
CONFIDENTIAL

‘APPENDIX C : THE LMI DATABASE’ OF THIS REPORT IS CONFIDENTIAL
AND HAS BEEN EXCLUDED IN THIS PUBLICATION

Developing a Database of Labor Market Institutions

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**A Columbia University
School of International and Public Affairs
Capstone Project for The Conference Board**

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Executive Summary

“The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance and better serve society.”

- *The Conference Board (2012)*

For its Spring 2012 Capstone project, a team of students from Columbia University’s School of International and Public Affairs worked with The Conference Board (TCB) to develop a template and database of Labor Market Institutions (LMIs) across twenty-two major countries. The objective was to create a comparable, cross-country framework that would help businesses assess labor market conditions in these markets.

The list of countries identified by TCB included fourteen OECD and eight non-OECD economies. TCB requested that the Capstone team focus on qualitative aspects of LMIs. It seeks to package this information with an existing quantitative labor database and ultimately create a comprehensive labor market product to offer its member organizations. As a by-product of the project, a secondary request from TCB was for the Capstone team to compile a list of reliable sources to allow for updating and expansion of the project over time.

The result of the project is a tool that displays a variety of key institutional aspects of countries’ labor markets and consolidates an array of valuable resource materials. With this, users are offered a concise window into labor market practices, and a simple way to pursue further information on each issue.

The Project

The project entailed three major tasks: (1) the identification of the LMI variables; (2) the creation of a template in which to present the information; and (3) populating the template for all twenty-two countries (Appendix C).

The Variables

The task in developing a database of Labor Market Institutions was undertaken in several steps:

The first step was to research and identify which LMIs should be included in the project. TCB provided the Capstone team with several academic papers (Appendix A) from which the team extracted relevant LMI variables. In particular, the team focused on identifying institutional aspects of labor markets that would be most important to a company's business interests if they were operating in a country. The literature review yielded six broad categories of LMIs:

- 1) Employment Protection
- 2) Unions and Strikes
- 3) Wage Setting
- 4) Benefits and Wages
- 5) Labor Migration & Skilled Labor Availability
- 6) Retirement, Hours

The next step was to finalize a set of fifty-four variables within these categories (see Appendix B) and create a template in which to present this information. The final set of LMI variables range from measures of employment protection and unionization to descriptions of minimum wage standards and benefits packages.

The Template

Having identified the variables, the next task was the creation of a template in which to present the variables.

The team's initial review of related academic literature revealed that a tabular format was often used to communicate qualitative, cross-sectional data. The team discussed several presentation strategies before concluding that the tabular method would be the most effective presentation technique for such varied information. It allows for quick comparison between countries and between LMIs. Thus, the final product offers an easy to navigate window into global employment standards.

After receiving feedback on the template from TCB, the team incorporated links to the source data directly into the tables. Users can easily navigate the links to find more detailed information.

Presented below is a sample section of the database template, with links to sources included. The full database can be found in Appendix C.

Country	Hiring Employees Source: Practical Law (unless otherwise noted)	Dismissing Employees	Employment Protection Legislation Index: Rank w/in OECD Source: OECD 2009	Hiring & Firing Practices: Score & World Rank out of 142 Source: WEF 2012
Argentina	Generally indefinite period of employment. Source: Baker & McKenzie (2008)	Employment can be terminated at any time, by employer or employee, with or w/o just cause. Source: Baker & McKenzie (2008)	N/A	Score: 2.7 Rank: 135
Australia	Generally indefinite period of employment. Fair Work Act 2009 sets many labor terms, including National Employment Standards	No legal procedural requirements, but requirements can come about indirectly through unfair dismissal laws.	5	Score: 3.5 Rank: 97
Brazil

The Countries

The Conference Board targeted a diverse set of countries for the database. Two-thirds of the countries are OECD members, and the other third are non-OECD.

OECD countries (14)	Non-OECD countries (8)
Australia	Argentina
Canada	Brazil
France	China
Germany	India
Italy	Indonesia
Japan	Russia
Korea	Singapore
Mexico	South Africa
Spain	
Sweden	
Switzerland	
Turkey	
United Kingdom	
United States	

Key Sources and Brief Descriptions

An important aspect of the project was to find reliable information. TCB asked that data come from resources that are updated at least annually, when possible, so that the database can be more easily updated in the future. Below, the team has provided a sample of the best sources it identified during the research process, with brief descriptions.

- [*Annual Survey of Violations of Trade Union Rights*](#), International Trade Union Confederation
The Survey documents violations of trade union rights, the application of trade union rights in practice, and how trade union rights are protected in the national legislation in 140 countries. Updated annually.
- [*Asian Employment Law Guide*](#), Human Resources Management Asia
The Guide is prepared by the Employee Relations Asia practice of Freehills International Lawyers, with assistance from local law firms. Information covers the following topics: minimum statutory terms, termination of employment, discrimination and harassment, occupational health and safety, regulation of outsourcing and contracting, and industrial relations.
- [*Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts \(ICTWSS\)*](#), Amsterdam Institute for Advanced Labour Studies (AIAS), University of Amsterdam
The ICTWSS database covers four key elements of modern political economies in advanced capitalist societies: trade unionism, wage setting, state intervention and social pacts. The section on wage setting focuses on union or bargaining coverage, extension of contracts, coordination, government intervention, minimum wage setting and union centralization. Updated annually.
- [*Doing Business*](#), The World Bank
The source provides objective measures of business regulations for local firms in 183 economies and selected cities at the subnational level. Updated annually.
- *Doing business in...*, PricewaterhouseCoopers and HSBC
These two companies produce joint reports on local business conditions in several (but not all) countries. They include a section on labor markets. Irregular updates.
- [*Employment Benefits Reference Manual 2011*](#), Swiss Life Network
This is compiled with the help of local country partners, and it charts employee benefit landscapes for 48 countries. Each country profile culminates with an outlook section that highlights trends and developments on the horizon that may influence future benefit provision. Aspects such as taxation, eligibility and financing are all explored in detail, broken down by coverage. Updated annually.
- [*Industrial Relations Country Profiles*](#), European Industrial Relations Observatory (EIRO)
The profiles provide background information on industrial relations in 25 European countries, including collective bargaining, industrial conflict, tripartite

concentration, workplace representation and employee rights. Updated every two years.

