

Have Trade Unions Lost Their Historical Prominence, or Are They Regaining Momentum Through A Process of Revitalization

Sandeep Bhattacharya¹, Dr. Mourlin K²

¹Research Scholar, Xavier Business School (XBS), St. Xavier's University, Kolkata

²Assistant Professor -HR &OB), Xavier Business School (XBS), St. Xavier's University, Kolkata

Abstract—Collective bargaining as a means to obtain fair treatment for the employees have been discussed in this paper. This paper examines the role of trade unions in collective bargaining tracing its historical background in different parts of the world. An attempt has been made to track the political, economic, and social impact on the trade union movement and the strategies built by it over a period of time. Collective bargaining has found to occur at the national level, sectoral level or industry level. Though no one country adopts any specific level, the evolution of collective bargaining through different levels in different countries have been described. Trade union density increased in South Africa in the 1990s due to the emergence of Black trade union movement, while most of the world was going through decentralization. The decline in membership in unions is attributed to several factors including decentralization, deregulation, privatization, and globalization.

We look at its structural reorganization in the face of globalization and the strategies employed to reorient its position to gain confidence with the employees. The paper has two main objectives: to find the relevance of the trade unions in the present scenario and to find the challenges that lie before trade union activists in mobilizing, organizing and representing workers. The contemporary issues that affect the organized labor movement are discussed with the coping strategies used by these organizations.

From the light of revitalization strategies adopted by the trade unions, this paper has concluded that “deunionisation” is still not an option but would come back with renewed vigor by adapting itself according to the new challenges and reorganizing its structure and operation.

Index Terms—Trade Union, Collective Bargaining, Employment, working conditions, Negotiation, Treatment

I. INTRODUCTION

Trade unions formed to represent the worker rights to the employers promoted increased production, maintained discipline and acted as agents of social welfare (Crouch, 1966). Trade unions serve the interests of its members through collective bargaining. It uses this strategy to obtain better working conditions and salaries for its members (Jaarsveld et al., 2004; Grogan, 2003; Basson et al., 2002). According to Kahn-Freund, collective bargaining assumes importance with regard to the settlement of disagreements or disputes within their dominion. The individual contract of employment in such cases plays a secondary role while the collective bargaining adopts a primary role in influencing the terms and conditions of the employment.

Trade unions are confronted with manifold challenges. The dramatic changes in the economy, political and institutional conditions have made sustenance of trade unions challenging while attempts to attract and represent new social groups continue to remain inadequate. Trade unions which started as the response to novel labor challenges during industrial revolution have shifted from its original goals of being bargaining institutions to representing the interest and voice of labor. Though the improvement of the working conditions of the labor force within the organized sector through technological advancement and repeated revisions of the pay cannot be contradicted, the price that was paid for such shift in the changes was loss of control over jobs (Ratnam, 2006). The economic prosperity and increase in capital in the labor markets along with structural changes in the working conditions and pro-employer policy has led to

the paradigm shift in the role of trade unions (Jose, 1999).

Global competition has compounded new pressures on international industrial relations. As the industrial relations are nationally implanted, the economic liberalization tests its very foundations of its functioning and survival. Globalization has opened the markets for products and services, multinational companies, mergers and acquisitions, investment flows across countries, which influence the national economies and government policies. Further, it strives to obviate the employment protection legislation and form company-specific regulatory mechanisms (Hayman, 2006). Furthermore, globalization has had tremendous impact on policies by restricting the national government's ability to implement policies that affect work, employment and the economy (Stiglitz, 2002; Edwards & Elger, 1999).

In addition to the impact of globalization, the fall in employment in the manufacturing industry, which holds most of the trade unions, and the rise of service industries that do not support unions and the increase in "atypical" jobs have augmented the decline in the functions of trade unions (Carley, 2001). The decreasing tenure of the jobs and the highly unstable labor market have added to the misery of the trade unions (US Bureau of Labor Statistics, 1997).

This paper has two main objectives: 1) to find the relevance of the trade unions in the present scenario and 2) to find the challenges that lie before trade union activists in mobilizing, organizing and representing workers.

Several decades ago Bailey (1934) emphasized the need for trade unions to adapt to the changing needs and times, which remain to be true even now. Section 2 highlights the development of the unions from the context of understanding the transformation role played by it in supporting workers. Section 3 defines the collective bargaining and how it is used as a potential means by trade unions to resolve the conflicts between labor and management and resorts to restricting the unrestrained authority of the management. Further, the changing trend of collective bargaining is analyzed with respect to the challenges faced and its ability to handle them. Section 4 investigates the causes for the downward trend in the unions with special reference to globalization and its impact on the unions. Section 5 discusses the strategies to be employed in order to revitalize the unions.

