

Towards a resilient labour movement: Reforming trade union practices in Malaysia

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ABSTRACT

The labour movement in Malaysia, mirroring global trends, faces major challenges such as declining union membership, restrictive legislative frameworks, and limited adaptation to technological and demographic changes. This study aims to propose reforms that enhance the resilience and relevance of Malaysian trade unions in a rapidly evolving labour landscape. Using a conceptual analysis approach, supported by case studies and international comparative practices, the study examines structural, legislative, and operational barriers affecting unions. Key findings reveal fragmentation among unions, outdated legislation, and low engagement with younger workers and those in the gig economy. Recommendations include consolidating unions, integrating good faith bargaining into the Trade Unions Act 1959, and utilising digital tools for member engagement. Drawing from successful global practices—such as union-employer partnerships in Scandinavia—the study underscores the importance of leadership capacity-building and alignment with international labour standards. These reforms are essential for revitalising Malaysia's trade unions, strengthening equitable labour relations, and contributing to socioeconomic stability. Moreover, the study highlights the broader societal value of a resilient labour movement in achieving Malaysia's vision for inclusive and sustainable national development.

1. Introduction

The global labour movement stands at a pivotal moment, confronting significant challenges and opportunities amid rapid transformations. Historically, trade unions have been instrumental in securing workers' rights and improving labour conditions. However, they now grapple with shifting economic

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environments, technological advancements, and changing workforce demographics (Milkman, 2020). Globally, union membership has declined for decades; for example, unionisation in the U.S. has dropped from over one-third of the private sector workforce in the 1950s to just over 6% today (Bureau of Labor Statistics, 2023). This decline is also evident in other countries, driven by globalisation, corporate consolidation, and weakened enforcement of labour laws. The erosion of union influence has contributed to stagnating middle-class wages and widening income inequality, underscoring the urgent need to revitalise labour movements worldwide (Kochan & Kimball, 2019; Milkman, 2020).

Malaysia's labour movement faces similar global challenges, along with distinct local obstacles. Unionisation rates are critically low, at just 8.5% (Ismail et al., 2023), reflecting structural barriers and waning interest among workers. Economic inequality, workplace injustice, and political interference have further weakened unions' ability to push for meaningful reform. While recent initiatives—such as amendments to the Trade Unions Act and the National Human Resources Framework—seek to enhance union operations, gaps in representation, advocacy, and membership growth persist.

To explore effective strategies for strengthening trade unions, this study compares Malaysia's labour movement with those in Germany and Scandinavian countries, which are widely recognised for their robust and resilient union frameworks. Germany's co-determination model and sectoral bargaining systems ensure structured employer–union negotiations, fostering workforce stability (Weishaupt, 2021). Scandinavian countries (Denmark, Sweden, Norway) exhibit among the highest union densities (60–70%) and collective bargaining coverage rates (80–90%), underpinned by tripartite collaboration among governments, employers, and unions (Arnholtz, 2022). These models offer valuable lessons for modernising Malaysia's labour policies, strengthening collective bargaining, and ensuring union sustainability in an increasingly digital and globalised context.

This paper analyses the barriers hindering Malaysian trade union effectiveness and proposes comprehensive reforms to foster resilience. By addressing structural, legal, and operational challenges, the study offers a blueprint for trade union revitalisation, in line with global best practices and local realities. Preparing Malaysia's unions for a fast-changing labour market is essential to ensure they remain relevant actors in promoting fair and equitable labour relations.

Ultimately, revitalising trade unions goes beyond individual workplaces—it is a national imperative. Strong unions support inclusive economic participation, social justice, and national development. As Malaysia aspires to achieve developed-nation status, empowering its labour movement will be essential for building a sustainable and inclusive labour ecosystem.

