

THE FUTURE OF TRADE UNIONS

James David

The Ongoing Crisis

The last thirty years have no parallel in history. Never before has there been such relentless social, political, economic and technological change. *Two central phenomena are driving these changes.* First, there is the rise to dominance of neo-liberalism, which has also increased the influence of international organisations such as the WTO, World Bank and IMF. Secondly, there is the wave of democratisation, which began in Europe in the 1970s (Spain, Portugal and Greece) and then swept much of Latin America, South-East Asia and, recently, the former Soviet Union and Central and Eastern Europe.

The relative peace and the competitiveness had a major effect on the government and employer approaches to industrial relations. The resolution of industrial conflicts has become less a policy priority in itself as governments have turned their attention to the international performance of national economies and as the ‘threat’ of communism has faded. At the same time, international competition has made cost-reduction increasingly important for the management. The result has been a change in the focus of the industrial relations (IR) policy. Rather than being a mechanism to avoid conflict, *the aim of the IR policy has become the enhancement of competitiveness.*

There can be little doubt that trade unions around the world are struggling to come to terms with this change, **much of which requires a profound rethinking of union roles and practices** to adapt to an environment where change is the only constant. *There is even a growing questioning, not only on the political right but also within the union movement itself, whether unions have had their day.* Many people can be heard saying things like: “Unions were of course very important once upon a time, but their job has been done. The age of mass production is over. The new world is all about individual

relationships, and unions will wilt away. They had a glorious past perhaps, but have no real future.”

There is at least some evidence to support this view. *Union membership has been falling every year from its post-war peak in 1980.* Governments all over have cut unions almost entirely from the political loop, and their electoral strategists are convinced that attacking unions is a vote winner. A series of legal restrictions on unions have sought to undermine their capability to recruit and represent their members effectively. Industrial action has fallen, and there has been some significant union failures in using strikes. The cults of yuppie greed and macho management rule in the boardroom, and shareholder value is becoming the sole objective. Above all there is a wide restructuring across much of the economy, usually to the detriment of trade union membership and influence.

There is also a big decline in the kind of large workplaces that once made up the backbone of employment – the mines, the steel works, and the car factories. Male manual work – both skilled and unskilled – has been in inexorable decline. And as any historian will know, the two great waves of trade unionism growth came from male manual workers – first the craft workers and then the new unionism that organised the less skilled.

In addition, the utilities are being privatised and there is a concomitant job loss. This is too hard to ignore. Parts of the public sector are contracted out, and many public services are run down. We are told that unemployment is a price well worth a bargain for a lean and efficient management. Indeed job insecurity, we are often reminded, has to be seen as almost a desirable policy objective. Jobs for life has become yesterday’s dream – though some of us have failed to see them start in the first place. The new orthodoxy is that we will all hold portfolio jobs in the future. *Easy hire and fire is the new shortcut to economic prosperity – though perhaps not for the fired.*

So, why do unions refuse to die quietly? Can there be a real union renaissance? **What do unions need to do to ensure their healthy future?** What should their roles be at the workplace and in the wider civil society, including the political sphere?

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Is There a Basic Case for Trade Unionism?

Freedom of association is rightly prominent in every charter and declaration of human rights. It is no coincidence that authoritarians and dictators of both the left and the right usually crack down on trade unions as a priority. The vicious attacks on the union movement by the Mugabe regime in Zimbabwe today is a grim reminder of this eternal truth.

A free and democratic society needs to be pluralist. There must be checks and balances on those who wield power. There must be a voice for everyone, not just the rich, the privileged and the powerful. Wilfred Rogers, who was the first President of the Labour Representation Committee in the UK in 1894, put it this way: “There must be an independent life within the state to prevent Government from becoming Tyranny, and the trade unions will be chief among those who call that independent life into being.”