II. DEVELOPMENT OF TRADE UNIONS

The inception of trade unions in different countries and the extent of collective bargaining that surfaced at different times demonstrates that the system of collective bargaining was the outcome of international and national social and economic developments (Huiskamp, 1995).

Trade unions emerged in the early years of industrialization that was rooted in the mass production and mass employment and consequently created a novel class of employer and employee. The conflict between the two became unavoidable in such circumstances (Davidson & Rees-Mogg, 1997). Voicing the opinion of the employees needed institutionalized vehicle that could contain conflict. Collective bargaining became an arrangement to institutionalize conflict that "suited the sociological features of manufacturing industries which concentrated sizeable groups of wage earners doing similar tasks into workplaces that were relatively large" (Davidson & Rees-Mogg, 1997). In its earlier days, trade unions were not recognized by the employer, but often repressed (Bendix, 2010). Nevertheless, trade unions gained power when the companies became bigger and the number of people employed became larger.

Changes in educational, political and social climate enabled awareness of rights, including right to organize, bargain and settle terms and conditions leading to rise in unions that protected the worker interests. As a consequence, unions played a crucial role in setting up minimum wages, working hours, health and safety and improvement in working conditions cascading to enhancement of quality of work life (Ghosh & Geetika, 2007).

III. COLLECTIVE BARGAINING

Collective bargaining is initiated by the conflict of interests, needs, values, goals, ideologies and perceptions. It reposes on the common interest, where the employees and their employers through their representatives negotiate to achieve consensus between the fulfillment of the needs and the objectives set for each party (Bendix, 2004). It encompasses the resolution of labor-management conflicts. Management is mandated to work through a system of rules than on discretionary decision making. It defines

the rules so as to restrict the unbridled authority exercised by the management.

Thus, collective bargaining as defined by the International Labor Organization (ILO) Right to Organize and Collective Bargaining Convention (1949 No.98) is

“Voluntary negotiation between employers or employers’ organizations and workers’ organizations, with a view to the regulation of terms and conditions of employment by collective agreements.”

The credit for the use of the term collective bargaining for the first time in 1891 is given to Beatrice Webb, who mentioned it in her work cooperative move in industries. The origin of the collective bargaining process can be traced back to the times when inequality started between the employer and the employee during the industrial revolution period. Individual effort to overcome the imbalance does not yield results, therefore, employees negotiate collectively to equalize this inequality (Godfrey et al., 2010). Flanders (1975) emphasizes that the joint regulation as the main characteristics of collective bargaining. Fundamentally, collective bargaining is grounded on joint regulation that allows the employees to negotiate on matters that concern them and reciprocally respond to issues that matters to the management resulting in an agreement that can be enforced consistently across a group of employees (Salamon, 2000). Collective bargaining, thus, results in agreements that regulate the employment relationship within a group context (Hollinshead, et al., 2003). Salamon (2000) argues that the purpose of collective bargaining is not to end the relationship between the employers and the employees but to agree that it is an ongoing process and the aim is to amicably sort out differences.

According to Clarke and Clements (1978), the employer and the employee have responsibility towards the content and implementation of the clauses agreed in the negotiation as both, through their representative, jointly determine the agreement. This enables the both parties to constantly refine the agreements according to the changing circumstances and the need to ensure appropriateness and acceptableness of the collective agreements.

Collective bargaining brings with itself a challenge to both the employers and the employees to perceive themselves as a group. This challenge can be addressed through determination of priorities within

the group involved in the negotiation process. The dynamics of collective bargaining were brought to focus by Dunlop (1958), who remarked that the main activities of collective bargaining includes the determination of priorities by each party, in the process assuming that disagreements do exist within the party. To succinctly phrase it, Dunlop (1967) posited that collective bargaining is not about homogenous union negotiating with a homogenous management but about compromise and evaluation of priorities on both the sides. Collective bargaining is set forth on the principle of commonality, trust, cooperation and compromise through joint regulation of the employment relationship (Venter, et al., 2011). The goal of collective bargaining is to come to consensus on rules in order to facilitate compromises between conflicting interests of the parties over the terms and conditions of the employment. Institutions were created to provide the much needed impetus to improve the bargaining position of workers. Collective bargaining replaces the uni-lateral decision making by the employers so that the workers may have a say in their working conditions. Industry democracy is identified as an essential component of collective bargaining in the workplace (Windmuller, et al., 1987; Cordova, 1990; Traxler, 1991).

Collective bargaining may occur at different levels, such as national level, sectoral level or industry level. At no country does it take place in any one particular level only. The suitable level of bargaining will depend on the interests, strengths, objectives, and the priorities of the both the parties. In most of the industrialized countries, particularly in Europe, national level agreements are made through the bargaining effect of the employee’s trade unions and employer’s organization and were augmented with enterprise level negotiations. South Africa has dual collective bargaining system, where negotiation on wages and work conditions are dealt at the plant level and industry level (Bezuidenhout, 2000).