2. Literature review

2.1 *Historical significance and functions of trade unions globally and in Malaysia*

Trade unions have historically played a crucial role in advancing labour rights and promoting socio-economic justice. Initially formed as voluntary organisations to safeguard workers' rights, unions have evolved into key agents for promoting democracy, equitable labour relations, and social justice (Kuzhelnyi, 2020). Globally, their influence extends beyond national borders through Global Union Federations, which align local efforts with international standards (Ford, 2013). Their core functions include legal support, worker representation, collective bargaining, labour standards enforcement, and public policy advocacy (Ewing, 2005; Kuzhelnyi, 2020).

In Malaysia, the development of trade unions has faced distinct challenges since independence. Government priorities to attract foreign investment often came at the expense of union strength and wage growth (Todd & Sundaram, 1988). This era was marked by the suppression of labour activism and limited union influence. Nevertheless, Malaysian unions persisted, organising workers in key sectors such as electronics and extending support to temporary migrant labourers (Wad, 2012). However, restrictive labour

laws and anti-union practices by transnational corporations have hindered progress (Bhopal & Todd, 2000). Revitalisation efforts increasingly focus on inclusivity and collaboration with global federations for resources and advocacy.

While unions in Malaysia and globally share a common origin in worker advocacy, they have evolved toward service-oriented, regulatory, and policy-driven roles. Current revitalisation efforts aim to adapt to emerging challenges and ensure unions remain effective in a rapidly changing labour environment.

2.2 *Impact of global trends: Neoliberalism and digital transformation*

Global trends, including neoliberalism and digital transformation, have reshaped the relevance and dynamics of trade unions, often challenging their traditional roles. Neoliberalism, characterised by globalisation, financialisation, and economic integration, has contributed to declining union density in affluent capitalist democracies. Factors such as increased imports, financialisation, and membership in economic unions like the European Union have significantly impacted unionisation rates (Vachon et al., 2016). These shifts have pressured unions to transform, moving from supporting established industrial systems to adopting radical political unionism as a response to exclusion from power and to navigate neoliberal labour policies (Upchurch & Mathers, 2012).

Digital transformation further complicates union efforts by altering traditional work structures. The rise of gig and platform economies has made organising workers more challenging, as employment relationships become increasingly fragmented. Automation and artificial intelligence (AI) also threaten job security, reducing the traditional membership base that unions have historically represented. Together, neoliberalism and digital transformation demand that unions evolve their strategies, embrace new forms of activism, and engage with broader social movements to remain relevant in an increasingly complex global labour landscape.

2.3 *Challenges faced by trade unions in Malaysia*

Trade unions in Malaysia face a wide range of challenges that undermine their capacity to represent workers effectively. Structurally, declining membership and union fragmentation remain key barriers. Ganesan (2016) attributes the fall in unionisation rates to generational shifts, with younger workers viewing unions as outdated and less relevant. Inter-union rivalry also weakens collective bargaining efforts and promotes inefficiency (Morshidi, Yussof, & Bahari, 2021).

Legislative restrictions further constrain union functions. The Trade Unions Act 1959 imposes stringent recognition criteria, limiting unions' ability to represent diverse workforce segments. Razak and Mahmood (2019) argue that the absence of mandatory good faith bargaining weakens negotiation outcomes. Additionally, the lack of alignment with international labour standards leaves Malaysian unions ill-equipped to address evolving workforce demands (Abd Razak & Mahmud, 2021).

Sociocultural dynamics also influence union participation. Nor et al. (2018) highlight generational differences in union perceptions, with younger workers expressing scepticism about union benefits. The rise of the gig economy and informal work further complicates engagement, as these employment forms often fall outside traditional union coverage (Shahiri, Osman, & Park, 2016). These dynamics collectively reduce the ability of unions to attract and retain members in a rapidly changing labour market.

2.4 *Germany*

Resilient labour movements in Germany exemplify how coordinated strategies and policies can enhance labour market stability, even during crises. A key mechanism is the *Kurzarbeit* (short-time work) scheme, which allows employers to reduce working hours during economic downturns, with the government compensating a portion of lost wages (Weishaupt, 2021). This approach successfully maintained

employment levels during the 2008–09 financial crisis and the COVID-19 pandemic. Similarly, flexible working time arrangements, such as time accounts and overtime adjustments, enable businesses to retain employees, minimising costs associated with rehiring and retraining (Rinne & Zimmermann, 2013).

