

## Future of Trade Unions: A Study on the United Kingdom and Lessons for Bangladesh

Md. Sharif Hasan\*

*Abstract:* Trade union movement has been playing a significant role in the fields of British employment relations as well as national politics. But trade unions have been conceding decline in respect of their membership, density and role in the political arena since the Conservative government was sworn on in power in 1979. Historically, the British Labour Party has been originated from the combine of a number of trade unions in 1906. But after the return of the Labour Party to power in 1997, the trade unions have not been able to regain their strength as expected but the declining trend has been slowed down. A number of factors e.g. governmental policies, decline in British manufacturing sector, emergence of virtual organisations, increase of flexi time and part time workers, etc. have led to the weakening of the trade unions. On the other hand, a number of factors including urgency of a common platform for protecting employees' interest specially, against unemployment, merger among unions, training and development, economic emancipation, feminisation of workforce are keeping the hope for trade unions alive. In this article, attempts have been made to analyse the current trend as well as to predict the future trend of trade union movement in Britain. Attempts have also been made to have glimpse on the nature and growing trends of trade unions in Bangladesh.

### 1.0 Introduction

In this era of global competition, competitive advantage lies in the quality of the products/services, not just in price (Deakin and Wilkinson 1995)). A trained and motivated workforce willing to accept change is the pre-condition to produce high quality goods. Minimum labour standards prevent employers from competing on the basis of a wage reduction strategy. They provide incentives for employers to have competitive advantage by improving the quality of the products and services by introducing new technology, improving the labour utilisation and enhancing workforce's skills (Gennard, 1998). Employee participation in management decision making is believed to increase employees' commitment to their employer. It improves co-operation with employers (TUC, 1997). Employees can participate in management activities through trade union. Trade unions aim to protect and advance the interests of its members by negotiating with employers on pay and work

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\* Assistant Director, Bangladesh Public Administration Training Centre, Savar, Dhaka.

conditions. In some cases it also provides legal advice, financial assistance, sickness benefits and educational facilities ([www.acas.org.uk/faqs/trade\\_union.html](http://www.acas.org.uk/faqs/trade_union.html)).

## **2.0 History of Trade Union**

There is a popular belief that trade unions are the products of the factory system. But they were in existence much earlier, in the mediaeval craft guilds, established to control entry to crafts and ensure that artisans were not overwhelmed by numbers; and to ensure a degree of price control. In short, they were about controlling the market. Guilds were also concerned with providing mutual aid to dependents; in the absence of state protection in case of illness, they were forerunners of friendly or mutual societies. With the expansion of the market in the eighteenth century, a number of craftsmen began to employ others that led to the launching of journeymen's organisations to provide mutual aid, support for widows and orphans, and to assist those who had fallen on hard times. There are many recorded instances of strikes in various localities for increased wages, decreased working hours during this period that led to employers' pressure to ban what were known as 'combinations'. As many as 30 pieces of legislation were prevailing between 1720 and 1799 to ban combinations among specific groups of workers, culminating in two General Combination Acts in 1799 and 1800 outlawing combinations and strikes in England and Wales. Therefore, it can be said that the journeymen's societies in the long run had developed into trade unions (Cannell, 2007).

## **3.0 Decline in Trade Union**

### **3.1 Pressure from employers**

Until the mid-1980s, UK Governments of all complexions have promoted collective bargaining as the most appropriate means of bringing consensus into industrial relations (Tuckman, 1998). Within the voluntary natured UK system - except within the public sector - the state could only prescribe the merits of collective bargaining to harmonise the employment relationship. Although it was argued by the pluralism and collective bargaining theorists that management can regain control by sharing it (Flanders, 1970). This view was expressed in the context of the lack of legitimacy among management in a period of full employment

and relatively strong union organisation at workplace level. But with unprecedented levels of unemployment, this continuous support for collective bargaining came to a sudden halt since early 1980s (Tuckman, 1998). Since the mid-1980s, trade unions have been increasingly marginalised with the emergence of a particularly UK variation of HRM. The state and employers began excluding them from collective relations (Smith and Morton, 1994). In this process, the concern of trade union has moved from how new management mechanisms - such as quality circles (TGWU, 1989) - might introduce direct communication which bypasses collective bargaining to individual contracts and performance-related pay that challenges their very recognition for collective bargaining purposes (Wood, 1997).

