-survey-based estimates. In countries with annual surveys, monthly estimates are obtained by interpolation/extrapolation and incorporating trends in administrative data series, where available. The annual figures are then calculated by averaging the monthly estimates (for both unemployed and the labour force). For countries with monthly or quarterly surveys, the annual estimates are obtained by averaging the monthly or quarterly estimates respectively. For several countries the adjustment procedure used is similar to that of the *Bureau of Labor Statistics, US Department of Labor*. For EC countries, the procedures are similar to those used in deriving the Comparable Unemployment Rates (CURs) of the Statistical Office of the European Communities. Minor differences may appear mainly because of different methods of calculating and applying adjustment factors and because EC estimates are based on the civilian labour force. Series adjusted or calculated by the Secretariat are marked by an asterisk (*).

Sources: See OECD, *Quarterly Labour Force Statistics*, No. 2, 1994.

Table L. **Total unemployment**

Thousands

	1973	1975	1979	1983	1991	1992	1993 ^b
Australia	106	279	378	687	821	933	956
Austria	33	53	65	135	125	133	156
Belgium	92	175	304	545	391	436	510
Canada	515	690	836	1 434	1 417	1 556	1 562
Denmark	21	121	157	312	265	285	312
Finland	51	51	143	138	193	328	444
France	593	901	1 361	1 974	2 348	2 552	2 911
Germany	273	1 074	876	2 258	1 689	1 808	2 270
Greece	64	75	64	302	301	349	399
Iceland	0	1	0	1	3	6	9
Ireland	64	84	88	183	209	222	229
Italy	1 303	1 226	1 686	2 140	2 653	2 799	2 360
Japan	680	1 000	1 170	1 560	1 360	1 420	1 660
Luxembourg	0	0	1	3	2	3	4
Netherlands	110	260	280	674	490	478	591
New Zealand	2	3	25	76	167	169	152
Norway	26	40	38	69	116	126	127
Portugal	90	178	344	355	204	192	255
Spain	363	625	1 129	2 351	2 466	2 791	3 483
Sweden	98	67	88	151	133	233	388
Switzerland	0	13	10	29	35	92	157
Turkey ^a	987	1 148	1 463	1 343	1 547	1 596	1 792
United Kingdom	557	838	1 234	2 984	2 241	2 678	2 865
United States	4 365	7 929	6 137	10 717	8 426	9 384	8 733
North America	4 880	8 619	6 973	12 151	9 843	10 940	10 296
OECD Europe	4 725	6 930	9 332	15 947	15 411	17 107	19 261
Total OECD	10 393	16 831	17 878	30 421	27 602	30 569	32 324

a) Including estimates for unemployment in agriculture.

b) Secretariat estimates based on *OECD Economic Outlook*, No. 55, June 1994

Sources: OECD, *Labour Force Statistics*; and *Quarterly Labour Force Statistics*.

Table M. **Unemployed men**
Thousands

	1973	1975	1979	1983	1991	1992	1993 ^a
Australia	51	139	198	430	495	573	583
Austria	13	26	28	70	71	75	
Belgium	48	84	113	253	159	181	
Canada	295	391	449	849	817	910	896
Denmark	10	69	62	159	129		
Finland	29	29	82	76	124	203	259
France	224	392	581	889	1031	1146	1384
Germany	150	623	417	1273	898	983	1277
Greece	39	41	31	148	121		
Ireland	53	66	66	140	156		
Italy	603	556	724	938	1142	1226	1116
Japan	440	660	740	950	780	820	950
Luxembourg	0	0	1	1	1		
Netherlands	88	197	178	403	226	227	
New Zealand	1	2	15	46	100	101	
Norway	11	21	18	37	68	76	77
Portugal	42	98	122	127	76	89	117
Spain	267	471	759	1521	1193	1385	1838
Sweden	52	32	44	79	77	145	239
Switzerland	0	10	5	18	22	55	93
United Kingdom	476	698	888	2145	1708	2061	2209
United States	2 275	4 442	3 120	6 260	4 817	5 380	4 932
North America	2 570	4 833	3 569	7 109	5 634	6 290	5 828
OECD Europe ^a	2 105	3 413	4 119	8 277	7 202	7 852	
Total OECD ^a	5 167	9 047	8 641	16 812	14 211	15 636	

a) Above countries only.

b) Secretariat estimates based on *OECD Economic Outlook*, No. 55, June 1994.