Germany's social market economy is supported by neo-corporatist alliances that promote cooperation between government, employers, and labour unions. These alliances enable a unified response to economic shocks (Weishaupt, 2021). Effective coordination among public employment services, social partners, and firm-level unions ensures policy implementation remains efficient (Weishaupt, 2021).

Another critical factor is youth engagement. Tapia and Turner (2018) stress the importance of empowering young union members through leadership development and creative activism. Germany's approach to balancing environmental goals with job protection—particularly during the coal transition also illustrates the value of just transitions, which integrate both ecological and economic priorities (Kalt, 2021).

However, the COVID-19 pandemic revealed vulnerabilities in sectors that depend heavily on low-wage and migrant labour, such as the meat and postal industries (Neuhauser & Birke, 2023). Addressing these structural weaknesses is essential for maintaining long-term stability. Germany's experience highlights how flexibility, stakeholder cooperation, and inclusive strategies contribute to a robust and adaptable labour movement.

2.5 *Scandinavia*

Scandinavian countries—especially Norway and Sweden—offer compelling examples of strong labour movements that have withstood political and economic pressures. In these nations, well-organised unions and employer federations have helped maintain stable labour regulations and counteract populist challenges (Inghammar & Skjønberg, 2023). Denmark and Sweden, in particular, have balanced flexibility with equality, preventing dual labour markets and preserving inclusivity within their egalitarian systems (Arnholtz, 2022).

Historically, Norway's labour strength emerged during the European crisis of 1917–1920, when diverse worker groups—semiskilled, unskilled, and craft—unified in response to rapid industrialisation (Nilson, 1981). Sweden's unions demonstrated their influence in labour migration policymaking, notably by guiding recruitment of workers from Yugoslavia in the late 20th century to ensure alignment with labour interests (Svanberg, 2011).

These cases underscore the benefits of strong union representation, cooperative relations with employers, and adaptable strategies. The Scandinavian model shows how enduring partnerships and inclusive approaches can preserve labour market stability, even amidst shifting political, economic, and social conditions.

2.6 *Innovations in union strategies: Digitalisation and workforce diversification*

Trade unions are increasingly adopting innovative strategies to respond to the challenges of digitalisation and a more diverse workforce. In Italy, for instance, unions have worked to strengthen sectoral collective bargaining, relying on existing institutions to address emerging challenges in the digital economy (Gasparri & Tassinari, 2020).

A growing trend is the rise of digital unionism, where unions use social media platforms to reach wider audiences and promote worker rights (Carneiro & Costa, 2020). However, many unions still depend on traditional, one-way communication approaches, which limit meaningful engagement with their members. To overcome this, some have begun experimenting with new communication tools and framing techniques to expand outreach, although these efforts remain in early stages (Gasparri & Tassinari, 2020).

These developments reflect the evolving role of unions as they navigate technological change and growing workforce diversity. The success of these innovations will depend on unions' willingness to continuously adapt and modernise their organisational strategies to remain relevant in a rapidly shifting labour landscape.

2.7 Research gaps

Although labour reform is a well-discussed topic globally, there is a lack of research that specifically addresses Malaysia's unique combination of cultural, economic, and legislative dynamics. Many existing studies fail to account for the complex interrelationships among structural, legal, and operational challenges specific to the Malaysian context. Additionally, a comprehensive integrated framework—one that synthesises digitalisation, demographic changes, and union sustainability—is still underdeveloped in local research. Current literature tends to focus on isolated issues rather than offering holistic solutions that align with the realities of Malaysia's evolving workforce.

This gap highlights the pressing need for context-sensitive, multidimensional research. Future studies should aim to build conceptual models that reflect Malaysia's specific labour environment while incorporating international best practices in union revitalisation.