IV. TRENDS IN COLLECTIVE BARGAINING

Since the 1960s collective bargaining has undergone certain changes, where bargaining is introduced at the organizational level, which is often referred to as domestic bargaining. More issues, like training, promotion, job demarcation, agreement, etc., was covered in this bargaining, in addition to covering pay

and condition of employment. Further, the collective bargaining also encompassed other groups of employees who were not previously under it. This trend has been found to be true even in the recent times in South Africa, where it is becoming more centralized and there is an increase in trade union organization (Maree, 2009). The converse is true in most of the other countries across the world. Ouchi and Araki (2007) conducted a study in nine countries, which included US, UK, Australia, Germany, France, Italy, Japan South Korea and Taiwan. They argued that working conditions are determined at the enterprise level. The pressure of working conditions is getting replaced with employment security; and deregulation and derogation of the rules are becoming accepted, which is expressed in the declining trend in trade unions and its membership.

Finnemore (2009) asserts that collective bargaining still finds use in collective dispute resolution in the US and the UK. Industrial revolution ushered in the process of collective bargaining, whereas in the past few decades the labor intensive industries are on the decline due to the progress in the technology, more privatization of the industries, globalization and change in the nature of work. This trend prompted the need for flexibility in handling the issues pertaining to labor, and Gladstone et al. (1992) state that collective bargaining, a long and well established centralized structure, is gradually on the decline from the 1980s. According to Finnemore (2009), pluralism and the associated strikes in the name of collective bargaining are being challenged, as collective bargaining is scrutinized as being disruptive. For any country, which contests at the global arena, these strikes are being held responsible for losing the edge that it has on the competition. Consequently, most of the international companies have moved their production to South-East Asian countries, where the trade unions are not well developed or do not have a hold on crippling the country's production.

Though South Africa has moved towards centralization of unions, it has pursued enhanced flexibility in the regulation of labor by employers. According to Standing (1999), the increased flexibility in labor ranges from implicated labor cost flexibility, employment flexibility to functional flexibility. He asserts that flexibility is nothing more than "ill-designed masks for proposals to lower wages or worker protection."

The trade union density increased in 1990s in South Africa and the explanation for centralized system lies in the emergence of a Black trade union movement in the 1970s. Further in the 1990s the collective bargaining institutions extended into the public sector. All most all the public servants became part of national unions increasing the density of the unions (Maree, 2009). While most of the countries were getting decentralized, South Africa was moving in opposite directions in the collective bargaining and trade unionism.

A decline in trade union density has been observed in 1980s in OECD countries except in Luxembourg, Iceland, and New Zealand (OECD Employment Outlook, 1994). At the same time the collective bargaining coverage increased in 1980s in France, in contrast, the coverage declined in the United States, Australia, Japan, and the Netherlands in the 1980s with a pronounced decline in the Great Britain. The declining trend in coverage implies the existence of deregulation of bargaining system, i.e., the collective negotiations between the unions and the employers has moved to individual personnel relations and labor contracts.

National level agreements set a framework for negotiators in some countries like Belgium and Norway where a hierarchy of negotiations exists from confederation to individual unions to company level (Fulton, 2013). But this pattern is no longer being supported in these countries, especially in Norway, where there is an effort to decentralize over the last two to three decades. Decentralization has paved way to company level negotiation in the public sector (EIRO, 2013).

In Finland, national agreements made recommendations to lower level negotiators. This pattern existed for 40 years and as employers refused to negotiate a new national framework got terminated in 2007 but the economic crisis reinstated this pattern by agreeing to sign new national framework. On the contrary, in Ireland, national agreements that regulate pay raise, etc., for more than 20 years, were abandoned due to economic crisis (Fulton, 2013).

In countries like Sweden and Denmark, industry-level bargaining provides the framework for negotiations on which the negotiators build at lower levels having substantial leverage to bargain. In Sweden and Italy, the industry-level bargaining provides increase which is to match the inflation and the productivity gains are

compensated at company level. Denmark and Sweden are moving towards the decentralized bargaining. Iversen (1996) argues that Denmark and Sweden have experienced a “cross-class realignment” of economic interests in the early 1980s. After World War II, the centralized bargaining system worked on voluntary wage restraint, redistribution and full employment. The centralized system was superseded by decentralized system, which was based on flexible wage structures, inequality, and market-induced restraint, whereas Norway and Austria continue to support the centralization. In addition to Austria, Fulton (2013) includes Belgium, Italy, France and the Netherlands where there are high levels of collective bargaining which echo the legal framework within which the bargaining takes place. The wage leveling became the prerogative of the collective bargaining, which disseminated the pressure for institutional change. In Austria, the collective bargainers of all the employers must belong to the industry and chambers of commerce as a result all the employees get covered. Norway supported the centralized regime as a part of wage-cost inflation that occurred in the oil sector and Norwegian economy that became deindustrialized in the late 1980s. Therefore, Iverson (1996) points to an intimate relationship drawn between macro-economic policy structure and the collective bargaining institutions, in particular wage bargaining.