Sources: OECD, *Labour Force Statistics*; and *Quarterly Labour Force Statistics*.

Table N. **Unemployed women**
Thousands

	1973	1975	1979	1983	1991	1992	1993 ^a
Australia	55	140	180	257	326	361	373
Austria	20	27	37	65	54	58	
Belgium	43	91	191	292	232	255	
Canada	220	299	387	585	599	647	667
Denmark	11	52	95	153	135		
Finland	22	22	61	62	69	125	184
France	369	509	780	1085	1318	1405	1527
Germany	124	452	459	985	792	826	993
Greece	25	34	33	154	180		
Ireland	11	18	22	43	52		
Italy	700	670	962	1 202	1 511	1 573	1 245
Japan	240	340	430	610	590	600	710
Luxembourg	0	0	1	1	1		
Netherlands	22	63	102	271	264	251	
New Zealand	1	1	10	30	68	68	
Norway	15	19	19	32	48	50	50
Portugal	48	80	222	228	128	103	137
Spain	96	154	370	830	1 273	1 405	1 646
Sweden	46	36	44	72	55	88	147
Switzerland	0	3	4	11	13	37	63
United Kingdom	81	140	346	839	533	617	656
United States	2 089	3 486	3 018	4 457	3 609	4 005	3 802
North America	2 309	3 785	3 405	5 042	4 208	4 652	4 469
OECD Europe ^a	1 633	2 370	3 748	6 325	6 658	6 793	
Total OECD ^a	4 238	6 636	7 773	12 264	11 850	12 474	

a) Above countries only.

b) Secretariat estimates based on *OECD Economic Outlook*, No. 55, June 1994.

Sources: OECD, *Labour Force Statistics*; and *Quarterly Labour Force Statistics*.

Table O. Youth unemployment rates in sixteen OECD countries

	1973	1975	1979	1983	1990	1991	1992	1993
Australia								
Age 15-24	3.3	9.0	12.2	17.9	13.2	17.1	19.5	18.6
Age 15-19	4.7	12.9	17.3	22.6	16.5	21.0	24.9	23.0
Age 20-24	2.3	5.9	8.2	14.7	10.9	14.6	16.1	16.1
Canada								
Age 15-24	10.1	12.0	12.9	19.8	12.8	16.2	17.8	17.8
Age 15-19	12.5	14.9	16.0	22.1	14.2	16.8	19.7	19.9
Age 20-24	8.4	9.9	10.7	18.4	11.8	15.9	16.6	16.4
Finland								
Age 15-24	4.5	5.1	10.8	10.5	6.4	13.5	23.5	30.5
Age 15-19	6.0	7.0	16.5	18.3	8.5	15.9	25.8	32.6
Age 20-24	3.5	4.0	7.8	8.3	5.4	12.5	22.5	29.6
France								
Age 15-24	4.0	7.8	13.5	19.7	19.1	19.4	20.8	24.6
Age 15-19	5.8	12.1	21.7	28.8	19.0	23.2	22.8	26.5
Age 20-24	3.4	6.3	10.9	17.3	19.2	18.8	20.5	24.4
Germany								
Age 15-24	1.1	5.6	4.0	11.0	5.6	5.2	..	..
Age 15-19	1.1	5.3	3.5	9.8	5.0	4.7	..	..
Age 20-24	1.2	5.8	4.3	11.7	5.9	5.3	..	..
Ireland								
Age 15-24	..	14.2	9.2	20.1	19.5	23.3	..	..
Age 15-19	..	19.9	12.5	26.9	27.8	30.8	..	..
Age 20-24	..	10.0	6.9	16.3	15.8	20.0	..	..
Italy								
Age 14-24	12.6	12.8	25.6	30.5	31.5	30.8	32.7	30.6
Age 14-19	15.8	16.8	32.5	39.5	39.0	37.7	40.8	36.4
Age 20-24	10.4	10.3	20.8	25.2	28.6	28.3	29.8	28.6
Japan								
Age 15-24	2.3	3.0	3.4	4.5	4.3	4.5	4.4	5.1
Age 15-19	2.8	3.6	4.1	6.2	6.6	6.6	6.7	7.1
Age 20-24	2.2	2.9	3.2	4.1	3.7	3.9	3.8	4.7
Netherlands								
Age 15-24	2.8	6.3	8.1	24.9	11.1	10.5	10.2	..
Age 15-19	..	..	..	..	15.1	15.3	13.2	..
Age 20-24	..	..	..	..	9.3	8.2	8.8	..
New Zealand								
Age 15-24	..	..	..	..	14.1	18.8	18.5	17.2
Age 15-19	..	..	..	..	17.3	21.8	22.2	21.3
Age 20-24	..	..	..	..	11.5	16.6	16.2	14.7
Norway								
Age 16-24	5.6	7.8	6.6	8.9	11.8	12.8	13.9	13.9
Age 16-19	9.3	13.3	10.3	12.3	16.1	17.3	16.7	19.3
Age 20-24	3.5	4.5	4.6	7.0	9.8	11.0	12.8	11.9
Portugal								
Age 15-24	..	9.8	17.8	18.3	10.2	9.7	9.4	12.0
Age 15-19	..	10.9	21.4	18.6	10.5	9.4	10.5	13.6
Age 20-24	..	8.9	15.1	18.1	9.9	8.3	8.8	11.2
Spain								
Age 16-24	4.8	9.0	19.4	37.6	32.3	31.1	34.4	43.2
Age 16-19	6.6	10.9	25.2	47.7	36.5	34.7	38.9	50.3
Age 20-24	3.4	7.5	15.2	31.9	30.6	29.7	32.7	40.5
Sweden								
Age 16-24	5.2	3.7	5.0	8.0	3.8	6.5	11.5	18.4
Age 16-19	6.8	5.5	7.4	10.4	5.1	7.4	11.7	19.2
Age 20-24	4.4	2.8	3.7	6.8	3.2	6.1	11.5	18.1
United Kingdom								
Age 16-24	3.1	8.7	10.3	23.4	10.1	13.6	15.4	17.3
Age 16-19	3.5	11.4	14.4	29.0	11.6	14.9	16.4	19.2
Age 20-24	2.8	6.8	6.9	19.1	9.3	12.8	14.9	16.4
United States								
Age 16-24	10.5	16.1	11.8	17.2	11.1	13.4	14.2	13.3
Age 16-19	14.5	19.9	16.1	22.4	15.5	18.6	20.0	19.0
Age 20-24	7.8	13.6	9.1	14.5	8.8	10.8	11.3	10.5