### 3.2 Conservative government's assault

The clearest indication of a change in Government attitude towards trade unions became clear in 1984 with the Government's attack on the "enemy within" of the miners union - when it was decided, for supposed national security reasons, to rid British intelligence agency Government Communication Headquarters- GCHQ in Cheltenham of trade union members. Already there was the indication that instrumentalism would be the bait for workers to withdraw from collective bargaining. GCHQ was a highly publicised dispute which undoubtedly began to legitimate the process of de-recognition. The process was relatively slow following the post-1987 recession. Economic circumstances influenced the employers to realise that, even with Government encouragement, the frontier of control within especially traditional workplaces had not substantially shifted in their direction (Tuckman, 1998).

Despite the raft of employment legislation which had sought to contain industrial action by trade unions, employers began to come out with their own assault on workplace relations, although - as with the de-recognition of white-collar workers at British Petroleum - the pattern was already set. In 1992, the Secretary of State for Employment termed the traditional patterns of industrial relations, at least on collective bargaining and collective agreements inappropriate. They were also in decline (Wood, 1997).

### 3.3 Labours come back: pendulum moves?

Historically, British Labour Party was created in 1906 consisting of trade unions following the formation of a Parliamentary Committee during TUC conference in 1900 (Tuckman, 1998). After the end of Thatcher and John Major regimes, the Labours returned to power in 1997. But their return to government in was never going to mean a return to the seventies. Although since 1997, however, the pendulum has swung again and unions have partially regained influence, if not as much as previously. A number of changes were brought about. The Employment Relations Act 1999 enables unions claiming recognition, while others brought in changes sought by unions such as a National Minimum Wage, and new rights to maternity leave and for part-time workers. Some of the pressure for such rights comes from the European Union that was embraced by the British unions enthusiastically in the nineties. The unions realised that bringing about positive changes in the employment relations through the European Union is more likely than through domestic policies (Cannell, 2007). The Labour Government published a White Paper titled 'Fairness at Work' (FW) in May 1998 that outlines its proposals on employee representation and trade union recognition. This fulfils a promise which was first made in a policy document drawn up in preparation for the manifesto (Tuckman, 1998), as: 'Where a majority of the relevant workforce vote to be represented by a trade union, there should be a legal obligation on employers to recognise a union for collective bargaining on issues of pay, hours and holidays, and training. The bargaining agenda could be extended to other issues by mutual agreement' (Labour, c.1996). It has been suggested that the introduction of the statutory recognition procedure under the Employment Relations Act 1999 (ERA) has encouraged a proliferation of voluntary trade union recognition agreements under the umbrella of the law (Wood et al., 2003). A recent research found evidence of dynamic relationships following the recognition and in most cases there has been collective bargaining on the core issues like pay, hours and holiday. There was less likely to have been negotiation over the non-core issues such as pensions, equal opportunities and training. There are clear differences between employers' reports of the nature of discussions with the union and what was set out in the written recognition agreements. A proportion of voluntary agreements have been formally limited to the core issues suggests the influence of the

law in shaping both the scope and depth of voluntary recognition and subsequent practice (Moore, 2006). It can be said that the new law has already have positive impact on the influence of trade unions.