Traditionally, the UK follows a system of industrial relations that is voluntary in nature between the employers and employee unions, which has minimal interference from the state. However, 1979 witnessed a change in this system, whereby the government as guided by the European Union has imposed legal restrictions on the unions along with legally established rights for the employees. Currently, the collective bargaining system consists of minimal statutory association of the social partners in bipartite or tripartite bodies, non-legally binding collective agreements, and some legally established rights for the employees (Crook, 2010). It is said that collective bargaining has almost disappeared in the private sector, where company level negotiations exists.

The trends in collective bargaining are ever changing: the trend keeps shifting from centralization to decentralization. In some countries, the employers set their own rules and regulations in order to be free from trade union engagements, which is especially true in Germany. While in Denmark and Sweden change in

pay structure is debated at the local level than at the national level. In France, industry agreements are superseded by local agreements to deal with problems at the organization level. Both Greece and Spain are also moving towards decentralization, the company can directly negotiate at the local level, which, however, does not protect or improve the employees’ conditions. Romania has totally decentralized the national level bargaining.

The shift in the trend is guided by the economic crisis that befalls on the countries. Though European countries are still in the grip of collective bargaining, the trend reveals favoring of local or company level agreements instead of sectoral or national agreements. There is a need for the trade unions to respond positively to this change through bilateral combined work. Fragmentation of the collective bargaining does not work in the favor of the employees; it would, in fact, worsen the working conditions of the employees. Thus, a new form of cooperation and coordination should be essentially developed by the trade unions to effectively address the needs of the workers.

V. DOWNWARD TREND IN UNIONISM

A phenomenal transition in economic, social, and political spheres have occurred in the past decades. These rapid changes have not left the labor movement untouched. Similarly, revolution in technologies and communication system, work organization, the increased dependence on the national economies and competition that has expanded to the global level had a significant impact on the unions, companies and governments. As discussed earlier, the strength of the collective bargaining has been reduced in most of the countries due to changes in the legislative rules that is focused on undermining the collectivism. The nation level collective bargaining is gradually getting replaced by decentralization to company level, which is giving way to human resource initiatives and company level unionism that do not address the collective interests of the employees.

Trade unions have been found to be declining in the past decades notes the 1997-1998 World Labor Report by the International Labor Organization, which has researched to find the reasons behind this decline. The decline in the trade unions is linked to the economic and developments in the 1980s, the slump in manufacturing industries, rapidly developing

economies in Eastern and Central Europe, and large scale privatization.

Unions have faced greater challenges in recruiting members in the last two decades. This decline has been pronounced in all the European countries except for a few (Ebbinghaus & Visser, 2000). The de-unionization trend is significantly marked in OECD countries especially in Japan, North America, and New Zealand (Visser, 1991; Golden et al., 1999; Traxler, et al., 2001). Many researchers have tried to explain this decline by stressing on factors, such as structural, cyclical and institutional (Wallerstein & Western, 2000; Ebbinghaus & Visser, 1999).

Both unemployment and economic growth have had significant impact on the collective bargaining process. Waddington (2005) posits three important challenges that face this process: globalization, privatization, and call for decentralization. Globalization has brought with it the liberalization of the economy and ease of trade in goods and services, expansion of markets, merger and acquisition in transnational companies, and foreign investment. Employers have been increasingly demanding for the decentralization of collective bargaining and industrial relations. On the other hand, the neo-liberal economists and politicians demand for liberalization and privatization of the organizations.

All these reasons have weakened the collective bargaining position of industrial relations, while strengthening the position of the employers. The gradual decline in the number of membership, especially in Europe, has added to this distress (European Commission, 2004; Ebbinghaus, 2004).

The EU enlargement in 2004 has played a vital role in enhancing the globalization effect by offering incentives to employers to relocate their jobs from EU-15 countries to states which have become recent members, where wages are much lower (Galgóczi, et al., 2005). In order to accomplish wage moderation, attempts have been made to negotiate long-term tripartite social agreements by keeping the pressure of international competition (Waddington, 2001; Fajertag & Pochet, 2000). In the countries where collective bargaining was active and effective, the state has introduced public policy competencies to the partners involved in collective bargaining especially in social policy matters and labor market (Casey & Gold, 2000; Berger & Compston, 2002; Reynaud, 2000).