Sources and notes: See OECD, *Labour Force Statistics*, 1972-1992, Part III, 1994, forthcoming

Table P. Incidence of long-term unemployment from survey-based data in selected OECD countries^{a, b, c, d, e}

As a per cent of total unemployment

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	5 months and over	12 months and over	5 months and over	12 months and over	5 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over
Australia	52.7	27.5	40.6	23.1	40.9	21.6	49.6	24.9	58.7	34.5	57.1	36.5
Belgium	84.7	66.3	87.5	76.3	81.6	69.9	76.4	61.6	74.7	59.0	..	..
Canada	28.8	9.9	20.8	6.8	18.9	5.7	23.6	7.2	33.4	13.1	31.4	14.1
Denmark	60.6	33.0	50.8	25.9	59.9	33.7	53.3	31.2	49.9	27.0	..	..
Finland	30.6	19.8	23.6	6.9	..	..	32.3	9.1	..	..	..	..
France	67.0	42.2	63.7	43.9	55.6	3x.3	58.0	37.3	58.1	36.1	58.2	34.2
Germany	64.8	39.3	66.7	49.0	64.5	46.3	62.5	45.5	55.4	33.5	..	..
Greece	60.7	35.0	73.5	52.4	74.3	51.7	71.1	47.0	70.3	49.7	..	..
Ireland	64.7	36.9	82.4	67.3	82.2	67.2	76.1	60.3	..	..	..	..
Italy	83.0	57.7	58.7	70.4	87.0	71.1	83.7	67.1	69.7	58.2	..	..
Japan	31.5	12.9	37.3	18.7	39.0	19.1	38.1	17.9	36.2	15.9	34.4	17.2
Luxembourg ^f	(57.0)	(33.9)	(57.1)	(38.1)	..	..	(52.2)	(30.4)	(41.2)	(17.6)	..	..
Netherlands	75.1	50.5	66.1	49.9	63.4	48.4	57.7	43.0	76.9	44.0	..	..
New Zealand	..	..	34.5	14.7	38.0	18.7	39.1	21.3	53.2	31.9	52.5	33.2
Norway	20.3	6.3	29.5	11.6	40.4	19.2	39.1	20.2	41.1	23.6	45.6	27.2
Portugal	..	..	66.6	48.3	64.6	48.1	58.4	38.3	37.0	30.9	..	..
Spain	72.8	52.4	72.7	58.5	70.2	54.0	68.4	51.1	66.1	47.4	69.6	50.1
Sweden	24.9	10.3	18.2	6.3	16.1	4.7	17.6	4.2	25.7	8.0	32.0	10.9
United Kingdom	68.0	47.0	57.2	40.8	52.2	36.0	46.3	28.1	57.3	35.4	..	..
United States	23.9	13.3	9.9	5.7	10.2	5.6	13.0	6.3	20.6	11.2	20.4	11.7