2.8 Conceptual framework

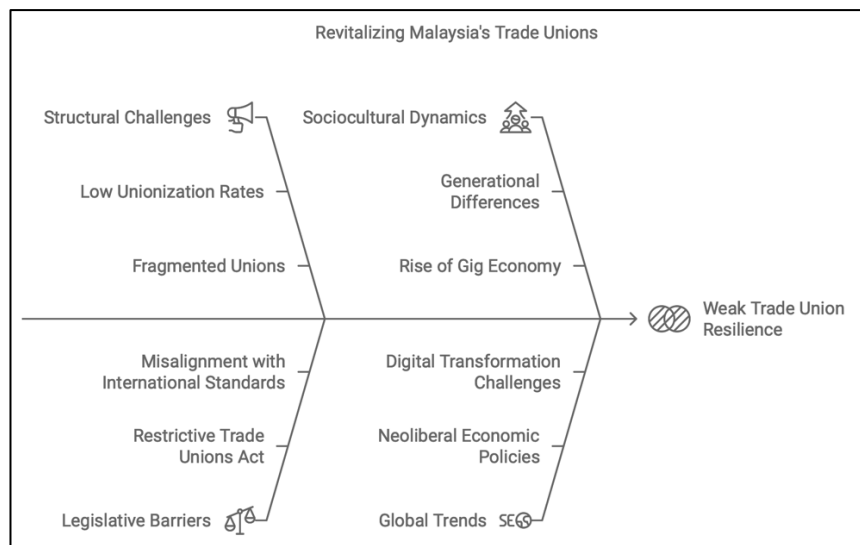


Figure 1. Framework for revitalizing Malaysia's trade unions

The proposed conceptual framework for revitalising Malaysia's trade unions identifies four key dimensions that constrain union resilience: structural challenges, sociocultural dynamics, legislative barriers, and digital transformation.

- *Structural challenges* include low unionisation rates and fragmented union structures, both of which weaken collective bargaining capacity.
- *Sociocultural dynamics* refer to generational differences in union perceptions and the growing presence of gig economy workers, necessitating more flexible and inclusive union strategies.

- *Legislative barriers* involve restrictive labour laws, particularly the Trade Unions Act 1959, and the lack of alignment with international labour standards, which collectively limit union effectiveness.
- *Digital transformation*, alongside global trends and neoliberal labour policies, requires unions to modernise their outreach and advocacy approaches.

These four components interact to undermine union functionality and sustainability. The framework provides a strategic lens for identifying areas of reform and guiding efforts toward a more resilient and future-ready trade union movement in Malaysia.

3. Methodology

This study employs a conceptual analysis approach, supported by case studies and comparative analysis of international trade union practices. The conceptual analysis examines theoretical perspectives on labour reforms and trade union strategies, providing a foundation for understanding both global and local trade union dynamics. Case studies illustrate the practical applications of reform strategies, while the comparative analysis highlights lessons from successful international trade unions, particularly in Germany and Scandinavia. These insights are contextualized within Malaysia's labour landscape, offering a nuanced understanding of the structural, legislative, and operational barriers affecting union effectiveness.

To ensure a comprehensive and evidence-based review, this study systematically gathered secondary data from scholarly databases, including Scopus, Web of Science (WoS), Google Scholar, ScienceDirect, ProQuest, and Taylor & Francis/Wiley Online Library. These databases were selected for their extensive coverage of peer-reviewed journal articles, conference papers, and institutional reports on labour movements, trade union effectiveness, and comparative labour policies.

The literature search focused on studies published between 2015 and 2023, ensuring the inclusion of recent insights and contemporary policy developments. The search terms used included "trade union reforms," "labour movement Malaysia," "union recognition laws," "collective bargaining strategies," "comparative analysis of trade unions," and "union participation in developing economies." Boolean operators (AND, OR) were applied to refine search results and ensure relevance. The selection process was guided by well-defined inclusion and exclusion criteria to ensure relevance and quality.

