

## Trade Union Economics in Africa: An Overview

### L'économie des syndicats en Afrique: Une vue d'ensemble

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## Abstract

The aim of this article is to provide an analytical review of recent work in Africa in the field of trade union economics, focusing on around ten countries. The issues addressed are diverse (challenges facing unions, workers' attitudes to unions, the union wage gap, firm performance among others). We have grouped the work around themes that are generally fruitful in this field: the existence of trade unionism, trade union attitudes to precariousness and informality, trade union membership, the trade union wage differential, and the effect of wage bargaining on economic performance. On the whole, the authors are unanimous on the existence of a trade union wage premium, explain the difficulties and reasons for low membership, reveal the growing interest of trade unions in workers in the informal sector, but find opposite results on the effect of trade unionism on company performance. There has been an evolution and diversity in the estimation methods adopted to obtain the results, with almost systematic use to individual data.

**Keywords :** trade union economics; trade union membership; trade union wage differential; wage bargaining; social dialogue.

## Résumé

Cet article vise à proposer une revue analytique des travaux récents menés en Afrique dans le champ de l'économie syndicale, en se concentrant sur une dizaine de pays. Les thématiques abordées sont diverses (défis auxquels font face les syndicats, attitudes des travailleurs vis-à-vis des syndicats, différentiel salarial syndical, performance des entreprises, entre autres). Nous avons regroupé ces travaux autour de thèmes généralement étudiés dans ce domaine : l'existence du syndicalisme, l'attitude des syndicats face à la précarité et à l'informalité, l'adhésion syndicale, le différentiel salarial syndical et l'effet de la négociation salariale sur la performance économique. Dans l'ensemble, les auteurs s'accordent sur l'existence d'une prime salariale syndicale, expliquent les difficultés et les raisons de la faible syndicalisation, mettent en évidence l'intérêt croissant des syndicats pour les travailleurs du secteur informel, mais obtiennent des résultats divergents concernant l'effet du syndicalisme sur la performance des entreprises. On observe également une évolution et une diversification des méthodes d'estimation utilisées, avec un recours presque systématique aux données individuelles.

**Mots clés :** Mots-clés : économie syndicale; adhésion syndicale; différentiel salarial syndical; négociation salariale; dialogue social

## Introduction

The general concern of the economics of trade unions is to determine the economic objectives of those organisations as well as the methods of their achievement. On that basis, the trade union behaviour is generally apprehended in examining the condition in which it can succeed in obtaining a wage higher than the equilibrium one (Tsafack Nanfosso 2002). Compared with industrialised countries, there is relatively little evidence in Africa on the determinants of membership, the effect of unions on wages, productivity, investment, employment or working hours. But there is a healthy and growing interest in these issues, particularly in English-speaking African countries.

Trade unions face major challenges in Africa, given the scale of vulnerable employment and informal work (on average between 66% and 90% depending on the country). They must strive to offer protection to as many workers as possible if they are to be considered as relevant players in the sphere of industrial relations. The challenge is huge given that sub-Saharan Africa has a working population of 447.37 million, or 13% of the world total (McQuinn 2022).

Data on the number of unionised workers in Africa is often scarce. The statistics produced by the International Labour Organisation (ILO) are obsolete in some cases, which confirms the difficulty of capturing this indicator. The most recent data for Nigeria, for example, dates from 2008 (9.9%), while those for Egypt (23.8%) and Liberia (20.1%) date from 2010. Seychelles and Niger have statistics from 2011 (2%) and 2012 (27%) respectively. However, ILO statistics show relatively higher membership rates in Tunisia (38.1% in 2019), Botswana (30% in 2020) and South Africa (29.1% in 2019). On the other hand, trade union activities and their economic impact in Africa are still not well understood, because they are insufficiently documented.

Several reasons are generally put forward for conducting work on trade unionism and its effects in Africa: to produce data on the size of the trade union wage premium in developing economies (Blunch and Verner 2004) and/or to revisit the question of the effect of trade unions on wages (Nthola et al. 2019); improving knowledge on the impact of China's presence in Africa on labour relations (Otoo et al. 2013); assessing the role of trade unions in the context of the dynamic business environment and intensifying global competition (Owusu-Kodua 2014); analysing the situation of trade unions in countries for which there is no information on the subject (Chelghom et al. 2016); analysing the relationship between trade unions and the informal sector (Tsafack Nanfosso 2016); assessing the effect of trade unions on access to non-wage benefits, insofar as these benefits are guaranteed by law and workers are likely to miss out on them (Owoo 2017); understanding the factors that contribute to recurrent labour disputes

