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FACULTY OF ECONOMICS**

AND

**INTERNATIONAL CENTER FOR PROMOTION OF
ENTERPRISES (ICPE), LJUBLJANA**

MASTER`S DEGREE THESES

**CHANGING AGENDA FOR TRADE UNIONS
– THE CASE OF SLOVENIA**

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LJUBLJANA, SEPTEMBER 2004

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Authors Statement

I Jure Soklič, hereby certify to be the author of this Master's Degree thesis, which was written under mentorship of Stane Možina, PhD and in compliance with the Act of Authors and Related Rights – Para. 1, Article 21. I herewith agree this theses to be published on the website of ICPE and the Faculty of Economics Ljubljana.

Ljubljana, September, 2004

Signature:

1. INTRODUCTION

1.1. DESCRIPTION OF THE PROBLEM

Trade Unions traditional ways of protecting and helping the workers are these days faced with new challenges. There has been a severe change in the environment, therefore trade unions should carefully redefine their know-how of aiding the workers, and also modify their mission and vision. Trade Unions nowadays face external and internal changes.

Externally, the economic environment has become harsher. Global competition has intensified, putting new pressures on national industrial relations regimes. Industrialized economies, which have enjoyed several decades of relatively full employment, have experienced a return to mass unemployment. Massive job losses have emerged, and workforce has become subject to mass employee turnover.

The political environment is also changing and is becoming more unfavorable towards Unions, due to high pressures of big multinational and domestic companies. They are becoming more powerful and are able to change legislation to their favor. In Slovenia we don't have yet many strong multi national companies, but the domestic ones are exercising their power.

The next external challenge is different management practice of the employers, which is becoming more enabling, team building, career planning and therefore causes a negative trend to Union membership.

(Hyman, 2003, www.labournet.de/diskussion/gewerkschaft/hyman.html)

The internal problem of the Trade Unions is in their perspective of average worker, who used to be fully employed, had a secure job and therefore all the work agenda emphasized only three aspects: achieving the payment, defining and reducing the standard working week and constraining the employer's ability to hire and fire at will. The reality today is much different than in the past and atypical employment situations has become increasingly typical. Part-time work, short-term and casual employment, agency work, self-employment, special government make-work schemes and of course unemployment has become more common (Ishikawa, 2000, p.25). At the same time there have been numerous structural shifts in the sectoral and occupational distribution of unemployment: the decline of most traditional staple manufacturing and associated industries and growth of a wide variety of service industries, particularly in the private sector. The needs of average worker have also increased tremendously (Hyman, 2003, www.labournet.de/diskussion/gewerkschaft/hyman.html).

With all above-mentioned changes in the environment, the Unions should try to reconsider their role and implement several changes in their practice to become up to date and relevant institution.

1.2. PURPOSE OF THE THESIS

The purpose of my thesis is to research different possible changes that could be implemented in the work of Trade Unions and then do the research and see which activities can in fact be implemented. The changes are necessary in order Trade Unions would not lose legitimacy in the eyes of members and the society overall and improve the work performance. I will try to point out the necessity of implementing changes in order to sustain and increase the relevance of Trade Unions for existence and improvements beyond of the traditional activities.

1.3. GOALS OF THE THESIS

The goals of my thesis are to research the history of the Trade Unions and their work according to changing environment. Than I will compare the organizational and working schemes of foreign unions with the Union of KNG Slovenia, in order to see the difference in their organization, their mission, vision and work they perform.

Then I will research possible changes, which Trade unions might implement, and I will analyze them. The activities I wish to research are marketing based strategies, additional services that could be implemented, organizational based strategies, finance based strategies and Trade union and politics.

A new module with suggested changes for the work of their organization will be made from the possible changes. Then I will test the module with representatives of KNG Slovenia and analyze their comments. I will also make a questionnaire for empirical survey among a sample of workers to find in what field KNG Trade union should put more focus. In the conclusion I will point out the changes that seems relevant to me as well as to the Unions functionaries and members.

1.4. METHOD OF THE THESIS

My approach to the thesis will be mostly analytical. I will make a survey of different relevant literature and documents to find out the important information for my problem. The interview method will also be used, because I plan to discuss the proposed solutions and gain additional information on the issues analyzed, with high Unions representatives. I will also use the method of questionnaire, because I will need data on the opinions of the members of the Trade Union.

1.5. SHORT DESCRIPTION OF THE CHAPTERS

1. Chapter:

Introductory part, with short description of the problem, purpose, method, and goals of the theses. At the end there is a short description of the chapters.

2. Chapter:

In second chapter I have researched the state of Trade unions overall, work, image and unionization level and then letter researched an agenda, unionization, etc. of the Japan, USA and Sweden Trade unions.

3. Chapter:

In third chapter I have analyzed the work and state of Slovenia trade union and latter a specific case of KNG (Chemical, rubber, non-metal) Trade union. I looked at their organization, work and level of unionization.

4. Chapter:

In this chapter I have shown some possible changes and new work agenda that could be implemented in KNG Trade union. The proposal was made by me and the feasibility of them was not tested.

5. Chapter:

In the fifth, the research chapter, I did the research among members, with questionnaire method and interview with KNG Trade union representatives.

6. Chapter:

In this chapter I showed main findings and feasibility of suggested changes to be implemented.

7. Chapter:

Seventh chapter was the concluding chapter, where I made a review of the state of Trade unions and give recommendations for future agenda.

8. Chapter:

Literature and Sources

9. Chapter:

Appendix

2. THE STATE OF TRADE UNIONS IN THE WORLD

Trade unions are unique organizations whose role is variously interpreted and understood by different interest groups in the society. Traditionally trade unions role has been to protect jobs and real earnings, secure better conditions of work and life and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. In the wake of a long history of union movement and accumulated benefits under collective agreements, a plethora of legislation and industrial jurisprudence, growing literacy and awareness among the employees and the spread of a variety of social institutions including consumer and public interest groups the protective role must have undergone, a qualitative change. It can be said that the protective role of trade unions remains in form, but varies in substance. (BHARATIYA, www.bms.org.in/htm/trade unions.htm)

There is a considerable debate on the purposes and role of trade unions. The predominant view, however, is that the concerns of trade unions extend beyond 'bread and butter' issues. Trade unions through industrial action (such as protests and strikes) and political action (influencing Government policy) establish minimum economic and legal conditions and restrain abuse of labor wherever the labor is organized. Trade unions are also seen as moral institutions, which will uplift the weak and downtrodden and render them the place, the dignity and justice they deserve. (BHARATIYA, www.bms.org.in/htm/trade unions.htm)

I believe Trade unions today with all the changes in the business environment should focus more on the other issues not just the issues of 'bread and butter'. One of the changes being done in the management of the companies is in the field of motivation and it is believed that a good working conditions motivate workers, therefore Trade unions focusing only on job protection and real earnings, securement of better conditions of work and life and fight against exploitation is just not sufficient enough.

2.1. THE CHANGING ENVIRONMENT OF TRADE UNIONS

Trade unions came of age during the second and third quarters of the twentieth century when they became significant forces influencing the course and content of economic progress among the industrial economies of the West. During that period, the unions built strong organizations to represent the interests of workers and they guided the development

of numerous social institutions governing labor markets. In the process they delivered major outcomes through improved living standards, equity and justice to workers all over the world.

(RUBERY, 2003, p. 42-48)

The benefits which unions have gained for labor are embodied in the regulatory instruments and institutions of the industrial relations system that governs labor markets. Salient features of the system in the industrialized countries were:

- full-time employment, governed by an open-ended contract;
- collectively negotiated wage structure;
- social benefits to workers and their dependents distributed through the main income earner;
- control over working time and safety standards;
- job security for a majority of workers.

(JOSE, 2002, p.15)

The institution of industrial relations has not been limited to the developed countries. Some variants emerged in the developing countries too, where industrial workers in their capacity as pioneers among the ranks of an economically powerful middle class could claim numerous benefits including higher wages, better working conditions and social security benefits. They were politically important allies of the state, and were represented through unions active in regulated industries and public sector enterprises. The benefits they derived from employment were embedded in a “social pact” which set the terms of compromise between capital, organized labor and the state in sharing the national product. Until the 1970s trade unions functioned in industrial societies within a framework mainly marked by the following features: stable employment relations, a significant public sector, organized social actors, and common values shared by all the social partners. Following globalization, the above features underwent significant alteration during the closing decades of the twentieth century. Some contributory factors that have added to the pace of change may be listed as follows:

- technological progress and accompanying changes in the composition of the workforce;
- an increased supply of new entrants into labor markets, particularly women;
- the adoption of liberal economic policies by governments;
- The practice of flexible labor market policies.

(JOSE, 2002, p.16)

Technological changes made it possible to reshape production through new forms of industrial organization and the relocation of production platforms. They led to the disintegration of large work places and the rise of small, geographically dispersed units of production. The changes also set in motion a polarization of the workforce into two distinct

categories, traditionally less represented by the unions. At the higher end of the scale, workers tend to be better educated, career minded, individualistic and less motivated by class interests and solidarity. At the lower end are workers with fewer skills, who are marginalized, scattered and prone to exploitation. There has also been a significant increase in the supply of workers in urban labor markets, mostly on account of demographic changes. A large proportion of the new incumbents are women or migrants. The influx of women workers has mostly been into insecure and poorly paid work on export platforms and production chains, thereby accentuating inequalities within labor markets.

(RICHARSON,2002, p. 76)

Competitive pressures generated by globalization have led to a decline in the capacity of the state for resource mobilization and a government retreat from Keynesian approaches to full employment and expansionary economic policies. Besides, the historical alliance between the labor movement and social democratic regimes seems to have weakened over time. The new emphasis is on privatization and downsizing of public sector enterprises and on liberal economic policies to encourage private enterprises in areas traditionally reserved for the public sector.

(DANFORD, UPCHURCH, COOPER, DANFORTH, 2002, p. 77.)

Liberal economic policies coupled with supply side pressures have resulted in a widespread adoption of flexible labor market policies. Practices such as subcontracting, outsourcing and the hiring of temporary and part-time workers, long considered as atypical work, are becoming more common especially at the lower end of the labor market. The changes in the composition of the workforce and the adoption of flexible labor market policies have called into question the viability of several labor institutions upon which the unions have always relied. In the past, labor legislation and collective agreements embodying job security, wages and non-wage benefits have taken into account the requirements of a relatively homogeneous workforce that conformed to the post-war construct of a “normal employment pattern” characterized by full-time jobs and stable career trajectories. It became increasingly difficult for unions to defend these institutions as they came under attack by market forces.

(JOSE, 2002, p.17)

New entrants at the higher end of the labor market are not necessarily inclined to support the normal employment pattern introduced by unions. At the lower end of the market, excess supply is reflected in the widespread use of non-standard employment relations including subcontracting, part-time, temporary and home-based work. The end result may have been rising wage inequality, eroding job-ladders, and in some countries, falling rates of health care coverage and declining value of social security benefits.

(HERZENBERG, 1998, p.30-72)

As we see environment has changed considerably and Trade unions should adjust their work agenda according to the changes. They should meet the new challenges of flexible work force, new entrants on the labor market (especially woman), government liberal economic policies etc.

2.2. IMAGE AND LEVEL OF UNIONIZATION OF TRADE UNIONS IN THE WORLD

Public opinion is hostile to trade unions in most countries. The public is not against unionism in principle. It is against the way unions and union leaders function. The public image of union leaders is that they are autocratic, corrupt and indifferent to the public interest 'Too much power, too little morality' sums up the publics' assessment of unions. There have been many opinion surveys especially in the United States, which bring out the poor public image of trade unions. In surveys which rank the confidence of the American public in fourteen institutions (as for example the army, church, supreme court, stock market, legal profession, industrialists, newspapers etc.) trade unions have been consistently placed at the bottom of the list. (WOOD, 1998, p. 34-66.)

There is a serious decline in union membership in most industrialized nations. There are two possible ways of looking at union membership figures. The first method is to simply add up all union members in a factory, office or country. This gives overall membership position. In the second method, the density of membership is calculated. Density is the percentage of union members in relation to total employment, for example, if unions have 50 members in a factory employing 100, the density is 50 percent. When the reference is to entire country, density is measured by comparing union members against total employment in all sectors. Density is generally accepted as a better indicator because it shows not only how many are members but also how many are not.

Membership has dropped sharply in many European countries. In France, which is the worst hit, the density of union membership is now estimated to be a miserable 10 percent. In Holland, which is also badly affected, density is estimated at around 25 percent. In England the density of union membership is 44 percent. The picture is not very different outside Europe. In the United States, density has dropped to 16 percent. In Japan, it has dropped to 25 percent. In India, union density has been of a very low order i.e., 10 percent.

There are, however, some exceptions to this depressing trend. Trade union density in Sweden, the highest in the world, stands at an extremely impressive 91 percent the working population. (Figures are today actually a little bit lower, which will be further mentioned when analyzing Sweden) Trade unions in Sweden are most respected. They seek social, political and economic democracy. They participate at all levels of decision-making, national and local, and share in the administration of laws. The density in Denmark is 82

percent, and in Norway 63 percent, both very high by world standards. (BHARATIYA, www.bms.org.in/htm/trade unions.htm)

There are some 164 (1995) million trade-union members' world-wide making trade unions the world's largest 'social movement' by far. Even so, it represents little more than 1-in-20 of the World's 3 billion-plus workers. The rest often go underrepresented.

There are wide variations in 'density' - the proportion of trade-union members to the labor force as a whole. Membership is usually concentrated in urban-industrial centers. In some countries where rural populations are large, like South Africa or Brazil, trade-union density in industry is relatively high; in others, like India, it is low.

The principle trade unions rely on is the right of workers to pool their strength when negotiating with employers - 'collective bargaining'. Many more people are covered by collective-bargaining agreements than belong to trade unions. In France 90% of employees are covered, though less than 10% belong to trade unions. This can cause resentment among trade-union members, who feel that non-members benefit from their efforts without taking any of the risks - or paying union dues.

In most of the rich countries - and particularly in Europe, when unions have been established longest - membership of trade unions has until quite been falling fast. But it has increased in the newly industrializing countries particularly in Asia, where most of the world's manufacturing labor forces now works.

In the 1970s and 1980s unions were 'militant'; strikes and lock-outs (when workers are refused entry to their workplace) were common. Since then, as corporate globalization has gathered pace and union membership has fallen, strikes and lock-outs have become much less frequent.

The decline of trade-union membership has accompanied massive -- and largely unacknowledged -- increases in unemployment. Official figures are notoriously 'massaged'. They claim that in Canada, the UK and the US unemployment actually fell. Many 'new jobs' here are, however, poorly paid, part-time or casual -- and many people are excluded from official unemployment registers. In the UK, for example, there has been a massive increase in 'incapacity', which does not register as unemployment.

FIGURE 1: Trade union membership by Region (1995):

Union members (Millions)	
Sub-Saharan Africa	10.0
North Africa & Middle East	7.3
North America	20.5
Central America	11.0
South America	22.4
Oceania	2.8
East and Southeast Asia	23.9
South Asia	10.5
Northern Europe	7.5
Western Europe	23.7
Southern Europe	10.1
Central and Eastern Europe	14
TOTAL	163.9

(Tradeunions,http://articles.findarticles.com/p/articles/mi_m0JQP/is_2001_Dec/ai_81170784)

Trade unions are the world's largest organization, but it faces a serious decline in level of unionization. The decline is mostly present in developed countries, where new management practice of employers and new working environment has already been introduced. There is an increase in not developed or factor driven countries, where the old agenda of Trade unions still works. I believe the decline is mainly the result of inability of Trade unions to adapt to new changes in the environment. Bad image is also a product of bad management of Trade unions and a result of bad brand building, which is by my opinion a neglected issue not only in Slovenia but world-wide.

Nordic countries are the only developed countries that have a considerably high level of unionization, but even they are facing a decline in the recent years.

I decided to analyze Japan, USA and Sweden Trade unions their work agenda, level of unionization and organization, because these three countries have different history, work practice and organization of Trade unions and are therefore by my opinion the most suited for research.

2.3. ORGANIZATION AND WORK OF TRADE UNIONS IN USA

2.3.1. Organization of Trade Unions in USA

The American labor movement is organized rather liberally in contrast with union systems in other developed countries, for example Sweden or Japan. The American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) is a central federation that consists of national unions and unites between 85 and 90 per cent of union members in the country. 'The AFL-CIO serves as the chief political and public relations voice for the American labor movement, settles jurisdictional disputes among its members, enforces practices and policies against racial and sex discrimination, and is American labor's main link to the international labor movement'. Yet national unions are the most influential players in the country's labor movement. They have control over strike funds and the fundamental right of collective bargaining. Local unions are in charge of the routine work: they negotiate and bargain terms of new agreements, carry out strikes and manage social activities between union members.

Similar to other countries, the place where collective bargaining takes place is increasingly moving from nation- or industry-wide level to workplace level.
(FOSTER, 1980, p. 34-57.)

Nowadays, most of collective bargaining is conducted at the firm level, which now became ordinariness in manufacturing sector. Despite presence of national agreements (e.g. in the automotive industry) there could be still large space for divergence on a local level.
(SKLYARENKO, http://members.tripod.com/~a_sid/works/IER.html)

2.3.2. Unionization

US union membership is declining, and experts make contradicting forecasts and find various explanations for such a dramatic change. Presently, total union membership is only about 15 per cent of the country's workforce. This constitutes just around 20 per cent of the union membership figure for 1983. In the private sector, only 11 per cent of employees are organized in unions and the figure is similar to that of the 1920s. There are two basic reasons for the union density decrease.

First reason is the competitive economic environment that emphasizes importance of labor costs reduction. And the second, American labor laws (unlike in other countries, say Japan or Sweden) give employers full rights to resist unionization. Therefore, faced with rapidly changing markets, technological developments and increasing interconnectedness of the

global economy, unions' leaders have to deal with numerous issues of company competitiveness, job security, and adequate wages to provide maximum benefits for their members.