Table 1. Inclusion and exclusion criteria

Inclusion criteria	Exclusion criteria
Peer-reviewed journal articles, conference proceedings, and institutional reports.	Articles unrelated to trade unions or labour market reforms.
Studies published between 2013 and 2023 to capture recent developments in trade union reforms and workforce trends.	Studies focusing solely on historical perspectives without relevance to modern trade union challenges.
Research focused on trade unions, labour policies, collective bargaining, and comparative case studies in Malaysia and internationally.	Papers lacking empirical data, policy recommendations, or legal assessments.
Empirical studies or legal analyses addressing trade union recognition, membership trends, digital transformation, and legislative reforms.	

The initial database search yielded over 150 articles. After screening for relevance based on titles and abstracts, 85 papers were shortlisted for full-text review. Following further assessment based on the inclusion criteria, a total of 40 key articles were selected for detailed analysis. The selected literature was

analyzed using thematic analysis, and categorizing findings under key themes, including, structural barriers to trade union growth, legal and policy constraints, innovative strategies for union revitalization and comparative lessons from international trade unions. These thematic insights informed the case study and comparative analysis sections, ensuring that findings align with both global trends and Malaysia's specific trade union challenges. By integrating insights from diverse sources and comparative frameworks, this study provides a comprehensive evaluation of trade union reforms and their implications for Malaysia's evolving labour landscape.

4. Findings

Table 2 summarises selected studies examining trade unions in Malaysia. These works highlight critical challenges such as declining membership, restrictive legal frameworks, generational shifts, and sectoral disparities. Each study also presents context-specific recommendations for reform, ranging from digital engagement strategies to legislative amendments and capacity-building initiatives.

Table 2. Previous studies on trade unions in Malaysia

Author/Year	Name of Article	Method and Context	Key Finding	Recommendation
Ganesan (2016)	A review on factors contributing to declining trade union membership in Malaysia	Review; Focus on Malaysian workforce trends and generational perspectives	Explored demographic and economic changes, including younger workers' disinterest in unions.	Proposes innovative approaches to attract younger members, such as digital engagement strategies.
Shahiri et al. (2016)	Union relevance in the Malaysian labour market	Quantitative; Survey of Malaysian workers from multiple industries	Highlighted declining union membership and reduced relevance due to economic shifts and employer resistance.	Suggests promoting union relevance through strategic partnerships and alignment with labour market trends.
Abd Razak (2018)	Trade union recognition in Malaysia: Legal issues	Legal analysis; Review of trade union laws and recognition processes in Malaysia	Discussed restrictive legal frameworks limiting union recognition and efficacy.	Urges reforms to ensure compliance with international labour standards.
Nor et al. (2018)	Trade unions: Relevant or irrelevant? A study on generation's perception in Malaysia	Quantitative; Survey of different generational cohorts in Malaysia	Found generational differences in union perception, with younger workers viewing unions as less relevant.	Suggests tailored communication and benefits targeting younger workers.
Razak & Mahmood (2019)	Good faith bargaining practice in the trade union recognition process	Legal analysis; Examination of Malaysian trade union recognition framework	Identified weaknesses in Malaysia's trade union recognition legal framework, particularly in promoting good faith bargaining.	Recommends legal reforms to strengthen good faith bargaining practices.
Sinniah et al. (2019)	Employee intention to join a union in private university	Quantitative; Study on private university employees in Malaysia	Found that job insecurity and dissatisfaction drive union membership interest.	Recommends addressing workplace concerns to encourage union participation.