(Mojalefa 2021) ; analysing members' attitudes towards the union (Akinbodé 2019); assessing the evolution of the union wage premium over time, as well as the effect of the evolution of unionism or the location of union members on wage distribution (Kerr and Wittenberg 2020). The aim of this article is to provide a review of relatively recent work in Africa in the field of trade union economics and to outline the prospects for the future. The review covers studies carried out in around ten countries located both in the North of the Sahara (Algeria, Tunisia) and, above all, in the South of the Sahara (South Africa, Cameroon, Côte d'Ivoire, Ghana, Kenya, Mozambique, Nigeria, Senegal, Tanzania). These countries were selected without any particular criteria, but according to the availability of research on the subject. Drawing on the results of these studies, we take stock of five dominant issues: the existence of trade unionism, trade unions in the face of precariousness and informality, trade union membership (or affiliation), the trade union wage differential, and the effect of trade union bargaining on economic performance.

### **1. The existence of trade unions**

In most African countries, it's a truism to say that trade unions exist, if you go by administrative records. They are often involved in social dialogue or at the origin of social movements in companies, but their existence is sometimes unknown, often misunderstood, or well known by workers.

In Algeria, Chelghom et al. (2016) propose a study in response to the lack of documentation on trade union activities in North Africa in general and in Algeria in particular. They set out to enlighten the international community about the realities of labour relations in Algeria and the challenges faced by autonomous trade unionists in their activities. This work appears to be one of the first micro-level overviews of the realities of trade unionism in Algeria. Through the use of semi-structured interviews with twelve of Algeria's autonomous union leaders, union members and non-members, this work shows that the challenges facing Algerian trade unionism revolve around four issues: scepticism towards Algeria's only government-affiliated union; the relationship between autonomous unions and government; strike action and intimidation/harassment; and the views of non-unionists and the future of Algerian trade unionism.

In Cameroon, Tsafack Nanfosso (2003b) states that the very first trade union appeared in 1932, accessible only to European workers during the French colonial period. Following the country's independence in 1960, the five existing central trade unions and the three autonomous unions were brought together into a single movement in 1971, whose historical trajectory was strongly

influenced by the country's political development. Keja and Tsafack Nanfosso (2011) explain that the check-off system inherited from British colonisation, consisting of an automatic deduction of 1% of the monthly wage, automatically led to the unionisation of many workers. But the modest and painless nature of this deduction meant that many of them never knew they were union members until the 1992 Labour Code, which made this provision enforceable only after the employee had signed it. On the basis of a field survey conducted in 2003, it emerged that for unionised employees, union membership provided job security, guaranteed good working conditions, wage benefits, guaranteed pay rises and many other advantages.

In Côte d'Ivoire, N'Cho (2022) tells us that trade unionism began in 1945 and was boosted by the 1952 Overseas Labour Code. The African unions broke away from the European unions in 1956 and organised themselves into four central trade unions in 1959, which merged into a single central in 1962. However, they dispersed again from the 1980s, with the creation of five central organisations. The 2015 Labour Code distinguishes between base unions, union federations and union confederations. The Code introduces a deduction of workers contributions from salaries, subject to the explicit agreement of the employee. The Code also requires companies to provide staff representatives with approved financial statements, to avoid claims arising at inappropriate times.

In Ghana, the African Labour Research Network (ALRN) carried out a study in 2008 on the impact of Chinese investment in Africa and labour standards in Chinese companies. This report led to the creation of a trade union at the Bui dam site to defend and protect the interests of Ghanaian workers. Otoo et al. (2013) undertake a follow-up study to the ALRN report with the aim of assessing the impact of the creation of a trade union on the working conditions of Ghanaian workers in particular and on the conduct of labour relations between Ghana and Chinese companies in general. They use primary and secondary data to compare working conditions at the Bui dam site in 2008 and 2012. The results of the study show that the creation of a trade union on the dam site - which was a key recommendation of the ARLN report - has not only improved relations between the Chinese and Ghanaians working on the project but also the working and living conditions of Ghanaian workers. Between 2008 and 2012, the minimum wage on the site rose from GH¢3.00 per day to GH¢7.50 per day, an increase of 150%. Over the same period, the national daily minimum wage increased from GH¢2.25 to GH¢4.48, or 99.1%. The minimum wage on the site was 33.3% higher than the national minimum wage in 2008 and 67.4% higher in 2012. The level of pay has therefore risen faster at the dam site than at national level. In addition to the statutory benefits, the employer provides

free/subsidised housing and pays for the training of an employee for a particular job if necessary. The existence of the union has thus enabled significant and undeniable progress.