### 3.4 Nature of decline

Since the last two decades, British trade unionism has been suffering from crisis and discontinuity. It confronted greatest challenges and suffered greatest reverses since the inter-war period. Trade unions exercised significant influence in the power politics during a decade of rapid growth. Then they experienced a sharp decline in their membership and remarkable erosion in their ability to influence national politics even the affairs of the Labour Party. Trade unions seemed to lost confidence to act on the national scene as well as the industrial arena. In fact, they appeared to become increasingly confused over their role (Gallie et al, 1996). The number of trade union membership reached its peak to 13,289,000 in 1979. But it had fallen by over 3 million to 8.031 million in 1995. Trade union density fell from 54.2 percent of the workforce in 1979 to 32.9 percent in 1995. But compared to private sector, trade union density is much higher in UK public sector, specially, in service sector (Kessler and Bayliss, 1998). Moreover, in terms of international ranking, the British union position has changed only marginally, from 11th place in 1970 to 12th position among the rank order of OECD countries (Salmon, 1994). It appears that the fall in trade union membership and density is a common issue of the industrialised countries not only Britain. And compared to other nations it is not much alarming in Britain.

## 4.0 Factors Responsible for Decline

### 4.1 Complex factors

It is argued that the decline in trade union membership during 1990s was the result of a complex interaction of five factors namely, the macro-economic climate, the composition of the workforce, the state policy, employers' conduct and attitudes, and the stance taken by the trade unions themselves (Metcalf, 1991). The economic recession of the first half of 1980s and 1990s resulted in decline in trade union membership. But the substantial reduction in unemployment and the increased number of workers did not result in increased number of trade union members. Changes in the composition of workforce such as major decline in manufacturing and manual male employment and increase in service

sector, part time employment for female in professional, managerial and highly skilled work significantly contributed to the decline in union membership and density (Kessler and Bayliss, 1998). The changing structure of the British economy is termed the main reason behind the decline of trade unions in this country. UK trade unions have traditionally been strongest in the old manufacturing industries like steel, coal, printing, the docks, and engineering such as car manufacturing. But by the 1970s these were all industries in decline, and the recession of the 1980s accelerated their demise, with millions of manufacturing jobs lost (Schifferes, undated). At present, only 15 percent of the UK workforce is engaged in the manufacturing sector. In light of the declining trend, Mr. Ian Greaves, a leading UK industrialist, has commented that manufacturing sector should be considered as the industry of the past not of the future. However, in a recent development, there is an indication of positive growth in this sector unlike the downward trend of the past few decades (Clark, 2002). Such a trend is likely to create a little bit optimism about the growth of trade unions in terms of membership and bargaining power.

#### 4.2 Feminisation of workforce

In 1954 women constituted only 29.8 percent of the UK workforce. But it had risen to 43.8 percent by the end of 1980s. It is believed by some researchers that female workers are less interested to join unions. But in practice, the decline in trade union membership is higher in male workers than their female counterparts (Kessler and Bayliss, 1998). Therefore feminisation of workforce may be an effective safeguard for unions' survival. The anti-union legislation by the Conservative Party, particularly outlawing closed shop, ending of statutory recognition procedures and the obligation to renew the check-off every three years resulted in decline in union membership and density. Unions needed to extend recognition and avoid de-recognition although de-recognition did not take place in a large scale. Securing recognition became very difficult and employers took much harder line in 1980s than in 1970s (Kessler and Bayliss, 1998).

#### 4.3 Globalisation

As a result of globalisation, attracting foreign investment, increasing exports and developing international alliances to penetrate new markets, has become a worldwide trend. Some developing countries could

perceive it as undesirable and as a threat. Globalisation does not mean elimination of differences, imitating others, or allowing developed nations to impose their models. It means integrating differences, putting together individual strengths, building from the differences and ability to join efforts for a win-win process. Globalisation is a worldwide pressure for change (Granell, 2000). In a recent study, data were collected from seven regions, interviewing 232 Chief Executive Officers, HRM academics and consultants. In the findings, globalisation was seen as one of the most important and frequent external trends and a pressure for change in the employment relations (42 per cent). The other factors identified include technology advances (40 per cent), skill shortages (36 per cent) and competition (33 per cent). However, the order of importance of globalisation is different in various regions. Globalisation is seen as one of the strongest trends in European, Japanese and American companies. On the other hand, other trends such as domestic and global instability, technology and competition have the first places in Asia-Pacific, Canadian and Venezuelan Companies (Wright, et al., 1999).