- [International Labor Organization](#) (ILO)
The ILO consolidates labor-related research and statistics across most of the world's countries. Some updates may be regular, but certain data is can be significantly outdated.
- [Labour and Employee Benefits: Country Q&A tool](#), Practical Law
This source leverages local law firms to consolidate streamlined legal information on a variety of labor market information for dozens of countries. Updated annually.
- [National Industrial Relations Section](#), European Trade Union Confederation (ETUC)
The source summarizes some of the key features of the way industrial relations are arranged in each EU country and does so in a comparative way across Europe. Information covers the following topics: trade unions, collective bargaining, workplace representation, board-level representation, European-level representation, health and safety.
- [Organisation for Economic Co-operation and Development](#) (OECD)
The OECD provides extensive economic research on member countries, and occasionally on non-member countries. Within its "Employment" area, there is a section dedicated to "Labor Markets". Data is sometimes updated annually, but academic research can be periodic or ad hoc.
- [Social Security Programs Throughout the World](#), U.S. Social Security Administration
The Programs highlight the principal features of social security programs in more than 170 countries. It is published in collaboration with the International Social Security Association. One of four regional volumes is issued every six months.
- [The 2011 Global Executive: Individual Tax, Social Security and Immigration](#), Ernst and Young
The Global Executive (TGE) summarizes the personal tax systems and immigration rules for expatriates in more than 150 countries. The content is based on information current on 1 January 2011, unless otherwise noted. Updated annually.
- [The Global Competitiveness Report](#), World Economic Forum
This annual report quantifies a range of business-related practices by using publicly available data and extensive executive opinion surveys of local professionals. Updated annually.

Challenges in Data Collection

In collecting fifty-four variables across twenty-two countries, the team encountered challenges in data availability, comparability, updatability, inconsistency, and staleness of the data were the main difficulties. The specific issues are described below:

- Finding data for the non-OECD countries was often more difficult than for OECD countries. Since the database is heavy in qualitative information, the team encountered the obstacle of distilling vague or complex written work into a few concise lines. Qualitative facts can be hard to define and difficult to compare across countries.
- Issues of staleness and reliability were generally more prevalent for the non-OECD countries. Thus, capturing a comprehensive picture of these labor markets was a challenge. For example, the Russian government did not register any strikes in the first eleven months of 2010, but independent commentators noted 102 protests during that period, including 44 that involved the complete or partial cessation of work (U.S. Department of State). If we see the union trend in Indonesia, it has moved in the last decade from one trade union organization under the control of the State, to having a confusing and rapidly growing number of different unions, federations and confederations. Trade unions are very fragmented, and they only represent workers in the formal sector, which excludes the informal sector workers who make up 70% of Indonesia's workforce (ILO). As a result, in practice it is hard to get an accurate sense of internal conditions.

For example, the International Labor Organization's (ILO) online database for labor migration does not offer data for each of the countries in our database, including India, Italy, Japan, Russia, Singapore and South Africa. When data are available, they are not always the same. For instance, the ILO only offers data on immigrant labor by economic sector for three sectors in some countries, while in other countries it provides data for seven or eight economic sectors. Also, for the majority of countries in the LMI database, the ILO's last update is from 2000 or 2001, making its relevance questionable.

- Choosing between global and local sources can yield different outcomes. For example, OECD or Ernst and Young data are usually consistent across those countries that they survey, but their reviews do not always include all countries. OECD reports, for example, usually limit their focus to OECD countries. In those situations there is a need to seek out individual sources that puts comparability at risk. In its effort to supply data for almost every country of the world, even a reputable source like the Ernst and Young Executive Guide risks over-simplifications.

- Evaluating qualitative descriptions can be difficult. For example, it is hard to define what “union strength” means. Academic literature usually measures the strength of unions based on the union density, but high union density does not necessarily mean a strong union or vice versa. For example, in France, union density is low at 7.6 percent in 2008 (OECD), trade unions have strong influence in elections and are able to mobilize their members for mass action and change government policy. Furthermore, the meaning of union strength can vary in terms of collective bargaining power, militant strikes or political influences.
- Objectivity of qualitative descriptions was problematic. Though qualitative descriptions are usually based on facts, they can include biased perspectives or descriptions from the perspective of either employers or employees, such as the data from an international trade union versus an employers' organization. For objectivity of data, it was important to eliminate the subjective opinions and keep only the facts in the database.
- Finding different figures for the same variable, depending on sources and methodology, was one of the challenges. It's common that the figures are slightly different due to different methodologies, but in some cases, the difference is very big. For example, trade union density in Turkey is 5.9% (2009) in OECD, and it is 58.4% (2007, reported proportion) in ILO.
- Language was a factor. The team’s language limitations restricted it to sources in English, Chinese, Korean, and Persian, which excluded potentially valuable local research. Sources like Ernst and Young seem reliable, but they depend on the quality of English translation of information in dozens of languages. The team feels that the database, and thus the end-users, could benefit from local language sources.
- The prevalent practice of employment in these countries may differ from the legal requirements presented in some parts of the LMI database. In many countries - both developing and developed – employers can tweak the official rules under certain circumstances. For example, in China, the regulated minimum rest hours per day is 13 hours, but this is rarely observed in practice. Reasons for altering the rules vary: the management's choice, employees' desire for overtime pay, corruption, etc. Also, labor market standards can be heterogeneous within countries, depending on the industry. Investors should take the flexibility of rules and sector-specific attributes into consideration.

The team sought to make the LMI database easy to update since the client would like to maintain and possibly expand the project in the future. Though many of the sources used are refreshed at least annually, others are not. Where recent updates were not available, the team relied on ad hoc

reports and academic research. To the extent that such sources are less likely to be regularly updated, their relevance may decline over time.

Recommendations

To enhance The Conference Board's LMI database value, the team recommends:

- *Expand the Database by Including More Countries:* Key sources like Swiss Life Network (SwissLife), Ernst and Young, Practical Law, European Industrial Relations Observatory (EIRO), ILO, World Bank and OECD usually provide data for many more countries than are included in the current LMI database; some have information on most of the world. Although certain data points will require more mining, the database can be expanded.
- *Interviews and Executive Feedback:* To further refine the information and maximize its usefulness for businesses, it could be valuable to survey executives (i.e., Human Resources professionals) who are responsible for hiring or managing employees in foreign countries. The team did receive comprehensive feedback from a London-based veteran HR executive; her comments have been factored into this report.
- *Use Local Language Sources:* In some cases there may be richer information available from government officials, business people and researchers in local language websites and documents. Accessing such sources are particularly helpful for developing country assessments.
- *Capturing Transparency and Corruption:* Database users may be interested in the risks and costs associated with misconduct in individual country labor markets. Finding a systematic way to document these issues in specific countries offers significant practical value.
- *Capturing Informal Economic Activity:* In developing countries such as India and Indonesia, the informal economy workers outnumber the formal economy workforce. It is reported that more than 60 percent of total employment is in the informal economy in India (U.S. Department of Commerce, 2012), and about 70 percent in Indonesia (ILO, 2009). Though foreign investors or companies won't operate within the informal economy, including such information would provide users with a more comprehensive grasp of labor markets, particularly in developing countries.