In Mozambique, Webster et al. (2006) offer a situational analysis of trade unionism in the country, based on a survey carried out in the cities of Maputo and Beira. Twenty or so companies were selected by sector - metallurgy, tourism, textile and clothing manufacturing, export agriculture, construction, beverages, agri-food, transport and distribution - using a stratified sampling method (locality, sector, company) and 177 workers were interviewed. The statistics show that only a quarter of the companies declared that they had no union members, and yet the unions were unable to obtain employer recognition in most of the companies. The majority of companies surveyed rarely or never respect agreements, but strikes, which are more likely to be the result of wage demands, are rare. These trends call into question the effectiveness of the unions, which manage to maintain a presence in the workplace but are unable to influence events.

## **2. Trade unions, job insecurity and informality**

As in many countries around the world, trade unions have often ignored precarious, vulnerable workers and those in the informal sector. In Africa, the situation is even more worrying because of the hypertrophy of this sector, even when its actors try to organise themselves. In addition to the fact that it is difficult to consider targets that are by definition elusive, trade unions need a public capable of paying membership fees in order to be able to benefit from the gains resulting from the wage negotiations that they promote.

In Cameroon, Keja and Tsafack Nanfosso (2011) reveal an "informal unionization" coming from the evidence that traditional trade unions do not care about workers of the informal sector. The stakeholders (employees and employers) of the informal sector organize themselves within unions or associations playing the same role. Unions of the informal sector encompass transporters (taxi, bus, and motorbike), clothing industry (tailors, embroiderers, etc.), sellers, photographers, craftsmen, public works and civil engineering, etc. Such groupings aim to negotiate the conditions under which they should carry out their activities, such as location, working hours, taxation, and sanitation. In this case, employers and employees defend the same cause. In such a context, it is difficult to embed the informal sector in the social dialogue. Almost all central unions have unions of informal sector among their members, though the concerns of this sector are not particularly taken into account. But Tsafack Nanfosso (2016) show that since many years from now, traditional unions changed their mind and actively increased the general culture of workers, no matter the sector of activity. They extend the fields

of their negotiations to include informal workers, and they create specific branches inside the traditional union. The author develops how far they somehow succeed in doing so in terms of representation inside enterprises, training of workers (33.2% in the informal sector), involvement of informal workers members in a position of responsibility in the union (51.8%), existence of unions in the firm and also the percentage of workers aware of some official text governing employment in the country (13.4% in the informal sector).

In Côte d'Ivoire, N'Cho (2022) states that central trade unions have a daily obligation to support workers, whether or not they are affiliated, in the formal or informal sector. In the case of workers in the informal sector, the centrals have dedicated departments whose aim is to contribute to their organisation and to ensure that they benefit as much as possible from social protection and/or universal health cover.

In Tunisia, Han (2023) examines the relationship between an organisation of blue-collar workers and the Tunisian General Labour Union (UGTT) - identified as a key player in protecting workers' rights in general and supporting collective action by non-unionised workers. The study uses semi-structured interviews conducted between November 2020 and June 2021 with workers, journalists and human rights activists, and observations of workers' demonstrations and informal meetings. The results show that the UGTT does defend the rights of precarious workers and the unemployed, but does not automatically intervene because of its immediate political interests. Given such an ambivalent position, the workers' organisations adopted a new method of mobilisation consisting of transforming the regional movements into a national coalition movement based on a horizontal mobilisation structure and collective actions on a national scale. These initiatives would have pushed the UGTT to open negotiations with the State. The lesson to be drawn from this is that non-institutionalised (precarious and/or informal) workers' organisations can act as innovative agents thanks to a learning process, i.e. the lessons they learn from their collective actions and the way in which external actors engage with them.

In Ghana, national employment policy since 2015 has paid increasing attention to job quality and particularly to the provision of non-wage benefits that can incentivise workers beyond the traditional wage. Owoo et al. (2017) have studied the role of trade unions in formal and informal sector workers' access to these benefits. They use data from the 2012/2013 Ghana Living Standards Survey which they analyse with interaction variables between unions and formal employment. The dependent variable "non-wage benefits" is a dichotomous variable that refers either to paid leave, sick leave or maternity leave. This variable is regressed on another one

indicating whether or not the employee is a union member and other variables characteristic of the individual and the work environment. Although non-wage benefits are guaranteed by law, the authors find that they are not respected in all sectors - mainly the informal sector - particularly as regards maternity leave. In the formal sector, the presence of a trade union increases the likelihood of workers declaring that they have access to non-wage benefits. The effect of trade unionism is 0.27 on the probability of having paid leave, 0.11 on the probability of having sick leave, and 0.82 on the probability of having maternity leave. It is therefore imperative that the laws on non-wage benefits being better enforced, including in the informal sector.