This basic principle holds good just as much for the workplace as it does for the wider society. While the 1970s raised questions about union power and influence, today the same questions are being asked about boardrooms. Inequality has grown. While directors’ pays soar, huge numbers of workers remain locked into poverty-pay rates. There also remains an unacceptable gender gap. Despite the equal pay legislation, women’s pays still lag almost 20% behind men’s. And too many – both in the North and South – continue to be blighted by discrimination and disadvantage at the workplace. All the evidence shows that if one is socially backward, he/she is more likely to be unemployed and less likely to win promotion up the career ladder.

The relationship between employer and employee is inherently unbalanced. **Trade unions enable employees to speak collectively**, pool their limited power in order to bring some balance to the employment relationship, and tackle the deep-rooted inequalities.

The most overworked cliché about democracy is perhaps that it is the least ‘worst’ system of government. The same point can be made about employer-union relationships. Industrial relations can break down from time to time. Disputes can become difficult and protracted. Unions – and their members – may not always get it right. *But a world where workers do not have the right to call on a union, or*

where industrial action is banned, would be more unequal and unfair, and less free and less democratic.

One can argue that **collective bargaining is the least ‘worst’ system of industrial relations.** Though these are all strong, principled arguments for trade unionism, they are of little use unless trade unionists apply them practically and convince others to join their ranks or treat them as partners.

Recent Trends in Trade Unionism

Recent figures show that unions have halted their decline, but have yet to secure a real advance. Union density has stopped falling and is now relatively stable. As total employment has increased in recent years, unions have indeed seen an increase in membership in some years.

The view that trade unions mainly comprise manual, blue-collar male workers is now very out of date. Union members are as likely to be professional white-collar workers. But there are two ways in which union membership differs sharply from the workforce as a whole, and these go to the heart of the challenges facing trade unionism all over the world today.

First, unions are far stronger in the public sector than in the private sector. Generally, three out of every five workers in the public sector are members of unions, while only one in five private sector employees are in unions. Several skilled professional workers are union members, but this is largely a public sector phenomenon. In fact, about 72% of the public sector professionals are unionised. Teachers – including those at the university level – are usually one of the most unionised groups in every country. This is also the case in the service sector. Though the private service sectors have some of the worst employment conditions, their union density is low. To organise a highly mobile workforce is indeed extremely challenging.

Second, unions basically fail to represent the youth. *Union density has fallen sharply among young people at work.* Some say this is the result of a change in attitudes among young people. If the figures are deeply analysed, they suggest a different explanation. For union density among young people remains high in the public sector, which however employs few young people. This suggests that what

unions are experiencing has more to do with workplaces than attitudes based on age. The problem is not so much that unions do not appeal to young people, but that trade unions are not well organised in the workplaces where young people are employed.

Research moreover shows that if one does not join a union when one starts work, he/she is less likely to join in a later job, even in a union workplace. It is best to get the union habit when starting work. Perhaps the most worrying trend for trade unions is the growing proportion of the workforce that has never been a union member. The most reasonable conclusion one can draw from the trends, is that *union decline has more to do with the changing economic and industrial structures than with workers walking away from unions.*

The problems are rooted in the decline of unionised workplaces – both their absolute number and the number of people they employ – **and the failure to organise in many new workplaces.** Even in sectors like manufacturing where unionisation is common, it tends to be the older workplaces that are unionised and the newer ones that are not.

Factors Working in Unions' Favour

The change in government attitudes and public perceptions is moreover crucial. While governments desire to be close to business, the cult of the macho manager who felt a failure without downsizing something every day now looks dated. Of course some employers remain ideologically opposed to trade unions, but more, though hardly enthusiastic, take into account the workforce wishes.

Changes in the law are also giving unions a fairer chance. New laws help tackle the hard-line employers, and encourage voluntary deals with others. New rights at work make it more worthwhile to be in a union, as unions are more able to provide help and assistance. And of course, there should be a resurgence of the public sector; more teachers and more health workers mean more union members. If needed, unions could also promote and lobby for the expansion and creation of public services.