Author/Year	Name of Article	Method and Context	Key Finding	Recommendation
Abd Razak & Mahmud (2021)	Ratification of international labour convention and the reformation of trade union recognition process	Legal analysis; Comparison of Malaysia's labour laws with international conventions	Examined the need for Malaysia to align trade union recognition processes with international labour conventions.	Recommends ratification of key international conventions to improve trade union frameworks.
Morshidi et al. (2021)	Trade union and job changes in volatile times: A systematic literature review	Systematic literature review; Analysis of global union challenges and trends	Reviewed global challenges to unions, such as technological changes and economic volatility.	Suggests unions adapt to changes through digital tools and continuous upskilling of leaders.
Abd Razak et al. (2022)	Integrating corporate social responsibility in reforming trade union recognition process	Policy analysis; Assessment of CSR integration in Malaysian trade unions	Emphasized the potential of integrating CSR principles to enhance trade union recognition and legitimacy.	Advocates policy reforms to embed CSR practices into union frameworks.
Aziz et al. (2023)	Good practices to ensuring the sustainability of trade unions in public institutes of higher learning	Qualitative; Interviews with trade union leaders in Malaysian public universities	Identified practices like leadership training and member engagement as critical for union sustainability.	Encourages leadership development and regular member engagement activities.
Ismail et al., 2023	Strategies to encourage women workers to sign up and remain in trade unions	Mixed methods; Surveys and interviews with women workers in Malaysia	Found that women's participation in trade unions is hindered by workplace barriers, lack of awareness, and social factors.	Recommends gender-sensitive union policies, awareness campaigns, and better work-life balance initiatives.
Rahman et al. (2023)	Factors preventing public university academic staff involvement in trade unions	Qualitative; Interviews with academic staff from Malaysian public universities	Highlighted barriers such as fear of victimization and lack of trust in union effectiveness.	Advocates increased transparency and protections for union members.

The challenges identified in the literature reveal a complex interplay of structural, legislative, and sociocultural barriers that hinder the growth and effectiveness of trade unions in Malaysia. Structurally, declining membership and union fragmentation continue to weaken collective bargaining power. Morshidi, Yusof, and Bahari (2021) highlight that fragmentation among unions reduces overall efficacy, leading to inefficiencies in advocating for workers' rights. Strategies such as forming federations or merging smaller unions could strengthen union influence and create a unified front to address workforce needs effectively. Additionally, Sinniah et al. (2019) note the low participation of employees in private universities, suggesting that unions must innovate their recruitment strategies to attract new members, particularly in underrepresented sectors.

Legislative reforms remain crucial to revitalising trade unions and ensuring their sustainability. Razak and Mahmood (2019), along with Abd Razak et al. (2022), argue that the incorporation of good faith bargaining practices into the Trade Unions Act 1959 could significantly improve negotiation outcomes. Aligning Malaysia's labour laws with international standards, as advocated by Abd Razak and Mahmood (2021), would enhance unions' credibility and effectiveness within a globalised economy. These legislative changes would also strengthen compliance with International Labour Organization (ILO) conventions, helping Malaysia develop a more robust and equitable labour movement. Furthermore, Ismail et al. (2023) highlight gender-related barriers in union participation, suggesting the need for policies that encourage women's involvement, such as gender-sensitive union policies, awareness campaigns, and improved work-life balance initiatives.

Operationally, trade unions must modernise their strategies to engage younger workers and participants in the gig economy. Nor et al. (2018) emphasise the need for digital tools to enhance communication and member engagement, recommending the use of mobile applications and online advocacy platforms to bridge generational gaps and attract tech-savvy workers. Expanding union outreach to informal and gig economy sectors, as proposed by Shahiri, Osman, and Park (2016), is also critical for ensuring inclusivity and long-term relevance. Additionally, Aziz et al. (2023) stress that union sustainability depends on leadership development and continuous member engagement, calling for structured training programs to strengthen union leadership capacities.

In alignment with global trends, Malaysia can learn from labour movements in Germany and Scandinavia, where tripartite cooperation between unions, employers, and the government has led to a more stable and inclusive labour market. Ganesan (2016) highlights the importance of strategic partnerships in addressing workforce diversification and digital transformation. Rahman et al. (2023) and Aziz et al. (2023) further emphasise the need to remove institutional barriers and implement capacity-building initiatives, equipping union leaders with the skills needed for negotiation, advocacy, and digital adaptation.