### 3. Union membership

The level of union membership is a major concern in most countries, including the most developed, because of its congenital weakness. Even where it may have been relatively high in the past, it is generally falling. This low level of membership is the result of several factors, but certainly of the fact that union victories elsewhere, as in Africa, benefit all workers, including non-unionised workers.

In South Africa, Ntuli and Kwenda (2014) show that the likelihood of belonging to a union increases with working in the public sector or mining, compared to manufacturing. Workers in urban areas, in large companies, middle-aged workers, older workers and those living with unionised workers are more likely to belong to a union. Similarly, having a certain level of education increases the likelihood of joining a union compared to those who have not attended school. The authors also find that the union premium is positively related to membership, in the sense that the wages of unionised workers are sustainably higher than those of non-unionised workers in urban areas. In the work by Nthola et al. (2019), the union membership variable is based on self-reported status. They show that the wages of unionised men (women) are 79% (82%) higher on average than those of non-unionised men (women). Unionisation rates are relatively similar by gender, at 42% for women and 44% for men. These rates are higher in the public sector than in the private sector, and higher in large companies. The distribution of wages in the unionised sector is higher and shows less dispersion than in the non-unionised sector. Unionised workers are older, predominantly black, married and have relatively more seniority. They have a higher level of education than non-union workers: 27% of union men have higher education compared with 20% of non-union men; this is the case for 40% of union women compared with 24% of non-union women. In terms of socio-professional category, the unionised sector has a high proportion of workers in management positions, while a large

proportion of non-unionised workers are mainly in lower-level positions. Unionisation rates vary considerably over time and space.

In Cameroon, on the basis of primary data collected from companies and other economic units in the three main cities of Bafoussam, Douala and Yaoundé, Tsafack Nanfosso (2003a) shows that affiliation determines membership. The probability of belonging to a trade union is 98% when the worker comes from a militant family, compared with when he or she does not. The database is a 1999 survey of 1,074 employees in Cameroon. In addition, the lower the wage, the less likely it is to join a union up to the threshold of XAF 150,000. After this threshold, the probability of joining a union is higher. There is also a negative correlation between level of education and union membership. Work experience is favourable to union membership in the sense that one more year of work increases the probability of membership by 10%. Being born in the country curiously reduces the probability of joining a union compared to being born abroad, perhaps because of better exposure to the union culture. Finally, the chances of a manual worker, a semi-skilled worker and a skilled worker being union members are respectively 124%, 149% and 87% times higher than those of a senior manager. Here again, it can be seen that membership is more widespread and relatively more likely among workers in lower socio-professional categories.

In Côte d'Ivoire, N'Cho (2022) explains, based on the ENSESI-2016 database (National Survey of Employment and the Informal Sector), that membership, which was de facto after independence, has fallen because of a lack of information or interest on the part of employees, the plurality of the trade union supply, but also because of the rise in the level of education: the higher the level of education, the fewer the members. Similarly, employees in positions of responsibility are reluctant to seek union protection of any kind. It can be seen, however, that employees tend to join the union when their jobs or wages are threatened. The majority of men (52.7%) and women (51.8%) who have a union in their workplace are members, while the willingness to join increases with age (particularly after the age of 36). The more professional experience you have, the more likely you are to join a union. More union members work in the public sector (57.42%) than in the private sector (39.33%). Workers who are satisfied with their jobs are more likely to join than those who are not, and the higher the salary level, the likely people are to join

In Kenya, company data over the period 1993-1995 show a wide variation in union membership depending on the city: 44% in Nairobi, 30% in Mombasa and Nukuru, 25% in Eldoret. Manda and Mwabu (2019) justify these variations all the more because a large proportion of Kenyan

workers are not union members, despite the substantial wage premium and non-wage benefits associated with union membership. House and Rempel (1976) have shown that for some categories of workers, union membership is negatively associated with earnings or has no effect on earnings. Manda et al (2005) then showed that the negative relationship between membership and earnings could be due to specification errors in the methodology used and that the endogeneity of membership in the earnings equation is the likely reason for the negative relationship. To put these debates to rest, Manda and Mwabu (2019) propose a rigorous analysis of the drivers of union membership. Using data from the 2000 Kenya Manufacturing Enterprises Survey (KMES), which included 1,088 workers, they show that the main reason for union membership is to protect jobs and improve working conditions. Membership varied according to the characteristics of the worker and the characteristics of the company, in particular location, type and size. Membership decreases with the level of education. The study by Mwangi (2018), which is limited to 128 employees of the security firm G4S Security Services Limited in Nairobi, shows that the desire to join is hindered by the employer: refusal of authorisation, intimidation and even resignation.