- *Creating a Composite Index:* LMI database users will benefit from a single composite index that determines and ranks a country's overall labor flexibility or friendliness to countries engaged in labor sourcing decision-making.

Appendices

Appendix A: Background Readings

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Eichhorst, Werner, Feil, Michael, and Braun, Christoph. "What Have We Learned? Assessing Labour Market Institutions and Indicators." IAB-Discussion Paper. Nürnberg, Institut für Arbeitsmarkt- und Berufsforschung. 2008.

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Ochel, Wolfgang. "Concepts and Measurements of Labour Market Institutions." CESifo DICE Report 4: 40-55. April 2005.

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Appendix B: List of Variables

1. EMPLOYMENT PROTECTION

1-1. Hiring and Dismissal Procedures

Hiring Employees, Dismissing Employees, Employment Protection Legislation Index, Hiring & Firing Practices Score

1-2. Notice Provisions & Severance

Notice Provisions, Severance/Redundancy Pay

2. UNIONS & STRIKES

2-1. Union Density

Trade Union Density, Proportion of wage and salaried earners, Proportion of total employment

2-2. Union Density Trend/Strength

Union Density Trend, Union Strength

2-3. Strikes and Lock-outs

Employment, Strikes and Lock-outs, Workers involved, Rates of workers involved, Days not worked, Rates of not worked

2-4. Strikes Trend/Right to Strike

Strikes Trend, Right to Strike

3. WAGE SETTING

3-1. Collective Bargaining

Proportion of wage and salaried earners, Proportion of total employment covered by collective bargaining, Collective bargaining coverage, Principal Bargaining Level, Multi-employer extension, Undercut legislation agreement

3-2. Management Control over Wage

Minimum Wage, Minimum Wage Adjustment, Right of Collective Bargaining(private sector), Government Intervention in Wage Bargaining

3-3. Centralization in Wage Setting

Degree of Centralization, Coordination of Wage Bargaining, Mandatory Extension of Collective Agreements by Public Law to Non-organized firms

4. BENEFITS & TAXES

4-1. Labor Taxes and Contributions

Social Security Contributions, Hospital Insurance Contributions, Other Contributions, Labor Taxes and Contributions/Profit

4-2. Welfare Payments/Benefits

General Description, Health, Welfare Provisions, Unemployment

5. LABOR MIGRATION & SKILLED LABOR AVAILABILITY

5-1. Immigration Data and Policy

Stock and Percent of Foreign or Foreign-born Labor, Net Migration Rate, Immigrant Labor by Occupation or Economic Sector, Immigrants or Immigrant Labor, Immigrant Policy for Foreign Employees

5-2. Brain Drain and Skilled Labor Availability

Brain Drain Score/Rank, Talent Shortage Survey, Qualitative Comments on Labor Market

6. RETIREMENT, HOURS

Retirement Age, Retirement Pension/Exceptions, Standard Workday in Manufacturing and Maximum Overtime Limit in Normal Circumstances, Minimum Daily Rest by Law

Appendix C: The LMI Database

1. EMPLOYMENT PROTECTION	
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5-2. Brain Drain and Skilled Labor Availability.....	72
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1. EMPLOYMENT PROTECTION

1-1. Hiring and Dismissal Procedures

Country	<p style="text-align: center;">Hiring Employees</p> <p style="text-align: center;">Source: Practical Law (unless otherwise noted)</p>	<p style="text-align: center;">Dismissing Employees</p>	<p style="text-align: center;">Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009</p>	<p style="text-align: center;">Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012</p>
Argentina	<p>Generally indefinite period of employment.</p> <p>For full-time employment, written contract not required, but advisable.</p> <p>For fixed-term and contingent-term contracts, written contract required; only allowed under extraordinary circumstances and requires employer proof.</p> <p>Source: Baker & McKenzie (2008)</p>	<p>Employment can be terminated at any time, by employer or employee, with or w/o just cause.</p> <p>Exceptions: Unions and worker’s councils require legal process.</p> <p>Source: Baker & McKenzie (2008)</p>	n/a	Score: 2.7 Rank: 135
Australia	<p>Generally indefinite period of employment.</p> <p>Fair Work Act 2009 sets many labor terms, including National Employment Standards (10 minimum entitlements protecting all employees).</p> <p>Written contract not legally mandated but standard procedure.</p> <p>Significant presence of “casual workers” (~1/4 of employees) who do not receive benefits.</p>	<p>No legal procedural requirements, but requirements can come about indirectly through unfair dismissal laws.</p>	5	Score: 3.5 Rank: 97
Brazil	<p>Generally indefinite period of employment.</p> <p>Written contract not required, but terms must be recorded in an “Employment Book” (Carteira de Trabalho e Previdência Social or CTPS; similar to passport or social security card for employee).</p> <p>Fixed-term contracts rare; require employer proof and must be in written contract.</p> <p>Source: Baker & McKenzie (2008)</p>	<p>Employees can be dismissed w/o cause at any time without justification.</p> <p>Dismissal with cause allowed in case of severe fault by employee.</p> <p>Source: Baker & McKenzie (2008)</p>	11	Score: 2.9 Rank: 128
Canada	<p>Generally indefinite period of employment</p>	<p>Employers can general dismiss w/o cause except if union or collective agreement applies. Also, provinces of Nova Scotia,</p>	2	Score: 4.9 Rank: 15

Country	<p align="center">Hiring Employees</p> <p align="center">Source: Practical Law (unless otherwise noted)</p>	<p align="center">Dismissing Employees</p>	<p align="center">Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009</p>	<p align="center">Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012</p>
	<p>Written contract not required, but employers often enter into written contracts with employees to define terms.</p> <p>Fixed-term contracts are permitted.</p>	<p>Quebec, and federal jurisdiction protect employees from dismissal w/o cause.</p> <p>In cases where a cause is required, very difficult to establish.</p>		
China	<p>Per 2008 Labor Law, employment at will not permitted.</p> <p>Three types of labor contracts: indefinite, definite, or piecemeal.</p> <p>Written contracts mandatory for full-time personnel, verbal agreement sufficient for part-time.</p> <p>Written contract must include identification, terms, job description, working hours, compensation, insurance, etc.</p>	<p>2008 Labor Law made dismissal process stricter.</p> <p>Dismissal w/o cause only allowed under limited statutory grounds; unlawful otherwise.</p> <p>Group dismissals (20+ employees or 10% of work force) not allowed solely for cost-cutting purposes.</p>	15	Score: 4.3 Rank: 44
France	<p>Generally indefinite period of employment.</p> <p>Written contract not required, except in certain employment situations, such as: CBAs, fixed-term, part-time, temporary.</p> <p>Fixed-term employment only under special circumstances.</p>	<p>Must be serious grounds for dismissal.</p> <p>Two types of valid grounds: personal and economic. <i>Personal:</i> poor performance, unsatisfactory skills, inability to perform tasks, misconduct, repeated absence. <i>Economic:</i> economic difficulties facing the business, technological changes.</p> <p>Employees can challenge dismissal at Employment Tribunal.</p>	16	Score: 2.7 Rank: 136
Germany	<p>Generally indefinite period of employment.</p> <p>No formal requirements for employment contract to be valid, but employment terms must be documented in writing with 1 month of employment.</p>	<p>Must be in writing (copy or fax not allowed); not necessary to cite specific reason for dismissal.</p> <p>Under Protection Against Dismissal Act, termination only effective if justified by: (1) Urgent business requirement, (2) Conduct, (3) Personal circumstances.</p> <p>Dismissed employee has 3 weeks to file action with labor court, employer holds full burden of proof.</p> <p>Written document must be signed by legal representative or by other authorized representative (where appropriate).</p> <p>Extra procedures in case of mass layoffs. When works council is present, must be notified.</p>	13 (tie)	Score: 2.8 Rank: 132