(SKLYARENKO, http://members.tripod.com/~a_sid/works/IER.html)

2.3.3. Role of Trade Unions in USA

The goals of American unions are said to be 'pure and simple', that is most commonly they debate with employers over higher pays and better hours and conditions of work. They are not interested in company management. In this regard, 'treaties with the boss' are common when unions negotiate and bargain over the issues that are most important to their members and, in exchange for employer concessions, they promise not to strike. According to a recent survey, when asked about top priorities of unions' activity 41% of employees in the sample have chosen pay rise, 22% reported winning greater respect and fair treatment and 14% favored gaining more influence on decisions in workplaces.

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

I believe USA Trade unions are not the one to be benchmarked by Slovenian Trade unions, because they have very little power and their work agenda is too simple, focusing only on bread and butter issues. The good thing with their organization is the umbrella Trade union The American Federation of Labor - Congress of Industrial Organizations (AFL-CIO), which has 85% membership of all branch Trade unions, which could by centralization of power make Trade unions in USA stronger. I believe decentralization to the level of factories reduces the strength of Trade unions to the minimum, which means in today business environment, that they can do as much as employers would let them to do.

2.4. ORGANIZATION AND WORK OF TRADE UNIONS IN JAPAN

2.4.1. Organization of Trade Unions in Japan

Japan's union organization is nearly unique in the world. Unlike in most other countries it is pivotal around enterprises not industries or crafts. Unions are ordinarily formed within limits of one firm and called enterprise (company) unions. On the upper level enterprise unions join industry federations, which in turn are constituents of nation-wide political bodies such as Japanese Trade Union Confederation (Rengo).

Thus Japanese unionism can be described as a three-tier system. At the bottom employees organized into enterprise unions which are in charge of negotiating factory floor issues such as wage rates, promotion, redundancies, workplace safety, transfers and retirement. Industrial federations, which comprised of enterprise unions, represent a corresponding industry. They above all focus on such issues as increasing wages across-the-board.

Federations play a key role in determining agenda and decision-making in industry speaking via enterprise unions. In other words the process of negotiating depends on federations rather than on company unions. It is mainly due to the competitive nature of enterprise unions since they represent fiercely competing firms of the same industry. Federations serve as a kind of informal industrial self-regulating body, which creates a similarity of level playing fields. For instance, after informal negotiations with management and unions across firms in the industry, the federation makes decision of an average pay increase.

Nation-wide organizations e.g. Rengo, Domei (Japanese Confederation of Labor), Zenmin Rokyo (Japanese Private Sector Trade Union Council), are responsible for negotiations with government officials and pursue their own political objectives.

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

In spite of significant changes in the economic environment, labor/management relations in Japan have not changed to any significant extent from the previous two decades. The basic characteristics of the company-based union, the seniority-based wage profile, the spring labor offensive that features annual wage talks early in the year, long-term employment and workforce adjustments organized primarily within the internal labor market all continue to this day. Any increase in labor disputes typical of a low-growth economy has not yet been observed. It can be said the Japanese trade union movement has made few changes in its traditional style and practice. One reason could be the fact that divisions in the post-war labor movement, which persisted for years, have at last been overcome and most unions have been consolidated into the 8-million strong Rengo. For the first time, trade unions have shaped themselves into a stable social force.

Institutional changes in industrial relations remain minimal as a result of two factors. First, partnership and confidence between labor and management, which have developed steadily over many years, remains firm in the 1990s. This is the base of the Japanese corporate system, which forms a quasi-community for employees. Here, the accepted idea is that lay-offs only occur in marginal enterprises suffering persistent poor performance. Lay-offs, which are common practice in the United States, basically do not occur in Japanese companies. Second, Japanese employment and wage systems are not rigid by any means, contrary to what many observers erroneously report. The internal labor market of a Japanese corporation, and the quasi-internal labor market including its affiliates, provide for employment adjustment based on moving workers to different jobs, training/relocation, and restraints on recruitment. Therefore, the mobility of the workforces is considerable. The pay system featuring seniority, which is not directly related to job type, serves to facilitate the mobility of labor within the corporation. This makes it unnecessary for corporate management to resort to lay-off, so that normal practice is to retain employees.

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

The social consensus and information sharing leading to wage determination through the spring labor offensive helped the Japanese economy recover from rampant inflation in the

aftermath of the oil crises in the 1970s, because of its wage moderation effect. In the current serious recession and the deflationary pressures on the Japanese economy, the spring labor offensive serves to slow the deflationary spiral caused by the worsening employment situation and the decline in wage levels. The approach helps adapt wage levels to fluctuations in the economy and to inflation or deflation, and acts as a built-in stabilizer.

2.4.2. Unionization

The level of unionization is still relatively high despite continuous decline in membership (largely an international phenomenon). In absolute terms Japan's union membership is second in the non-communist world: 12.5 million in 1996 with total number of unions at 70.

In 1995 75.5% of large firms in manufacturing and 41.5% of medium firms were unionized against 89.3% and 44.9% in 1991 respectively. However, the union density is more or less stable: in the manufacturing sector 75% in 1995 and 72.8% in 1991 for large firms, the figures for medium companies are 68.3% and 67.3% respectively. Drop in unionization is largely attributable to the failure of unions to attract members from new firms (rather than because of decline in the existing ones) due to employees' low expectations of unions. Workers seem not motivated by the 'voice' effect alone.

The issue is also exacerbated by the fact that a large and increasing number of part-time and temporary workers do not belong to company unions making it hard for unions to grow in the era of 'actualization' of labor markets.

(SKLYARENKO, http://members.tripod.com/~a_sid/works/IER.html)

2.4.3. Role of Trade Unions in Japan

Although Japan has its share of conflicts between management and labor, strikes occurrence has been very little in recent years. Unions interact with employees on a joint consultation basis seeking for a consensus rather than pressing on with each other's goals.

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

It along with other factors is referred to the Japanese Model of industrial relations. The model assumes that a single trade union is recognized as a party with exclusive bargaining power, negotiations are focused on eliminating strikes ('no-strike deal'), all workers have rights to participate in arbitration while management reserves rights of work organization. This model is widely practiced in subsidiaries of Japanese companies all over the world, including US and Europe.

2.4.4. Challenges for the future

Under the pressure of changes in the economic environment caused by globalization and innovations in information technology, Japanese business corporations are forced to adapt to the new situation. Companies faced with fierce international competition have implemented survival measures such as reorganizing management and restructuring the corporation. To cut labor costs many corporate managers press for changes in personnel administration to further enhance flexibility; they select out individual workers according to their capabilities and performance.

Rengo points out that in order to promote the development of capable staff and stable employment, corporate management should not sacrifice lifetime employment to a flexible labor market. Rengo also insists that in evaluating individual workers' capabilities and performance, the fairness of evaluation criteria should be ensured and workers' consent should be given. At the same time Rengo proposes that wage schemes should incorporate both a fair price for labor and the assurance of a stable cost of living. Furthermore, at the industrial union level, specific wage policy initiatives have been proposed, taking into account the situation of the individual industries, in an effort to match the revitalization of industries with improvements in employment and living conditions. Furthermore, at the level of the individual company-based union, the need for effective ways of promoting counterproposals to management plans is an important task. (SADAHIKO, 2002, p.50-52)

In this picture of strained industrial relations, a strategic choice will have to be made. In order to revitalize industry, with stable employment and improved conditions of work, trade unions are expected to exercise the power of organized labor and exert their intellectual and ethical capabilities.

2.5. ORGANIZATION AND WORK OF TRADE UNIONS IN SWEDEN

2.5.1. Overall characteristics of Swedish unionism

Trade unionism in Sweden has a number of special features. To a great extent these are common to all five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden). The most conspicuous are highlighted here: some of them distinguish Sweden from any other country.

The uniquely high rate of unionization is the single most outstanding point. Union density rates are well above 80 per cent of the employed population. In some sectors they are over 90 per cent and increasing, not declining, until recently. Between 1990 and 1996 the overall figure rose from 80 to 83 per cent.

Another rather unusual phenomenon is that employers do not resist unions. Since a compromise was reached in 1906 between the then infant organizations on both sides,

private sector employers belonging to the dominant Swedish Employers Federation, SAF, (*Svenska Arbetsgivareföreningen*), have accepted unionism. A cooperative attitude on the part of employers has prevailed ever since, despite some bitter conflicts. Unions have traditionally pursued a highly ideological agenda. The transfer of the means of production to society was long a stated goal of the dominant blue-collar federation of employees, the Swedish Federation of Trade Unions, LO (*Landsorganisationen i Sverige*). Although that goal was never pursued with much determination, the transformation of Sweden into a welfare state based on political and economic democracy and on equality has been relentlessly pursued. However, and this is the outstanding feature, LO and its member unions have always maintained good lines of communication with their employer counterparts. This has enabled them to sign traditional collective agreements on wages and other terms and conditions of employment. It has also enabled them to negotiate master agreements on employer/worker cooperation on a variety of issues, such as limitation of industrial action, health and safety at work, and gender equality.

(FAHLBECK, 2002, p.77)

In other words, one outstanding feature of Swedish unionism is its pragmatism in dealing with the employer community.

Yet another outstanding feature is that unions look upon themselves as organizations with a mission, a kind of secular religion. Unions also see themselves as the guard of a better society. The task of unions is to help create this society and to lead their constituents into it. Closely related to the last characteristic is that inter- and intra-union disputes have always been rare. (FAHLBECK, 2002, p.78)

Tradition is yet another characteristic which has its impact in today's level of unionization in Sweden and industrial relations generally. Existing unions can look back on an unbroken history since their foundation. LO celebrated its hundreds anniversary in 1998. It is much the same organization today as it was in 1898, only society has changed considerably. This continuity permeates unionism and imbues the movement with a feeling of tradition coupled with responsibility.

2.5.2. Organization of Trade Unions in Sweden

Unlike in US where unions are organized on industrial basis and Japan where they are enterprise based, Swedish unions are divided into three federations: LO (Swedish Confederation of Trade Unions) a union of blue-collar and clerical workers in both public and private sectors; TCO (Central Organization of Salaried Employees) which unites white-collar employees; and the professionals' league SACO (Confederation of Professional Associations). Inside federations, unions are formed along industrial and occupational lines. Swedish unionism to the contrary of American's is highly centralized:

collective bargaining over such issues as wages is conducted on a federation level. However, since recent years there is a trend of decentralization and toward greater independence of an individual union. This tendency is a part of a more complex process of unions restructuring caused by technological change, altering organizational structure of enterprises and growing dissatisfaction of members over unions' activities. (SKLYARENKO, http://members.tripod.com/~a_sid/works/IER.html)

➤ LO (Swedish Confederation of Trade Unions)

LO, a major union conglomerate encompasses 20 industrial unions and has membership of over 2 million people (about a quarter of the entire Sweden's population). The federation is highly centralized and possesses significant power over individual unions. It has authority to ensure that a willing worker can join a union, prescribes structural organization and boundaries within and between unions. It is also responsible for dealings with Swedish Employers' Confederation (SAF) on broad economic issues.

➤ TCO (Central Organization of Salaried Employees)

This organization represents salaried (white-collar) employees in both private and public sectors. It consists of 19 unions with membership of 1.3 million people. Organization is substantially less centralized than LO. Its main activities are centered on training and discussions with government over a broad socio-economic agenda. Unions within TCO are organized predominantly (75% of members) on industrial basis (i.e. they comprise all white-collar employers of a firm). The remainder is organized according to occupational lines. Collective bargaining on behalf of TCO member unions is conducted separately for private and public sectors through two specially designed associations: PTK and TCO-OF respectively.

➤ SACO (Swedish Confederation of Professional Associations)

SACO represents those professionals with academic degrees according to which they are split into unions (e.g. doctors, teachers, pharmacists). It consists of 25 unions and accounts 385,000 members. Like in TCO, collective bargaining is done via cartels, separately for state and municipal government sectors.

Since 1973, employees who are members of SACO in private sector combine their collective bargaining efforts together with TCO private sector workers in PTK (Private Salaried Employees' Association).

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

Industry-wide unions have regional and local branches. The local branches are bargaining agents, usually at enterprise or workplace level. Regional branches are usually not bargaining agents: they perform a variety of services for the industry-wide union and the local unions. Support to local unions is at the heart of their functions. Though employees

are members of the industry-wide organization, union dues are levied at regional level. Regional and local branches are legally independent entities but since union by-laws contain detailed rules on their operations there is little room for maneuver. The number of regional unions has declined dramatically among LO members in recent decades as a result of a determined policy to streamline the organization and raise the professional level of each regional union. In 1952 there were 8,915 regional unions, and the number had dropped to 651 in 1997. In 1952 total membership was 1.3 million but had risen to 2.1 million in 1997, so the declining number of regional unions is not related to a decline in total membership.

(The Development and Current situation of trade unions,
<http://www.eiro.eurofound.ie/print/2001/06/feature/se0106105f.html>)

Local branches form the basis of unions and all but the smallest workplaces establish local branches. Since three federations and their member unions operate side by side and since the union of supervisors is also represented at most workplaces, it is common to find four local branches at any given place of work. Local branches negotiate with the employer. Given the recent trend towards a more decentralized collective bargaining structure, the importance of local collective agreements on wages and other conditions of work has increased. So, in its wake, has the role of local branches. Thanks to statutory rules on information and cooperation between employers and employees, local unions take part in virtually every aspect of workplace operations. In their dealings with employers concerning long-term planning and day-to-day operations, they have considerable room for maneuver. It is not the task of regional or industry-wide unions to quell local inventiveness and creativity in dealing with individual employers. Local union officials are elected by direct membership vote. Office holders higher up in the hierarchy are nominated by the elected representatives of members rather than by direct vote. By and large unions are organizations of the one-party type in the sense that it is very uncommon for two or more factions to fight for control of a union. This is true at all levels of the hierarchy. When two or more candidates present themselves for office they virtually never represent diverging union platforms. They are distinguished by their personal history, character, age and professional background. Competing is for specific periods, spelled out in union by-laws. For example, office duration for president of TCO is four years. Re-election is possible and no maximum period is specified, but in most unions elected office is held for a relatively short period. In addition to their elected or nominated office holders, all union bodies except the local branches employ staff. At federation level LO had a staff of 220 in 1997. SACO employed about 40 people. Employees range from office workers to highly specialized professionals, such as economic analysts. All three federations (LO, TCO and SACO) maintain research departments, particularly for economic matters. These are staffed by university graduates, many with PhDs, so speakers for LO and TCO play an important role in socioeconomic debate and analysis in Sweden. The various industry-wide unions also employ specialists. At regional level the core employees do most of the grassroots work. They are often appointed on the basis of a membership referendum, even though they are employees. Most of them have a background as elected local union

officers. Despite the importance of employed personnel at various levels in the hierarchy, union governance is firmly in the hands of elected office holders. Unions have far-reaching authority to represent their members. This authority is partly statutory, partly contractual, based on union by-laws. Unions conclude legally binding collective agreements, interpret them and represent employees in the grievance process and before the Labor Court. Unions have authority under most labor statutes to conclude collective agreements with employers derogating from the statute. Such agreements are binding on members and non-members alike. On the other hand, unions also have obligations towards their members, notably to support and represent them. However, the exact union obligations are far from clear. No statutory rules exist regarding the relationship between unions and their members and case law is practically non-existent. The same is true in situations where member interests clash, for example in agreeing to priority lists of employees in mass layoffs and terminations. Rules on union duty of fair representation are conspicuously absent.

(The Development and Current situation of trade unions,

<http://www.eiro.eurofound.ie/print/2001/06/feature/se0106105f.html>)

2.5.3. Financial situation of Swedish Trade Unions

The financial situation of Swedish unions is very good. They have three main sources of income:

- member dues
- income from investments
- contributions from employers

Unions are free to decide the amount of dues their members pay. The dues that are levied differ considerably among unions and no pattern can be detected among the three federations. Union dues are often higher in absolute terms in LO member unions than in SACO members despite the fact that average incomes are higher among SACO members. Some unions charge a fixed percentage. A member of LO, the Swedish Metal Workers Union, charges 1.9 per cent whereas a leading member of TCO, the Union of Swedish Salaried Industry Workers (SIF), charges 1 per cent. Many unions have a ceiling. A survey of 23 major unions within the LO, TCO and SACO families, conducted by SIF, reported the following findings. In 1998 on a 24,000 kronor monthly income (approximately 2,750 euro) a high of 549 kronor (approximately 62 euro) was reported by the LO Swedish Food Workers Union (*Livsmedelsarbetarförbundet*) and a low of 218 kronor (approximately 25 euro) by the SACO Union for Civil Engineers (CF).

However, unions differ in terms of what they offer in return for dues. They all offer standard union representation, of course, but in addition many provide members with other services, such as accident insurance or home insurance, or both. Some provide discounts for members using union recreational facilities. Others offer medical insurance as part of

the package. Many also offer collateral-free bank loans. But, again, it is difficult to discern a pattern.

Unions are free to decide how to use member dues. Nothing prevents them from using the money for purposes other than strictly union business, e.g. political contributions. Employees cannot join a union on condition that their dues are not spent in such a way.

Historically membership dues represented the main, if not sole, source of union income. The situation is radically different today. In many unions, dues account for less than 50 per cent of income. Unions have accumulated wealth through the years, primarily by building strike funds. Today these funds are considerable, allowing unions to engage in protracted industrial action if need be. Many unions are in a position to fight not just one war, but two or more at the same time. Union assets are invested primarily in real estate, stocks and bonds. The financial management of assets has become an important part of union management. For example, in fiscal year 1998 financial transactions accounted for some 65 per cent of total income in SIF, the biggest TCO-member union. Though this figure is probably higher than for most unions, it still represents a common trend. Membership dues do not cover expenses. For example, in 1998 SIF recorded a 150 million kronor deficit (approximately 19 million euro). That equals 425 kronor (approximately 45 euro) per member in a union that charges an average of 2,400 kronor (approximately 265 euro) annual dues. Union wealth is primarily owned and administered by the industry-wide unions. Local unions do not dispose of any investment capital nor do the three federations to any significant degree. Contributions from employers are either direct or indirect, although cash contributions are unusual. These occur only in a few blue-collar unions, primarily in the construction industry. Such contributions are really payment for services rendered by the union in measuring piece work and calculating pay for that work. Employer payments here are supposed to cover union costs, no more. Under some construction industry agreements employers cover union expenditure for supervising employer observance of pay provisions in the collective agreement. There is serious doubt about whether the money is actually spent on this purpose.