Union/Management Partnerships

Partnership is a word whose meaning is contested. It does not mean an acquiescent workforce ready to accept anything from the

management, thus replacing the idea that workers and employers are always opposed with the equally mistaken view that they always have the same interests. **Partnership here rather means industrial relations based on the recognition that employees and their employer have both much in common and some inevitable differences.** *And that it is best to try and resolve those differences through consultation and negotiation,* as this can and should deliver gains for both sides.

The classic partnership bargain is security for flexibility. Employees who feel their jobs are secure are far more likely to agree to the flexibility that modern organisations need to respond to rapidly changing customer demands. And there is mounting evidence that high commitment workplace relationships do make companies more successful, and little evidence that unions hold back companies.

The gains for employers may include better workplace morale and commitment, reduced absenteeism and labour turnover, and the opportunity to tap the innovative ideas of their workers. **For workers there can be real gains,** not only in job security but also in the opportunity to genuinely participate in shaping their jobs away from command and control management styles.

A key issue in partnership organisations is the increasing role that unions can play in imparting skills and training. This is perhaps the biggest and least recognised development in modern trade unionism. All round the country, and across the economy, unions can be involved in delivering training in partnership with employers and learning providers of all sorts. Union projects can open up new learning opportunities at all levels – ranging from specialised vocational qualifications to courses giving workers basic literacy and numeracy skills for the first time in their lives.

The government can give a real boost to this quiet revolution in union work by establishing a **Union Learning Fund** that supports projects in workplaces. More often than not, the invitation to take up a new programme of learning from a fellow worker can make a huge difference by giving workers the confidence to take the plunge.

The key people involved in this venture are the growing army of **Union Learning Reps** – trade unionists who take on the new role of negotiating training with their employers, brokering new provisions

with academic institutions and learning providers, and offering advice and guidance and often moral support too to their fellow workers. It is also clearly of benefit to employers to have a more skilled workforce. *That is what we mean by the mutual gains approach: strong effective trade unions engaging with employers and confident enough to share problems.*

There is another factor driving partnership even in the midst of what is a very topical row. Unions are increasingly realising that their members own a large part of British industry through their pension funds. Unions flexed their muscles in the recent votes on executive pay, in Glaxo Smith Kline and HSBC for example. There is a network now of 1,000 union trustees nominated by their fellow workers to help run their pension schemes worth £ 260 billion. Institutional investors like the union pension funds and the insurance companies hold almost half of the shares in UK companies. This represents the savings of millions of ordinary people. *It is time unions everywhere start influencing the way their investment power is put to use.*

Unions need to look beyond campaigning against rich managements. Their new roles demand challenging the old adversarial union thinking. If union members want good pensions (and they do!), the companies in which their pension funds are invested must do well!

Unions and Political Relationships

Partnership is perhaps not the word that first springs to mind when considering the union relationships with the government. There is bound to be trenchant criticisms leading to strife over some government decisions and actions, however laudable their intentions may be. The government desire to provide a good climate for business to prosper may indeed be sometimes misconstrued by the unions with the vested interest lobbying by some business leaders. The unions may also confuse the good flexibility that comes from adaptable companies with skilled staff ready to meet customer preferences, with the bad flexibility of easy hire and fire.

The Future of Trade Unions

Fortunately or not, *tight control over labour costs and continuous improvements in productivity have become non-*

negotiable objectives. As a result, unions are expected to justify themselves in terms of ‘added value’ in the workplace. This is understood solely in commercial terms. This combination of factors has made union work more difficult everywhere. There has been a range of responses, but as yet no single model of new unionism has emerged as a clear winner. **Union reforms explore new possibilities in the four areas of structures, strategies, internationalism, and union/management relations.**

1. New Structures

This is perhaps the most common type of reforms. For many unions, particularly in the industrialised world, *structural change has been an important weapon in the struggle to hold ground.* Union mergers, for example, aim to benefit from the economies of scale, to increase the influence of individual unions, or to respond to changes in industrial structures and membership composition. In some cases, the pursuit of similar aims may prompt a more radical reform that changes the structure of entire union movements. The US labour movement is currently considering proposals for a reorganisation of this kind, while the Japanese Rengo is pushing for a new structure of industry-level federations.