Country	<p style="text-align: center;">Hiring Employees</p> <p style="text-align: center;">Source: Practical Law (unless otherwise noted)</p>	<p style="text-align: center;">Dismissing Employees</p>	<p style="text-align: center;">Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009</p>	<p style="text-align: center;">Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012</p>
India	<p>Legislation in most of country requires employers to issue appointment letters or enter into individual contracts. Documents generally contain detailed terms and conditions of employment.</p> <p>Enterprises with over 100 employees must issue standing orders specifying employment conditions.</p>	<p>Wrongfully terminated employees may appeal to relevant authority, such as works committee, conciliation officer, courts (depends on state government).</p> <p>Dismissal for misconduct must be accompanied by proper inquiry in which employee can defend/appeal.</p> <p>For companies over 100 employees, central government must approve of layoffs, unless layoff caused by: shortage of power, or natural disaster.</p>	13 (tie)	Score: 4.0 Rank: 66
Indonesia	<p>Employment can be indefinite or definite.</p> <p>Indefinite employment can be arranged verbally or in writing, though should be in writing unless circumstances do not permit.</p> <p>Fixed-term contract must be in writing (written in Indonesian using Latin alphabet).</p> <p>Any written agreement must contain details such as position and wages, and must be signed by both parties.</p>	<p>Dismissal w/ cause (i.e., violation of the written agreement by the employee) requires 3 consecutive disciplinary letters.</p> <p>Dismissal w/o cause requires authorization/approval from Industrial Relations Court. Otherwise, dismissal must be mutually agreed upon with employee.</p> <p><i>Note: "The long and expensive procedures involved with employment termination have induced employers to try and conclude an amicable settlement with employees."</i></p>	17	Score: 4.2 Rank: 51
Italy	<p>No specific written employment contract required, but needed if setting certain conditions (e.g., fixed-term contract or non-compete clause).</p> <p>Within 30 days, employer must provide written document laying out job description, title, salary, etc.</p>	<p>Dismissals must always be made in writing.</p> <p>If dismissal is with cause, a disciplinary procedure is followed where the employer sends the employee a letter explaining the justifications. The employee has 5 days to respond. Employer can then proceed with dismissal, with explanatory response to employee.</p> <p>Employees can apply to the Employment Tribunal if they feel dismissal is unfair.</p>	12	Score: 3 Rank: 126
Japan	<p>Generally indefinite period of employment.</p> <p>Employer must notify employee of specific terms and conditions of employment in writing (notice of employment).</p> <p>Fixed term contract employment allowed, generally given less pay, fewer benefits.</p>	<p>No statutory procedural requirements.</p> <p>But, employers must have "justifiable cause", give due process, and explain reasons in good faith.</p> <p>Courts strict w/ regards to "justifiable cause"; restricted to: Gross misconduct, severe underperformance, significant financial</p>	6	Score: 2.8 Rank: 133

Country	<p style="text-align: center;">Hiring Employees</p> <p style="text-align: center;">Source: Practical Law (unless otherwise noted)</p>	<p style="text-align: center;">Dismissing Employees</p>	<p style="text-align: center;">Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009</p>	<p style="text-align: center;">Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012</p>
		<p>difficulty of employer.</p> <p>Dismissal w/o justifiable cause is considered abuse and can be void.</p>		
Korea	<p>Employment is not at-will.</p> <p>Written contract required listing conditions of employment in all cases under Labor Standards Act.</p> <p>Employment contracts generally open-ended. Fixed-term contracts allowed, but after two years continuous employment contract is deemed infinite.</p>	<p>Generally, employer with more than 5 employees cannot dismiss employee without “just cause”.</p> <p>Employees can challenge “just cause” by bringing claim before Regional Labor Relations Commission (RLRC). RLRC holds one hearing and decides within 2-3 months. Appeals can be pursued by both sides.</p> <p>“Just cause” is not standardized in Labor Standards Act, and it is difficult for employers to prove.</p>	10	Score: 3.3 Rank: 115
Mexico	<p>Employee must enter into individual employment contract defining terms and conditions of employment. However, employee still has full rights even in absence of the contract.</p>	<p>Employer must give employee written notice of dismissal.</p> <p>Employees have 2 months to challenge dismissal before the Labor Board. Employer has burden of proof to justify dismissal.</p>	19	Score: 3.1 Rank: 123
Russia	<p>Two copies of employment contract must be created, signed by employee and employer, with one copy kept by each party.</p> <p>Employment contract must contain all details and conditions of work arrangement (though lack of all details does not invalidate contract; it must be amended if discovered).</p> <p>Fixed-term contracts allowed if sufficient rationale justified under Labor Code.</p>	<p>An employment contract can only be terminated for a strict list of general reasons, most commonly by mutual agreement or on initiative of the employer or employee.</p> <p>Dismissal is formalized by set orders of the employer. Employer must provide employee with their work record book, which must contain an entry detailing the grounds for dismissal, worded in strict compliance with the relevant article of the Labor Code.</p>	8	Score: 3.7 Rank: 85
Singapore	<p>Written employment contract required, detailing terms and conditions of employment.</p> <p>Must at minimum meet standards of the Employment Act; the Employment Act covers all workers except those employed as managers or executives, seamen, or domestic workers.</p> <p>Source: Singapore Ministry of Manpower</p>	<p>The party who intends to terminate the contract must give notice to the other party in writing.</p>	n/a	Score: 5.8 Rank: 2
South Africa	<p>No written contract required, but employers must provide</p>	<p>Employees are protected against unfair dismissal; dismissal only</p>	4	Score: 2.5