The overwhelming majority of employer payments are indirect, taking the form of time off for union work at full pay. Originally based solely on collective agreements, such indirect payments are now mandated in several statutes. The union does not actually receive any money. It is relieved of the expense of compensating its voluntary officers for union work at workplaces.

It is not known how much the employer community pays for union work of this kind but it can safely be assumed that the total amount is considerable.

A hotly debated issue in recent years has been employee-union-controlled investment funds, financed by employer contributions. Such funds were introduced by statute in the 1980s and employer payments were collected for some years; the funds were dissolved in

the mid-1990s, as they were considered to disrupt the social balance between capital and labor. Not even the social democrats, who guided them through the legislative process in Parliament, were happy with them. They had become prisoners of their own propaganda to have them introduced. On the other hand, the “private” wealth accumulated by unions has attracted little attention and virtually no criticism. Unions are seen as one investor among many.

Doubts about union “fund capitalism” are of a radically different kind, being mostly concerned with the ethical aspects of union investment. Unions are supposed to pursue investment policies that do not conflict with sociopolitical agenda, e.g. they do not invest in companies using child labor. In 1998 TCO adopted ethical guidelines for investment. LO is actively promoting a common union front vis-à-vis multinational enterprises to make them respect human rights, including the core ILO Conventions. Fund capitalism is one way to exert pressure. So far union “fund power” has not been a factor of any particular importance in financial markets. The resources of the truly important actors in financial markets dwarf union wealth, however impressive.

Evidently, union expenditure is primarily aimed at maintaining the ability to represent members. Much money is also spent on education, information and public relations. Federations spend more on information and lobbying activities. In 1997, for example, LO devoted 38 per cent of total expenditure to policy and lobbying, and 14 per cent to information. In the same year 11 per cent was spent on education and 9 per cent on supporting hundred organizations in Sweden or abroad.

(The Development and Current situation of trade unions,

<http://www.eiro.eurofound.ie/print/2001/06/feature/se0106105f.html>)

2.5.4. Role of Trade Unions in Sweden

Swedish unions exert substantial political power. Apart from usual topics of wage determination, work safety regulations and the like, Swedish unions also participate in activities of a wider social and political character. For instance, they take responsibility for unemployment insurance. That partly explains Sweden’s high unionization figures: both employed and unemployed are connected to unions.

(SIDORENKO, http://members.tripod.com/~a_sid/works/IER.html)

This is a contrast to unions in US and Japan, which primarily lay stress on business topics, i.e. exemplify the branch of business unionism, on the other hand Scandinavian unions often referred to political unionism. A prominent example of political unionism is Swedish Municipal Workers’ Union, an affiliate of LO which has over 600,000 members. Along with involvement in debating issues of income distribution and work practices, it is vigorously engaged in promoting a ‘life reform’, stressing the importance of entrenching

gender equality not only in workplace, but also in all spheres of life. Swedish unions also fiercely defend welfare state by resisting dissemination of economic liberalism.

2.5.5. Unionization

The Swedish labor market is highly organized. A recent study put the overall rate of unionization at 77.7 per cent in 1980, 81.6 per cent in 1990 and 83.6 per cent in 1996 and Unionization rates are somewhat higher among white-collar than blue-collar workers.

Union membership is fairly evenly distributed among the three main sectors of the labor market: private, local government and central government (state), though it is higher in the public sector than in the private sector. The size of the company is not particularly relevant, nor is the branch of industry. Age and geographical location are reflected since unionization rates are higher among older workers and in small towns rather than big cities. Women are unionized to a slightly higher degree than men. The rate among part-time employees is slightly above average. About 70 per cent of employees on fixed term contracts belong to a union. Temporary workers, i.e. people working for agencies that place their employees with third-party clients, are organized at about the average level. They are covered by a nationwide collective agreement which addresses the concerns of “temps”. (REINHOLD, 2002, p.77)

According to figures published in spring 2001, the total membership of Swedish trade unions is declining in 2000, with overall union density down to 79% from 84% in 1994. Losses were recorded among the affiliates of the blue-collar LO confederation, while the white-collar TCO and especially the graduate SACO experienced small increases. Recently published research indicates that unions are failing to attract younger workers.

Spring 2001 saw the publication of the 2000 membership figures for Swedish trade unions the three central trade union confederations - bringing together unions representing university graduates, blue-collar workers and white-collar workers respectively - always make their figures public, even when these are less than impressive. As a whole the trade union movement continues to lose members, even if there are some individual gains among the unions representing professional staff. Swedish trade union density stood at 79% in 2000, compared with 84% in 1994. (The Development and Current situation of trade unions, <http://www.eiro.eurofound.ie/print/2001/06/feature/se0106105f.html>)

High unionization in Nordic countries and especially in Sweden should be the goal of Trade unions world-wide. Swedish system should be carefully analyzed by Trade unions and modified to the specific domestic case.

3. TRADE UNIONS IN SLOVENIA

3.1. *HISTORY OF SLOVENIAN TRADE UNIONS*

3.1.1. Trade Unions in the former Yugoslavia

After the Second World War up to the first free elections in 1990 and the introduction of freedom of association, trade unions and industrial relations in a proper sense did not exist in Slovenia, which was part of the Federal People's Republic of Yugoslavia during this period. The Yugoslav trade union movement, which was not independent from the party, the state and managers and thus not democratic, had its headquarters in Belgrade. It was organized in a completely centralized way, with mandatory membership. In Slovenia (as well as in the other republics of former Yugoslavia), the central Yugoslav trade union had a republic-level organization with headquarters in Ljubljana.

Employers' organizations did not exist, because in firms and other areas of life workers - in theory at least - decided about everything (leading to a long-standing problem of who should represent employers from such 'socialist' countries in the International Labor Organization). A particular feature of the former Yugoslavia was the so-called 'social ownership' of means of production: firms were neither state nor privately owned, and all enterprises and craft workers were organized in chambers (parastatal organizations) with obligatory membership.

It should be stressed that the former Yugoslavia and Slovenia especially, differed considerably in many aspects from other socialist countries. This had important consequences for the development of trade unions and industrial relations after the change of the socio-economic system in the early 1990s. The former Yugoslavia, and thus Slovenia, was never a part of eastern bloc (COMECON, Warsaw Pact etc). Furthermore, Slovenia was relatively independent from Belgrade, especially regarding social questions (social security etc), where only very general rules were laid down centrally. Even before the change of the socio-political system, the Slovene social security system was based on similar principles and provided similar benefits, to those of some western European countries (Austria, Germany and Italy). The system of planning was indicative, rather than planning of production. Firms were much more independent than those in other socialist countries. They were neither state nor privately owned. The system of 'social ownership' prevailed and some authors suggest that Yugoslav firms were ownerless.

From the beginning of the 1960s, Yugoslavia's borders opened which resulted in a considerable migration of workers, and tourism from abroad. Thus Slovenia especially opened up to the world. The Slovene republic trade union organization had some autonomy and had contacts with trade unions from neighboring countries - such as the Austrian Trade

Union Federation (Österreichischer Gewerkschaftsbund, ÖGB), Italian regional union organisations from Friuli-Venezia Giulia, and the German Federation of Trade Unions (Deutscher Gewerkschaftsbund, DGB) regional organization for Bavaria Slovenia held its first democratic elections in 1990 and officially declared its independence from Yugoslavia in 1991. (The Development and Current situation of trade unions, 2002, <http://www.eiro.eurofound.ie/print/2002/10/feature/SI0210102F.html>)

The working agenda of Trade unions in socialist/communist countries was different than the role in capitalist countries, which is the system Trade union in Slovenia work in nowadays. There is no real Trade union tradition in Slovenia, compared to Sweden and that is also one of the reasons for negative trend in unionization and relatively bad image Trade unions are facing today.

3.1.2. Trade Unions in the independent Slovenia

Even before the break-up of the former Yugoslavia, important changes were made to the constitutional framework in 1989, opening the way to modern industrial relations. The old ideological paradigm, under which labor was considered the only important factor in production, and other resources were underestimated, was rejected. This meant the abolition of the Yugoslav self-management model and constitutional and legal devolution of all formal powers within the enterprise to workers and their organizations. Under self-management, where workers had all formal power, trade unions had less importance in representing the collective interests of employees and were more important in protecting workers against unjustified behavior and decisions by managers.

(The Development and Current situation of trade Unions, 2002, <http://www.eiro.eurofound.ie/print/2002/10/feature/SI0210102F.html>).

When Slovenia became independent Trade unions pluralism was established, where Trade unions are put on the market and need to fight for representatives of Trade union, members and a seats in social economic council.

3.2. *LEGAL FRAMEWORK FOR TRADE UNIONS IN SLOVENIA*

Constitutional and legal changes in 1989 fundamentally changed the nature of the employment relationship. The Law on Basic Rights of the Employment Relationship replaced the so-called 'associative' employment relationship (i.e. the relationship among the workers themselves) with one based on the contract of employment. Contractual relationships were thus established on the individual as well as on the collective level. The 1989 law contained the first legal regulations concerning collective bargaining and collective agreements, which were not at this stage completely based on the voluntary

action of the parties. Rather they were the consequence of a compromise between the need to establish a system of collective bargaining and the need to protect social and state property. From the legal viewpoint, this change created a significant problem, because the identity of the employer was not certain. The ownership of public enterprises had not yet been transferred: not to the state, nor to the workers, nor to anybody else. To establish the legal notion of an employer as understood in the modern sense, it was necessary to privatize the means of production. However, since contractual employment is an essential element of industrial relations, we can speak about the beginnings of Slovene industrial relations and trade unions in the real sense from 1989 onwards.

(The Development and Current situation of trade unions, 2002,
<http://www.eiro.eurofound.ie/print/2002/10/feature/SI0210102F.html>)

Due to the lack of tradition I believe legislation concerning Trade unions will change in the future. It will be more or less in favor of Trade unions depending on the successful work of Trade unions in the field of political lobbying and Public relations.

3.3. *REPRESENTATIVENESS OF TRADE UNIONS IN SLOVENIA*

After the period of trade union 'unitarism' under the socialist regime of the former Yugoslavia, trade union pluralism began to develop in Slovenia in the early 1990s with the recognition of freedom of association and the abolition of obligatory union membership. Because new unions were emerging, a strained debate began between reformed 'old' trade unions and new trade unions as to whether Slovene trade unions should adopt a policy of trade union unity or of pluralism. The reformed trade unions called for unity and cited the German trade unions as an example. The new trade unions were, of course, in favor of pluralism and cited the Italian trade unions as an example. In this context, the most important development was the adoption of the Law on the Representativeness of Trade Unions (LRTU) in 1993. The LRTU determines the manner in which trade unions acquire the status of a legal person and of a representative trade union. At this time, another issue which was very contentious was the restitution of the property of the former centralized trade union organization.

Trade unions are considered to have legal personality with the right to own property, if their statutes or other basic acts (hereinafter referred to as statutes) are deposited with the state. The LRTU states that a trade union shall become a legal person on the day that a written order on depositing its statute or other basic act is issued. The statutes of trade unions which organize only in a certain company, other organization, municipality etc are kept by the administrative body responsible for labor at the local level. The statutes of trade unions organized at the national, branch or activity (sector), occupational etc level are kept by the Ministry for Labor, Family and Social Affairs. An application by a trade union

to deposit its statute must be accompanied by the minutes of the union's founding meeting and the statute itself.

All trade unions in Slovenia have at least some 'natural' rights, while trade unions which are legally recognized as representative are given a wider range of rights. In order to be recognized as representative, trade unions must prove that they fulfill certain requirements. If they do so, the state, or in some cases (independent company trade unions etc) the employer itself, verifies the trade union's status with a formal decision.

The trade unions which are considered to be representative are those which fulfill the following general requirements. They must:

- be democratic and exercise freedom of affiliation, freedom of functioning and freedom of execution of the rights and duties of their members;
- have been operating without interruption for at least the last six months;
- be independent of state bodies (the state administration) and employers;
- be financed predominantly from membership fees and other sources of their own;
- have a certain number of members, in accordance with the provisions of the LRTU.
(Law of representatives of Trade unions)

(Zakon o reprezentativnosti sindikatov RS, http://www.dz-rs.si/si/aktualno/spremljanje_zakonodaje/sprejeti_zakoni/sprejeti_zakoni.html)

Trade unions must prove their number of members on the basis of membership statements (forms) signed by their members.

The rights of representative unions are not specified to a great degree. The LRTU says that the representative trade unions shall conclude 'generally valid' collective agreements, take part in bodies which decide on questions concerning the economic and social security of workers, and propose workers' candidates to participate in management in accordance with special regulations.

(Zakon o reprezentativnosti sindikatov RS, http://www.dz-rs.si/si/aktualno/spremljanje_zakonodaje/sprejeti_zakoni/sprejeti_zakoni.html)

Although the rights of representative trade unions are not specified in detail, employers can use a union's representative status as the basis on which to accept (recognize) it as a collective bargaining partner, sometimes together with other unions. For example, several railway workers' unions have a common bargaining team which takes part in negotiations over the collective agreement for this sector. Only confederations of trade unions are entitled to representatives on the Economic and Social Council of Slovenia (Ekonomsko socialni svet Slovenije, ESSS), which is the country's central body for tripartite cooperation.

At the national level, the representative organizations are federations or confederations whose members are various branch, activity or occupational trade unions. Their individual member trade unions must have as members at least 10% of all workers in their branch, activity or occupation.

Unions which organize at the level of a branch, activity, occupation, municipality or wider local community, company or other organization are considered representative if they are members of a representative federation or confederation. In addition, unions which organize at the level of a branch, activity, occupation, municipality or wider local community, which are not members of a representative federation or confederation, are also considered representative if they have at least 15% of all workers in their branch, activity, occupation etc as members. Under the same conditions, trade unions organizing at the level of a company or other organization are considered representative.

The representativeness of a trade union is determined by a written order issued by the minister responsible for labor, on the basis of evidence of the fulfillment of the abovementioned conditions. The exception is an independent trade union organizing only in a specific company or other organization, where it is the employer that takes the decision on representativeness.

(The Development and Current situation of trade unions, 2002,
<http://www.eiro.eurofound.ie/print/2002/10/feature/SI0210102F.html>).

3.4. STRUCTURE AND MAIN ORGANISATIONS

After the recognition of freedom of association, a fragmentation of the trade union movement occurred with one central organization becoming dominant and smaller competitors developing, with slightly different ideological influences.

The basis of trade unionism in Slovenia is the enterprise-level organization as it was under the old system. These organizations receive the greatest legislative support and so enjoy broader rights than trade union organizations at other levels. In certain firms and factories, two or three different unions coexist.

At the highest national level, trade unions are organized in six central (umbrella) trade union organizations officially recognized as representative federations or confederations. In practice, this means that they are considered most representative and are organized as confederations. Their membership is organized in various affiliated trade unions within various sectors and occupations. Four umbrella organizations have members on the ESSS:

- The Union of Free Trade Unions of Slovenia (Zveza svobodnih sindikatov Slovenije, ZSSS) - the largest union organization - has two members on the ESSS. It represented 48.2% of all trade union members in Slovenia. (Toš, SJM 1998, p. 47). ZSSS is a

reformed organization, originating in the Slovene section of the former Yugoslav trade union. Following reconstitution, it leans to the left of the political spectrum. The democratization of ZSSS's functioning has involved changes in organizational structure in terms of decentralization of decision-making within the umbrella organization. Branch trade unions, which were formerly only parts of the organizational structure of a unified union, have become more independent as part of a confederal organization. ZSSS has its headquarters in Ljubljana and a written order confirming its representativeness at the national level was issued on 23 June 1993. Its president is Dušan Semolič;

- KNSS - Independence, Confederation of New Trade Unions of Slovenia (KNSS - Neodvisnost, Konfederacija novih sindikatov Slovenije, KNSS) has one member on the ESSS. It was the second largest union organization, representing 10% of all trade union members (Toš, SJM 1998, p.47). KNSS is a new trade union organization set up since the change of regime, and its founding congress was held in 30 March 1990. It leans to the right of the political spectrum. In the first years of its existence, KNSS's main problem was setting up a firm organizational structure and rules of functioning. Its headquarters are in Ljubljana and its president is Drago Lombar. A written order confirming KNSS's representativeness at the national level was issued on 23 November 1993.
- The Confederation of Trade Unions of Slovenia Pergam (Konfederacija sindikatov Pergam Slovenije, Pergam) has one member on the ESSS. Its membership is found mainly in the pulp/paper and printing industries. It was created following a split from ZSSS. Its headquarters are in Ljubljana and its president is Dušan Rebolj. A written order confirming its representativeness at the national level was issued on 16 July 1993.
- The Confederation of Trade Unions '90 of Slovenia (Konfederacija sindikatov '90 Slovenije, Konfederacija '90) has one member on the ESSS. Its membership is mainly in the coastal region (municipalities along the Adriatic coast, such as Koper-Capodistria, Izola, Piran and other parts of this region bordering Italy and Croatia). Its headquarters are in Koper-Capodistria and its president is Boris Mazalin. It was created following a split from ZSSS. A written order confirming its representativeness at the national level was issued on 30 August 1993.

In addition to these four bodies there are two other organizations which were created more recently and which do not have members on the ESSS:

- The Slovene Union of Trade Unions Alternativa (Slovenska zveza sindikatov Alternativa, Alternativa). A written order confirming its representativeness at the national level was issued on 3 November 1999 and its president is Branko Krznarič.

- Union of Workers' Solidarity (Zveza delavcev Solidarnost, Solidarnost). A written order confirming its representativeness at the national level was issued on 22 May 2001 and its president is Albert Pavlič.