Union membership is under criticism more than ever before, especially among the younger generation (Berg, 2001). Meanwhile, Jarley and Fiorito (1990) observed that workers also do not show much interest to join the trade unions instead pay more attention to the non-work benefits offered by the employers. Due to the changing world scenario, especially due to globalization, organizations use flexible time and staff arrangements to compensate fluctuations in workload, absenteeism, and savings on benefits cost, shorter job tenure, temporary employment, part-time employment, worker mobility (Houseman, 2001). These factors have made the membership in unions inconsequential.

VI. IS THERE A LINK BETWEEN GLOBALIZATION AND TRADE UNIONS DECLINE?

Globalization and major changes facilitated by economic institutions and technological advances along with the rise of multinational firms, which have established global value chains, have changed the dynamics of the working of the trade unions (Gunter & Van der Hoeven, 2004). Globalization and the opening up of the market in most countries have had a positive impact on the economic development of the country. Nevertheless, this has led to the shrinking of the world by relocation of the work between countries. Trade unions, generally, draw their identity, characteristics and future options from the rules imposed by the countries where they function. However, globalization has introduced a new phenomenon of cross-national functions of unions that require necessary amendments to meet the need of the employees who work across countries (Thomas, 1999). Sometimes, these changes have made the position of unions less meaningful. Companies have become less hierarchical with a flat structure and increasingly more network oriented. The economies no more focus on being integrated at the national level instead are linked to sector level or world level. Concurrently, organizations around the world are striving towards bringing collective bargaining down to the company level.

The shifting of the power of the financial system to international markets had significant impact on the union strategies and, in particular, on the workers. The ILO report demonstrates an interlink between growth,

employee earnings equality and union density. The slowdown that occurred in 1970s resulted in the inequality in the earnings of the employees. This slower growth also called for de-unionization lobbied by neo-liberal politicians. Thus, the change in the policy of macroeconomics holds check to the growth and weakened the unions. Correspondingly, the globalization of the financial system added to the inequality in wages. The effect of globalization, thus, was felt across the globe, especially with respect to trade unions. Globalization has further increased the gap between the rich and the poor as unions are decommissioned and there is no collective bargaining done on behalf of the employees instead focused on individual issues and personal level bargaining.

VII. REVITALIZATION OF THE TRADE UNION MOVEMENT

Several studies have pointed to the erosion of trade unions to labor market deregulation, decentralization, and flexibility of jobs in Europe from the 1980s (Katz, 1993; Baglioni & Crouch, 1990). Some trade unions have tried to adapt to the changing conditions by restructuring their strategies. Essentially, these changes have been directed to develop new services to union members, attract a new class of members like women members, open up new avenues for negotiation and establish new partnerships.

Trade unions have extended their horizon of services to all workers, even to those who are not in full-time employment. The professional servicing relationship contributes to the members of the unions by servicing to their service needs. A variety of services have been added to increase the assistance offered to its members including individual services, supplementary social benefits, professional advisory services like legal advice, taxation, careers, social security, extension of contract, training, etc.

This relationship has been currently shifted to company based negotiations in the global labor market. This shift has been viewed as a positive outcome to strengthen the unions in order to effectively meet the new challenges. In most of the industrialized countries, the traditional role of unions is gradually changing from acting as a servicing body to organization building, which, however, does not mean that the services offered to its members are in any way reduced instead have taken up a larger role.

The recent changes in the global arena have brought about many challenges to the collective bargaining, which is not handled effectively. Godfrey et al. (2007) in their policy document have identified many challenges faced by the collective bargaining, some of which can be enumerated as the decline of company level bargaining, the decline of union membership because of decentralized production, a shift to services, etc. The study has recommended various steps to revitalize or improve the strength of institution of collective bargaining so that it does not lose its dynamism and continue to remain as the preferred method of dispute resolution in South Africa.

An important recommendation made by the study was to increase the role of Department of Labor by playing a “proactive role in supporting bargaining councils” and developing “programs to support and assist bargaining councils, disseminating best practices and coordinating systems and resources” (Godfrey et al., 2007). Other recommendations are revisitation of workplace forum that can develop a vehicle to “develop productivity agreements, build workplace democracy and reduce adversarialism.” Non-standard employment is one of the challenges for collective bargaining; the authors suggest the utilization of workplace forums to address this issue. The authors argue that if these recommendations are adopted by the policy makers, then they could revitalize and strengthen the collective bargaining institution.