a) While data from labour force surveys make international comparisons easier compared to a mixture of survey and registration data, they are not perfect. Questionnaire wording and design, survey timing, differences across countries in the age groups covered, and other reasons still mean that care is required in interpreting cross-country differences in levels.

b) The duration-of-unemployment database maintained by the Secretariat is composed of detailed duration categories disaggregated by age and sex. All totals are derived by adding each relevant component. Thus, the total for men is derived by adding the number of men unemployed by each duration and age group category. Since published data are usually rounded to the nearest thousand, this method sometimes results in slight differences between the percentages shown here and those that would be obtained using the available published figures for totals.

c) Data are averages of monthly figures for Canada, Sweden and the United States, and averages of quarterly figures for Norway and Spain. The reference period for the remaining countries is as follows (among EC countries it occasionally varies from year to year): Australia, August; Belgium, April; Denmark, April-May; Finland, autumn; France, March; Germany, April; Greece, March-July; Ireland, May; Italy, April; Japan, February; Luxembourg, April; the Netherlands, March-May; New Zealand, March; Portugal, February-April; and the United Kingdom, March-May.

d) Data refer to persons aged 14 and over in Italy, Portugal, Greece, Belgium and Luxembourg, aged 15 and over in Australia, Canada, Denmark, France, Germany, Ireland, Japan, the Netherlands and New Zealand, and aged 16 and over in Spain and the United States. Data for Finland refer to persons aged 15-64 (excluding unemployment pensioners). Data for Norway refer to persons aged 16-74 and data for Sweden refer to persons aged 16-64. Data for the United Kingdom refer to men aged 16-69 and women 16-64.

e) Persons for whom no duration of unemployment was specified are excluded.

f) Data in brackets are based on small sample sizes and, therefore, must be treated with care.

Sources: Data for Belgium, Denmark, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom are based on the Community Labour Force Survey and were supplied by Eurostat.

Australia: Australian Bureau of Statistics, *The Labour Force Australia*.

Canada: Unpublished data from the labour force survey supplied by Statistics Canada.

Finland: Unpublished data from the labour force survey supplied by the Central Statistical Office.

France: Institut national de la statistique et des Études économiques, Enquête sur l'Emploi.

Japan: Statistics Bureau, Management and Coordination Agency, *Report on the Special Survey of the Labour Force Survey*.

New Zealand: Unpublished data from the household labour force survey supplied by the Department of Statistics.

Norway: Unpublished data from the labour force survey supplied by the Central Statistical Office.

Sweden: Statistics Sweden, *AKU*.

Spain: Unpublished data from the labour force survey supplied by the Ministry of Employment and Social Security.

United States: Bureau of Labor Statistics, *Employment and Earnings*.

Table Q. Incidence of long-term unemployment from survey-based data among men^{a, b, c, d, e}