In specific sectors and occupations there is a larger group of strong and autonomous, mainly white-collar trade unions, in particular in the public social services sector (healthcare, education etc), transport and banking. Many of these originate in splits from ZSSS. There are also one or two smaller regional trade unions, organizing workers within certain former municipalities.

(EIRO, <http://www.eiro.eurofound.ie/print/2002/10/feature/SI0210102F.html>)

At the lowest level - companies and service units - there are some autonomous trade unions organized mainly in companies/units predominantly employing blue-collar workers. They will sooner or later be forced to join a larger trade union, in order at least to provide free legal assistance to their members.

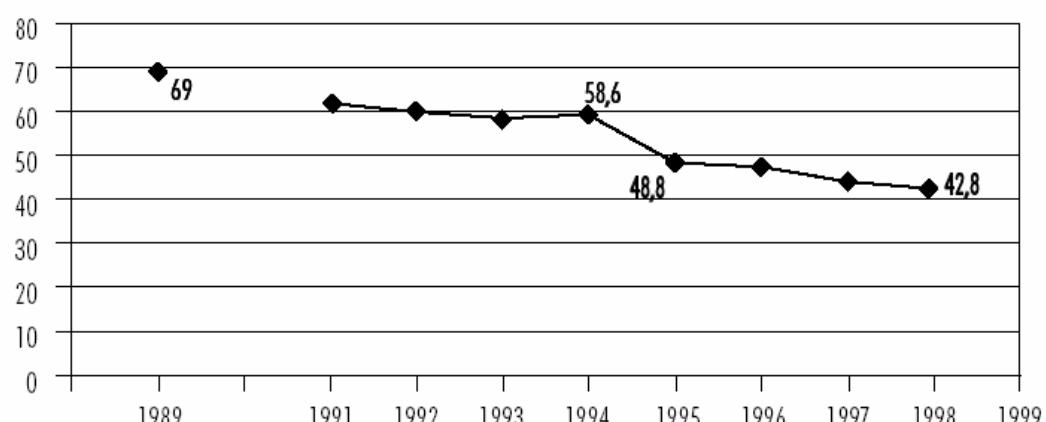
3.5. UNIONISATION

There has been a constant decline in Trade Union membership over the past 10 years. Until approximately half way through the ten year period, decline in trade union membership was very gradual -about 2% p.a. Compared to 1989, membership was about 10% less in 1994. (69% in 1989 compared to 58.6% in 1994).

The second half of the ten year period saw a drop in trade union membership from 58.6% in 1984 to 42.8% in 1998. In one year alone (1994-1995), unions lost 10% of their membership - equal to entire loss of previous five years. After 1995, the trend slowed again to steady decline of 2% p.a. (Stanojevič, 2000: pp. 41)

FIGURE 2.: LEVEL OF TRADE MEMBERSHIP, 1989-1999 (in %)

Level of trade union membership, 1989 - 1999 (in %)



Source: Toš, N. et al: SJM 1989-1998

N=2040(89), 2078(91), 1049(92), 1044(93), 1037(94), 1016(95), 1024(96), 2007(97), 1008(98).

3.6. BRANCH TRADE UNION OF CHEMICAL, NON-METAL AND RUBBER INDUSTRIES (KNG Slovenia)

3.6.1. Organization and work of KNG Trade Union

Trade Union of Chemical, Non-metal and Rubber Industries of Slovenia, in short KNG Trade Union of Slovenia, was founded the year 1990. It is a branch Union and it is a member of Union of Free Trade Unions of Slovenia (Zveza svobodnih sindikatov Slovenije, ZSSS).

They were founded in order to protect their members employed in the industry that they are representing.

They became a powerful Trade Union, covering 65 to 70 per cent of all employees in the chemical, non-metal and rubber industries of Slovenia.

They were the first branch Trade Union in Slovenia to be admitted to an international trade union organization. They are members of ICEM (International Federation of Chemical, Energy, Mine and General Workers Unions) that unites over 100 million members from all over the world.

KNG (Chemical, Non-metal and Rubber Industries) Trade Union of Slovenia is one of the twenty Trade Unions belonging to the Union of Free Trade Unions of Slovenia as the most powerful trade union central unit in Slovenia.

Accordingly, in 1996 they were the first Trade Union in Slovenia to publish a brochure including all necessary acts applied in their activity, as well as all kinds of useful hints and patterns that might be of some help to corporate trade union officials. In the second half of February 2000 they published a new updated version of this brochure.

(Domača stran KNG Slovenije, http://www.sindikat-kng.si/tujci/ang_pr.htm)

The first branch collective agreement was made already in 1991, covering all activities that they are representing. Since 1997 and 1998, they enter into two branch collective agreements, one relating to chemical and rubber industries and the other one to the acquisition and processing of non-metal ores of Slovenia.

Their activity is based on corporate Trade Unions in which our members can enforce their rights.

They have regional committees that are active in ten areas all over Slovenia. Operative tasks to the benefit of the KNG Trade Union members on regional levels are assigned to regional Trade Union secretaries. There members can benefit from free of charge expert and legal aid. (JUSTIN, 2004)

3.6.2. Main bodies of KNG Trade Union

KNG Trade Union of Slovenia is organizational bodies:

Congress:

It is the main body of Trade Union and it is being organized every fourth year. It elects the president and members of presidency and additional two members of supervisory committee. Congress is also responsible for all mergers between Trade Unions, abolishment of Trade Unions and all the others serious issues, regarding the existence and main functioning of Trade Union. It also approves the working programme of Trade Union and also has supervisory role, regarding implementation of plan and work in general.

Republic Committee (the highest body between two Congresses)

It has 27 members out of this the president of Trade Union, vice-presidents of trade union, secretary of trade union, president for female issues, and president for youth issues are the members by their function.

Republic Committee main concern is the preparation of programme of Trade Union and its implementation. It also deals with other serious issues regarding the work of Trade Union such as finance, operations, control, etc. It reports about its work to congress.

Presidency of the Republic Committee

Presidency of the Republic Committee is an executive body, which has seven members, president, two vice presidents, secretary, and three members form the regional Trade Union organization. Presidency deals with execution of the programme, coordinates the work of regional Trade Unions, deals with public relations, human resources, proposes annual financial plan, etc.

Supervisory Board

It has five members and two additional members, who deal with the control of financial issues regarding the work of Trade Union. They report to congress.

Board of Women's Issues and Board of Youth's Issues

Deals with the equality of gender and helps youths and woman on the issues of equality enforcements.

The leaders of KNG Trade Union of Slovenia are:

JANEZ JUSTIN, President

The president is elected every four year and represents the Trade Union and is responsible for implementation of resolutions made by the organs of KNG Trade Unions.

BRANE BAMBIC, Vice-President, in charge of chemical and rubber industries

MATEJ KAJZER, Vice-President, in charge of non-metal industries
(JUSTIN, 2004)

Vice-Presidents are elected from different types of industry and are dealing with operational issues. In the absence of president, one is taking place of the president. The president decides which one. They report to the organs of Trade Unions.

MARJAN BTRL, Secretary

Secretary is responsible for implementation of financial plan.
(Akti 2, 2000, p.23-30)

KNG Trade union structure does not include expert support structure, which would have a consultancy role in various field of working agenda of Trade unions.

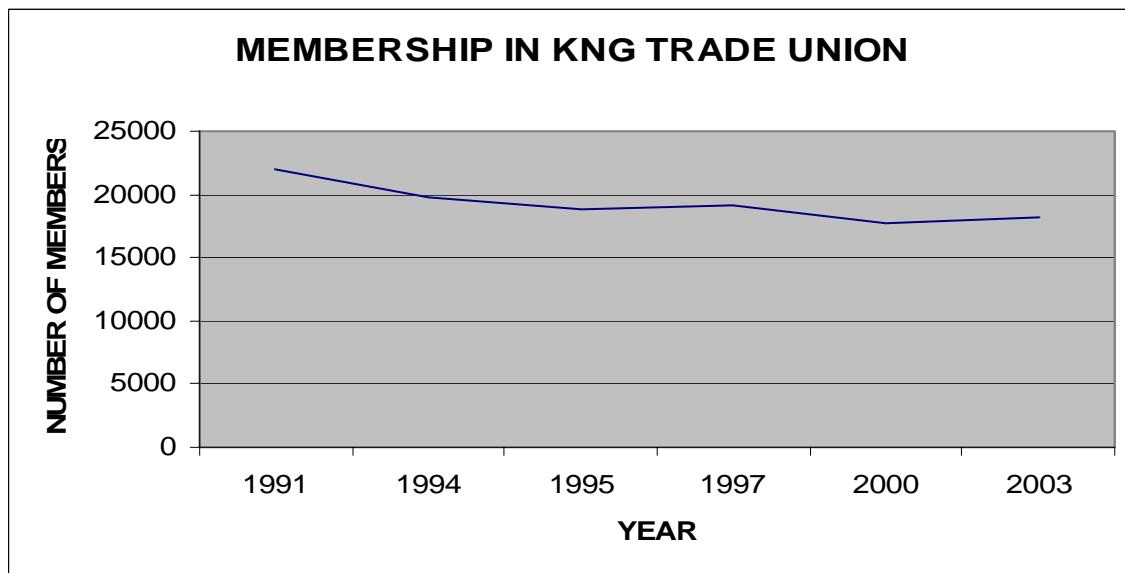
3.6.3. Membership in KNG Trade union

KNG Trade union is facing a decline in membership. It has lost 17, 5 % of its members from the year 91. It is less than Slovenian average, but still there is a decline. There were 22000 members in the year 1991 and 18150 members in the year 2003. The numbers in the chart are approximate number given to me by KBG representatives.

FIGURE 3.: NUMBER OF MEMBERS IN KNG TRADE UNION, 1991-2003.

YEAR	NUMBER OF MEMBERS
91	22000
94	19700
95	18900
97	19200
2000	17800
2003	18150

Source: KNG, 2004.



Source: KNG, 2004.

4. POSSIBLE CHANGES THAT COULD BE IMPLEMENTED

The reasons why I wish to offer new know-how, in addition to their core business to Trade Unions in Slovenia and overall is, because the trend of unionization is negative for the last ten years, not only in Slovenia, but worldwide. Definitely external as well as internal environment has changed, therefore trade Unions should reconsider their role in the society and try to offer something more to their members and attract new ones.

In countries where legislation is requiring compulsory membership, like in Slovenia, when it was a part of former Yugoslavia, the question of how we attract and retain members has not received the attention that it should have. I believe that is the reasons Trade unions are not used to fight for the members, never the less membership of a union is now voluntary. In Slovenia we additionally have Trade Unions pluralism which in other words means, services that trade unions provide have been exposed to competition and are therefore forced to fight for members.

4.1. MARKETING BASED STRATEGIES IN THE TRADE UNIONS

4.1.1. Branding

By branding I mean, building the brand of trade union which people know, can be related to flag, logo, line tag and has a positive image. When you see a name or logo of trade unions, you should be aware of it, know what it means and have positive feelings about it.

Trade Unions in general, according to international survey mentioned at the beginning of my theses has an image problem, according to Wood, Public opinion is hostile to trade unions in most countries. The public is not against unionism in principle. It is against the way unions and union leaders function. The public image of union leaders is that they are autocratic, corrupt and indifferent to the public interest 'Too much power, too little morality' sums up the publics' assessment of unions. (WOOD, 1998, p. 35)

In order to solve the brand problem, trade unions should answer the questions like:

- Does the union have an identity, status place in the market or advantage which is of such significance that it can be utilized to clearly differentiate the union from its competitors?
- What sort of name, term, sign and/or symbol, line tag, could the union adopt which would have the effect of people to immediately connect it with the market segment (eg Chemical industry) they cover, quality of work they do and the way they do things.
- Are there any advantages for the union in doing this e.g. if the union provided a quality service which was better than its competitors, would it be possible to make the acronym KNG synonymous with quality?

Trade Unions should carefully choose their logo, name, line tag, flag, etc. and then try to connect the good work they do with the brand, and try to do it continuously; in order for people to recognize the brand and in order to get the awareness and trust of people overall, members and non-members of Trade Union. (e.g. Coca-Cola is the brand people trust, the taste is always the same). They should get the brand awareness and recognition through various marketing techniques; such are Advertising, Public relations, Sales promotion, Direct marketing, etc.

4.1.2. Mission and Vision Statement

When I was searching the sites of Slovenian Trade unions as well as KNG trade Union and I noticed that there are no mission and vision statements. I believe it is a necessity for any organization to function properly, as well as for Trade union, because it gives trade union a path, motivation and values to trade union representatives as well as it affects the positive image and it can be used for advertising.

The Vision Statement is a clear, challenging picture of the future of the organization as we believe it can and must be. It creates a visual picture of what the organization will look like as we develop and carry out the mission in our unique environment. It does not focus on what currently is, but on what could be. The Vision communicates where the organization is going. It provides a snapshot of the organizations direction. It challenges people to accomplish the mission. It inspires and motivates the employees. It touches the heart and the emotions. It encourages giving to the organization.

Mission Statement is a permanent statement (it should not change often), which is addressing the issue of what business are we in, what we wish to do, how are we doing it, what is our philosophy; to whom are we doing it, what way are we doing it, etc. It shows us an overview of our company.

To further clarify what the Vision Statement is and what it does, note these differences between a Mission Statement (Mission) and Vision Statement (Vision). Mission is a statement; Vision is a snapshot. Mission is used for planning; Vision is used for communication. Mission is short in length and broad in focus; Vision is long in length and narrow in focus. Mission informs; Vision inspires. Mission is for knowing and doing; Vision is for seeing. Mission comes from the head and is for the head; Vision comes from the heart and is for the heart. Our Mission may be in common with other organizations; our Vision is unique to our organization. Mission clarifies; Vision challenges. A Mission is taught; a Vision is caught.

A Vision Statement wants to be expressed in the simplest, most powerful, most memorable way possible.

So important and yet so neglected issue by Trade unions. I believe it is a high time for Trade unions to implement their Vision and Mission, not only on paper but also in the heads of their representatives and members. When I think about, what should the vision and mission statement include, I believe they must be short, easy to comprehend and remember and should include for vision a snapshot where we would like to be and for mission what is our philosophy, to whom are we doing it, what way are we doing it, etc.

4.1.3. Public relations

Public relations today have become a necessity in all types of organizations profit, non-profit, government, etc. This involves building up good relationships with members, employers, politics, media, experts and general public. It can have a stronger impact on awareness and at a lower cost than advertising. It also provides members with information about the work of Trade union, which is also a wish of members of KNG Slovenia, according to my survey (57% wish to be better informed).

The work of public relations covers communication with internal public, as well as external public. In order to change the image of trade union and involve people in thinking about Trade union meters, we should get the publicity.

The means are available to the union to achieve publicity:

- Logos, stationery, hats, badges;
- Union Journal;
- Press releases;
- Contributions to magazines e.g. guest editorials;
- By distributing written reports on projects undertaken to magazines, etc.;
- Sponsoring events (e.g. co-sponsor sports events);
- Internet reports;
- Press conferences;

(KOTLER, 1989, p. 236)

- Fair promotions.

Public relations include ongoing activities to ensure the organization has a strong public image. Public relations activities include helping the public to understand the organization and its products. Similar to effective advertising and promotions, effective public relations often depends on designing and implementing a well-designed public relations plan.

Often, public relations are conducted through the media, which is, newspapers, television, magazines, etc. Publicity is mentioned in the media. Organizations usually have little control over the message in the media, at least, not as much as they do in advertising. Regarding publicity, reporters and writers decide what will be said.

Work of public relations:

- **Counseling** - Providing advice to the management of an organization concerning policies, relationships and communications; in effect, "what to do."

- **Research** - Determining attitudes and behaviors of publics and their causes in order to plan, implement and measure activities to influence or change the attitudes and behavior.
- **Media Relations** - Relating with communications media in seeking publicity or responding to their interest in an organization.
- **Publicity** -- Disseminating planned messages through selected media without payment to further an organization's interest.
- **Employee/Member Relations** - Responding to concerns and informing and motivating an organization's employees or members, its retirees and their families.
- **Community Relations** -- Continuing, planned and active participation with and within a community to maintain and enhance its environment to the benefit of both an organization and the community.
- **Public Affairs** - Developing effective involvement in public policy, and helping an organization adapt to public expectations.
- **Government Affairs** - Relating directly with legislatures and regulatory agencies on behalf of an organization.

(BRODERICK, 2002, p. 215)

4.1.4. Direct marketing

Direct marketing makes it possible to offer goods or services or transmit messages to a specific, targeted segment of the population by mail, telephone, email or other direct means. Direct marketing is one of the most effective and measurable methods of marketing available.

Direct marketing used to refer mainly to direct mail marketing. With the rise of the web, the term has been expanded to include direct web marketing.

Direct mail and email campaigns are only as successful as the mailing list used. A good mailing list will target only the consumers that are potential customers.

(PICKTON, 2002, p. 247)

I would suggest Trade unions representative to implement direct marketing for attracting new members, from the non-member base and members from competitive unions. I would recommend getting their names and addresses and sending them a brochure with all the benefits Trade union is offering, cover letter and an application paper. If data would be

sufficient I would also recommend them to do some data mining and change the cover letter according to target group. With direct marketing I believe KNG would get a competitive advantage and with offering good benefits attract new members and also members from competitive Trade union.

4.1.5. Advertising

According to my opinion, Trade unions should advertise more, to get some more awareness and improve image. (i.e. Slovenian army has made a good improvement of the image in last 10 years) They should use various advertising techniques and use them when some new services have been introduced, an important event is taking place, negotiations have been concluded, international congress is taking place etc. Advertising should be used to bring an attention to certain matter, which has an importance to different types of public, internal (members) or external (media, experts, general public etc.) Message should be carefully selected, targeted to the wanted public and wanted segment and the right channel should be chosen. Always at the end we need to evaluate the effects of advertising and do the cost benefit analysis.

