

IS INDUSTRY BEING DEUNIONISED?

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"Is industry being de-unionized?". This topic has given rise to much controversy in recent years and is central to industrial relations today. Brian Donaghy's recent article in the Irish Times shows only too clearly the dilemma facing not only the Irish unions but those in Britain and America.

1. "On present trends the Irish Congress of Trade Unions is in dire danger of becoming little more than a talking shop, an organization holding an ever increasing number of conferences but commanding less and less attention.....

In the US trade unions have almost been wiped out, with less than 20% of the workforce now carrying trade union cards.....

In Britain the unions have been severely mauled by the Thatcher government and despite the years of cutbacks in the "social wages" of state provided health, education and social services, there is little public support for the union movement."

The above quotes would appear to point towards the fact that support for the trade unions is in decline. Does this mean industry is being de-unionized?

We will begin our discussion of de-unionization by firstly defining briefly what we mean by de-unionization. This of course deals with trade unions so we will define what a trade union does. We will then go on to examine the trends in trade unionism over time, highlighting the de-unionization process. The various factors giving rise to these trends will then be looked at paying particular attention to those leading to de-unionization. The conclusion will briefly discuss the reaction of trade unions to recent trends and any measures taken to relieve the situation.

De-unionization occurs as the result of a reduction in one of two variables. It can quite simply mean the reduction in the overall membership of trade unions. Alternatively de-unionization can also mean the reduction in the power of a trade union i.e. it can no longer carry out the function for which it exists to fulfill.

What is the function of a trade union?

An organization's function may be defined as the role or task it is required to perform and the means employed to carry it out. In essence a trade union may be defined as:

1. "any organization of employees which first has one of its main objectives negotiating with employers in order to regulate the pay and conditions of its members and, second, is independent of the employers with which it negotiates or seeks to negotiate."

Alternatively we can look at the Webbs' classical definition of a trade union

2. " a trade union is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives."

Whatever their role trade unions are a product of all industrial societies. They have existed for over one hundred years and much study has been done on trends in the development of trade unions. In order to examine whether industry is being de-unionized we must decide on certain indicators by which we can measure the growth and power of trade unions. One of the most common indicators is trade union membership and the pattern of membership.

Between 1945 and 1984 trade union membership in the Irish Republic practically tripled from 170.8 thousands to 501.8 thousands. This increase was characterized by periods of rapid and gradual growth up to 1981 but since then there has been a sharp reduction in union membership. In the decade 1961-71 new membership of 58,000 was achieved (18%) but this was improved upon 1971-79 when membership increased 29%. Union membership then dropped 1979-81 by 6%.

This pattern of growth and decline was matched by that shown in Britain during the same period. In America the day of doom came much sooner as pointed out in the Industrial Relations Journal in an article called "The mid life crisis of the American Labour Movement". Total union membership reached a high point of 30.5% in 1968 and has declined ever since. Up to 1980 the total number of unions grew annually but because growth in the total labour force was even greater, the annual percentage unionized figures showed a steady decline. Subsequent to 1980, the percentage decline was made more severe by actual reduction in the number of union members.

As indicated above in the American statistics a better measure of trade union membership levels is union density:

union density = the ratio of total number of members to total number of employees and total registered unemployed i.e. we are taking account of changes in the size of the labour force. If we just look at increases in the membership they could simply be due to increases in the labour force.

In the 1960s in Ireland union density increased. From 1971-79 the upsurge in membership was reflected in higher density levels (1979 highest density level 54%). Post 1979 the density levels dropped with a value of 48% in 1981.

The growth in union power up to 1979 and decline post '79 was demonstrated by a number of clearly observable trends. These include:

1. degree of collective bargaining
2. growth or decline in the number of trade union representatives and their participation in managerial decision making processes.
3. Government intervention in the national economy and involvement of the trade union
4. Employment laws - advantageous or disadvantageous to the trade unions.

Pre 1979 there was an extension of collective bargaining in employing organizations and at the workplace level. This led to a decrease in managerial power to make decisions without the go ahead of trade unions. There was a growth in the number of trade union representatives and their increasing participation in managerial decision making and day to day administration at the work place. Government intervention at this time clearly involved the trade unions thus increasing their overall clout. Any employment laws passed at this time were advantageous to the unions and led to their increasing power. Therefore up to 1979 in observing trade union activities we would conclude that they were a powerful group in society.