In Nigeria, Obiekwe (2019) provides a literature review on the role, objectives and challenges of trade unions in Nigeria. He notes that the determinants of membership are job security, the need for wages and benefits, the power of the group for collective bargaining and the need to associate with others. Unions are faced with union desertion, insufficient financial resources, a weak collective bargaining process and dishonest attitudes on the part of union leaders. Akindobé (2019) analyses the behaviour of academic staff and the performance of their union in State universities in the south-west of the country based on 352 affiliates and 12 union leaders. The results show that the attitude of university staff significantly influences the strength of union membership as well as union performance. Union performance was judged to be average, due to the attitude of the government, the philosophy of employers and also the lack of loyalty of employees to the union because of fear. But in the end, it is the attitude of union members that has the most negative effect on unions.

#### **4. The union wage differential**

The impact of trade unions on industrial relations has long been the subject of studies designed to assess their real role in the economy, particularly for their members. More than the level of employment, the essential and recurring question is whether these organisations succeed in creating a wage gap, i.e. a wage higher than the equilibrium wage (or the wage that would have been paid if the unions did not exist or if they had no power in the economy).

In South Africa, Casale and Posel (2011) use Labour Force Survey data from 2000 to 2006 to estimate the gender pay gap. They show that in the unionised sector, the average logarithmic gross hourly wage gap of -0.192 is in favour of women and falls to -0.163 when age, marital status and status as head of household, duration in current job and place of residence are considered. However, if we consider the level of education, we obtain an average gap of 0.134 in favour of men. This gap increases to 0.144 when occupational category and type of job (full-time or part-time) are considered. It rises to 0.152 when workplace characteristics are included (sector of activity, size of company, public sector, formal sector). The factor that contributes most to the pay gap in favour of men is the very large difference in educational attainment between men and women in the unionised sector. In the non-union sector, the gross gender pay gap of 0.243 changes very little when individual and education-related characteristics are included in the regressions. There is therefore near-equality in education levels between men and women in non-union jobs. When occupational category and job-related characteristics are considered, the wage gap between men and women decreases significantly, reaching 0.136 and 0.148. Ntuli and Kwenda (2014) use labour force survey data series from 2001 to 2010 to analyse changes in the union wage premium. They show that the wage premium is positively related to membership, in the sense that the wages of unionised workers are persistently higher than those of non-unionised workers in urban areas. On the other hand, the union premium fell by 15% over the period 2001-2010, since in 2001 union workers earned 57% more than non-union workers. This percentage fell to 54%, 48% and 42% in 2004, 2007 and 2010 respectively. These results clearly highlight the weakening of unions' ability to safeguard their members' benefits.

For their part, Nthola et al. (2019) note that in South Africa, studies are unanimous about the existence of a union wage premium. However, they consider that estimates of this premium are largely inconsistent, ranging from 6% to over 100%. They report that Moll (1993) in a study of blacks and whites found a value of 24% for blacks; Butcher and Rouse (2001) found a value close to 20% in providing the first analysis of the effect of bargaining councils in South Africa on wages; Bhorat et al. (2012) obtained a union wage gap of 6%, taking into account the endogeneity of union status; Schultz and Mwabu (1998) found, using the Ordinary Least Squares (OLS) method, a gap of 145% for blacks at the bottom of the wage distribution and 19% for those at the top; Azam and Rospabé (2007) also found a union wage gap of almost 100% for blacks, using treatment effects and the regime-switching regression model. In this context, Nthola et al. (2019) propose to further investigate the effect of unions on wages in

South Africa using recent methods and a rotating panel dataset. The aim is to provide a less contestable analysis while accounting for the unobserved and time-invariant heterogeneity of workers; for them, while previous studies have also accounted for unobservable variables, they have been limited to mean regression. Individual characteristics are assumed to be invariant over time. The study adopts the same approach as Casale and Posel (2011) but extends the analysis using quantile fixed-effects regressions proposed by Koenker (2004). Using the same data as Ntuli and Kwenda (2014), Nthola et al. (2019) find an average union wage gap of 25%. This gap varies considerably along the distribution of conditional wages. It is higher at the bottom of the distribution (39%) than at the top (12%). After allowing for time-invariant worker heterogeneity, the gap at all points of the conditional pay distribution falls to 14%. At the bottom of the distribution, the wage premium is reduced by 22%, while at the top it is reduced by 4%. In the end, the union wage premium is of the order of 8 to 10% for men, which represents a considerable reduction compared with the 12 to 39% obtained without taking heterogeneity into account. The corresponding estimates for women are 8-14% compared to 12-43%. These results clearly indicate that unobserved worker heterogeneity explains a substantial part of the union wage premium in South Africa. The authors conclude that unions have a modest wage imbalance effect between sectors and little wage compression effect in South Africa. However, they identify as limitations of the study the fact that the data used does not contain information on bargaining councils, which are an important complement to unions in South Africa. As a result, the union wage effect obtained may be perceived as the sum of the effect of the bargaining councils and that of the unions. Furthermore, the results may be overestimated because union membership may be motivated by time-varying characteristics that are not considered in the analysis. They therefore recommend that future research should analyse these issues in depth.

