

The Role Of Trade Unions

Unions are important actors in the labour market (Taylor, 1994). Today's modern day changes such as globalisation and changing workforce profile constantly challenge the labour force in Singapore. Without the unions, workers who are ill informed about their rights will be exploited. The trade union is someone they can turn to, "someone informed about rights, able to speak for them, to advise and if necessary, to go to court on their behalf" (Taylor, 1994, *pg. xiii*). Hence, the role of the trade union is chosen to be discussed.

What Is A Trade Union?

Section 2 of the Trade Unions Act in Singapore, defines a trade union as any temporary or permanent organisation of workmen or employers whose principal objectives are:

- To promote good industrial relations
- To improve the working conditions of workmen or enhance their economic and social status
- To increase productivity for the benefit of workmen, employers and the Singapore economy

(Source: Tan, 1999, *pg 65*)

Trade unions in Singapore in the past were involved in political struggles and confrontational approach to disputes. In comparison to its narrowly defined traditional objectives then, the role of the trade unions is now broad-based. "In addition to their collective bargaining role, unions are now involved in social, educational and recreational activities"(Tan, 1999, *pg.25*).

The National Trade Union Congress (NTUC) has been a key partner in developing the positive industrial relations in Singapore. The union realised that they can help workers to improve their working conditions and to protect their interests only when there is economic growth. However, to achieve economic growth, there must first exist a stable and harmonious industrial relations.

Promote Good Industrial Relations Through Tripartism

A sound industrial relations system is one in which relationships between management; employees and the government are more harmonious and cooperative than conflictual.

Through close partnership with the Ministry Of Manpower (MOM), Singapore National Employers Federation (SNEF) and NTUC, Singapore has achieved a harmonious industrial relations climate for the past 30 years. The tripartite relations have also reacted swiftly and helped Singapore overcome the recent Asian economic crisis thus regaining its economic competitiveness through effective cost-cutting measures. The conducive business environment in turn attracted quality investments and brought about continuous economic growth. This in turn has created more job opportunities and also enhanced the lives of Singaporeans. (DPM Lee, 1999)

Promote Good Industrial Relations Through Handling Grievances And Collective Bargaining

Collective bargaining and grievance handling remain to be the core activities of unions i.e. a union can only represent its members, it acts on behalf of all the employees in the bargaining unit and bargain with employers on employment terms and conditions.

“A grievance is a complaint, real or ill founded, by an employee against the behaviour of management” (Gennard and Judge, 1999, *pg. 213*). It usually arises because an upset employee regards some management decisions (or indecisiveness) as “unfair” (Gennard and Judge, 1999).

Collective bargaining is defined as “the negotiation between employers and employees about workplace conditions and terms of employment, with a view to reaching an agreement”(Tan, 1999, *pg 206*). “As institutional representatives of workers’ interests, trade unions act as collective bargaining agencies which aim to fulfil the aspirations of the working class” (Thong, 1996, *pg.287*).

Unions, being the 'collective voice', represent workers in negotiations with their employers. A collective agreement will be derived from the outcome of the negotiation and it will be enforced for a specified number of years before the next negotiation. In Singapore, collective bargaining is widely conducted in an orderly and peaceful manner. Should any disputes arise in collective bargaining process, it must be resource through conciliation by the MOM. If it is still not successful, it will then be referred to Industrial Arbitration Court.

Effective collective bargaining agreements will build long-term relationship of trust and understanding between the employer and the union as it is only through open communication will they build strong relationship (Song, 1993).

However, certain subjects such as promotion, transfer, recruitment, termination of employment on grounds of redundancy or reorganisation, dismissal and reinstatement, and assignment of duties within the scope of the contract of employment, are regarded as management prerogatives and outside the scope of collective bargaining.

Improving Work Conditions & Enhancing Quality Of Life For Workers

The union has also developed many programmes to improve the working conditions and enhancing the quality of life for union members.

NTUC Co-operatives

To maintain social cohesion, the lower income group must be able to have a share of the country's success. To help them cope with their living expenses, the NTUC, founded many co-operatives such as the supermarket, childcare, insurance, health and dental care, transport, and other industries. For example, the supermarket co-operative was founded to provide a yardstick to price some of the daily necessities. Non-members also benefit from the low prices of basic commodities. The aim is to stabilise prices of basic products and services so that the lower income workers can still afford to purchase necessities such as rice and oil.