Globalisation seemed to offer the Western world a new horizon of business opportunities during 1980s. The negative impact on the labour market became evident since 1990s. Firms contend with heightened international competition and low wages in the former Eastern bloc and Asia and they have turned to cost-cutting through shedding labour inside developed countries including the UK. Jobs either disappear altogether or are relocated. The predictions of Karl Marx about capitalism are eventuating in a process by which firms become ever more profitable at a cost of large-scale unemployment. The process of rationalisation and wage reduction proceeds at an alarming pace through computerisation, strategic alliances, the manipulation of trade unions and so on (Bloch, 1998).

#### 4.4 Virtual organisations

It is evident that business practice, management, organisation studies and other sociological and business-related discourses have exhibited a fascination with virtuality in the form of the virtual organisation as the only response to the challenges of the highly competitive environment of this global village. Such a trend towards virtuality has given rise to a new explanation. It is argued in this explanation that a theoretical and practical vacuum developed and it could not be filled by prevailing definitions, concepts and examples commonly associated with critical political

economy with the approaching of the new millennium. Political economy seemed incapable to establish a befitting response to global capitalism following the perceived demise of Marxism and socialist economy. Moreover it was not capable to grasp the emerging possibilities for human transcendence. This vacuum has been taken over by neo-liberalism - with its fiction of the triumph of flexible, global capitalism that has sloughed off all earthly, physical constraints and postmodernism - with its fantasy that global, technological capitalism is about fragmentation, multiple identities, images and surfaces. The traditional rational, hierarchical, authoritarian organisation, representative of the previous that represented industrial capitalism, is replaced by the benevolent, boundary-less, flexible, networked, information and communication technology-driven, empowering, virtual organisation (Thorne, 2005).

Strong information technology platform is required by virtual organisations (Venkatratnam and Henderson, 1998). Such organisations are held together by partnership, collaboration and networking rather than formal structure and physical proximity of people (Johnson and Scholes, 2003). It is a temporary network of companies aimed to exploit fast-changing opportunities. The examples include Ford, Nike and Reebok. They do very little of their own production and shift the major share of the production to mainly Asian firms (Luthans, 2002). Flexible, technology-driven, virtualising work arrangements arguably have adverse impacts on social interaction and personal identity and extend and sustain existing and new disciplinary arrangements (Bunzel, 2001).

From the above discussion, it is evident that the concept of virtual organisations is an emerging reality and traditional collective bargaining is not likely to exist in such organisations because of their technology driven and eventually capital-intensive nature. The emergence of virtual organisations in a large scale will have a negative impact on the density and bargaining power of the trade unions in Britain as well as the technologically developed countries throughout the globe.

#### 4.5 Changing social attitude

It is observed that the changing social attitude towards trade union has a negative impact on its membership and density (Martinez and Simpson, 1992). But it is difficult to quantify its actual impact upon membership



recruitment and retention (OECD, 1991). Inflation and the operation of the business cycle influence the rate of union density. The attitudes of Employers and public policy endeavours are of profound importance. The view of the former may be evident through the extent of the wage premium of unionised workers over their non-union counterparts (Lipset, 1986).

#### 4.6 Public policy attempts

In countries of advance economies including Britain and except the US, there was a major public policy attempt to de-collectivise industrial relations. During 1980s, the integrity of the Donovan reforms for collective bargaining institutions underwent constant review. It was feared that collective industrial relations was being disorganised through an excessive programme of legal regulation or marginalised by new forms of managerial strategies based on the human resource management practices based on the union avoidance policies in a number of leading US large corporations (Salmon, 1994). Extensive inward investment transforming domestic industrial relations and patterns of work organisation by adoption and emulation are claimed to be the by-products of the Japanisation of UK industries (Lipsetz, 1992). Emphasizing employee involvement, commitment and empowerment as a way to overcome adversarial tensions between employer interest and worker solidarity through a reconstruction of work relations is prominent in recent management literature (Salmon, 1994).