By addressing structural weaknesses, implementing legislative reforms, and modernising operational strategies, Malaysian trade unions can regain their relevance and ensure equitable representation in an evolving labour landscape. These improvements are necessary for creating a resilient labour movement that can adapt to technological advancements, demographic shifts, and emerging economic challenges.

To contextualise Malaysia's trade union reforms, Table 3 presents a comparative analysis of union structures and strategies in Malaysia, Germany, and Scandinavia. This comparison focuses on legislation, union density, collective bargaining coverage, government and employer support, challenges, and innovation strategies.

Table 3. Comparative analysis of trade unions in Malaysia, Germany, and Scandinavia

Category	Malaysia	Germany	Scandinavia
Legislation	Trade Unions Act 1959, restrictive laws limit union recognition and bargaining power (Razak & Mahmood, 2019)	Co-determination laws, Works Constitution Act (1952), strong collective bargaining rights (Weishaupt, 2021)	Strong union-employer cooperation, sectoral bargaining agreements (Arnholtz, 2022)
Union density (%)	8.5% (Recent increase due to targeted recruitment, especially among women workers) (Ismail et al., 2023)	17% (Declining but stable influence) (Weishaupt, 2021)	60-70% (High union density) (Inghammar & Skjønberg, 2023)
Collective bargaining coverage (%)	Less than 10% (Limited reach due to sectoral fragmentation) (Morshidi, Yussof, & Bahari, 2021)	Approximately 56% (Strong sectoral bargaining) (Rinne & Zimmermann, 2013)	80-90% (Broad coverage due to inclusive agreements) (Arnholtz, 2022)
Government support	Minimal support, recent policies promote inclusivity but lack enforcement (Ismail et al., 2023)	Government-supported tripartite dialogue (Weishaupt, 2021)	State actively facilitates collective agreements (Arnholtz, 2022)
Employer cooperation	Moderate, varies by sector; improved in industries with union-led initiatives (Ismail et al., 2023)	High employer cooperation through works councils (Rinne & Zimmermann, 2013)	Strong tripartite cooperation ensuring workforce stability (Inghammar & Skjønberg, 2023)
Key challenges	Restrictive legal framework, declining membership, weak bargaining power (Abd Razak & Mahmood, 2021)	Pressures from globalisation, automation, gig economy expansion (Weishaupt, 2021)	Managing populist pressures, maintaining inclusivity with economic migration (Svanberg, 2011)
Innovative strategies	Digital engagement for youth, advocacy for legislative reform, sectoral cooperation efforts (Nor et al., 2018)	Short-time work (Kurzarbeit), structured vocational training, youth engagement in unions (Tapia & Turner, 2018)	Flexible work models, digitalisation strategies, union representation in policymaking (Kalt, 2021)

The comparison of trade unions across Malaysia, Germany, and Scandinavia highlights significant differences in legislation, union density, bargaining power, government involvement, and employer cooperation. Malaysia's trade union landscape is constrained by the restrictive Trade Unions Act 1959, which limits union recognition and bargaining strength (Razak & Mahmood, 2019). In contrast, Germany benefits from co-determination laws and the Works Constitution Act (1952), which provide a robust framework for collective bargaining and worker participation in decision-making (Weishaupt, 2021). Meanwhile, Scandinavian countries adopt a sectoral bargaining approach with strong employer-union cooperation, ensuring broad union influence in policymaking (Arnholtz, 2022).

Union density and collective bargaining coverage further illustrate disparities in trade union effectiveness. Malaysia has recently experienced a slight increase in union density to 8.5%, partly due to targeted recruitment efforts among women workers (Ismail et al., 2023), yet its collective bargaining coverage remains below 10% due to union fragmentation and sectoral limitations (Morshidi, Yussof, & Bahari, 2021). In contrast, Germany maintains a union density of 17%, with approximately 56% of the workforce covered by collective bargaining agreements due to strong sectoral bargaining mechanisms (Rinne & Zimmermann, 2013). Scandinavia stands out with the highest union density (60-70%) and

extensive bargaining coverage (80-90%), reflecting the success of institutionalized social partnerships and government-backed collective agreements (Inghammar & Skjønberg, 2023).