As a per cent of male unemployment

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over
Australia	56.1	28.8	45.0	28.1	42.5	24.4	51.1	25.8	61.5	37.6	59.3	39.5
Belgium	81.7	60.3	84.8	74.7	79.2	66.3	71.5	57.5	71.8	56.3	..	..
Canada	31.1	11.2	22.2	8.0	19.1	6.7	24.4	7.8	30.1	12.5	33.3	15.9
Denmark	54.3	27.8	46.0	22.6	55.7	30.9	49.1	27.9	33.3	15.9	..	..
Finland	32.0	20.7	23.7	7.9	..	..	36.6	9.7	..	..	..	..
France	62.4	39.0	59.9	41.6	53.2	35.7	53.7	34.7	54.8	33.7	54.3	31.6
Germany	65.8	40.7	68.1	52.3	65.0	49.0	64.6	48.9	56.2	37.0	..	..
Greece	51.6	24.7	63.1	42.2	66.7	43.4	62.9	37.0	60.8	38.2	..	..
Ireland	69.3	42.8	85.1	71.9	87.2	72.5	79.6	64.8	..	..	..	..
Italy	79.8	54.7	84.2	68.2	85.7	69.3	83.1	65.4	69.2	58.3	..	..
Japan	35.3	16.5	44.2	23.3	47.6	26.2	43.9	22.0	41.8	20.3	39.8	20.5
Luxembourg	(60.6)	(36.8)	(70.0)	(50.0)	..	..	(66.7)	(41.7)	(43.7)	(18.7)	..	..
Netherlands	73.8	50.3	69.3	56.3	64.0	55.5	62.3	50.2	74.8	47.0	..	..
New Zealand	..	..	38.7	17.3	44.0	22.8	43.0	24.2	56.7	36.0	57.4	37.8
Norway	18.2	6.1	29.6	13.0	39.7	19.0	37.6	18.8	38.9	22.6	45.1	25.4
Portugal	..	..	62.2	43.0	57.5	40.2	53.8	33.3	31.8	25.1	..	..
Spain	69.9	48.9	66.9	51.3	63.3	45.8	61.7	42.7	59.0	38.3	64.4	42.5
Sweden	25.9	10.8	20.5	7.3	16.5	5.4	19.2	4.6	26.8	8.4	34.1	12.1
United Kingdom	72.4	52.9	64.3	49.3	59.5	44.6	50.8	32.2	61.5	39.7	..	..
United States	28.2	16.0	12.5	7.4	12.4	7.1	15.1	7.6	23.0	12.8	22.8	13.5

Sources and notes: See Table P.

Table R. Incidence of long-term unemployment from survey-based data among women^{a, b, c, d, e}

As a per cent of female unemployment

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over
Australia	47.0	25.3	35.2	16.9	38.8	17.8	47.0	23.4	54.2	29.4	53.5	31.8
Belgium	87.0	70.9	89.3	77.2	84.1	72.6	79.6	64.3	76.8	61.0	..	..
Canada	25.4	7.9	19.2	5.3	18.5	4.6	22.5	6.5	26.3	9.4	28.7	11.5
Denmark	67.5	38.6	55.5	29.0	64.4	37.6	57.3	34.3	51.0	28.6	..	..
Finland	29.1	19.0	23.5	5.9	..	..	26.2	8.3	..	..	..	..
France	70.5	44.8	66.5	45.6	57.5	40.2	61.3	39.3	60.8	38.1	61.6	36.4
Germany	63.7	37.7	65.5	45.9	63.5	43.4	60.2	42.0	54.6	30.6	..	..
Greece	69.4	44.7	80.0	58.8	79.6	57.5	76.5	53.7	76.5	57.2	..	..
Ireland	55.4	25.0	77.1	58.2	78.9	59.6	69.8	52.1	..	..	..	..
Italy	85.4	59.9	86.7	71.9	87.6	72.4	84.2	68.2	70.2	58.1	..	..
Japan	23.1	5.1	28.1	12.5	26.3	8.8	23.8	11.5	28.8	10.2	27.5	13.0
Luxembourg	(53.6)	(31.1)	(45.5)	(18.2)	..	..	(36.4)	(18.2)	(38.9)	(16.7)	..	..
Netherlands	77.0	50.7	63.1	44.0	61.1	42.4	53.7	36.7	78.4	41.6	..	..
New Zealand	..	..	28.4	10.9	29.5	12.8	33.5	17.2	47.9	25.8	45.1	26.4
Norway	20.7	6.9	27.5	10.0	42.5	20.0	41.3	22.1	43.0	24.2	46.5	30.2
Portugal	..	..	69.4	51.7	69.6	52.8	61.1	41.3	41.8	36.3	..	..
Spain	77.1	58.5	78.4	65.5	76.5	61.5	74.6	58.8	73.1	56.2	75.5	58.4
Sweden	23.8	9.7	15.8	5.2	15.4	3.9	15.3	3.7	23.9	7.5	28.6	9.1
United Kingdom	59.8	36.3	46.8	28.5	41.7	21.4	38.7	21.1	48.5	26.6	..	..
United States	17.9	9.6	6.9	3.7	8.4	3.7	10.2	4.7	17.3	9.1	17.2	9.2

Sources and notes: See Table P.