#### 4.7 Shift from collectivism to individualism

The up-grading of personnel managers' status and the integration of HRM functions into business strategies appear as major features to promote a more strategic approach towards labour relations. Emphasis on individualism, direct forms of organisational communication, small group activities, individualised appraisal systems and more sophisticated recruitment and selection, projected in the HRM model are largely contrasting to collectivism based on strong allegiances towards trade unionism (Lewis and Simpson, 1982). Therefore, procedural arrangements with single union agreements and strike-free deals are identified as the institutional crisis of the new industrial relations (Turnbill, 1988).

It is often emphasized that new management techniques like Individual Performance Related Pay (IPRP) may disorganise trade union (Kessler and Purcell, 1995). It is informed that Performance Related Pay (PRP) is a method of remuneration that links pay progression to an assessment of individual performance, usually measured against pre-agreed objectives and 'classic' PRP is also known as IPRP. Pay increases awarded through PRP are normally consolidated into basic pay although sometimes they involve the payment of non-consolidated cash lump sums. In a broader sense, PRP can be defined to include many differing systems that link individual and group performance to pay, for example bonus schemes. PRP has been originated during 1980s. Many employers have embraced the model enthusiastically as the holy grail of driving high performance. There was a desire to move away from service-related pay progression increments (for 'just being there') towards an ethos where individual or group employee performance goals, often linked to pay, were used to support business performance objectives (Janet, 2008).

Now-a days, the notion that links pay to a wider definition of employees' 'contribution' rather than simple 'performance' is gaining much acceptance. This emphasises not only performance in the sense of the output i.e. the end result that is achieved but also the input i.e. what the contribution of the employee in a more holistic sense (Janet, 2008).

The effect IPRP on trade unions may come in different ways. First, they might generate a new level of organisational commitment, so that employees come more closely with management rather than union. Second, if the new techniques successfully address the needs and aspirations of employees, they will diminish grievances at work without union involvement. Third, employee interests can be fragmented, so a perception of shared interests and the need for solidarity through trade union fades (Heery, 1997a). They have excited considerable concern within the trade union movement (Heery, 1997b). It is argued that collective bargaining in Britain is drawing to a close and the future of trade unionism is gloomy unless issues like new individualism of its membership are dealt with properly (Trevor, 1988).

On the other hand, the new management techniques may not necessarily diminish the relevance of unions (Snape et al., 1993). Rather, IPRP may provide unions with fresh opportunities to organise and represent employees. The opportunities may arise where techniques diminish

workers' organisational commitment or generate grievances among them (Heery, 1997a). New management methods help "union renewal" as employees react against harsh management with support for militant workplace trade unionism (Fairbrother, 1994). It is argued that there may be costs to exclude unions. IPRP schemes seem less rigorous, less participative, more threatening, and worse managed in union's absence. In seeking to help members and preserve their institutional interests, unions may exert influence on management. As unions may be compatible with new management techniques, therefore, they may positively reinforce them (Heery, 1997b).