In Cameroon, on the basis of primary data collected from companies and other economic units in the three main cities of Bafoussam, Douala and Yaoundé, and including 1,074 employees, Tsafack Nanfosso (1999, 2002) uses descriptive statistics to find that, on average, unionised workers have a less dispersed but, above all, higher income than their non-unionised colleagues ( $6.7500 > 6.4377$ ). He estimates the union wage differential in Cameroon at 14.19% in favour of unionised workers. This wage differential stems from a number of factors, such as the worker's total experience, which shows that each additional year of work is likely to increase hourly earnings by around 4%. Similarly, education has overall a positive and significant impact on wages. Compared to a primary education worker, schooling effect can go up to 111% among

unionised against 103% among non-unionised. The occupational category is positively related to the income; the difference compared to the unskilled labour being of 180% and 211% for the senior executive respectively for the unionised and non-unionised. Tsafack Nanfosso (1999) also presents an analysis of incomes based on histograms which provide information on the dispersion of the logarithm of hourly income. He shows that the frequency curve for unionised workers is further to the right than that for non-unionised workers, reflecting the statistically positive superiority of the average union wage over the average non-union wage.

In Côte d'Ivoire, N'Cho and Ahouré (2021) analyse the returns to unionism for Ivorian formal sector employees, using data on 499 employees aged 15 to 65 from the ENSESI-2016. Estimates aggregated to all workers show that unionism has a positive and significant effect on wages. Having at least one trade union in the workplace increases wages by 9.31% and being a member increases them by 9.64%. Differentiated estimates show that having a union in the workplace increases returns to education and improves the situation of women and public sector workers (secondary level by +13.88%; tertiary level by +15.14%; women by +20.20%; and public sector workers by +10.30%). The average wage differential between workers who have a union in the workplace and those who do not, and between union members and non-members, is 12.63% and 11.12% respectively.

In Ghana, Blunch and Verner (2004) analyse the determinants of wages in manufacturing industries using quantile regression, focusing on the unionism-wage link. They start from the hypothesis that the effects of unionism are more likely at the lower end of the wage distribution, because unions are generally seen as defenders of workers' rights and wages for the poorest or least skilled segment of the workforce. The data comes from the World Bank's 1994 enterprise survey (683 workers in 108 companies). The authors posit that the possible existence of a union wage premium can be determined in different ways, and consideration should be given to the channel through which unions can affect wages (direct effect through union membership or indirect effect through the degree of unionisation of a company or sector, which reflects the bargaining power of a union within a company or sector). The authors chose to estimate the overall union wage premium using the degree of unionisation at industry level rather than at company level because collective bargaining in Ghana takes place mainly at industry level. For the economic analysis three models are estimated: a basic model corresponding to the traditional wage premium model; an intermediate model including training variables; and a full model also including the industry unionisation rate. The quantile regression results show that membership has a positive and significant effect only on the wages of workers at the bottom of

the pay scale. The union wage premium is 41.3% with the basic model, 18.1% with the intermediate model and 16.9% with the full specification model. Union density in the industry has no direct effect on wages. There appears to be a knock-on effect due to training. The results of the OLS regression are different from those of the quantile regression. They indicate an indirect overall wage premium and no direct premium linked to membership. For the authors, these results confirm the importance of the quantile regression approach as an alternative or complement to the more traditional OLS-based analysis.

In Kenya, in addition to membership factors, work in this country focuses on the effect of unionism on hourly wages (Manda et al. 2005), the contribution of unions to employee training, career development and job satisfaction (Lagat 2014), and the effects of employment intermediaries on unions (Naikuni 2018). The authors used a regime-switching model, coupled with the collection of secondary data and primary data - self-administered questionnaires, structured and semi-structured interviews. The results of these studies show that there is a union wage premium of between 4 and 5%; there is a negative relationship between union membership and the use of employment part-time for staffing reasons; establishments with a high level of union membership tend to have the lowest use of part-time workers, suggesting that unions are able to influence the way employers use employment part-time; the activities of the union for university academic staff have an impact on employee training, on the university's investment in human capital, on career development and therefore on member satisfaction.