Trade union has various options of advertising:

- **Brochures or flyers** - Brochures can contain a great deal of information if designed well, and are becoming a common method of advertising
- **Direct mail** - Mail sent directly from you to your target group can be highly customized to suit their nature and needs. Trade union should have a mailing list.
- **E-mail messages** - These can be good means to getting the word out about their work
- **Magazines** - Magazines ads can get quite expensive. They should find out if there's a magazine that focuses on your particular target group and then place an ad or write a short article for the magazine.
- **Newsletters** - This can be powerful means to conveying the nature and work of Trade union and its services.
- **Newspapers (major)** - Almost everyone reads the local, major newspaper(s). They can put their information in the newspaper by placing ads, writing a letter to the editor or working with a reporter to get a story written about their work.

- **Newspapers (neighborhood)** - Ironically, these are often forgotten due to major newspapers, yet the neighborhood newspapers are often closest to the interests of the organization's stakeholders.
- **On-line discussion groups and chat groups** - As with e-mail, they can gain frequent exposure to their work by participation of representatives in on-line discussion groups and chat groups.
- **Posters and bulletin boards** - Posters can be very powerful when placed where their target group will actually notice them.
- **Radio announcements** - A major advantage of radio ads is they are usually cheaper than television ads, and many people still listen to the radio, for example, when in their cars.
- **Telemarketing** - The use of telemarketing is on the rise
- **Television ads** - Many people don't even consider television ads because of the impression that the ads are very expensive. They are more expensive than most of major forms of advertising. However, with the increasing number of television networks and stations, organizations might find good deals for placing commercials or other forms of advertisements. Television ads usually are priced with similar considerations to radio ads, that is, the number of ads, the length of ads and when they are put on the air
- **Web pages** – Nowadays advertising and promotions on the World Wide Web are almost commonplace. Organizations are developing Web pages sometimes just to appear up-to-date. Using the Web for advertising requires certain equipment and expertise, including getting a computer, getting an Internet service provider, buying (usually renting) a Web site name, designing and installing the Web site graphics and other functions as needed.

(MCNAMARA, 1999, p. 145)

4.1.6. Internet and Web page

The use of Internet connection can potentially facilitate the wider dissemination of information and resources, offer increased possibilities of tracking and evaluating actions of union hierarchies, and facilitate participation and training opportunities for a wider group of members. This does not call for abolishment of traditional trade union activities, but the new way of communicating cannot be ignored. Despite barriers to engagement, there is no doubt that cyberspaces will become increasingly important in the future, as

internet use increases and electronic forms of communication become more and more habitual. This is a direction in which modern unions are going to have to develop and those that do not are not likely to survive. More positively, electronic unionism has the potential to reconceptualise the meaning and domain of activism and the relationship between officials and members. Indeed, that many union leaders find the prospect of 'cyber-unions' unsettling is not surprising: as the internet offers the capability to distribute information and resources to many more people, its use also holds the more significant capability of changing the relationship between officials and ordinary members.

(GREENE, 2004, <http://www.eiro.eurofound.eu.int/2001/10/feature/uk0110108f.html>)

When I checked the web site and talk with the president of Trade Union, it was apparent that internet home page is not being very well maintained with fresh information, members are not acknowledge with the site and representatives don't use internet for communication, but are using the old traditional way.

I recommend rebuilding the internet home page, establishing IT architecture, educating members and representatives in using the internet, and establishing the communication between trade union representatives on the intranet.

4.2. ADDITIONAL SERVICES STRATEGY

4.2.1. Designing Services

Unions provide a service or range of services. A service is defined as:

Any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. (Kotler & Armstrong, 1989, p.245)

Strategies for Introducing New Services:

Services provided at any given time may not be appropriate in the future. As previously pointed out, changes in the external environment (e.g. political, legal, and social) will require improved service and/or different services. If the union is considering the need for new services what are the stages in the development of a service?

Idea generation:

Can the union consider all ideas or should there be some direction as to which services or markets to focus on? e.g. the Communications Union could focus on extending its service to youth workers in the newspaper and circular distribution area. It could then solicit ideas

from both internal and external sources as to what should be provided and how this should be done.

Screening of ideas:

Those directly responsible for the development of new services would subject all ideas to a series of questions to ascertain which best fitted with existing strategies.

Development of a marketing strategy:

- Which segment and share of the market is being aimed for?
- What are the goals to be achieved in the first few years?
- How is the service to be delivered and how much is to be spent on promoting it?
- What are the long term objectives and goals for the new service and how will it fit in, long term with other union objectives?
- Will the new service be rationale? Can the benefits be measured against costs? Does it compliment or enhance existing image?
- Development of the service i.e. how the service will actually be provided. This could only involve the writing up of an appropriate job description, right through to a detailed step by step plan, including provision and utilization of resources, and then testing this under 'field conditions'.
- Testing the market. This may involve providing the service in a limited way so as to uncover potential problems and see how it could be improved.
- Launching the service. The union would need to decide when it was to be launched, where, how and by whom e.g. if it was the provision of services to youth workers in the communication industry would the introduction be staggered throughout the country?

Promoting services:

Promotion of services, make up one of the most important elements in the marketing of union services. It is the most important because it is usually at this stage that a potential member comes face to face (often in a physical sense) with what membership of the union means. As such it is vital that this initial contact creates a favorable impression.

Promotion of the union does not, however, start and finish with convincing a person that they should join. There is a need to regularly remind members of services provided to reinforce the value of membership. Such a process serves a dual purpose. It also demonstrates to employers, and perhaps to a lesser extent competitors, that the union is a force to be reckoned with.

There are several important factors to be considered when developing a promotion policy. Any communication needs to be effective. The actual communication process is extremely important, yet this is often overlooked as emphasis is placed on more tangible considerations such as how much money is available to be spent on promotion. There are six key elements, when deciding about promotion:

- Determine the target market i.e. that sector of the workforce to whom the message is to be directed.
- Determine how much about the message is already known (this is necessary before it can be decided what response the union is seeking).
- Choose a message. In doing this the message should be developed so as to get attention, hold interest, arouse desire and obtain action. Messages can appeal to the audience's self interest ("the union can protect me").
- Choose the method of conveying the message. This can be either by personal contact or through mass/selective media means e.g. newspapers, magazines, pamphlets etc. Face to face is more personal and effective because it allows for personal addressing and feedback.
- Selecting the message source. Messages delivered by highly credible sources are more persuasive (factors which make a source more credible are expertise, trustworthiness and likeability).
- Collecting feedback. This involves not only researching to see what people remember about the message (in effect checking to see how well the communication process worked) but also to see whether the message achieved the desired result (did it get people to join the union)?

(GRONROOS,2000, p. 55-275)

4.2.2. Proposals of services that could be implemented

Cheaper purchases:

In order to increase the buying power of workers, Trade union doesn't have to necessarily increase the wages, which is in today business environment becoming pretty difficult if we would like the companies to survive, but can also decrease the workers living cost. To be able to reduce living cost for the highest amount possible Trade unions should have the highest possible bargaining power. Bargaining power in this case means, to have as large amount of members possible, because members are also consumers. Trade union should centralize, issue plastic Trade union membership cards, and than negotiate with sellers in all the most important fields of industries, with different competitors. If competitors don't want to loose customers they will have to be prepared to issue some discounts, or arrange more feasible purchase to members of Trade union in various field like:

- Cheaper loans
- Cheaper leasing
- Arrange Trade union credit cards
- Discounts in traveling agencies
- Discounts in supermarkets, car shops, with buying oil
- Cheaper life insurance
- Health savings
- Loan program, where members get cheaper loans, etc

Having discounts in various services can itself be a motivating factor to join or remain in Trade union, it just needs to be carefully advertised and promoted to members, non-members and members of competitive Trade union.

Offering education to members of Trade union:

Trade union could connect with private and public schools, which are offering prequalification courses and negotiate cheaper and more adjusted education, and even help to create new educational program, industry or services might require. By adjusted I mean, more adjusted time and flexibility of school to meat the demand of Trade unions members.

Trade union should also inform members about different possibilities of education and latter about possibilities of employment. Labor market should be carefully analyzed and Trade unions should promote the education, where demand is high and supply is low.

Help with new employment:

KNG Trade union could also establish its own employment agency or better, due to lack of resources outsource the employment agency to one contracting agency (Addeco, Profil, Hill international, ManPower, etc), where members of Trade union would get a full attention and would be the first one to be offered a job, have help with application procedure and be guided individually till they become employed again.

Agency should also provide the employed workers/members, who are searching for new job, with all necessary assistance.

Incorporation of kindergartens for their members:

In cooperation with employers and government, Trade unions could establish kindergartens for kids of members and try to provide cheaper and more quality service, or at least try to negotiate discounts with the existing ones. Kindergartens are also a good thing for employers, because they can use kindergartens as fringe benefit.

4.3. FINANCE BASED STRATEGIES

Trade unions in Slovenia and also KNG Trade union main income is membership fee. As mentioned with Sweden their fees represents only 50% of their all income, because Swedish Trade unions are seriously focusing on the investments Trade union is doing to reduce the risk and get back the highest revenues possible and by that earn additional money.

In Slovenia Trade unions are saving and building so called strike funds in one saving bank, which is owned by Union of Free Trade Unions of Slovenia. KNG Trade union is also investing money in that bank and all the finance of Trade union are in hand of Secretary General, which is elected and has no expert support. (JUSTIN, 2004)

It is risky to invest in only one bank, so I would suggest KNG Trade union to diversify their investment and reduce the risk to only market risk, which we can not avoid and to maximize their revenues with good investment. Good finance can bring a lot of additional money to Trade union, which could be spent on improving services and work overall, and also to have money to invest in different possible options which are good for their

members and community overall.(i.e. Building flats and selling them for reasonable price to their members)

So I suggest to KNG Trade union to either outsource their finance investments to one brokerage house, or better to employ additional experts to handle the finance. I believe the cost-benefit analysis would show that the cost of experts is much less than the income they can generate for Trade union.

4.4. ORGANIZATIONAL BASED STRATEGIES

Trade unions pluralism in Slovenia is seriously reducing the power of Trade unions. On one hand we have employers, who have one organization called Chamber of commerce, with compulsory membership, government and on the other hand Trade unions, which has optional membership, competition in the same industry and six or more umbrella organization. Inequality is more than obvious, therefore Trade unions should try to centralize more, try to merge in as many fields as possible, (Lately there have been some actions made towards making an umbrella organization of all industrial Trade unions) look for possible synergies and try to work together for the bigger share in national GDP. Dusan Semolic the president of the Union of Free Trade Unions of Slovenia on 4th congress of the Union said that only Trade unions united and cooperative can achieve social welfare and economic efficiency. (Semolic, 2002, p.5)

I would also recommend to KNG Trade union to avoid setting barriers to membership, so anyone who wishes can be a member, even unemployed persons and will receive all the benefits KNG Trade union is offering.

4.5. TRADE UNIONS IN POLITICS

Members of KNG Trade unions, according to my survey think that Trade union should stay apolitical. As I already mentioned before, I believe the reasons for that behavior are in not seeing the benefits of Trade unions lobbying the politics or have its own political party. In Slovenia we have threeparhit system, which means that there are employers, employees and government seeking for social consensus. If employees would have a considerable power in government, which they could, by having their own political party, the balance of strength would be equal, because employers are already influencing government due to their money power. I do not say that Trade unions should exercise their power to the limit and create uncompetitive economy and eventually destroy the state economy, but with strong Trade union, the social consensus could be balanced, which is by my opinion the necessity in today's economy in we would like to remain the social state.

Therefore I would recommend Trade unions to focus more on lobbying or even create their own political party. I believe nowadays there is a political market niche, where the new party would be positioned. Workers, especially blue collars are nowadays uncertain, what will happen with entering EU market, and what is their future due to mass outsourcing to Asian countries, so a party trying to fight for their rights and future would definitely be good for our political environment and successful in getting voters.

Trade unions information distribution channels could also be used to give information to members about the work of their party and political situation in general.

If we take a look at the Swedish case, where Trade unions have a lot of power, they have a strong influence and work closely with Social democratic party, which is also the largest party in the parliament. They share ideology which was strongly influenced by Trade union.

Social Democratic ideology was originally based more on a German Marxist model than a French-British utopian one. Over time, the party's links with Marxism were toned down and today it advocates a combination of public sector control and a market economy. A universal social welfare system has long been an overall objective of Sweden's Social Democratic Party. The party's signature issue has been combating unemployment, but it has also focused heavily on health care, education and social service issues, which are included in the policies of other parties as well. In light of the Social Democratic Party's size and long experience in government, it actually has a major influence on nearly all fields of public policy.

(SWEDEN.SE, http://www.sweden.se/templates/FactSheet____3152.asp)

Strong connection of Trade unions with Social democratic party, gives Trade union much more power, so social consensus can be reached without using the Trade unions strongest weapon – strike.

People might think strike is an exercise of power, but it is opposite, strike only shows how weak is the Trade union. If trade union is strong in its position in society, social consensus can be reached without strikes and good lobbying or own political party would certainly make Trade union stronger.

5. RESEARCH IN THE TRADE UNION KNG SLOVENIA

5.1. RESEARCH OF OPINION AMONG MEMBERS OF KNG

5.1.1. Reasons for doing research of opinion of KNG Trade union members

When I was analyzing the literature about the unionization of Trade Unions, world-wide, as well as in Slovenia, I found out that the Trade Unions membership is slowly declining. I decided to do the research survey in one branch trade union, which covers Chemical, Non-metal and Rubber Industries, and try to find out, what are the reasons for that state, because the main reasons according to my opinion lies within the work of Trade Unions and not so much, as some Union representatives think, in the environment. I agree the environment has changed, but there is always a place for adjustments and improvement of know-how. Some authors, like Miroslav Stanojevič says: "Comparisons show the result as not being so bad.

From the perspective of the numbers of unions in the west, it's quite an achievement and for some an incredible high level of unionization. Some comparable societies in the east are at approximately the same level (the Czech Republic) or they are confronted with essentially greater union membership decline (Hungary and Poland)."

(Stanojevič, 2000, p.51)

I agree with the comparison statement, but the trends in Slovenia are just a little better than negative trends of declining the unions membership world-wide, therefore the trade unions world-wide and in Slovenia should try to think where they are doing wrong and not blame it only on the business environment because there is always a place for adjustment. I will research the internal reasons for membership decline in the particular case on KNG Slovenia through survey I will conduct and try to see where the place is for certain improvement in the agenda.

5.1.2. Sample, method, procedure and timing of the research

In my research I used the method of questionnaire survey, which was conducted with cooperation of Trade Union KNG Slovenia (Chemical, Non-metal and Rubber Industries) on the micro level (in the companies) and will be the background for my recommendations about changing the agenda of work for that particular union and wider.

I decided to take sample of more than 1% of members, which I will consider as representative, and that comes to a sample of 200 questionnaires (18.150) members in the

Trade Union). I send 300 questionnaires to three different companies in that Trade Union. One was the big company from the rubber industry, the other was middle-sized company from the Non-metal industry and the third was the big company from Chemical industry. I tried to get some more representatives from doing the survey in different kind of industries and in different sized companies.

240 questionnaires out of 300 were returned to me, which I analyzed and consider the results as representative.

Survey was done in two weeks, the distribution and collection of questionnaires was done by 12 Trade union confidentials. President of KNG Trade union submitted the questionnaire prepared by myself to confidentials.

Anonymous questionnaire had 2 general questions about gender and education, which was put as last and 13 questions, which was asking members why they are a member, what do they expect from membership, how well are they informed, etc.

5.1.3. Analysis of the survey according to each question

In this chapter I will show and analyze the results of questionnaire survey according to each individual question. First I will give the results of two general questions, nevertheless they were put to the members as last, and the next 13 questions will be analyzed exactly in the order they were put to the members in the questionnaire.

Sample gender:

Male	110	45,83%
Female	140	54,17%
TOTAL:	240	100%

In the sample, there were almost equal number of males and females, with a few per cent in favor to females.

Sample education level:

Primary school or less	49	20,42 %;
High school	129	53,75 %
College degree	45	18,75%
University degree or more	17	7,08%

The majority of sample is high school educated; there is almost the same percentage of members with primary school or less and with college degree, and only 7, 08% of members with university degree or more.

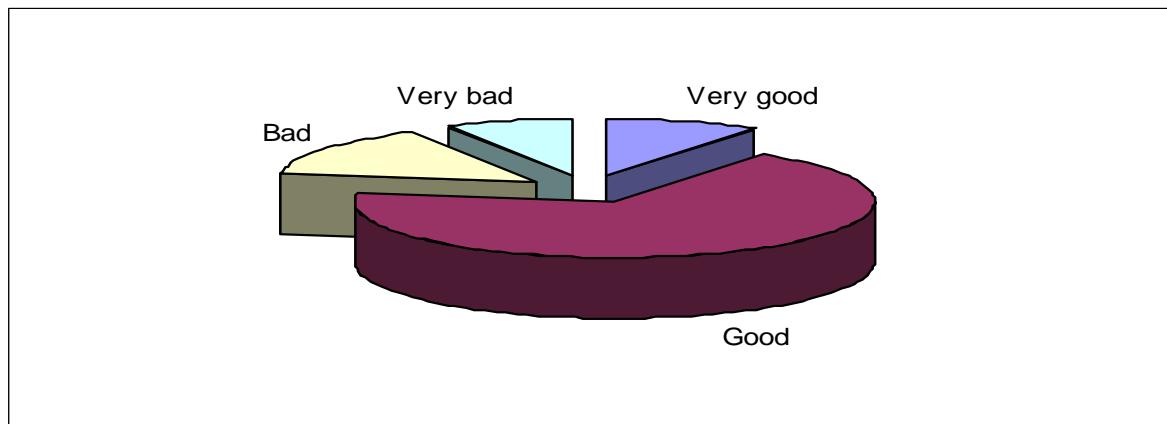
- **Question number 1:**

What do you think about work of trade union in general?