#### 4.8 Training related issues

It is argued that training is a part of employment package. Employees need to undertake training as part of their obligations to their employer and employers may provide training as a benefit for employees. The main purpose of trade unionism is to secure influence over conditions of employment through collective bargaining including negotiations with state bodies when training is regulated by the state (Ironside and Seifert, 1999). In the emerging "new" UK political and economic climate as a source of increased legitimacy for workplace training, pushed by the theme of "social partnership", trade unions can promote training strategies for members and offer an appealing role to employers (Dundon, 1998). In 1992 the Trades Union Congress (TUC) issued a "call to all unions to bargain for skills" and "raise trade union awareness of training issues" given a lower level of investment in skill formation (TUC, 1992). UK investment in training and development compared to company turnover (0.5%) lags behind other developed nations like Japan (2%) and Germany (2%) (Finogold and Soskice, 1990). Individual trade unions have sought to promote a "strategic" focus to the issue of training in response to a lack of training investment and low skills equilibrium. It is suggested that both policy-makers and government agencies have misplaced the vital role offered by trade unions in formulating both a coherent labour relations and ultimately a training strategy which can utilise employee skill formation (Dundon, 1998). By advocating more and better training trade unions have played a role in increasing general awareness of training needs and issues. But the influence exercised by trade unions on the volume of training provision through representation on policy-making bodies has been waning. It is also observed that trade unions have achieved limited success

in the fields of training and development (Claydon and Green, 1994). It appears that the success of trade unions in training and development is questioned but their involvement in this process is beneficial for both employers and employees.

#### 4.9 Financial crisis

The British trade unions faced financial crisis as a result of loss of membership. Compared with many West European countries and the USA, they were never in a good financial condition. Low subscription is one of the reasons. Declining membership during 1980s is said to have worsened the situation. On the other hand it is termed as 'financial health and stability from 1950 to 1966; period of financial decline during membership growth during 1967-1981, some financial recovery during membership decline in the 1980s (Kessler and Bayliss, 1998). Research shows that 24 per cent of the surveyed trade unions were in deficit (i.e. less income than expenditure) in 1992 and only 24 per cent had a surplus of 10 per cent. The same time, unions' efforts to tighten expenditure through centralising resource management was also visible (Morris and William, 1994).

### **5.0 How to Regain Strength**

#### 5.1 Generating own income

Trade unions generate own income through investment. Two surveys were conducted in this regard in 1989 and 1993. In the 1989 survey, TUC affiliates were more likely to have an investment policy and avoiding certain types of politically sensitive investments such as in newly privatised businesses and in South Africa. In 1989, 94 per cent of respondents that they would avoid these investments, 75 per cent viewed this as part of an overall investment policy. In the 1993 survey, the figures were 82 per cent and 79 per cent respectively. There was consistency in the avoidance of investment income to generate finance for new projects. Concern with security of funds was vital. But the ranking of this concern was lower in 1993 than in 1989; more unions in the latter sample were likely to emphasize income and capital growth (Morris and William, 1994). It indicates that trade unions are gradually emphasizing more to strengthen their financial condition by enhancing own income through investment.

## 5.2 Internal reorganisation

In order to strengthen their position for the future, the union movement has responded by internal reorganisation to face perceived external threats successfully. Such reorganisation process continued: more troubles were visible, particularly in the form of new legislation on check-off, proposed by the then Conservative administration (Morris and William, 1994)). According to the law of 1993, prior written consent from the worker is mandatory if an employer wants to make check-off deductions from his/her pay. The consent should be renewed every three years. In case of increased deduction, one month's notice should be given to the worker by the employer. The aim of this act was to ensure a reduction in union membership. It resulted in a loss of membership between 10 and 20 percent. The unions succeeded in keeping losses to a minimum level. Even it is suggested that unions recruited new members in the process of renewal and the estimated overall loss of membership was 5 percent (Kessler and Bayliss, 1998). Thus trade unions can use 'check-off' system to enhance their membership too.

## 5.3 Merger

Many small unions have disappeared or merged with larger unions. Mergers also took place between medium -sized and between large unions. Some of the notable mergers include that of ASTMAS (390000 members) and TASS (241000 members) to form MSF; GMB (80000 members) and APEX (80000 members); and the Civil Service Union (30000 members) and SCPS (89000 members) to form NUCPS etc (Kessler and Bayliss, 1998). It is found that in 2007 the TUC had 66 affiliated unions, compared with 109 in 1979. Amalgamation is one of the reasons behind such a fall in the number of affiliated unions (Cannell, 2007). The motives of most of the mergers are termed defensive or consolidatory rather than expansionist. The unions aim to recover lost membership, bargaining power and overcome financial problems through merger. It is predicted that unions will be much leaner and fitter, with more effective and improved services and bargaining power by merger (TUC, 1991). Although merger negatively influences union density.