VIII. COPING STRATEGIES OF UNIONS FOR UNION DENSITY DECLINE

The current industrial relations need a comprehensive strategic reappraisal by the trade unions at a regional, national, and global levels. Despite globalization and shifting of jobs to South-East countries where there the wage is lower, the trade unions have been striving hard to increase its union membership. In the UK, in order to overcome the existing challenges, unions have found to be reorganizing (Heery, et al., 2000; Heery & Delbridge, 2000; Metcalf, 1991). Clark (2000) believes that one-on-one contact and buddy system would help in changing the early attitude towards unions in addition to the formal and informal orientation towards unions. Union effectiveness is enhanced by the union democracy and innovation in addition to reduced centralized control (Fiorito, et al., 1995)

In the UK, two approaches which are complementary to each other are being followed in an attempt to increase the union membership. According to Heery (2000), these approaches are the union organizing and recruitment approach and the social partnership approach. Concurrently, recruiting new members is an important task of the unions to expand its prospects. Therefore, the emphasis is on maintaining the existing membership levels by encouraging other workers to be part of the union. In order to increase the membership by recruitment, it should represent its members in a system of company based agreements with changed work situations by creating new enterprise structures and allow members to set their own agenda and solve their own problems and support the members for solutions through its full-time officials if they were unable to solve issues on their own. This model, also known as the organizing model, helps to accommodate the needs of its members and satisfy their ambition differently, at the same time increasing membership. While employing the organizing model, essentially, three important factors need to be identified. (1) Unions can either “live or die.” If it intends to live, it needs to organize itself instead of blaming the adverse situations that are out of its control, thus reverse the decline. (2) Trade unions should recruit new members from within groups like women encouraging women to join the union. (3) Members should be empowered to recruit other workers and set the agenda and find solutions to their groups.

The members should be made aware of the importance of organizing through education, especially conducting orientation programs for new members, buddy training, and other continuous education. Leaders, members and other staff should play an active role in union organizing efforts to promote the importance of organizing in trade unions.

Female workforce may add volume to the union density as suggested by Berg (2001). Trade unions are replete with male dominance in organizational as well as at the functional level. This male dominance can be overcome by including female workforce. Currently, they are apprehensive and hesitant to join unions. The female workers can be made aware of the benefits of the unions through meetings. They can be inducted into the boards, committees through special gender quota and special incentive for female workers, women’s meetings, women’s network and working

groups (Berg, 2001). Thus make unions attractive for women workers too.

The Australian Council of Trade Unions (ACTU) responded to the decline of the union density through apportioning more financial resources to recruit more members in the those industries where the workforce is increasing. In order to make the recruitment team effective, specialized team members were used for recruitment process and the operations were restructured and union officials trained. Further, the workers were given attractive incentives to attract more members. However, Cook (2000) points out that these efforts did not yield significant results.

The methods to increase the union density including restructuring the union, adding buddy system, robust recruitment teams and union democracy may not be sufficient to stop the decline of union membership unless unions decide to play constructive role in nation building. The negative reputation obtained through constant strikes should be obliterated and replaced with confidence and trust among its members.

IX. CONCLUSIONS

This paper has analyzed the growth of trade unions and the role of collective bargaining in the resolution of labor-management conflicts. Industrialization along with all the benefits brought a challenge in fair treatment of the employees, with regard to wages, security, working hours and so on. Institutions, therefore, became necessary to provide the much needed impetus to improve the bargaining position of workers. In this paper, the goal of collective bargaining refers to the agreement on the policies with regard to the terms and conditions of the employment enacted by the representatives of the company and the employees. Collective bargaining thus prevented the uni-lateral decisions made by the employers and gave an opportunity for the employees to contribute or agree to policies created.

Recently, the trade union membership has been found to dwindle due to various reasons, like decentralization, deregulations, privatization, etc. Globalization and the advancement in technology have brought the employers and employees closer on one-on-one basis. This trend has been found in almost all of the European countries, though not in South Africa, where the trend has been found to be in the opposite direction.

Trade unions are responding to the challenges of decline in membership and striving to make a comeback through various revitalization methods including recruitment of new members from different groups, pooling resources through mergers, providing more services that have an impact on the workers. This paper has also dealt with some of the recommendations for revitalization of unions. In conclusion, we have shown that “de-unionization” is still not an option but would come back with renewed vigor by adapting itself according to the new challenges and reorganizing its structure and operation.