There were four possible answers to that question:

ANSWERS:	NUMBER:	PERCENTAGE:
Very good	24	9,583%
Good	162	67,91%
Bad	35	14,58%
Very bad	19	7,917%
TOTAL:	204	100%

GRAPH 1:



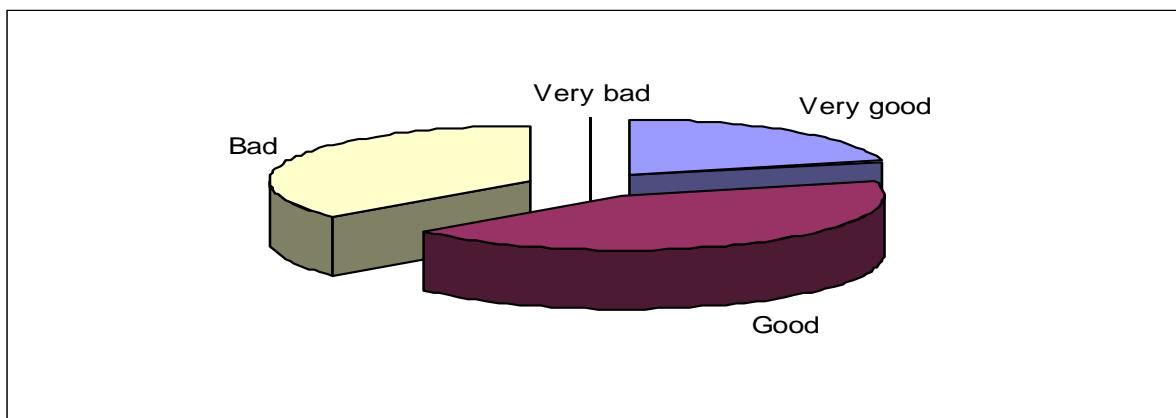
The majority of members thinks that the work trade unions is performing for them is good. There is a balance between very bad and very good, approximately the same results, and there is a big difference between good and bad, therefore I can conclude the members of Trade union are in general satisfied by the performance.

- **Question number 2:**

How familiar are you with the work and organization of KNG (chemical, non-metal and rubber) Trade Union?

ANSWERS:	NUMBER:	PERCENTAGE:
Very good	50	20,83 %
Good	103	42,91 %
Bad	87	36,25 %
Very bad	0	0 %
TOTAL:	204	100%

GRAPH 2:



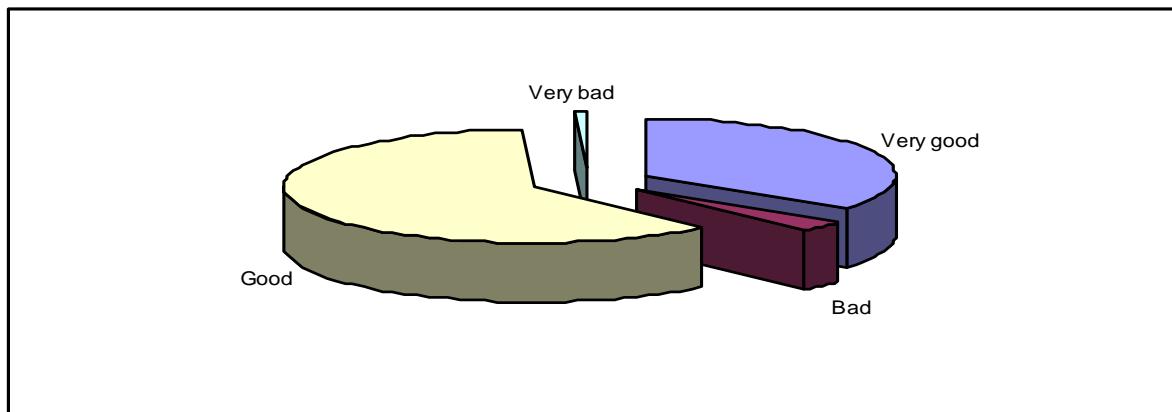
According to the results, members in general are familiar with the work and organization of KNG Trade union. There are also a big percentage of people, who are badly familiar, but the percentage of very good and good is 63,74%, which is a high figure.

- **Question number 3:**

How familiar are you with the work and organization of Trade union in your company?

ANSWERS:	NUMBER:	PERCENTAGE:
Very good	84	35,00 %
Good	146	60,83 %
Bad	8	3,33 %
Very bad	2	0,83 %
TOTAL:	204	100%

GRAPH 3:



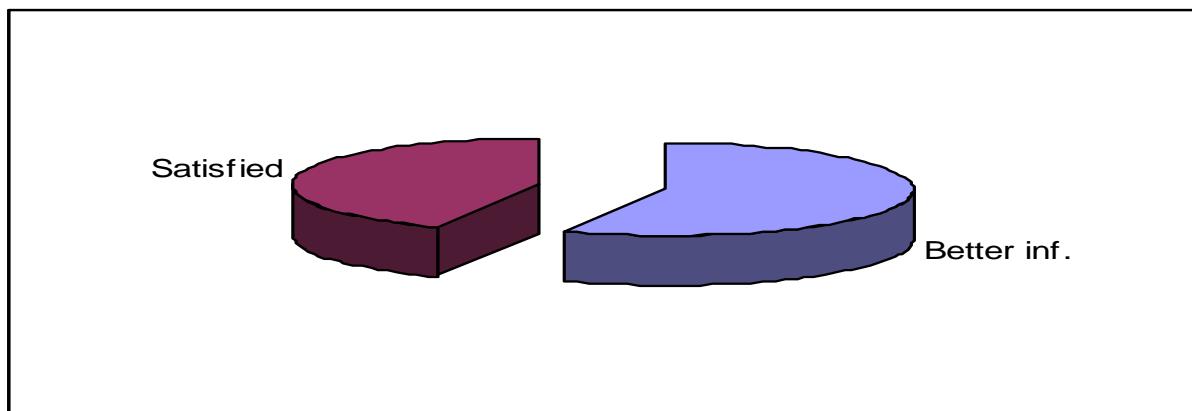
According to the survey results people are well familiar with the work and organization of the Trade union, organized in their company. The results show that people are more familiar with the factory Trade union than with the Branch union. (KNG Trade union).

- **Question number 4:**

Would you like to be better informed about the work being done in Trade union?

ANSWERS:	NUMBER:	PERCENTAGE:
I would like to be better informed	136	56,66 %
I am satisfied with current information, being provided to me	104	43,33 %
TOTAL:	204	100%

GRAPH 4:



Members of trade union dough, they believe they are familiar with the work and organization still wish to be better informed. According to survey question 56, 66% of members wish to have more information about work, Trade Union is doing. Believe KNG

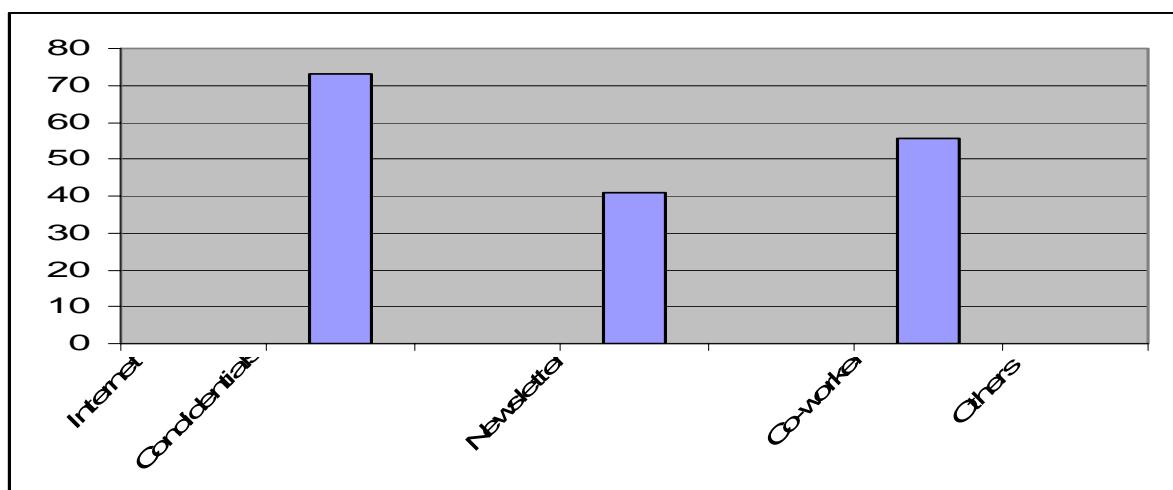
Trade union should focus more on information it is providing to its members and organize a better information channels in the companies.

- **Question number 5:**

How are you provided with information about work being done by Trade union?
(There were more answers possible!)

ANSWERS:	NUMBER:	PERCENTAGE:
Through internet	0	0%
Through Trade union confidential	175	72,92%
Through Trade union newsletter	98	40,83%
From coworker	133	55,41%
Something else	0	0%

GRAPH 5:



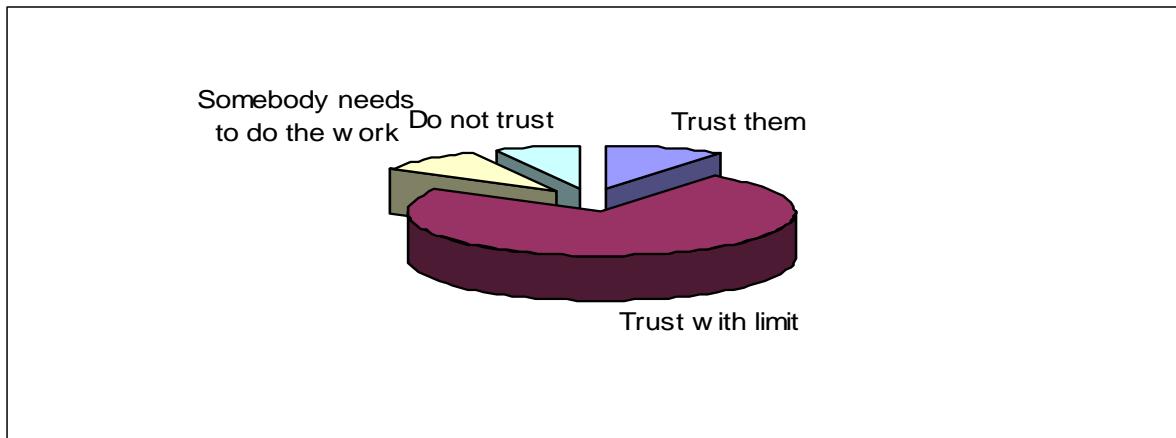
There were only three sources from where they are getting information about work of Trade Union. Trade Unions confidential, Trade Union Newsletter and Co-workers. Nobody uses internet or any other sources. Also only 40, 83 % of members read Newsletter. KNG Trade union should try to implement and put in usage new information channels.

- **Question number 6:**

How high is the level of confidence you have in KNG Trade union representatives?

ANSWERS:	NUMBER:	PERCENTAGE:
They have my full confidence	24	10%
I trust them but to certain limit	176	73,33%
Somebody need to do the work they do	23	9,58%
I don't trust them	17	7,09%
TOTAL:	204	100%

GRAPH 6:



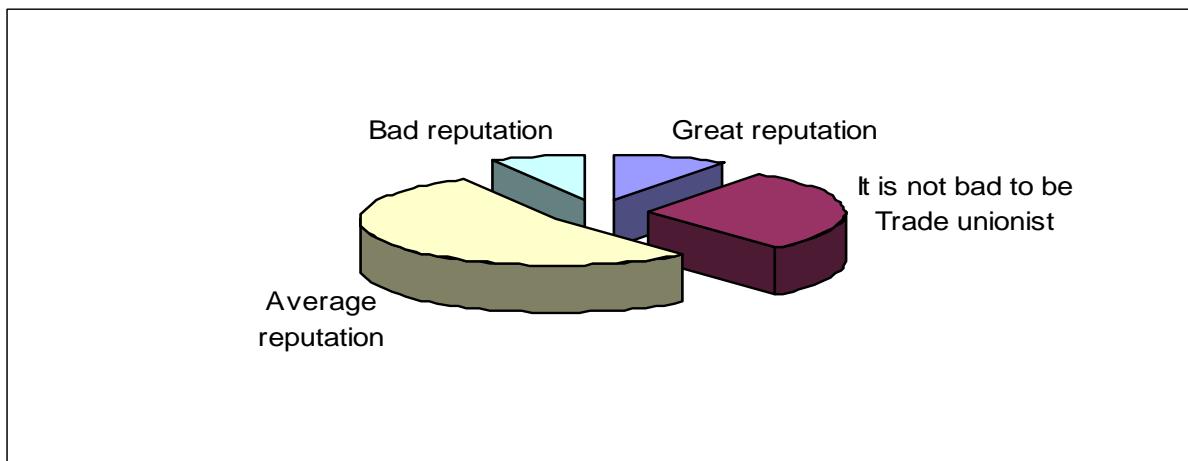
According to the survey I did members of Trade union trust their representatives. The percentage of members who trust is really high, over 80%. Still that is a trust with certain limit, which would need some enforcement from the side of KNG Trade union representatives.

- **Question number 7:**

What is by your opinion a reputation of Trade unions in the broader society?

ANSWERS:	NUMBER:	PERCENTAGE:
They have great reputation	23	9,58%
Its not bad to be trade unionist	71	29,58%
They have an average reputation	127	53,33%
They have bad reputation	19	7,92%
TOTAL:	204	100%

GRAPH 7:



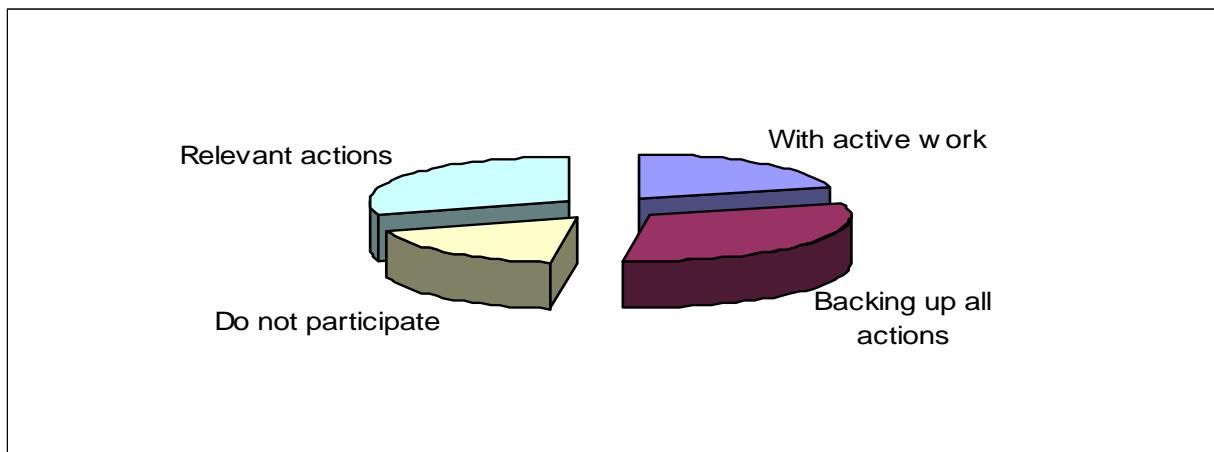
The majority of members questioned thinks Trade Unions have an average reputation in the broader society. Only 7.92% thinks the reputation is bad and all the others think the reputation is above average. It is a fairly good result, which is by my opinion also affected by the fact that survey was conducted among members of Trade union and not general public.

- **Question number 8:**

What is the type of your participation in the trade union?

ANSWERS:	NUMBER:	PERCENTAGE:
With active work	49	20,42%
With backing up all the trade unions actions	76	31,67%
With backing up the actions that seems to have relevance	72	30%
I do not participate	43	17,92%
TOTAL:	204	100%

GRAPH 8:



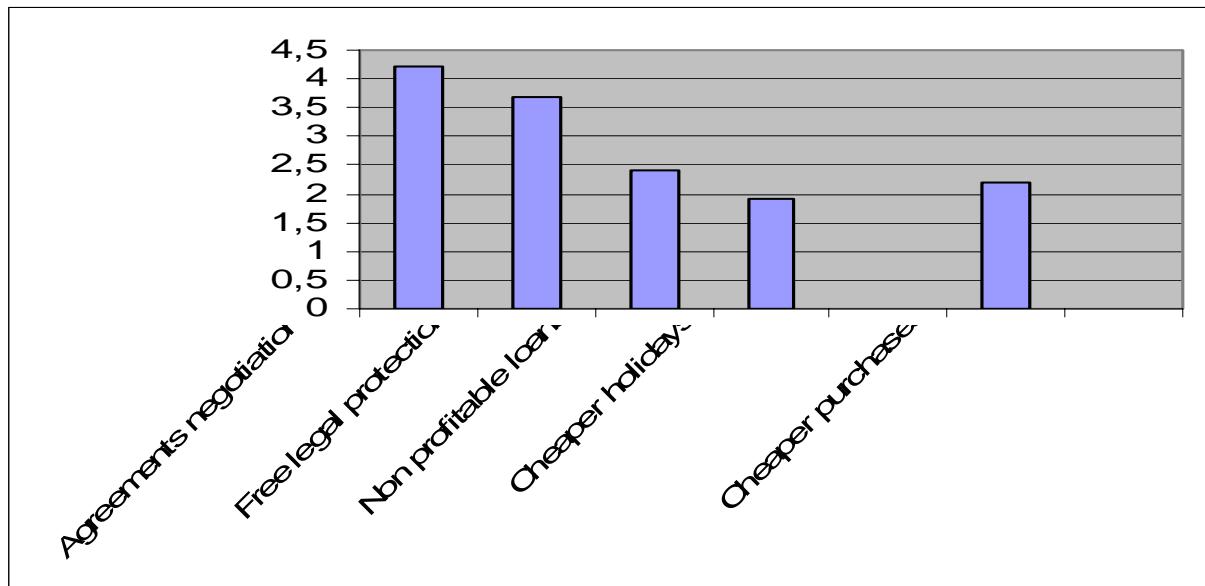
There is only 17, 92% who do not participate in Trade unions actions. All the others are participants in different ways, and are willing to back up actions, to be implemented by Trade union. KNG Trade union therefore has a strong support and an active membership structure.