Government and employer involvement further distinguish the three regions. Malaysia's government support for unions remains minimal, with policies promoting inclusivity but lacking enforcement (Ismail et al., 2023). Employer cooperation is moderate and varies by sector, improving only in industries where union-led initiatives are strong. In contrast, Germany's tripartite model fosters government-supported dialogue between unions and employers (Weishaupt, 2021), and Scandinavian countries actively facilitate collective agreements, ensuring long-term workforce stability (Arnholtz, 2022). The key challenges facing Malaysian trade unions include restrictive legal frameworks, declining membership, and weak bargaining power (Abd Razak & Mahmod, 2021), whereas Germany struggles with pressures from globalisation, automation, and the rise of gig work (Weishaupt, 2021). In contrast, Scandinavia's challenge lies in managing migration and balancing populist policies with union inclusivity (Svanberg, 2011). To address these disparities, Malaysia can adopt innovative strategies observed in Germany and Scandinavia, such as digital engagement, sectoral cooperation, and structured vocational training to modernize union participation and advocacy efforts (Nor et al., 2018; Tapia & Turner, 2018; Kalt, 2021).

5. Conclusion

Revitalising Malaysia's trade unions is crucial to ensuring equitable labour relations and supporting national development in an increasingly dynamic labour market. This study highlights the urgent need for structural, legislative, and operational reforms to strengthen trade unions' capacity to protect workers' rights, improve wage conditions, and promote fair employment practices.

Malaysia's persistently low unionisation rate, restrictive legal framework, and limited bargaining power underscore the importance of reforming the Trade Unions Act 1959, expanding collective bargaining coverage, and enhancing employer–union cooperation. These measures are essential to improving labour market stability and worker protections.

Drawing insights from Germany and Scandinavian countries, Malaysia can modernise its trade union strategies by consolidating fragmented unions, leveraging sectoral bargaining frameworks, and fostering tripartite engagement between the government, employers, and trade unions. Equally important is the use of digital technologies to boost union engagement, especially among younger workers and gig economy participants. Encouraging greater women's participation will also help address leadership gaps and broaden union representation.

These reforms will not only restore union relevance but also contribute to sustainable economic growth and inclusive national progress as Malaysia moves toward developed-nation status. Strong trade unions support workplace democracy, reduce economic inequality, and foster resilient labour ecosystems.

Beyond theoretical contributions, this study offers practical insights for policymakers, trade union leaders, and industry stakeholders. Strengthening Malaysia's trade unions will enhance workplace democracy, improve labour market stability, and reduce economic disparities. Trade union leaders should adopt innovative recruitment strategies, including digital platforms and community-based engagement, to counter declining membership rates. Additionally, policy alignment with International Labour Organization (ILO) conventions can help Malaysia improve global labour compliance standards while protecting vulnerable workers in informal and gig economy sectors.

6. Future research directions

While this study provides a comparative framework for trade union revitalisation, several areas require further exploration. Future research could examine the effectiveness of digital union strategies in Malaysia and other developing economies to assess how online platforms, AI-driven advocacy, and digital organising

can increase union membership, and compare trade union responses to automation and AI-driven labour market shifts, identifying strategies to protect workers from technological displacement. Furthermore, future research could explore union engagement in informal and platform-based employment, identifying pathways to extend protection to gig workers. By addressing these gaps, future research can contribute to developing a robust, evidence-based framework for strengthening trade union reform that is both locally grounded and globally informed.

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Authors' contributions

Noorlailahusna Mohd Yusof conducted literature review and drafting the original manuscript. Hafizah Hammad Ahmad Khan supervised the first author through discussions, contributed revisions, and finalizing the manuscript. Noorayuni Rusli offered her expertise in the methodology and findings sections of the paper.



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