Workplace Health Programme

The NTUC has set up the Workplace Health Programme to help companies save money on medical expenses thus able to pay better wages because their workers are healthy. More importantly, it is to ensure that our workforce will enjoy a better life by leading a healthy lifestyle.

The NTUC has also been working with MOM and employers to reduce work related disease such as noise-induced deafness and material-handling accidents in the construction and engineering sector.

Employment Assistance Programme

The Employment Assistance Programme is to aid retrenched workers find alternative employment to minimise structural unemployment. A job bank is set up to match retrench workers with job vacancies in the job bank. The union also counsel older workers on their choices available and help them to adjust their expectations. Workers are also encouraged to go for retraining so that they will be able to handle knowledge intensive jobs in the future.

Increase Productivity

Unions need to play a more proactive and supportive role in helping management enhance the productivity of the workforce (Boon, 1999). The internationalisation of business and rapid changes in technology and markets has increased the need for organisations to be competitive. These trends have in turn necessitated a greater dependence on workers' skills and productivity. The NTUC recognised this problem in the early 1990s, however the Asian crisis had amplified the importance of the need for continual training.

Skills Redevelopment Programme (SRP)

To ensure that our workforce keep pace with these trends, the NTUC have develop the Skills Redevelopment Programme (SRP). SRP aims to enhance the employability of our labour force through training and retraining older workers who possess little education. It also aspires to providing lasting employment in today's era of dynamic business environment. Training courses under the SRP will lead to certification and recognition at the industry or national level

Role Of Trade Unions In The Future

As argued by Tan and Chew (1997), the best possible role that trade unions can assume is one in which they are independent from the government, yet have the freedom to choose to work in close partnership when they wish to. However, till now, there is not one trade union in the world that is free from the influence from the government.

Trade unions of the future will have to adapt to the changing workforce profile and to attract more members to maintain a stable union or it may become redundant. Unions also have to strengthen their ties with management to enhance the long-term prospects of the industry. This is because the welfare of workers is very much correlated to the country's stability and economic growth and to company's productivity and competitiveness. Hence maintaining a strong and stable union will ensure that the interest of workers will be looked after thus leading to sound industrial relations.

Tripartism As A Form Of Pluralism In Singapore

As expressed by Clegg (1975), pluralism's "theme is that men associate together to further their common interests and desires; their associations exert pressure on each other and on the government; the concessions which follow help to bind society together; thereafter stability is maintained by further concessions and adjustments as new associations emerge and power shifts from one group to another."

"An open exchange of views on wage increases and wage dispute is part and parcel of a free enterprise system, to which Singapore subscribes" (Chew and Chew, 1995, *pg. 107*).

Thus the pluralist perspectives best describes its industrial relations in Singapore. The trade unions are legitimate and help to resolve conflicts between the employers and employees. Additionally, conflict is viewed as unavoidable even though there may be shared common interests between the parties. The system in Singapore is recognised by cooperative Tripartism, which is shaped by three participants: the government; union and management (GUM).

What is Tripartism?

Tripartism is the "direct interaction between three parties to shape economic and social policies through consultation and negotiation" (Heron and Vandenaabeele, *pg. 1*). It had strengthened Singapore's economic competitiveness and is a basis of our industrial relations framework.

Singapore's economic recovery was the joint effort of the workers, the employers and the government. Each played a critical role. Without the strong

partnership established over the years, the series of measures implemented during the crisis would have taken a longer time to execute.

The 3 Tripartite Parties

In the pluralist approach, conflicts are inevitable. However not all conflicts are bad. Basically, there are three causes of industrial conflicts: -

- Income distribution
- Job security
- Managerial control

Industrial relations in the early 50s and 60s were chaotic and confrontational with strikes, work stoppages and lockouts causing widespread disruptions. These strikes were the result of industrial conflicts remaining unresolved, as a common ground could not be reached between management and union.

Each of the 3 parties has differing interests that become the source of conflicts.