REFERENCES

- [1] Baglioni G and Crouch C (eds) (1990) European industrial relations. In: *The Challenge of Flexibility*. London: Sage.
- [2] Basson A et al (2002) *Essential Labour Law – Collective Labour Law V(2)* Pretoria: Labour Law Publications.
- [3] Bendix S (2010) *Industrial Relation in the New South Africa*. South Africa: Juta Publishers, 166.
- [4] Berg Annika (2001) *Overall Union Membership Declines*. <http://www.eiro.eurofound.eu.int/about/2001/06/feature/SE0106105F.html>, IROnline.
- [5] Berger S and Compston H (eds) (2002) *Policy Concertation and Social Partnership in Western Europe: Lessons for the 21st Century*. New York: Berghahn Books.
- [6] Bezuidenhout A (2000) *Towards Global Social Movement Unionism? Trade Union Responses to Globalization in South Africa*, DP/115/2000, International Institute for Labor Studies.
- [7] C98 *Right to Organise and Collective Bargaining Convention* (1949) *Convention Concerning the Application of the Principles of the Right to Organise and to Bargain Collectively* (Note: Date of coming into force: 18.07.1951).
- [8] Carley Mark (2001) *Industrial Relations in the EU, Japan and USA, 2000*. Available online at: <http://www.eiro.eurofound.eu.int/about/2001/11/feature/tn0111148f.html>, EIROnline.
- [9] Casey B and Gold M (2000) *Social Partnership and Economic Performance: The Case of Europe*. Cheltenham, UK: Edward Elgar.
- [10] Clark P (2000) *Building More Effective Unions*. Ithaca, NY: ILR Press, 207.
- [11] Clarke T and Clements L (1978) *Trade Unions under Capitalism*. Sussex: The Harvester Press.
- [12] Cook Terry (2000) *New Figures Show Australian Union Membership in free-fall*. <http://www.wsws.org/articles/2000/feb2000/tu-f24.shtml>, World Socialist Web Site.
- [13] Cordova E (1990) *Collective bargaining*. In: Blanpain R, et al. (eds) *Comparative Labour Law and Industrial Relations in Industrialised Market Economies*. Denver: Kluwer, 151-177.
- [14] Crouch Harold (1966) *Trade Unions and Politics in India*. Bombay: P.C. Manaktala Sons.
- [15] Crook N (2010) *Collective Bargaining in the UK and EU*. <http://www.social-europe.eu/2010/07/collective-bargaining-in-the-uk-and-eu/>.
- [16] Davidson and Rees-Mogg (1997) *The Sovereign Individual*, 148.
- [17] Davies and Freedland Kahn-Freund (1983) *Labour and the Law*, 8-9.
- [18] Dunlop J T (1958) *Industrial Relations Systems*. New York: Holt.
- [19] Dunlop J T (1967) *Industrial Relations Systems*. New York: Holt.
- [20] Ebbinghaus B and Visser J (2000) *Trade Unions in Western Europe since 1945 (Handbook and CD-ROM)*. London: Macmillan.
- [21] Ebbinghaus B and Visser J (1999) *When institutions matter: union growth and decline in Western Europe, 1950-1995*. *European Sociological Review*, 15(2): 1- 24.
- [22] Ebbinghaus B (2004) *The changing union and bargaining landscape: union con-centration and collective bargaining trends*. *Industrial Relations Journal*, 35 (6): 574–587
- [23] Edwards P and Elger T (1999) *The global economy, national states and the regulation of labour: an introduction*. In: Edwards P and Elger T (eds) *The Global Economy, National States and the Regulation of Labour*. London: Mansell Publishing. pp. 1-41.
- [24] European Commission (2004) *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.
- [25] European Industrial Relations Observatory (EIRO) (2013) *Industrial relations*. Available