Country	<p style="text-align: center;">Hiring Employees</p> <p style="text-align: center;">Source: Practical Law (unless otherwise noted)</p>	<p style="text-align: center;">Dismissing Employees</p>	<p style="text-align: center;">Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009</p>	<p style="text-align: center;">Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012</p>
	<p>employees with terms and conditions of employment (hours, wages, title, etc.).</p> <p>Minimum terms and conditions regulated by national statute or relevant jurisdictional authority.</p>	<p>allowed for a “fair reason” related to either employee conduct or capacity or employer operational requirements.</p> <p>In absence of fair reason, employee may be reinstated, re-employed, or given compensation.</p>		Rank: 139
Spain	No general requirement for written employment contract, except for temporary contracts, but employees must be given terms and conditions of employment in writing.	<p>All employees protected from unfair dismissal. If dismissal is with cause (on disciplinary grounds) a specific procedure must be follow, according to Article 55 of the Worker’s Statute. Employer must give written notice, and employer must be able to prove before a court the disciplinary grounds for dismissal.</p> <p>Employees can be reinstated or given paid severance if dismissal is deemed unfair.</p>	18	Score: 2.6 Rank: 137
Sweden	No legal requirement for employment contract. Employment can be written or oral. Within 1 month, employer should provide terms and conditions of employment in writing.	Employment Protection Act of 1982 regulates terminations. Employer must have objective reasons to dismiss. Just cause for dismissal does not exist if employer can reasonably provide alternate employment.	9	Score: 2.5 Rank: 138
Switzerland	No written contract required. If party agrees to provide services for any period of time and another party will pay salary, employment contract is legal.	<p>Employees protected against unfair dismissal under Swiss Code of Obligations. Dismissal unfair if deemed to be abusive (e.g. in violation of constitutional rights). But, rationale for dismissal generally not required.</p> <p>Even abusive dismissal does not invalidate it, but employer may be obliged to compensate up to 6 months’ salary or amount determined by judge.</p>	7	Score: 5.8 Rank: 3
Turkey	<p>If employment term will be longer than 1 year, written employment contract is required.</p> <p>Within 2 months of employment, written terms and conditions must be provided.</p>	<p>3 categories for termination <i>with</i> just cause: health reasons, immoral behavior, force majeure.</p> <p>Termination without just cause can be related to either worker conduct or performance, or problems with employer business operations.</p> <p>If dismissed employee works at firm smaller than 30 people, they can make claim with labor courts for compensation but not for reinstatement. If dismissed employee works for firm larger than 30, they can make claim with courts for reinstatement, or else employer can pay compensation of 8-12 months’ salary.</p>	20	Score: 4 Rank: 63
United	Generally indefinite period of employment.	Minimal statutory procedural requirements.	3	Score: 4.4

Country	Hiring Employees Source: Practical Law (unless otherwise noted)	Dismissing Employees	Employment Protection Legislation Index: Rank w/in OECD¹ Source: OECD 2009	Hiring & Firing Practices: Score & World Rank out of 142² Source: WEF 2012
Kingdom	Written statement of employment terms required w/in 2 months of hire.	Employers could face unfair dismissal charges if they do not follow minimum procedures.		Rank: 36
United States	Generally at-will for indefinite period. No employment contract required, but in practice contracts often created by employers for employees to acknowledge their at-will employment status.	Employment can be terminated at any time, no statutory procedural requirements	1	Score: 5.1 Rank: 8

1-2. Notice Provisions & Severance

Country	Notice Provisions Source: Practical Law (unless otherwise noted)	Severance / Redundancy Pay Source: Practical Law (unless otherwise noted)
Argentina	Required, in writing, stating cause of dismissal. < 3m service = 15 days 3m - 5yrs service = 1 month > 5yrs service = 2 months Source: Baker & McKenzie (2008)	Statutory in case of dismissal w/o just cause. Employees can claim unfair dismissal that may increase severance payment by 50%. Payments shall include: 1) accrued salary 2) proportional vacation 3) proportional 13 th month salary 4) payment based on seniority Source: Baker & McKenzie (2008)
Australia	Required, in writing. < 1yr service = 1 week 1-3yrs service = 2 weeks 3-5yrs service = 3 weeks > 5yrs service = 4 weeks Can be paid in lieu	Severance only required if notice provisions not given. As of 2010, universal redundancy pay scale ranging from 4-16 weeks' pay depending on employee tenure.
Brazil	30-day notice required, in writing. Failure to provide notice obligates employer to pay 1 month of employee salary (i.e., payment in lieu).	Severance Fund (Fundo de Garantia do Tempo de Serviço or FGTS): Employer deposits 8% of employee monthly compensation into account at a National Bank.

Country	<p align="center">Notice Provisions</p> <p align="center">Source: Practical Law (unless otherwise noted)</p>	<p align="center">Severance / Redundancy Pay</p> <p align="center">Source: Practical Law (unless otherwise noted)</p>
		<p>For termination <i>with cause</i>, employee only receives balance of wages and any accrued unused vacation pay.</p> <p>For termination <i>without cause</i>, employer typically compelled to pay:</p> <ol style="list-style-type: none"> 1) salary until termination 2) unused or proportional vacation pay (+ additional 1/3) 3) proportional 13th month salary (year-end bonus) 4) 50% fine of total amount in employee's Severance Fund
<p align="center">Canada</p>	<p>Notice must be given in writing and delivered personally (mail, fax, e-mail).</p> <p>“Reasonable” period of notice required or payment in lieu.</p> <p>“Reasonable” usually means beyond a statutory minimum; minimums are set in each jurisdiction.</p> <p>Employee's length of service, age, and position go into definition of “reasonable” period.</p>	<p>Employees dismissed w/o cause who have 12 months continuous service receive greater of 2 days' wages per year of service or 5 days' wages.</p> <p>Employees under Ontario or federal jurisdiction may be entitled to other severance payments.</p>
<p align="center">China</p>	<p>Dismissal under allowable statutory grounds requires 30 day written notice, or payment in lieu.</p> <p>No notice period if employee on probation, other established cause, or under mutual agreement.</p> <p>Upon dismissal, employer must provide proof of dismissal to employee. Within 15 days of termination, employer must notify social insurance authorities.</p>	<p>Employees dismissed w/o cause entitled to:</p> <p>< 6 months service = ½ month wage 6m – 1yr service = 1 month wage > 1yr service = 1 month wage per year</p> <p><i>Note: if employee salary is 300% of local average wage, wage used in calculation is capped at that level and capped at 12 months' severance.</i></p> <p>For employment periods prior to 2008 employment law, 1 month severance per year of service applies, with no cap (the old law).</p> <p>No severance for dismissal w/ cause or during probation.</p>
<p align="center">France</p>	<p>Notice required, based on employee's length of service:</p> <p>< 6 months service = no statutory minimum 6m – 2yrs = 1 month notice > 2yrs = 2 months' notice</p> <p>Longer notices depending on contracts, CBAs</p> <p>Source: Wragge (2011)</p>	<p>Required if indefinite-term contract terminated w/o cause and employee has minimum length of service under Labour Code (usually 1yr).</p> <p>Statutory severance rule is 1/5 of monthly salary per year of service; can be more under relevant CBAs or other contractual terms.</p>