### **5. Trade union negotiations and economic performance**

The existence of trade unions generally raises questions about their overall influence at both macroeconomic and microeconomic levels. The desire to analyse their impact on economic efficiency, on the compliance of social actors, on the equilibrium of the labour market, on the well-being of workers or on the quality of industrial relations is recurrent in the work identified. In South Africa, Ntuli and Kwenda (2014) determine the effect of unions on wage inequality using two approaches: first, predicted wages for union and non-union workers are used to calculate inequality measures, the inequality measures are then recalculated using a counterfactual distribution; second they assume that non-union workers do not benefit from the gains of union action - with estimates of the variance in wages relative to the situation that would prevail if all workers were paid under the non-union wage regime. The results show that the Gini index increased, but only slightly, over the period 2001-2010 with union pay awards. The Gini index, estimated at 0.3 in 2001, rose by 5 points in 2004. A small increase was also recorded between 2007 and 2010.

In Cameroon, it is difficult to predict a strike, even though, as elsewhere in most developed countries, it is generally acknowledged that wages are more or less sensitive to social unrest. Tsafack Nanfosso (2009) studies the influence of respect for the law (rules codifying labour relations in the country) on the attitude of employers and trade unions and concludes that it is always in a company's interest to rebel against the established order. In the absence of negotiation, it pays lower wage benefits than it would if it complied with the law (and its profits improve). With negotiations, the company that complies with the established rules pays the full cost of any increase in wage benefits. The illegal company, on the other hand, does not have to pay this cost. The union has an interest in ensuring that the company always complies with the legislation. When there is negotiation, it obtains the minimum gain to be shared. But when there is a disagreement over the decision to negotiate, the entire gain is extracted by the company, and the union ends up with a remuneration package that is reduced by the full amount of salary benefits. It's not surprising, then, to find that labour relations are precarious, not only in terms of working hours, with a high degree of variability in weekly working hours between sectors of activity (with the proliferation of atypical working hours), but also in terms of pay levels, depending on the type of contract (verbal, short-term, open-ended) and the sector of activity (informal urban or rural, public, semi-public or private). Tsafack Nanfosso (2011) nevertheless shows that trade unions influence labour market performance by affecting the quality of jobs and the level of income (wage differential). For example, union members are 7.6 times more likely than non-union members to obtain a permanent work contract. Similarly, the probability of a worker who is not affiliated to a trade union being employed on a verbal contract is 0.72 times higher than that of a union member.

In Côte d'Ivoire, Chapelle and Plane (2005) and Roudaut and Vanhems (2012) analysed the effect of unionism on the technical efficiency of firms. According to their results, unionism - measured by the presence of at least one unionised employee - improves the technical efficiency of firms. These two studies use the same RPED 1994 and 1995 databases, but differ in terms of the object of analysis and method. Chapelle and Plane (2005) maintain the classification of the RPED data into four sectors: textiles and clothing, metal products, the food industry, and wood and furniture. They use the DEA and the four-stage methodology to measure the management effect, the production scale effect and the technical effect. Roudaut and Vanhems (2012), on the other hand, analyse technical efficiency according to the level of technology, in order to safeguard the homogeneity of the sub-sectors. To do this, they use a method that incorporates

outliers and heterogeneity, is a one-step estimation procedure and takes qualitative environmental variables into account.

In Ghana, Owusu-Kodua (2014) compare trade union action in Ghana and Singapore in the face of the pressure of a dynamic economic environment and intensifying global competition. These countries were chosen because they are former British colonies and the unions have similarities both in their evolution and in the way they are structured. However, trade unions in Singapore have made a significant contribution to economic and social development, resulting in harmonious industrial relations and low unemployment. The authors opt for a literature review, in particular the collection of informal interviews and opinions of trade union leaders published in Ghanaian newspapers, existing journals and newspapers on trade unions; and the readings of published and unpublished articles on the synergies between trade unions, government and employers in Singapore. They observe that social dialogue takes the form of a tripartite process - government, management, trade unions - in both Ghana and Singapore. Despite these efforts, the achievements of the tripartite commission as well as wages remain low, minimum wages have increased but at a decreasing rate, strikes are recurrent and unemployment continues to rise. Industrial disputes easily lead to strikes, boycotts, lock-outs and slowdowns, which have a considerable impact on the economy as a whole. At the same time, union membership is increasing, but remains at around 14%, due to the growing number of workers in the informal sector. What's more, trade unions are having to contend with the phenomenon of stowaways and inadequate funding. The authors note that one of the biggest differences between the two countries is Singapore's adoption of a non-confrontational formula, close cooperation between the stakeholders in social dialogue and a focus or recalibration of actions to implement macroeconomic policy. This choice has created a favourable environment for all those involved in industrial relations. Singapore's trade union movement is said to have evolved into one of the driving forces behind the country's low unemployment rate, improved standard of living and overall economic success. In the light of the Singaporean experience, the authors call on the trade unions to assume social responsibility, taking macroeconomic policy into account, not focusing on wage negotiations but working to increase worker productivity and hence national productivity.