- **Question number 9:**

Which Trade unions membership benefit seems to be for you the most important important? (The scale was from 1-5, with 5 as the most important.)

Membership benefit:	Importance level:
Negotiations about collective and industry agreement	4,2
Free legal protection	3,7
Non profitable loans	2,4
Cheaper holiday arrangements	1,9
Cheaper purchasing of goods	2,2

GRAPH 9:



The most preferred benefit the members have from Trade union is agreements negotiation, which is followed by free legal protection, non profitable loans, cheaper purchasing of goods and cheaper holidays at the end. They were able to choose from the benefits Trade union is currently offering. According to survey KNG Trade unions do not expect much more than the traditional benefit Trade unions are offering world-wide.

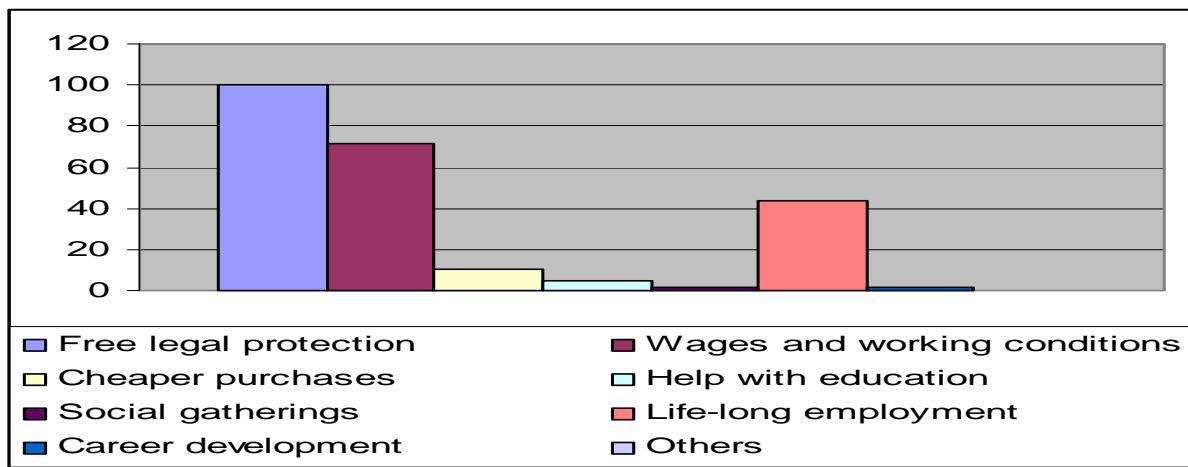
- **Question number 10:**

What do you expect from being the member of Trade union?

(More possible answers!)

Options offered	Number of members who thicked one option	Percentage of members who thicked the option
Free legal protection	240	100%
Better wages and working conditions	171	71,25%
Cheaper purchasing of goods	25	10,42%
Help with education	11	4,58%
Organization of social gatherings	3	1,25%
Taking care of life-long employment	104	43,33%
Taking care of career development	4	1,67%
Others	0	0%

GRAPH 10:



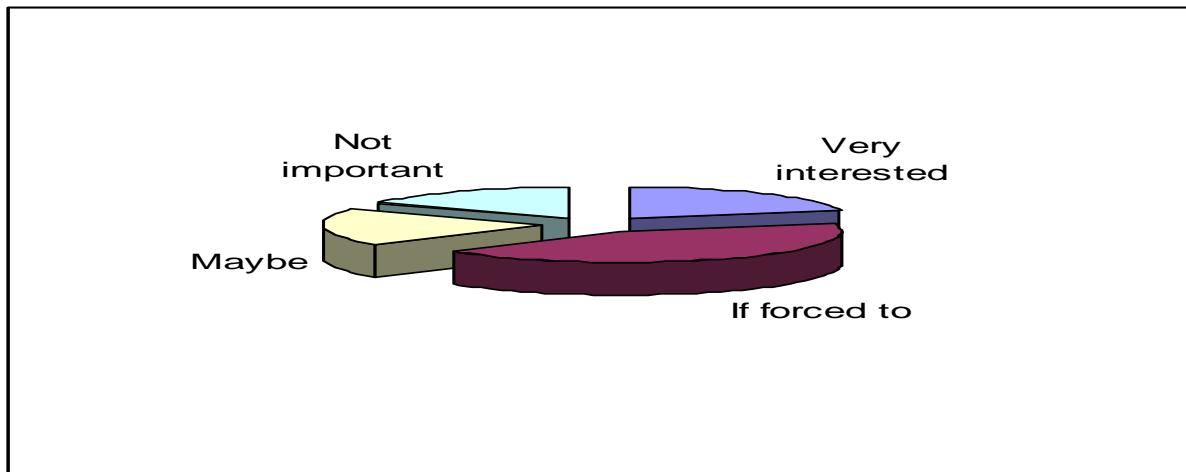
According to the results, members expect just three things from the union. Free legal protection, better wages and working conditions and life-long employment. They are just interested in basic work, Trade union is doing for them.

- **Question number 11:**

Would you be interested in after work education in order to get more knowledge to be more flexible in the labor market?

ANSWERS:	NUMBER:	PERCENTAGE:
I am very interested	49	20,42%
If I would be forced to(by circumstances)	104	43,33%
Maybe	47	19,5%
It is not important	40	16,67%
TOTAL:	204	100%

GRAPH 11:



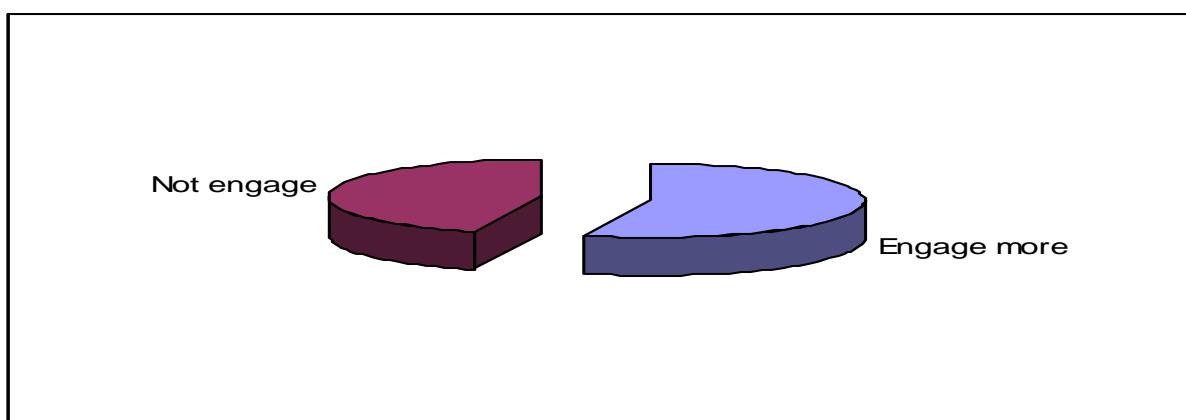
The majority of members (43,33%) think that they would be interested in after work education only if they would be forced to. 20,42% thinks that it is a good idea and all the others would maybe attend education or not.(36,17%).

• **Question number 12:**

Would it be a good idea for Trade unions to focus more on the getting new job for the people who lost one?

ANSWERS:	NUMBER:	PERCENTAGE:
They should engage more	132	55%
Trade union should take care of the people employed	108	45%
TOTAL:	204	100%

GRAPH 12:



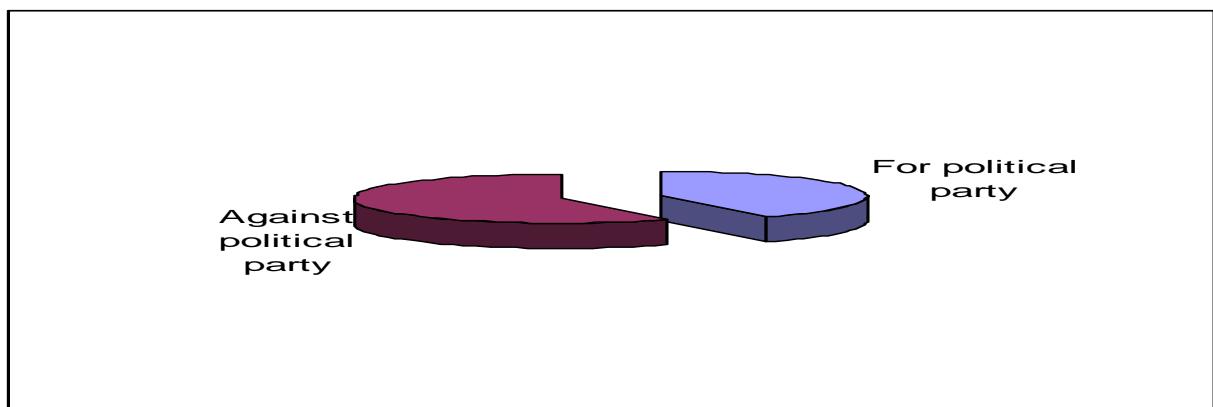
55% of members questioned think that Trade union should engage more in aiding the members who has lost their jobs. KNG Trade union should therefore put more focus in finding new employment for the members who has lost their jobs and take care for members on life-long basis.

- **Question number 13:**

Would you be interested in Trade union to have its own political party?

ANSWERS:	NUMBER:	PERCENTAGE:
I would be interested	99	41,25%
Trade union should remain apolitical	141	58,75%
TOTAL:	204	100%

GRAPH 13:



41, 25% of members questioned think that Trade union should stay apolitical. I believe members are not really familiar with the benefits Trade union would get from lobbying or having its own political party. I believe answers would be different with more information.

5.2.4. Summary of the research

In general members of Trade union are satisfied with the work trade union is performing. According to that unionization negative trend going on in Slovenia and KNG Trade union is not, because members are going out, but because new members are not being attracted. Therefore KNG Trade union should focus more on the non-members and members of the competitive Trade union to attract as many as possible with right targeting in the way of communication and additional services they are offering.

KNG Trade union members are also very well familiar with the current work and organization, but they would like to be more informed about work going on, so there is a necessity to provide members with more information, mainly by new communication channel like internet, email, and direct marketing, which are according to survey a neglected issues. Members of Trade union also trust their representatives, but with certain limit, which by my opinion is just a result of absence of good information about good work representatives are doing which could be solved by introducing Public relations office in the KNG Trade union. PR office could also improve the general image of KNG Trade union and Trade unions in general, which is according to members average or not so bad, but I believe if questionnaires would be put to general public the results would be worse.

Additional service are really not in mind of members, which is by my opinion the result of not being aware, Trade union could do something more, than just negotiate about wages, working time and working conditions, which are the three tasks, KNG Trade union members value the most. I believe Trade union could and should introduce new services which would make the life of their workers cheaper, and when members would realize the benefits, their opinion on the importance might change. Additional service would definitely attract non-members and increase competitive advantage of KNG Trade union over other Trade unions.

Majority of members of KNG would also be interested in after-work education if they would be forced to and quite big part of pie would like to, therefore I think taking care of additional education for members would bring a competitive advantage, especially because business environment nowadays is requiring a flexible work force, and flexible means well educated with ability to adopt to changes fast and has multiple skills. Life-long employment nowadays is over; therefore only security workers can have are their skills and knowledge.

Members would also like KNG Trade union to engage more in aiding the unemployed, so I think there should be serious steps made towards better help of members, who has lost their jobs, much more, than just helping them in application writing, which is the fact in today's work.

Majority of questionnaire thinks KNG Trade union should stay apolitical. The reason for that result by my opinion is in not knowing all the benefits, Trade union would have in having its own parliamentarians. If members would be provided with the facts of benefits, I believe the general opinion would change.

5.2. INTERVIEW WITH KNG TRADE UNION REPRESENTATIVES ABOUT POSSIBLE CHANGES

5.2.1. Reason for doing interview

I decide to do the interview in order to present the proposed changes that could be implemented in KNG Trade union working agenda to representatives and than to include their comments and suggestions and find out, which changes can be, and are necessary to be implemented.

5.2.2. Method and source of interview

I have done interview with the president of KNG Trade union Mr. Janez Justin, who showed a great deal of cooperation and for what I am really thankful. He also talked with the presidential board about proposals; therefore his opinion is also shared with the opinion of presidential board.

I explained my survey results to him and than the possible changes that could be implemented in the work of Trade union. I thoroughly described my proposals and than I listened to his comments on each of the field the changes were proposed. The whole interview which was not purely questions and answers, but a constructive debate on all the issues proposed by myself, took about two hours.

5.2.3. Marketing based strategies in the Trade unions

Branding:

I explained to him that the image of Trade union worldwide is not really good, though my research in Slovenia showed a different result, according to survey done by some researchers in USA, and asked him what is by his opinion the image of Trade unions in Slovenia?

By his opinion image of Trade union in Slovenia was really bad in the beginning of 90s till 1997, after that it has improved. Newspapers articles changed its attitude about Trade unions questions and also politics started to look at Trade unions more positively. He sees the correlation between image and workers law being implemented in Slovenian judicial system. If laws are more worker unfriendly the image of Trade union improves and opposite.

The image improved by itself, because nothing has been done to change it on purpose. He thinks there should be more effort put to this question, because good image brings many benefits to organization.

Mission and Vision statement:

After explanation of what mission and vision is all about and the benefits organization might have from implementing them, not only on paper, but also in the head of representatives, members and general public, I asked Mr. Justin if there was something done o that subject and what is his opinion on that?

Mr. Justin explained that there has been nothing done on the mission subject, but here has been some talks and plans about 5 year strategy KNG trade union should have. It all stayed with talk, so there is no strategy implementation of this organization, and there is definitely no vision, so KNG trade union doesn't have a snapshot picture of its future.

He believes there should be more done on this matter and also that there should be more emphasis put on strategic planning.

Public relations:

I asked the president why there is not Public relations office in KNG Trade union, though it's so obvious it is a necessity today for all organizations in order to function properly?

Mr. Janez Justin said that he is aware of the problem and sees it as the cancer wound of KNG Trade union. He explained that he has been trying hard to persuade the presidency of PR importance and that he has been pretty unsuccessful in doing that. The presidency board, or most of them are pretty conservative and they see PR as unnecessary cost. Mr. Justin tried to persuade them that that is actually an investment but things didn't change. They have started to change their attitude lately, due to massive strikes that took place in Slovenia and pretty bad media response. Due to this slow change in attitude Mr. Justin thinks Public relations will be implemented but really slowly, forced by another unsuccessful event.

They are now receiving clipping from Pristop Company, but not many are reading it, and even when some wrong or bad article took place, there is nobody to write back or give opposite information.

Direct marketing:

I explained to him that Trade union should use the direct approach in persuading non-members and members of competitive Trade union to join to KNG trade union. They should get a database of non-members and members and than try to approach them by mail or in person.

He thinks there could be some elements of direct marketing used, because nowadays KNG Trade union is not doing anything in attracting new members especially new workers, but sees the problem in getting a database of non-members. He said that there are many employees employed only on non-permanent contract and that they are leaving in three months, which is the time Human resources of the company are providing them with data of new employee. That is the main problem by his opinion why youth in not joining Trade union, because many of them has non temporary contract, which is just being extended or not.

I recommend than to him to have a life long membership in Trade union and promote it, so that even if somebody leaves the company he is still a member of Trade union and receives all the benefits, so getting a member even a few day before he leaves is not a problem.

I also asked him why there is a limit that the member of Trade union should be employed in the industry the Trade union works in.

He said that it was not like that in the beginning of 90s, but some Trade unions forced that to others in order not to have a cannibalism effect, but it is not respected very well, because KNG Trade union has its members also from other branches (i.e. paper industry).

Advertising:

There has been no advertising done in order to promote current work of KNG Trade union, or to improve the image of Trade unions overall, but advertising always followed actions being organized from the Trade union. In this case they are using, leaflets, radio, television commercials, newspapers, pencils, etc. The advertising part is usually outsourced to one company which is chosen from the side of Presidential board.

The greatest success of Trade union advertising is the pension reform, being done in Slovenia, where the Trade union statements were backed up by heavy advertising campaign.

I asked Mr. Justin if there is any survey of advertisement effects and he answered that there has been no surveys done, so they actually don't know the cost-benefit of advertising, so they can not say whether advertising has been successful or not.

Internet and Web page:

When we talked about web page, he told me that he is aware KNG Trade union web page is not a good one, mostly because there is no one to modify it and put fresh information on it. There has been some try from the secretary to do so, but it didn't work out.

I explained to him that web page is part of organizations id and that it informs internal public (members) as well as external public (media, experts, politics) about the current work, history, organization, mission, vision, etc., and that it might create a positive feelings of somebody to that organization in our case KNG Trade union.

He agreed to me and sees the improvement of web page as one of primary goals of Trade union.

I asked him about, whether there has been any efforts put in establishment of intranet, which is widely used by international Trade unions?

He answered that he is aware of benefits of intranet, which he is already using to get some informations from international Trade unions web pages, and that there has been some efforts made to promote KNG Trade union intranet from his side, but no real cooperation has been shown by his colleagues till now.

5.2.4. Additional service strategies

When we talked about additional services that could be implemented in the work of KNG Trade union, especially discounts he said that there has been much more done on that issue in the beginning of 90s. Today all discounts are in majority limited to one company. He agrees that the centralization of KNG Trade union in this field would make a bigger bargaining power and get some more discounts, but he said centralization never took place. When I asked him why, he said that he doesn't know and that it is an issue nobody talks about.

The only centralization taking place is on the issue of buying a New Year presents to KNG Trade unions members, when all members get the same presents.

Then I presented the results of my survey on the issue of after work education, which the KNG Trade union members think it is a good idea. He agrees there should be more done on that issue and that it is a part of future agenda of Trade unions overall.