Table S. **Incidence of registered long-term unemployment in selected OECD countries**As a per cent of **total** registered unemployment

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	5 months and over	12 months and over	6 months and over	12 months and over
Austria ^a	..	..	24.2	13.1	25.1	13.1	28.3	15.2	29.8	17.0	30.2	17.0
Belgium ^h	77.9	62.8	78.8	65.2	77.6	62.7	..	57.4	..	57.3	..	56.9
Finland ^h	30.7	13.4	22.3	6.6	17.0	3.3	16.8	2.7	24.9	8.2	26.3	18.4
Germany ^c	54.1	28.5	48.6	31.4	48.5	29.7	45.3	28.3	44.9	26.6		
Ireland ^d	57.5	35.1	62.8	44.6	61.4	44.9	59.8	42.4	60.3	42.3	62.2	44.3
Netherlands ^e	69.6	43.7	..	56.7	..	57.4	..	55.1	..	50.5	..	46.8
United Kingdom ^f	58.1	36.5	56.2	38.1	49.1	31.6	45.8	25.0	53.8	32.6	57.6	36.9

a) Data refer to averages of end-of-month figures and are based on persons aged 15 and over.

b) Data refer to the wholly unemployed drawing benefits at end-June and are based on men aged 14-64 and women 14-59.

c) Data refer to end-September and are based on persons aged 15-64.

d) Data refer to April and are based on persons aged 15 and over.

e) Data refer to end-May and are based on persons aged 15-64.

f) Data refer to July and are based on men aged 16 and over, and women 16-64.

Sources: Austria: Bundesministerium für Arbeit und Soziales, Arbeitsmarktdaten.

Belgium: Ministère de l'Emploi et du Travail, Recensement annuel des chômeurs complets indemnisés.

Finland: Data were provided by the Ministry of Labour.

Germany: Bundesanstalt für Arbeit, Amtliche Nachrichten der Bundesanstalt für Arbeit.

Ireland: Central Statistics Office, Live Register - Half Yearly Age By Duration Analysis.

Netherlands: Centraal Bureau voor de Statistiek, Sociaal Economische Maandstatistiek.

United Kingdom: Department of Employment, Employment Gazette.

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over
Austria ^a	..	..	23.3	13.4	23.5	13.1	26.0	14.6	27.0	15.4	28.2	16.0
Belgium ^b	73.9	56.0	75.4	61.7	74.1	59.0	..	53.3	..	52.6	..	52.1
Finland ^h	30.0	13.2	22.5	7.3	17.0	3.1	17.9	2.9	25.6	52.6	26.3	20.6
Germany ^c	55.5	29.9	49.4	32.5	47.6	30.2	44.9	28.0	44.5	26.0	..	..
Ireland ^d	59.7	38.4	66.3	49.1	65.3	49.7	63.1	46.3	63.8	46.6	65.7	48.4
Netherlands ^e	69.3	44.3	..	59.6	..	62.1	..	59.8	..	53.1	..	46.7
United Kingdom ^f	61.5	40.8	58.9	41.5	51.5	34.1	48.3	26.9	56.7	35.5	60.7	40.2

Sources and notes: See Table S.

Table U. **Incidence of registered long-term unemployment among women**

As a per cent of total registered female unemployment

	1983		1989		1990		1991		1992		1993	
	6 months and over	12 months and over	6 months and over	12 months and over	5 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over	6 months and over	12 months and over
Austria ^a	..	..	25.2	12.9	27.0	13.2	31.0	15.9	33.3	18.9	32.8	18.5
Belgium ^b	81.4	68.7	81.0	67.4	79.8	65.1	..	60.1	..	60.6	..	60.3
Finland ^a	31.7	13.6	22.0	6.0	17.1	3.6	15.1	2.4	23.9	6.2	26.2	15.5
Germany ^c	52.5	27.0	47.8	30.4	49.4	29.2	45.7	28.6	45.4	27.3	..	..
Ireland ^d	50.4	24.3	54.6	34.3	53.1	34.8	52.8	34.2	53.0	33.7	55.3	36.4
Netherlands ^e	70.2	42.4	..	51.7	..	49.6	..	48.0	..	46.7	..	46.9
United Kingdom ^f	49.7	25.9	49.3	29.5	42.4	24.8	38.2	19.1	44.4	23.7	47.9	26.4

Sources and notes: See Table S.