## 6.0 Gloomy Future?

Moreover, Chartered Institute of Personnel Development (CIPD), a leading think tank of the UK has predicted the year 2000 as a gloomy year

for employment, with prospects the worst they have been for a decade. In its annual end-of-year barometer report on the state of the workplace and the outlook for employment, it is forecasted that there will be only a 0.25 per cent rise in the number of jobs this year. Therefore, 2008 may be the worst year for the British economy since Labour took power in 1997. CIPD chief economist John Philpott said that the bleak outlook was a result of reduced hiring and uncertainty in the private sector, accompanied by government efforts to downsize public-sector workforce. He stated that relatively slower growth in private-sector employment were overshadowed by relatively rapid growth in public-sector jobs and a downward trend in public-sector employment in the past two years has been more than offset by rising numbers of private-sector jobs. But 2008 is likely to be the first year for a decade of spluttering right across the economy by the job creation engine. Many HR professionals could be faced with making large-scale redundancies for the first time in their careers and others will be in search of best practice for downsizing employees. Although it is warned that older staff were the worst victims of job cuts in the early 1980s and early 1990s. Therefore, the possible redundancy practice in 2008 will have to take care not to violate age discrimination legislation ([www.cipd.co.uk](http://www.cipd.co.uk)). The prediction is by no means a positive signal for the trade union of Britain.

## **7.0 Bangladesh and Trade Unions**

In Developing countries, the economic importance of trade unions is not commensurate with the size of membership. In Bangladesh, the share of the active trade union workers was officially estimated between 3 and 4 % in 1992. However, this figure is largely irrelevant for an evaluation of their power, as the urban population accounts for only 18 % of the total Bangladeshi population in 1995, and virtually no trade unions exist in rural areas. Within the urbanite working population, and especially in the formal sector, the picture is quite different. Almost 100 % of the workers and employees of the public sector are unionized, while one out of six of the wage earners in the private formal sector are unionized. The jute and cotton sectors, which were nationalized in 1971, in the wake of the struggle for independence, and then privatized to some extent in the 1980s, are the most unionized sectors. Unions are also important in the transport sector and in various services (Azam and Salmon, 2003). Between 1990 and 2000 it experienced an increase in trade union

membership. During this period, the rate of growth of membership was 1.63 per cent and that of registered trade unions 5.3 per cent (Sukti, 2002).

According to Pencavel (1995), unions in developing countries get power from their privileged relationship with political parties, and in many cases with the government. The Bangladeshi trade unions are no exception. They are well known for their lobbying the government rather than acting vis-à-vis the private sector. In the public sector, the government fixes the wage schedule. The minimum wages for the private sector is also determined by the government like the developed countries. In the private sector, collective bargaining takes place officially at the firm level, but the powerful SKOP, an umbrella of unions, deals directly with the government, and has eventually the determinant influence on wage settlements.

The influence of unions goes beyond the standard reach of industrial relations, and extends to the political arena. All the political parties, even the smallest ones, exert some control over a trade union. The three main political parties have their own trade union federation, which accounts for 64 % of the unionised workers. The unions have played an active role in most major political events of this country, like the massive demonstrations (hartals) that compelled General Ershad to step down in 1990, or those which forced the democratically elected government of Begum Khaleda Zia to resign in 1996. According to the World Bank (2001), an average of 21 working days were lost annually due to hartals in the 1980s, and an average of 47 full working days per year in the 1990s. This report estimates that about 5 % of GDP is lost on average in the 1990s.