In countries that have recently abandoned their ‘planned’ economy, formerly illegal independent unions and ‘successor’ unions have been obliged to work together in an attempt to establish an independent and democratic movement. Unfortunately, this has proved to be difficult and, in many cases, *the labour movement remains rather fragmented.*

2. New Strategies

Many unions have moreover made fundamental changes in their basic aims and strategies. Perhaps the best known of these reforms is the adoption of **the ‘organising model’**, in which a union’s purpose is understood to be the empowerment of workers to define and pursue their own interests. This contrasts the ‘servicing’ model, where the role of the union is to deliver services to a passive and dependent membership. The organising model requires that unions foster activism and leadership amongst the workers themselves, so as to form a ‘nucleus’ around which recruitment can

occur. This approach has been particularly influential in the US, the UK and Australia.

A different but complementary approach is ‘**social movement unionism**’, which emerged in the 1970s in countries such as Brazil, South Africa, Korea and Poland. This form of unionism goes beyond workplace struggles over wages and working conditions *to encompass campaigns about the living conditions of the working class as a whole* – housing and health, education, transport, etc. Workplace structures are linked to the communities in which the workers and their families live, challenging governments as well as employers. *As unions campaign on a variety of social issues, strikes and other protests about workplace issues tend to receive stronger community support.*

This social movement unionism is also beginning to take hold in the industrialised world. Arguments that unions should confine their actions to the workplace, leaving political action to political parties, are now seldom heard. Many PSI (Public Service International) affiliates are for example active in campaigning for quality public services. *The idea that unions should be more than mere interest groups and that they should play a major role in civil society as the voice of working people, is profoundly changing the nature of the labour movement.*

3. New Internationalism

One of the most distinctive new forms of collective organisation is **international trade unionism**. The increasing influence of international trade and financial regulations on the one hand, and the increasing power of multinational corporations on the other, point to *a clear need for union action at the global level*. Three developments in particular come to mind.

- Firstly, and closely related to social movement unionism, there is *the emergence of international co-operation and cross-border unionism*. One example is the “strategic organising alliance” established in 1992 between a US and a Mexican union. This alliance runs workers’ centres, educational, solidarity and cultural projects, an on-line monthly magazine, etc.

- Secondly, there is *the emergence of global framework agreements* between multinational companies and global union

federations. Detailed regulations on employment relationships are obviously impossible on this scale, but agreements can specify minimum standards and basic workers’ rights, formalise commitments to codes of practice and labour standards, and establish monitoring procedures.

- Thirdly, there is *the unification of the labour movement at the international level*. At the end of 2004, the ICFTU (International Confederation of Free Trade Unions) and the WCL (World Confederation of Labour) along with several national union federations currently affiliated to neither organisation, agreed in principle to unite at the global level. They planned, by the end of 2006, to speak with an unprecedented unity.

4. New Union/Management Relations

Unions are frequently obliged to choose between straightforward opposition to management plans and what might be called critical co-operation. At different times and in different settings, there may be compelling reasons for either approach. For instance, strategies of militant opposition may be the only real possibility for independent unions in circumstances where basic rights and liberties are denied to workers, or where fundamental employment rights are not respected.

The unions’ strategic choices however often reflect more than a tactical analysis of the immediate situation. They also bear the stamp of deeply held assumptions about the employment relationships. Militancy in this sense involves the assumption that the interests of workers and those of employers are necessarily in conflict. This view is characterised by the barest acceptance of the legitimacy of management and an adversarial approach to bargaining. On the other hand, the unions which are more inclined towards a partnership approach (cf. above, pp. 114-6), assume that workers and employers can usually find some common ground on which to build solutions and develop relationships.