Than he talked about additional services Sava Trade union is offering to its members. There are quite some benefits, but the problem exist, because Trade union members are not well informed about the benefits and discount they have as a member.

5.2.5. Finance based strategies

We talked about the financial benefits Trade unions in Sweden are having, and that the financial investments presents 50% of their earnings.

I asked Mr. Justin about the financial part of work in the KNG Trade union. I also said to him that managing finance would require more experts, not only one (secretary general), in order to get all the benefits of finance management and than pointed out the possible outsourcing of finance function, if they think employing new people would be too expensive.

Mr. Justin agrees that one person managing finance is not enough and that there has been some tries to attract members working in the finance departments of the companies to help Trade union with its investments, but that was practically all.

We also talked about diversification of investments, because nowadays KNG Trade union has all of its money in one Trade union saving house. I explained to Mr. Justin it is dangerous to have all the money in one bag, and he told me he is aware of that, and that there should be some changes made about investments. There is an urgent need of diversification.

5.2.6. Organizational based strategies

We talked about Trade unions pluralism that exists in Slovenia, about competition between Trade unions and negotiations of Trade unions for non-members.

Mr. Justin agrees that it is a problem to have as many as six or more umbrella organizations and competition among Trade unions in the same industry. By his opinion trade unions in Slovenia should join forces in order to get more power and by using that, more fair distribution of national GDP.

Lately there are tries of merger of Trade unions of industrial private sector, and he thinks it is good idea and wish KNG Trade union to join.

About negotiations of collective and branch agreements also for non-members, Mr. Justin thinks it is no problem, because there are some extra benefits for members, like having the rights to veto from Trade union in case of disputes, which means worker continues to work till the end of the process, etc.

He explained that in Germany they had a bargaining only for members, but than employees paid the non-members of Trade union more than it was negotiated for members, and Trade

unions started to loose its members. Overall he thinks bargaining also for non-members have its pros and cons, but he is satisfied with the state in Slovenia.

5.2.7. Trade unions in politics

Mr. Justin said that there has been some tries for Trade unions to have their own political party at the beginning of 90s. Party called Workers party (Delavska stranka Slovenije) was established, but it didn't function properly. He doesn't know the reason why but, but it just didn't work out.

He agrees that party would make a Trade union stronger, but he also thinks Trade union having its own political party nowadays is not feasible.

When we talked about lobbying, he said Trade union started to use lobbying lately and it proved to be successful at least in one case, when the referendum was being done about whether shops should be closed or open on Sundays.

He thinks Trade union should focus more on lobbying and try to find its political allies in the parliament.

5.2.8. Summary of the interview

Interview done with the president of KNG Trade union gave me some suggestion which of my proposed solutions can in fact be implemented in the current agenda of Trade union.

We talked about marketing based strategy, additional service strategy, finance based strategies, organizational based strategies and about Trade unions in politics. Basically the president of KNG Trade union agrees with all the proposed changes and think they can be and some of them has to be a future work agenda of Trade unions overall. But he also thinks it would take time for them to be implemented.

The only things which could be implemented and are a necessity are marketing based strategies, especially Public relations and internet. He thinks Public relations are a handicap to work of KNG Trade union and should be implemented as soon as possible.

6. MAIN FINDINGS AND RECOMMENDATIONS

6.1. MAIN FINDINGS

Negative trend of unionization in developed countries:

My research showed that there is a negative Trend in unionization in developed countries. Even Trade union fortresses like Nordic countries are slowly loosing its members. Still Trade union is the world's largest organization in nominal terms.

The image of Trade unions world-wide is poor:

Trade unions worldwide are facing image problem. General public means that the Trade unions representatives are corrupt, lazy, autocratic, etc.

The most successful case of Trade unions agenda - the case of Sweden:

Sweden model of Trade unionism proved to be the most successful and should be benchmarked by other countries. Swedish level of unionization is around 90%, which is the highest figure of all countries and the bargaining power and influence of their Trade unions is prominent.

Negative trend of unionization in Slovenian unions:

Survey in Slovenia shows that there is a negative trend of unionization in Slovenia. From 69% employees being a member of Trade union in 1989, there were only slightly more than 40% of them in 1999.

Pluralism of Trade unions in Slovenia:

We have many umbrella Trade union organization in Slovenia. The biggest is the Union of Free Trade Unions of Slovenia and it has 50% of members, the others have around 10%. Membership is therefore fragmented and is reducing the bargaining power of Trade union, comparison to Employers and the Government.

Trade unions competition in Slovenia:

There is a competition among Trade unions in the same industry. There are two or more Trade unions, competing with each other for the members.

KNG Trade union membership:

KNG Trade union lost 17, 5% of its members from 1991 to 2003. It is not a big loss compared to others, but still they are facing negative trend to unionization.

Loss in membership goes mostly on the account of new workers not joining, not so much on the account on leaving the membership.

Members of KNG satisfaction:

Members of KNG think that they are not well informed, that they have good overview about work performance, trust their representatives, don't wish Trade union to become political, wish Trade union to engage more in aiding the unemployed, wish to have help with education and thinks the image of Trade union is not bad.

Opinion of representatives of KNG Trade union about changing agenda:

Representatives of KNG Trade union thinks changes are necessary, especially Public relations and Internet, all the others are the future possible agenda, but are not feasible at the moment.

6.2. RECOMMENDATIONS FOR THE FUTURE

Trade unions world-wide should adopt their working agenda to new circumstances in the business environment;

The reason of negative trend in unionization worldwide is showing that people see fewer benefits from being a member of Trade union. Trade unions should therefore change the agenda to gain back the legitimacy and reason d'etre they definitely have in organization of any country.

More emphasis should be put on brand development of Trade unions in order to change image of that institution;

Brand development should be the issue Trade unions worldwide should put an emphasis on. It would help with improving the overall bad image Trade unions are facing today.

Trade unions world-wide as well as in Slovenia should follow the example of Sweden where Trade unions model proves to be the most successful;

Swede case of Trade unionization should be followed by other Trade unions. The model should be carefully analyzed and implemented in the agenda of any Trade union, with slide modifications, according to government, culture, etc.

Umbrella Trade unions in Slovenia should merge and try to join as many Trade unions as possible;

Umbrella Trade unions in Slovenia should find a way to merge and increase the bargaining power against Employers and the Government.

KNG Trade union should adopt new strategies to attract new members, especially strategies how to attract young workers.

Real drop in KNG Trade union membership goes on the account of new workers not joining. Trade union should find the way to communicate and attract this segment of the market, which is becoming normal pattern of employment and a future member of Trade unions.

Trade unions in Slovenia should become more member oriented and try to add value in the eyes of their members;

Members are the one paying fees, so they are the most important and that should be incorporated in the heads of all the representatives. Member is the most important, therefore he/she need to be the center of our work endeavors.

KNG Trade union should focus more on after-work education which is nowadays a necessity and also a wish of KNG Trade union member;

Job security today means flexibility of worker. To become flexible worker needs a continuous education, which should be organized by Trade unions. KNG trade union members would according to survey be interested, if their Trade union would help them with after work education.

KNG Trade union should be more active in aiding the unemployed;

Members, becoming unemployed should be fully aided from the side of Trade union. Work of Trade union is not finished, when member gets compensation, but when he gets a new job.

KNG Trade union should establish Public relations office.

Public Relations office is today a necessity; therefore it should be as soon as possible incorporated in the work of KNG Trade union.

During the interview with KNG Trade union representatives we came to the conclusion that all proposed changes could be a future agenda of Trade union, however they are not feasible at the moment.

The only change feasible and according to the president opinion, and also very necessary is Public relations office. It would be an investment in better performance of Trade union and in gaining more legitimacy in the eyes of various publics.

I recommend hiring a person, who would be able to do all the marketing activities, with focus on Public relations. The person should be member oriented, have sense for their needs and create their wants.

7. CONCLUSION

Trade unions worldwide are loosing members. The same trends are present in Slovenia. According to Trade union representatives in Slovenia the reasons for negative trend are within the fact that we went through period of transition and members were lost due to restructuring and reducing the workforce in various industries. I agree that that caused the negative trend but we cannot blame the nowadays-negative trend to things going on ten years back. The main reason for negative trend is according to my opinion the change in business environment and inability of Trade union to adjust to those changes. Business environment faced external and internal changes:

Externally, the economic environment has become harsher. Global competition has intensified, putting new pressures on national industrial relations regimes. Massive job losses have emerged, and workforce has become subject to mass fluctuation. The political environment also changed and became more unfavorable towards Unions, due to high pressures of big multinational and domestic companies, and there is different management practice of the employers being used, which is becoming more enabling, team building, career planning and has therefore a negative effect to Union membership.

The internal problem Trade unions are facing today is the concept of average worker, which used to be fully employed, but today all so called atypical working schemes appeared, part time job, self employment, etc.

Trade unions should therefore try to adjust to the changes and build an additional value added to members and non-members on the work they perform.

Doing my research I come to conclusion that Trade unions should first change their mind set and finally realize that they have been put on the market, that they have a customer (members) whose needs need to be satisfied in order for him or her to become or stay a member. Creating different wants, by using marketing techniques could also bring some additional value added in the eyes of members and latter overall society and increase legitimacy of Trade union as an institution.

They should carefully redefine their mission and create a vision, which is more individually oriented and more cooperative with all three social partners.

Trade unions can add value to members' lives – and enhance their own appeal - by recognizing that it is not just about what trade unions do, but how they do it. In addition, trade unions can add value for employers. This is often an uncomfortable thing for employers and policy makers to come to terms with. As importantly, it is also sometimes an uncomfortable thing for unions themselves to accept. They can cooperate with employers and look for better future of the company and by that better future for their members.

Trade unions should also be more members oriented and it is by my opinion mindset, Trade unions representative should have. Members are paying dues, which are optional, (They can go out of Trade union) so they have to look at as a customer, who expects a quality and necessary service. The customer (member) therefore needs to be informed about the service he is getting, needs to have a feeling that he needs the services, and that he is getting value added, he is paying for.

According to my survey the members of KNG Trade union are satisfied and well informed with the work Trade union is doing, therefore I believe KNG Trade union should focus more on young employees, mainly employed for a few months, which do not see the benefits of Trade unions and are facing the danger to be fired. (The temporary contract is not extended). I think the young workers, no to be joining, are the reason for negative trend in KNG Trade union and Slovenian Trade unions overall.

The worst part missing in the agenda of KNG Trade union is Public relations office. Even if KNG Trade union do something good, nobody knows about it or are badly informed, though my survey showed that the members feel they are well informed. Still they answered that they would like to be more informed.

I believe KNG Trade union should introduce some new information distribution channels in order to promote the work and services they are performing. Today only newsletter, co-workers and Trade union representatives, according to my survey, are the distribution channel. They should focus more on Internet and try to go in direction of e-Trade union, which I think is the future.

I believe changes in agenda of Trade unions should and will take place, because market will do it for Trade union representatives. If Trade union will be doing a good job, it will survive, otherwise it will lose its members and new one will be established, with better more suited agenda. I don't believe Trade unions are an obsolete institution; just their agenda might be obsolete. There must be some organization, which represents the will of workers; therefore market will create new Trade unions.

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9. APPENDIX

1. QUESTIONNAIRE IN SLOVENE LANGUAGE:

ANKETNI VPRAŠALNIK: (anonimni anketni vprašalnik)

Sem Jure Soklič, absolvent podiplomskega magistrskega študija ekonomije. Delam raziskavo o sindikatih v sklopu magistrske naloge, zato bi Vam bil močno hvaležen, če bi mi pomagali z izpolnitvijo anketnega vprašalnika.

Anketni vprašalnik bo v veliko pomoč tako meni pri izdelavi magistrskega dela, kot sindikatu, za še boljše delo le-tega. Hvala!

1. Kakšno se Vam zdi delo sindikata?

A: Zelo dobro	B: Dobro
C: Dokaj slabo	D: Zelo slabo

2. Kako dobro poznate delo in organiziranost sindikata KNG (kemija, nekovina, gumarstvo)?

A: Zelo dobro sem seznanjen	B: Zadovoljivo poznam
C: Slabše poznam	D: Ne poznam

3. Kako dobro poznate delo in organiziranost sindikata v vašem podjetju?

A: Zelo dobro sem seznanjen	B: Zadovoljivo poznam
C: Slabše poznam	D: Ne poznam

4. Ali bi si žeeli boljšo informiranost o samem delu sindikata (pogajanja, odločitve, sklepi)

A: Želel bi biti bolje informiran

B: S trenutnim sem zadovoljen

5. Na kakšen način dobite informacije s strani sindikata?

A: Internet

B: Sindikalni zaupniki

C: Sindikalno glasilo

D: Od sodelavca

E: Drugo

6. Kakšno stopnjo Vašega zaupanja uživajo predstavniki sindikata KNG? (zaupniki, predsedstvo, itd.)

A: Močno jim zaupam

B: Zaupam a le pogojno

C: Nekdo mora biti na teh mestih

D: Jim ne zaupam

7. Kakšen status imajo sindikati na splošno po vašem mnenju v širši družbi?

A: Uživajo velik ugled

B: Ni slabo biti 'sindikalist'

C: Uživajo čisto povprečen ugled

D: Imajo zelo slab ugled

8. Na kakšen način sodelujete v sindikatu?

A: Z aktivným delom

B: S podporo vsem akcijam

C: Ne sodelujem

D: S podporo akcijam , ki se mi zdijo pomembne

9. Katera članska ugodnost se Vam zdi najpomembnejša? Vstavi številke od 1-5 , 1 -najpomembnejša, 2,3,4,5 -ni tako pomembno).

Pomembnost

- Pogajanja o kolektivnih in panožnih pogodbah _____
- Brezplačna pravna zaščita _____
- Pomoč v sindikalnih hranilnicah _____
- Ugoden počitniški oddih _____
- Ugoden nakup osnovni življenjskih potrebščin _____

10. Kaj pričakujete od članstva v sindikatu? (možnih več odgovorov)

A: Zagotovitev brezplačne pravne zaščite

B: Zagotovitev boljših pogojev za delo in višje plačilo

C: Cenejše nakupe

D: Pomoč pri dodatnem izobraževanju

E: Organizacijo družabnih dogodkov

F: Skrb za stalno zaposlitev in za razvoj kariere posameznika

G: Drugo _____

11. Ker je in bo v bodoče še bolj pomembno znanje, bi v sindikatu lahko poskrbeli za izobraževanje. V kakšni meri bi bili zainteresirani za izobraževanje (prekvalifikacijo), če bi bilo organizirano s strani sindikata?

A: Zelo me zanima

B: Če bi me razmere prisilile

C: Mogoče

D: To je čisto nepomembna stvar

12. Ali bi bili zainteresirani, da bi se sindikat bolj angažiral pri zaposlovanju nezaposlenih?

A: Večje angažiranje bi bilo potrebno

B: Sindikat naj skrbi za zaposlene

13. V kakšni meri bi bili zainteresirani, da bi sindikat organiziral lastno politično stranko in preko nje poizkušal izboriti večje pravice za delavce?

A: Bil/a bi zainteresiran

B: Sindikat naj ostane nestrankarski

Vaša stopnja izobrazbe (obkroži):

A: Osnovna šola in manj

B: Srednja šola

C: Višja stopnja

D: Visoka stopnja ali več

Vaš spol: M Ž

Za izpolnitev vprašalnika se Vam najlepše zahvaljujem in Vas lepo pozdravljam!

JURE SOKLIČ

2. QUESTIONNAIRE IN ENGLISH LANGUAGE:

Questionnaire: (anonymous questionnaire!)

I am Jure Soklič, master's degree student of MBA. I am doing the survey in Trade union as a part of my master's theses; therefore I would be grateful if you would help me with filling out this questionnaire survey.

This research will be a great help to me doing my master's theses, as well for the Trade unions in improving the performance of their work. Thank you!

1. What do you think about work of trade union in general?

A: Very good	B: Good
C: Bad	D: Very bad

2. How familiar are you with the work and organization of KNG (chemical, non metal and rubber) Trade Union?

A: Very good	B: Good
C: Bad	D: Very bad

3. How familiar are you with the work and organization of Trade union in your company?

A: Very good	B: Good
C: Bad	D: Very bad

4. Would you like to be better informed about the work being done in Trade union?

A: I would like to be better informed

B: I am satisfied with current information, being provided to me

**5. How are you provided with information about work being done by Trade union?
(There were more answers possible!)**

A: Through internet

B: Through Trade union confidential

C: Through Trade union newsletter

D: From coworker

F: Something else _____

6. How high is the level of confidence you have in KNG Trade union representatives?

A: They have my full confidence

B: I trust them but to certain limit

C: Somebody needs to do the work they do

D: I don't trust them

7. What is by your opinion a reputation of Trade unions in the broader society?

A: They have great reputation

B: It is not bad to be trade unionist

C: They have an average reputation

D: They have bad reputation

8. What is the type of your participation in the trade union?

A: With active work

B: With backing up all the trade unions actions

C: I do not participate

D: With backing up the actions that seems to have relevance

9. Which Trade unions membership benefit seems to be for you the most important important? (The scale was from 1-5, with 5 as the most important.)

Importance level:

- Negotiations about collective and industry agreement _____
- Free legal protection _____
- Non profitable loans _____

- Cheaper holiday arrangements _____
- Cheaper purchasing of goods _____

**10. What do you expect from being the member of Trade union?
(More possible answers!)**

- A: Free legal protection
- B: Better wages and working conditions
- C: Cheaper purchasing of goods
- D: Help with education
- E: Organization of social gatherings
- F: Taking care of life-long employment
- G: Others _____

11. Would you be interested in after work education in order to get more knowledge to be more flexible in the labor market?

12. Would it be a good idea for Trade unions to focus more on the getting new job for the people who lost one?

A: They should engage more

B: Trade union should take care of the people employed

13. Would you be interested in Trade union to have its own political party?

Your level of education (circle):

A: Primary school or less

B: High school

C: College degree

D: University degree or more

Gender: Male Female

Thank you for filling in the questionnaire, Regards!

JURE SOKLIČ