Therefore, the behaviour of the Bangladeshi trade unions seems quite distant from the standard approach to the theory of trade unions, as surveyed for example by Oswald (1985) or by Booth (1995), which emphasizes the relationships between the union and the firms that employ its members. Its analysis is thus especially interesting, as a way to broaden our conception of the scope of trade union activity, with a view to take explicitly into account its political economy dimension. The massive demonstrations organized by the unions, called the hartals, are aimed at affecting the government much more than the firms. This type of political activism of the trade unions seems fairly widespread in

developing countries, as well as in some developed countries, like France for example. One can remember the role of Solidarnosc in Poland for bringing communism down. In Britain, the conflict between Margaret Thatcher and the miners' union in the late 1970s was a major political event, rather simple industrial dispute (Azam and Salmon, 2002).

Bangladesh is undergoing emergency since 11 January 2007 amid political violence and since then all outdoor political activities including trade unionism were banned. In a recent development, the government has relaxed ban on trade union activities on a nine conditions. These include taking permission from the competent authority i.e. concerned Commissioner of Metropolitan Police, District Magistrate, Upazila Nirbahi Officer 48 hours (in case of up to 100 participants) or 72 hours (in case of up to 500 participants) before holding any gathering in indoor venue; no live telecast of these programmes by electronic media; discussion on issues related to the organisation and the labour class rather than politics; etc. (Ittefaq, 2008).

It is evident that trade unions throughout the world are facing serious assault from the state machinery as well as the corporate bodies. In order to survive, the trade of Bangladesh can take a number of lessons from their counterparts of the United Kingdom. These include giving more emphasis on professional issues (wage and salary, working conditions, safeguard from unemployment, etc.) than political issues; strengthening position as pressure groups; playing active role in various areas such as training, professional development and research ; merging with similar unions (if needed); and campaigning for social partnership.

## **8.0 Conclusion**

There is no doubt that trade union movement in Britain is passing through a critical stage due decline in membership and density. Financial crisis is one of the by-products of declining membership. Income barely covers expenditure, which in the long run will put them in a disadvantageous position during prolonged dispute or sudden large losses of membership. Efforts are also made to curtail their role in decision making. But this is not the whole story. There are some predictions about the future of the financial management of the unions and there is not only pessimism but also optimism. The asset base of trade unions is slim and income barely covers expenditure. Declining membership will continue to put pressure



on finances because subscription income is the major source of revenue. The future looks gloomy without continued financial support from the employer. Unions' administrative efficiency has gradually increased over the years. They are now rather centralised. Local control of resources is unlikely to exist in the future. Most unions have become relatively well-organised at the centre in gathering in revenue and controlling expenditure. Many unions which are heavily-reliant on check-off do not plan to shift away from it. Therefore, most unions will respond in an ad hoc fashion to the loss of check-off, gradually trying to move members to forms of income collection such as direct debit (Morris and Williams, 1994). Trade unions may also go for further investment for strengthening their financial condition. New management techniques like Individual Performance Related Pay may curtail unions' role, but unions can also use such techniques in their favour as mentioned earlier. Feminisation of workforce may be dividend for trade unions in future because the decline in union membership is lower among female workers than male workers. Inadequate training is an important contributor to Britain's industrial decline. Therefore, increasing the amount and quality of training is essential to any process of regeneration. A growing body of analysis has shown training as an area of market failure (Stevens, 1993). In future, trade unions can come with enhanced training programmes for retaining the workforce and ultimately their membership.

It can be said that tougher time is coming for British trade unions. But the negative features are not strong enough to bring to an end to the trade unions in Britain. Trade unions can improvise some features (feminisation, IPRP, finance, training, etc) in their favour through pragmatic strategies. Still they have a future. Other factors remaining unchanged, in future, the British trade unions are likely to loss their influence partially.

Trade unions of Bangladesh can strengthen their position and bargaining by taking lessons from the experience of Britain. But replicating others' experience cannot solve any problem completely. Models, experiences of other countries should be tailored in accordance with the social, cultural and political realities of the recipient country.

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