Is There Truly A Common Ground?

When it comes to determining the appropriate response to contemporary ‘globalised’ management, the above opposing orientations have radically different implications. **But are militancy and partnership necessarily at odds?**

The PSI position is that trade unions must demand to be treated as genuine social partners in all major social and economic planning and decision-making. Nothing less. This demand applies to the workplace as well as to the corridors of power. Furthermore, governments have to choose whether they want the workers and their unions as part of the deal or whether they want them in united opposition. If the government is hostile to these principles, it must be made clear that it has chosen to throw away a chance for a redesigned society and has asked for conflict.

Unions have a clear sense of purpose. They stand ready to take on greedy employers, fight exploitation and press for social justice. But they must do this in the real world, knowing what their members want and working for successful organisations in a prosperous and productive economy. Furthermore, *unions should provide a good range of services to their members.* They will always have to play their traditional role of standing ready to help when things go wrong, but they also have to develop new roles – such as skill training – that help people get on at work, as well as get even.

Unions moreover need to break into the modern service sector economy. The major employment growth is going to come from the kind of workplaces where unionism has not been very successful at organising. This is not just a challenge for unions to market themselves better – though they must – but also to ask some hard questions about whether they need to change even further to make themselves relevant to new sectors and groups.

Unions must also make sure that *their members' experience of dealing with them is fast, efficient and effective* – as good as with the best of the other organisations and companies with which they deal. This is a great challenge as the front window for unions is normally a hard pressed local representative trying to combine union work with a busy job and all the other pressures of modern life.

Unions must develop better political relationships, not just with the government but with the other parties as well. In many European countries, unions have good relationships across the political spectrum. They recognise that *the process of social partnership has much to offer*, as indeed it has done in the UK on some issues – most notably

the setting of the minimum wage. Unions daydream if they expect their favoured political party to repeatedly win the elections and if they want to always extol the government... They should seek a better process of engagement than blind belief and docile deference.

The unions finally need to make sure that they are campaigning on a broad agenda that touches all their members. High-profile political issues make the news, but unions must be rooted in the workplace. They still have a huge job to do battling against low pay, while campaigning against growing inequalities must also be a key mission. **But other issues rooted in the lives of their members** – such as pensions, stress, work-life balance, bullying, discrimination, the chance to learn new skills and making jobs more rewarding and interesting, and greater productivity – **these must all be key union concerns too.**

The Key to Successful Reforms

There is no simple formula for union reforms. The old industrial relations priorities have disappeared, but alternative models are still being developed. We are faced with an untidy set of ad hoc, pragmatic practices. Their effectiveness and transferability between countries are uncertain, and union strategies must be developed by affiliates in their own national context. **Yet, some conclusions may be drawn from recent history.**

- Fragmented, multi-union structures are a serious impediment to effective organisation. Although care must be taken to ensure that no distinctive voice is lost, *the restructuring of movements into larger, industry-based unions must be a key objective.*
- *An active approach to organising is essential.* While maintaining and reinforcing existing areas of strength, unions must also direct their attention beyond traditionally unionised groups of workers to those sectors where union organisation has historically been weak, and to the informal economy.
- *Union involvement in action beyond the workplace is essential to the vibrancy, attractiveness and effectiveness of the labour movement.* This is as true for the counties where democracy is well established as it is for those where authoritarian regimes are still in place or are a recent memory.

- *International co-operation and solidarity between unions is an increasingly important element in the success of the labour movement.* Unions must generate the capacity to engage in this kind of action, whether this means cross-border co-operation between local union branches, or intervention in economic and financial governance institutions through unified global union federations.

A closer look reveals a common thread in these four conclusions: the key is unity.

If unions did not exist, someone would have to invent them.
Employers need to talk to employees, governments need views from the workplace and above all, employees need a collective voice.

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