Country	<p align="center">Notice Provisions</p> <p align="center">Source: Practical Law (unless otherwise noted)</p>	<p align="center">Severance / Redundancy Pay</p> <p align="center">Source: Practical Law (unless otherwise noted)</p>
Germany	<p>Minimum 4 weeks (unless specified longer in CBAs, etc.).</p> <p>Notice period increases with seniority; e.g. 7 months required after 20 years of service.</p> <p>No payment in lieu of notice.</p>	<p>Excepting CBAs and other social plans, no statutory law requiring severance pay unless considered by court to be “socially unjustified” or dismissal for “urgent business” reasons.</p> <p>In practice, majority of dismissals involve severance; usually ½ or full month per year of service.</p>
India	<p>Usually specified in employment contract or standing order (if more than 100 employees).</p> <p>Generally 1 month notice required, or payment of salary in lieu.</p>	<p>Generally spelled out in employment contracts. Employees entitled to accrued bonuses, salary, and gratuities.</p> <p>In cases of employer retrenchment, layoffs, or closure of business, workmen (persons earning less than INR10,000 per month) working continuously for more than 1 year are entitled to 15 days average pay for each year of service.</p> <p>Severance can vary depending on specific contractual terms.</p>
Indonesia	<p>No legal mandate, but in practice 30 days’ notice is advised.</p>	<p>In case of dismissal <i>with</i> cause:</p> <ul style="list-style-type: none"> - Standard Severance: 1 month salary per year of service, capped at 9 months. - Service Appreciation Pay: 2 months’ salary per 3 years of service followed by 1 month for every following 3 years of service, capped at 10 months’ salary for 24 years of service. - Compensation: monetary compensation for unused leave, relocation expenses (if they were moved for work), additional 15% of total severance pay for medical & housing expenses, any other benefits in employment agreement, any amounts determined by Industrial Relations Court <p>In case of dismissal <i>without</i> cause, employee is entitled to 2x the Standard Severance Pay, plus all other severance/compensation outlined above.</p>
Italy	<p>Ordinary dismissal requires notice. Notice periods often set in Collective Bargaining, and depend on position and seniority.</p> <p>Employer can pay in lieu of notice (must also pay applicable social security contributions).</p> <p>No notice required for dismissal due to gross misconduct.</p>	<p>The following severance mandated in all terminations, with or without cause.</p> <ol style="list-style-type: none"> 1) Severance Pay: Sum of each annual salary divided by 13.5. 2) Pro-rata supplementary monthly payments: If applicable during employment, this must be paid up to termination date. 3) Payment in lieu of any unused holidays.
Japan	<p>Must provide 30-day notice or payment in lieu.</p> <p>Exceptions to notice: employee on probation, serious misconduct, other unavoidable circumstances.</p>	<p>No legal requirement.</p> <p>Severance is sometimes offered to employees to ensure they consent to the dismissal. Employees may pursue recourse if they are dismissed without</p>

Country	Notice Provisions Source: Practical Law (unless otherwise noted)	Severance / Redundancy Pay Source: Practical Law (unless otherwise noted)
		consent.
Korea	Must provide 30 day written notice or 30 days' wage in lieu. Exceptions for unavoidable circumstances (e.g. natural disaster) and gross employee misconduct.	Separation pay required whether dismissal is voluntary or involuntary. Legal minimum is 30 days' average wage for each year of service (average determined from last 3 months' wages). Payment must be made within 14 days of employee's effective departure date.
Mexico	No statutory notice periods.	Severance pay required when: (1) employee successfully challenges dismissal in front of Labor Board and employer chooses not to reinstate them, or (2) dismissal without cause. Severance = 3 months' salary plus 20 days' salary per year of service plus seniority premium. Compensation is inclusive of premiums, bonuses, commissions, and other benefits.
Russia	Written notice required, except in cases of repeat offenders or one flagrant violation (e.g., gross misconduct). Large-scale dismissal requires notification of local trade unions 3 months in advance and notification of individuals 2 months in advance.	Severance depends on circumstances of dismissal, but generally equals 1 month pay.
Singapore	Notice required except in cases of unexcused employee absence for 2 or more consecutive days or instances of misconduct (pending inquiry). At a minimum, the following notice periods must apply: < 26 weeks service = 1 day 26 weeks – 2 years service = 1 week 2 years – 5 years service = 2 weeks > 5 years service = 4 weeks Salary can be paid in lieu or notice can be waived if mutually agreed Source: Singapore Ministry of Manpower	No statutory severance pay required by employers. Terms can be set in initial employment contract. In case of retrenchment , employees serving 3 years or longer are eligible for retrenchment benefits. These amounts are not legislated and would be negotiated depending on the finances of the employer. Source: Singapore Ministry of Manpower
South Africa	Notice period (or payment in lieu) as follows: < 6m service = 1 week > 6m – 1 year service = 2 weeks > 1 year = 4 weeks No notice period required in cases of employee gross misconduct.	Severance only in case of retrenchment (redundancy/layoffs). In this case, severance is at least 1 week per year of service. Dismissed workers entitled to value of accrued leave.

Country	Notice Provisions Source: Practical Law (unless otherwise noted)	Severance / Redundancy Pay Source: Practical Law (unless otherwise noted)
Spain	No statutory regulation on notice periods, except in cases of redundancy or layoff dismissals.	If court deems dismissal unfair, 45 days pay per year of service plus any back pay. Maximum 42 months' severance. Employee can be reinstated as alternative. Additional rules apply in case of redundancy or layoffs.
Sweden	Required in writing. Must tell employee at least 2 weeks in advance about <i>plan</i> to service dismissal. Then, notice must be at least 1 month in advance, but can be up to 6 months depending on circumstances (e.g. age, length of service), employment contract, and collective bargaining.	No mandatory severance, but can be stipulated in employment contract.
Switzerland	Although not statutory, advisable that dismissals be made in writing (often stated in employment contract) and delivered in person. Notice periods usually stipulated in employment contract, but cannot be less than 1 month. If not otherwise stipulated, statutory notice periods apply: < 1 year service = 1 month > 2 years < 9 years' service = 2 months > 9 years' service = 3 months	Only required if employee is older than 50 years and has worked at least 20 years for same employer. In this case, statutory severance is 2 months' pay. If employee will receive social security payments funded by employer, no severance is required.
Turkey	Required in writing (except in cases of dismissal with just cause). Notice periods vary based on length of employment: < 6m service = 2 weeks > 6m – 18m service = 4 weeks 18m – 3yrs service = 6 weeks > 3yrs service = 8 weeks Payment can be made in lieu.	Employees generally entitled to severance of 1 month per year of service. Bonuses and benefits should be included in calculation. But, gross monthly salary used for severance calculation is capped by government.
United Kingdom	One week notice if employed < 2yrs One week per year if employed > 2yrs (up to 12 weeks max) No notice required if breach of contract (e.g. gross misconduct)	Generally not required, depends on terms of contract and circumstances of termination. Employees can bring unfair dismissal claim to Employment Tribunal; can lead to compensation payment. In redundancy layoff, employees with 2 years or more continuous service will be entitled to statutory redundancy payment, based in their age, salary, and tenure.
United States	None required, but an employment agreement can set such terms.	None required, but an employment agreement can set such terms.