In their work focusing on Ghana, Otoo et al. (2013) show that the creation of the union contributed to the negotiation of a collective agreement and to the improvement of industrial relations. The authors note that the Chinese company recognised the importance of the existence of the union in resolving conflicts and reducing tensions, which saved time and

money. They conclude that unions are improving working and living conditions for workers at the Bui dam, although challenges remain (non-compliance with collective agreement provisions, occupational health and safety, compulsory overtime, job insecurity) for some categories of workers.

In Nigeria, Collins (2013) sought to determine the contribution of trade unionism to the quality of industrial relations, productivity and efficiency in one company: Jos International Breweries Plc. The answers obtained from the respondents show that trade unionism plays a fundamental role in improving the performance of organisations. Indeed, the results show that the mutual resolution of conflicts between workers and management strengthens trust and improves productivity. By safeguarding workers' rights and interests, trade unionism motivates them to give their best to achieve the company's objectives. The study recommends recognition - by the company - of the activities and contributions of trade unions to the company's performance (which will make it possible to establish harmonious labour relations that will have a positive impact on productivity), but also that the company's management should identify with employees' demands in order to minimise the level of conflict, particularly with regard to improving working conditions. In a different context, Bukar et al. (2022) examine the influence of collective bargaining on organisational effectiveness in Nigeria based on an extensive literature review, including press articles, government publications and websites. They find that collective bargaining generally fosters cooperation and mutual understanding between workers and management, providing a framework for dealing with industrial relations issues without resorting to strikes and lockouts.

In Senegal, Ngom (2019) finds results contrary to those highlighted in Côte d'Ivoire by Chapelle and Plane (2005) and Roudaut and Vanhems (2012). He finds by exploiting World Bank survey data (Enterprises Survey, 2014) and running two models - a labour productivity model and an average wage model - that unionism has a negative impact on labour productivity in large firms. This negative relationship is explained by the recurrence of strikes.

In Tanzania, Juma and Onyango (2022) assessed the attitudes of teacher members of the Tanzania Teachers Union (TTU) in the municipality of Dodoma towards the effectiveness of the union in improving the welfare of its members. The authors collected quantitative and qualitative data from 50 teachers that are members and 14 TTU officials. Member teachers were asked to indicate the extent to which they agreed or disagreed with statements provided on a Likert scale. They were also asked to make suggestions about the union in order to measure its effectiveness in protecting teachers' rights and improving their well-being. The results of the

investigation show that the majority of teachers do not have a very good opinion of the TTU. The authors conclude that the lack of effectiveness of the TTU has led members to develop a negative attitude towards it. Therefore, they recommend that the TTU develop strategies to improve service delivery to teachers in order to reduce members' negative attitudes towards the union. Actions could include organising meetings, listening to members' concerns and implementing strategies to address them.

### **Conclusion**

The aim of this article was to provide an analytical review of recent work in Africa in the field of trade union economics and to highlight some of the prospects. On the basis of studies focusing on around ten countries, we see that non-institutionalised workers' organisations (informal trade unionism) can act as innovative agents thanks to the lessons they learn from their collective actions and the way in which established players (formal trade unionism) engage with them; in some contexts (Algeria, Tanzania) trade unions face scepticism from workers, due to their lack of effectiveness; affiliation, company size, type of sector (public) are generally correlated with trade unions; there is a wage premium linked to the existence of a trade union in the workplace and to membership; results on the effect of trade unionism on company performance are mixed.

In general, the studies recommend taking account of endogeneity or potential self-selection when estimating the effect of unions; collecting data by seeking access to documents relating to unions' future plans; and working on the willingness of union leaders to integrate macroeconomic policy but also on the willingness of the government to support unions. Finally, the studies should also examine whether the positive association observed between wages, union membership and union density at industry level is due to the non-random establishment of unions; and whether unions only defend workers and appropriate rents thanks to their bargaining power.

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