The Government: -

- Full employment
- Economic stability, industrial peace
- Increase productivity

The Trade Union: -

- Promote 'good' industrial relations
- Improve the working conditions
- Enhance economic and social status

The Management: -

- Increase market share
- Lower costs (e.g. Labour costs)
- Maximise shareholder wealth

Although the three parties have different interests their objective is still the same: the establishment of a harmonious industrial relations system. Their collaboration is crucial in their endeavours to achieve economic and social development. Through consensus, the three parties formulate socio- economic policies at the national and industry levels as well as on the legal structure of labour relations and labour related guidelines.

The Role Of Government

The Government take on the role of the custodian of labour and economic planner.

They provide an objective and neutral point of view on economic outlook and condition that facilitate unions and management to reach a fair and amicable settlement, which would be in the best interests of Singapore

The Role Of Trade Unions

The NTUC has “adopted a pragmatic approach by working together with the government and employers to help contribute to nation building and economic progress” (Teo, 1999, *pg. 193*)

In the Asian crisis, the union have given tremendous supported to the necessary but painful decision of the CPF cut which would affect the livelihood and income of their members. They also took effort to clarify to their members why such a decision was necessary for the long-term survival of the employees and the company.

The Role Of Employer Organisation

Employer organisation such as the SNEF represents employer's concern to the government and trade unions. They usually participate in tripartite committees such as the NWC.

At the NWC sessions, employers whom are concern about the rising cost of labour have reached a consensus to minimise retrenchments. To strengthen our competitiveness, the government and union would try to maximise employability through policies such as wage freeze or shorter workweek to help employer's cut cost. (Lim, 1999)

National Wages Council (NWC)

The National Wages Council is Singapore's key tripartite employment relation body.

Formed in 1972, the NWC was active in developing national wage policies through shared decision-making, negotiation and consultation with the 3 parties at a national level.

The primary objectives of setting up NWC as an advisory body are as follow:

- 1) To formulate general guidelines on wages;
- 2) To ensure orderly wage adjustments consistent with the development of a cohesive wage structure and the promotion of economic and social growth;
- 3) To advise on desirable incentive systems for the promotion of the of operational efficiency and national productivity

(Source : Tan, 1999)

The formulation of wage policies in the NWC involves both the unions and employers in the discussion process with the government playing a consultative role in providing important information about the economy. The NWC recommendations are arrived at by consensus that minimises any possible conflict between unions and employers.

By providing an channel where all 3 parties can voice their different interests and arrive at a solution acceptable to all, the NWC has nurtured the ideology of accommodation and cooperation.

NWC's success comes from the unbiased nature of its recommendations, which aim to fulfil the needs of all three parties. As of now, all NWC recommendations had been totally accepted, thus giving credibility to the recommendations even though they are not legally binding. Examples would be moderate wage increase from 1972 to 1978, high wage increase from 1979 to 1984 and the most significant one being the wage restraint from 1985 to 1987 due to the economic recession in 1985. As such, the reliability of NWC recommendations induces the employers, unions and employees to accept and follow them.

Industrial Arbitration Court (IAC)

The Industrial Arbitration Court (IAC) is another tripartite body that has played a part in influencing the strike-free record. The IAC was set up by virtue of the Industrial Relations Ordinance in 1960. The new legislation laid down procedures for settling industrial disputes. A strike was deemed to be illegal once the IAC had taken note and recognised the dispute.

During the proceedings, the IAC President sits with two panel members, one each from the employers' and employees' panels, selected by the disputing parties. When settling the disputes, the IAC is guided by the principle that awards should reflect not only the interests of the employers and employees but also the interests of the community.

For the IAC to be effective, it requires not only the support from the government, but from management and unions as well.

Conclusion

In conclusion, with the current relationship between the Government, employers and unions in Singapore, they have managed to develop a strong tripartite partnership, which has allowed Singapore to keep ahead of other regional nations. However, as the rate of change increase momentum, the demand on Tripartism will be even greater. We must continue to harness the strength of the tripartite network to forge an even stronger tripartite commitment. As long as the 3 partners continue to work hand in hand, we will be able to weather any crisis competently.

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