- online at:
http://www.eurofound.europa.eu/eiro/country/norway_4.htm.
- [26] Fajertag G and Pochet P (eds) (2000) *Social Pacts in Europe: New Dynamics*. Brussels: ETUI.
- [27] Finnemore M (2009) *Introduction to Labour Relations in South Africa*. 10th ed. LexisNexis Butterworths: Durban.
- [28] Flanders A (1975) *Management and Unions*. London: Faber & Faber.
- [29] Fulton L (2013) *Worker representation in Europe*. Labour Research Department and ETUI. Produced with the assistance of the SEEurope Network. Available online at: <http://www.worker-participation.eu/National-Industrial-Relations>.
- [30] Galgóczi B Keune M and Watt A (2005) *Relocation – Challenges for European Trade Unions*. Brussels: ETUI.
- [31] Ghosh P and Geetika A (2007) *Unionisation: A feasibility study for the Indian software industry*. *Russian Management Journal*, 2: 45–56.
- [32] Gladstone A Wheeler H Rojot J Eyraud F and Ben-Israel R (eds) (1992) *Labour Relations in a Changing Environment*. Berlin: Walter de Gruyter.
- [33] Godfrey et al. (2007) *The State of Collective Bargaining in South Africa*, 104.
- [34] Godfrey S et al (2008) *The state of collective bargaining in South Africa: an empirical and conceptual study of collective bargaining*. Available online at: http://www.commerce.uct.ac.za/research_units/dpru/.../WP_07-130.pdf.
- [35] Golden MA Wallerstein M and Lange P (1999) *Postwar trade-union organization and industrial relations in twelve countries*. In: Kitschelt H, Lange P, Marks G and Stephens J (eds) *Continuity and Change in Contemporary Capitalism*. New York: Cambridge University Press, 194-230.
- [36] Grogan 2003. *Workplace Law*, 275.
- [37] Gunter G and Van der Hoeven R 2004. *The social dimension of globalization: a review of the literature*. *International Labour Review* 143(1-2): 7-43.
- [38] Heery E Simms M Simpson D Delbridge R and Salmon J (2000) *Organising unionism comes to the UK*. *Employee Relations* 22(1): 38-57.
- [39] Hollinshead G Nicholls P and Tailby S (2003) *Employee Relations*. London: Prentice Hall.
- [40] Houseman S (2001) *Why employers use flexible staffing arrangements: evidence from an establishment survey*. *Industrial & Labour Relations Review* 55(1): 149-170.
- [41] Huiskamp (1995) *Collective bargaining in transition*. In: Ruysseveldt et al *Comparative Industrial and Employment Relations*, 137-138.
- [42] Hyman R (2006) *Trade unions and the politics of the European social model*. *Economic and Industrial Democracy* 26(1): 9-40.
- [43] ICFTU - International Confederation of Free Trade Unions (2004) *A Trade Union Guide to Globalisation*. Brussels: ICFTU.
- [44] Iversen Torben (1996) *Power flexibility and the breakdown of centralized wage bargaining: Denmark and Sweden in comparative perspective*. *Comparative Politics* 28(4): 399-436.
- [45] Jarley P and Fiorito J (1990) *Associate membership: unionism or consumerism*. *Industrial & Labour Relations Review* 43(2): 209-224.
- [46] Jose A V (1999) *The Future of the Labour Movement: Some Observations on Developing Countries*. Discussion papers DP/112/1999. Geneva: International Institute for Labour Studies.
- [47] Katz H. C (1993) *The decentralisation of collective bargaining: a literature review and comparative analysis*. *Industrial & Labor Relations Review* 47(1): 3-22.
- [48] Maree Johann (2009) *Trends in collective bargaining: why South Africa differs from global trends*. In: 15th World Congress on International Labour and Employment Relations Association. Sydney Australia.
- [49] Metcalf D (1991) *British unions: dissolution or resurgence?* *Oxford Review of Economic Policy* 7(1): 18-32.
- [50] OECD *Employment Outlook* (1994) Chapter 5 *Collective Bargaining: Levels and Coverage*, 171.
- [51] Ouchi S and Araki T (2007) *Introduction*. In: Blanpain R (ed) *Decentralising Industrial*

- Relations and the Role of Labour Unions and Employee Representatives. The Hague: Kluwer Law International.
- [52] Ratnam CSV (2006) Industrial Relations. New Delhi: Oxford University Press.
- [53] Reynaud E (ed) (2000) Social dialogue and pension reform: United Kingdom, United States, Germany, Japan, Sweden, Italy, Spain. Geneva: International Labour Office.
- [54] Salamon MW (2000) Industrial relations: theory and practice. 4th ed. Harlow: Financial Times Prentice Hall.
- [55] Standing G (1999) Global Labour Flexibility. London: MacMillan
- [56] Stiglitz J (2002) Globalization and Its Discontents. New York: W. W. Norton & Company.
- [57] Thomas Henk (1999) Trade unions and development. Labour and Society Programme.
- [58] Traub-Merz R and Eckl J (2007) International trade union movement: mergers and contradictions. Friedrich Ebert Foundation: International Trade Union Co-operation, Briefing Paper, 1.
- [59] Traxler F (1991) The logic of employers' collective action. In: Sadowski D and Jacobi D (eds) Employers' Associations in Europe: Policy Mid Organization. Baden-Baden: Nomos, 29-50.
- [60] Traxler F Blaschke S and Kittel B (2001) National Labour Relations in Internationalized Markets. A Comparative Study of Institutions Change and Performance. Oxford: Oxford University Press.
- [61] US Bureau of Labor Statistics (1997) Employee Tenure in the Mid-1990s. Department of Labor News Release, 97-25.
- [62] Van Jaarsveld Fourie and Olivier (2004) Principles and Practice of Labour Law, 354-355.
- [63] Venter R Levy A Holtzhausen M Conradie M Bendeman H and Dworzanowski-Venter B (2011) Labour Relations in South Africa. 4th ed. Cape Town: Oxford University Press Southern Africa.
- [64] Visser J (1991) Trends in trade union membership. In: OECD Employment Outlook 1991. Paris: OECD, 97-134.
- [65] Waddington J (2001) Articulating trade union organisation for the new europe? Industrial Relations Journal 32(5): 449-63.
- [66] Waddington J (2005) Trade unions and the defence of the European Social Model. Industrial Relations Journal 36 (6): 518-540.
- [67] Wallerstein M and Western B (2000) Unions in decline? What has changed and why. Annual Review of Political Science 3: 355-77.
- [68] Windmuller J. P. et al (1987) Collective Bargaining in Industrialised Market Economies: A Reappraisal. Geneva: ILO.