Country	Notice Provisions Source: Practical Law (unless otherwise noted)	Severance / Redundancy Pay Source: Practical Law (unless otherwise noted)
	<p>The Employment at Will doctrine in the United States allows both employers and employees to terminate the employment contract at any time.</p> <p>However, firms of 100 or more employees must give 60 days' notice in case of mass layoffs or plant closures (WARN Act of 1988).</p>	<p>Recommended that employers provide severance in exchange for employees' release and waiver of claims.</p>

¹ Rank 1 = least restrictive (most business friendly), Rank 20 = most restrictive (least business friendly). From OECD Report by Danielle Venn (2009), "Legislation, collective bargaining and enforcement: Updating the OECD employment protection indicators"

² Taken from World Economic Forum's 2011 Global Competitiveness Report. Survey respondents were asked: "How would you characterize the hiring and firing of workers in your country?" [1 = impeded by regulations; 7 = flexibly determined by employers]; #1 is Denmark (score of 6.1), #142 is Venezuela (score of 2.3)

2. UNIONS & STRIKES

2-1. Union Density

Country	Union Density									
	OECD (Source)		ILO (Source)				Other Sources			
	Year	Trade Union density ¹	Year	Proportion of wage and salaried earners ²	Proportion of total employment ³	reported proportion ⁴	Year	Union density	Definition	Source
Argentina	N/A	N/A	2006	37.6	N/A	N/A	N/A	N/A	N/A	N/A
Australia	2010	18.0	2008	19.1	17.1	18.9	N/A	N/A	N/A	N/A
Brazil	N/A	N/A	2007	20.9	17.8	18.0	N/A	N/A	N/A	N/A
Canada	2010	27.5	2007	31.4	26.6	31.5	N/A	N/A	N/A	N/A
China	N/A	N/A	N/A	N/A	N/A	N/A	1) 2000 2)2012	1) 90.3 2) 90	1) Membership as % of total paid employees 2)2012 estimate	1) ILO 2) China Law Insight
France	2008	7.6	2005	7.9	N/A	8	N/A	N/A	N/A	N/A
Germany	2010	18.6	2007	19.9*	17.5	19.9	N/A	N/A	N/A	N/A
India	N/A	N/A	N/A	N/A	2.4	N/A	2005	32.9	Membership as % of total paid employees	ILO
Indonesia	N/A	N/A	N/A	N/A	N/A	N/A	2007	1)4% 2) 14%	1)of the total workforce 2) of those in formal work	International Trade Union Confederation
Italy	2010	35.1	2007	97.1	24	33.3	N/A	N/A	N/A	N/A
Japan	2010	18.4	2007	18.0*	15.5	18.1	N/A	N/A	N/A	N/A
Korea	2009	10.0	2006	*10.0	6.7	10	N/A	N/A	N/A	N/A
Mexico	2010	14.4	2008	17	11.2	15.6	N/A	N/A	N/A	N/A
Russia	N/A	N/A	N/A	N/A	N/A	N/A	2011	50%		OECD (p.78)
Singapore	N/A	N/A	2007	31.7	33.3	N/A	N/A	N/A	N/A	N/A

Country	Union Density									
	OECD (Source)		ILO (Source)				Other Sources			
	Year	Trade Union density ¹	Year	Proportion of wage and salaried earners ²	Proportion of total employment ³	reported proportion ⁴	Year	Union density	Definition	Source
South Africa	N/A	N/A	2008	39.8	24.9	25	2011	31%		Congress of South African Trade Unions (p87)
Spain	2009	15.9	2006	*14.5	11.9	14.6	N/A	N/A	N/A	N/A
Sweden	2010	68.4	2007	*73.6	65.8	85.1	N/A	N/A	N/A	N/A
Switzerland	2009	17.8	2007	*23.7	18.6	22.8	N/A	N/A	N/A	N/A
Turkey	2009	5.9	2007	*25.1	14.6	58.4	N/A	N/A	N/A	N/A
United Kingdom	2010	26.5	2007	N/A	N/A	28.0	N/A	N/A	N/A	N/A
United States	2010	11.4	2007	11.4	10.7	12.0	N/A	N/A	N/A	N/A

*Rate calculated using total trade union membership as a proportion of wage and salary earners

2-2. Union Density Trend/Strength

Country	Union Density Trend	Union Strength
Argentina	<p>During the 90s, union membership began to experience a drastic fall from 65.6% in 1990 to 31.7% in 2000. However, it increased again from 31.7% in 2000 to 37% in 2005, to 39.7% in 2006, and since then has moved around 37%.</p> <p>Source : Argentina Ministry of Labor (pp.1, 5-6)</p> <p>Union density has increased in recent years, with union membership among women mounting, due mostly but not exclusively to structural changes in the labor market, including reduced employment in manufacturing, and increased employment in social services and commerce.</p> <p>The rate of union membership is higher in small firms (44.3%) than it is in big firms (39%). Density of more than 45% was found in manufacturing, construction, restaurants and hotels, commerce, and transports and communications, and around 27% in finance, social and community services.</p> <p>Source: ILO (pp.32-34)</p>	<p>Organized labor plays an active role in labor-management relations and in the political system. Standoffs between management and union activists do occur, but many managers of foreign companies say that they have good relations with their unions.</p> <p>Source : U.S. Department of State</p> <p>Unions are traditionally strong in manufacturing and transportation, and weak in financing and social services.</p> <p>Source : Argentina Ministry of Labor (p.6)</p>
Australia	<p>Union density has been in decline from 50% in 1976 to 31 % in 1996, to 19% in 2007, though there was an increase in union members and density with the re-election of labor government in 2010. This decline was in part due to structural change in the economy and labor force composition (particularly the increase in part-time employees) but also due to the decline in compulsory union membership.</p> <p>Source: OECD (p.27)</p> <p>In private sector, union density fell from 23% in 1997 to 14% in 2007, while in public sector, it fell from 55% to 41%. By industry, during 1997-2007, there were relatively steep declines in a number of industries including Finance and insurance (from 36% to 11%), Communication services (60% to 28%), Cultural and recreational services (24% to 14%), and Property and business services (from 10% to 5%). While the Education and Electricity, gas and water supply industries experienced falls in membership rates, they still maintained relatively high overall membership rates (40% and 34% respectively in 2007).</p> <p>Source : Australian Bureau of Statistics</p>	<p>Along with declining union density, union power has declined in Australia. The decline of union power relates to the loss of institutional protections; changes in the role of the public sector and in forms of employment contracts; increasing employer hostility to unions and anti-union policies and action by governments, especially during recent periods of conservative commonwealth and state governments, and the weakness of workplace-level union organization to deal with such challenges.</p> <p>Source : British Journal of Industrial Relations</p>

Country	Union Density Trend	Union Strength
Brazil	<p>Union density has been increasing, with union membership among women mounting, due mostly but not exclusively to structural changes in the labor market, including reduced employment in manufacturing, and increased employment in social services and commerce.</p> <p>Union density was higher than average in non-manufacturing industries, transports and communications, public administration, education, health and community social services, and lower in agriculture, construction, commerce and maintenance, food and hotels, domestic services.</p> <p>Source: ILO (pp.32-34)</p> <p>While some labor organizations and their leadership operate independently of the government and of political parties, others are viewed as closely associated with political parties.</p> <p>Source : U.S. Department of State</p>	<p>Trade unions are active and strong in particular in the metallurgy, automobile, banking and transport sectors. Trade unions in these sectors tend to be well-organized and aggressive in defending wages and working conditions.</p> <p>Source: U.S. Department of State , PWC (p.103)</p>
Canada	<p>Union density has been in decline from 34.0% in 1980 to 28.3% in 2000, to 27.5% in 2010.</p> <p>Source: OECD</p> <p>In 2010, union density was 29.5%. Density was much higher in the public sector (71.4%), which was more than four times the rate for the private sector (16.0%). Approximately one-third of full-time employees belonged to a union, compared with just under one-fourth of the part-time. 30.0% of permanent employees were union members, compared with 26.2% of the non-permanent.</p> <p>High unionization rates were found in Newfoundland and Labrador (37.3%) and in Quebec (36.0%), while low unionization rates were recorded in Alberta (22.6%). Source: STATCAN 2011</p>	<p>Unions have historically played an active role lobbying on issues affecting working Canadians. Labor's influence has produced public policy improvements in workplace health and safety in the areas such as the workplace, pension benefits, wellness, and literacy. A declining base of members and the resulting loss of union dues may affect the union's capability, but organized labor could continue to have a positive impact on government policy.</p> <p>Source: Conference Board 2011</p>
China	<p>All unions are under the All-China Federation of Trade Unions (ACFTU) which is controlled by the Communist Party.</p> <p>In recent years, ACFTU has been actively promoting the establishment of trade unions in enterprises. In July 2010, ACFTU Chairman proposed a "two universality" work requirements, i.e. facilitating the universal establishment of trade unions and the universal implementation of collective wage bargaining in all enterprises in accordance with laws. ACFTU's goal is to raise the unionization rate of enterprises above 60% nationwide by the end of 2010, above 80% by the end of 2011, and to achieve the universal establishment of trade unions in all enterprises by the end of 2012.</p>	<p>The Chinese trade union has no right to organize the workers to strike. Article 38 of the Trade Union Law prescribes that the trade union shall support the enterprise in exercising its power of operation and management in accordance with law. Chinese trade unions are not completely antagonistic to the enterprises; While a trade union may fight for more economic interests for workers through negotiation, it can also provide the employer with a stable work force in order to avoid shutdowns, strikes and other mass emergencies affecting the normal production and operation activities of the enterprise.</p> <p>Source: China Law Insight</p>

Country	Union Density Trend	Union Strength
	<p>Statistics from ACFTU show that, as of August 2010, there are 1,800 base level trade unions and 200 million union members throughout China, with more than 50% of all enterprises having a trade union. Both the unionization rate of enterprises and that of employees are expected to reach 90% and above by the end of 2012.</p> <p>Source: China Law Insight</p>	
France	<p>The decline in overall trade union membership has been continuous between the mid-1970s and the early 1990s (from 22.2% in 1975 to 8.8% in 1995), and the trend has been stemmed with the union density estimated at an average of 8.1% in the period 2001 to 2005, compared with 8.0% in the period 1996 to 2000.</p> <p>Union density is higher in the public sector, where around 15% of employees are in unions, than in the private sector, where the figure is 5.0%.</p> <p>Source: European Trade Union Institute, OECD</p>	<p>Despite its low membership and apparent division, trade unions have strong support in elections for employee representatives, and are able to mobilize their members for mass action and change government policy.</p> <p>Source: European Trade Union Institute</p>
Germany	<p>Union density has been in decline from 34.7% in 1985 to 29.2% in 1995, to 18.6% in 2010.</p> <p>Source: OECD</p> <p>Overall union membership has fallen steadily since German unification, in part because of a sharp fall in manufacturing employment in Eastern Germany after unification. Union membership in the former East Germany, which initially was high, fell very sharply as overall employment there declined.</p> <p>Source: European Trade Union Institute</p>	<p>Trade union membership is strongest among manual workers in manufacturing and in the public services, but much weaker among workers in the private services sector. Employee representatives have a right to seats on the supervisory board of larger companies: one-third in companies with 500 to 2,000 employees, half in companies with more than 2,000.</p> <p>Source: European Trade Union Institute</p>
India	<p>Although there are more than seven million unionized workers, unions represent less than one-seventh of the workers in the formal economy, primarily in state-owned entities, and less than two percent of the total work force. Most unions are linked to political parties.</p> <p>Source: U.S. Department of State</p> <p>Over 90% of workers are employed in the agricultural sector and the informal economy where there is little union representation and where it is difficult to enforce legislation.</p> <p>Source: International Trade Union Confederation</p> <p>Union density is higher in states such as Kerala, Tripura and West</p>	<p>The trade unions are very fragmented. The early splits in Indian trade unionism tended to be on ideological grounds each linked to a particular political party. Much of the recent fragmentation, however, has centered on personalities and occasionally on caste or regional considerations. Trade unions in India suffer from a variety of problems such as politicization of the unions, multiplicity of unions, inter-union rivalry, uneconomic size, financial debility and dependence on outside leadership.</p> <p>There has been a decline in membership, growing alienation between trade unions and membership particularly due to changing characteristics of the new workforce and waning influence of national federations over the enterprise unions.</p> <p>Source: BMS (Indonesian Trade Union), Workers, Unions and Global Capitalism: Lessons from India</p>