Post 1979 the situation was reversed. This period saw the weakening of trade union power in favour of employees and management. The unions have effectively been excluded from influencing government policy making and are threatened by economic recession.

In order to understand the recent de-unionization process we will examine the factors which have caused it. This involves a close examination of the environment in which trade union activities take place. One word of caution from Jackson before we proceed would perhaps be appropriate:

"It is clear that trade unions flourish in certain conditions rather than others However, while the environment in which unions operate is important it is not in itself a sufficient explanation for the growth and development of trade unions. The reactions of union members, and probably crucially union leaders, to these conditions, is also important. Unions may or may not take advantage of favourable environmental conditions: favourable conditions do not make union growth inevitable, simply possible or, at the most, likely."

Numerous writers have provided lists of factors which affect the growth and decline in trade union membership and power. Some of these include:

- Economic factors,
- 1. inflation
 - 2. unemployment

Sectoral changes in Employment, - manufacturing to services
 Composition of workforce, - 1. white collar workers

2. education level
3. female participation
4. move from primary to secondary

industry

5. permanent to partime work

Technology, -Shift to new microelectronics, - New non-union industry

Management beginning to manage

Growth in the range of Employment Law

Politics

We will begin our study by examing economic factors. During the 1970s Ireland experienced high inflation.. In this situation employees' living standards were threatened. Therefore the pressure from trade unions to protect living standards through wage and salary increases encouraged new membership. Similarly redundancies, short-time etc. would have prompted many employees to join unions.

The economy has new entered a period of downward wage and price adjustment. Analysis of pay settlements in 1982 range from 5 - 9% with the 'norm' at 7%. The reduction in the rate of inflation has had a dampening effect on the ability of trade union negotiation to conclude large wage settlements. This makes the benefits of collective bargaining less apparent eg some companies have zero 'norms' - Hoover and British Airways. eg Pan Am practising claw-back bargaining where a reduction in terms and conditions has been agreed reluctantly on the part of the labour force.

We are now seeing trade union negotiators who are willing to sign pay deals which are to last for two or three years. This means there has been a significant decline in the power of the unions and there is less incentive to join.

Unemployment is the result of an overall worldwide recession but has been exacerbated in Britain by government economic policies which have been designed to eradicate inflation. Trade union membership fell by greater than 1 million in 1981 and 82 largely as a function of job loss.

This is, however, linked up with another factor affecting unionization. Job losses were disproportionately concentrated in the heavy manufacturing industries or as they been called 'engine room industries'.

These industries are concentrate in particular areas and the affects of the job losses are felt particularly in a number of towns and villages in the northern region of Britain.

Northern region 1951 - 75 average UE 3.52%

1982 " " 16.5%

Loss of union membership here represents a loss of tradition, history and culture which reflects more than a mere loss of trade union card holders for a temporary period. Occupational restructuring has occurred due to the destruction of these industries and there is no evidence to suggest that where employment is taken up in a new sector trade union tradition and culture is automatically transferred to the new employment.

Since 1945 there has been a decline in the 'other' manufacturing plants and an increase in employment in the service industries.

John Kelly would look at these developments as producing an increasingly "inhospitable climate" for trade unionism. Traditionally the service sector was an area where trade unionism was relatively weak. In the period 1969-79, however, inroads were made in this area and the rapid trade union growth was partly a result of new members coming from the public sector ie more white collar workers.

Post 1979, however, the trade unions are not making substantial inroads into the white collar and private services employment. There are two kinds of service employment - highly skilled, high status jobs and low skilled, low status jobs. At both ends of the scale there are problems. Both ends are characterized by a lack of tradition of trade unionism. At the upper end workers have some misconception that they belong to an "upper, middle class elite". Some headway has, however, been made into this sector on the part of trade unions eg ASTMS has now included the financial sector which had been totally nonunionized.

Similar problems have been faced by America as outlined by Hoerr. He maintains that union power will remain strong in industries such as autos, mining, steel, construction retail food, railroads, airline and trucking. These forces of strength, however, are crumbling and

"unions are making little headway in organising such growth industries as financial services, and high technology. Union membership in private industry has been dropping in public employment the levels of white collar unionization are high."

In the lower service sector in Britain eg contract cleaning there is no great trend in unionization. This ties in with another factor affecting trends in unionization, namely education.

In general those whose education extends beyond the minimum school leaving age and those who obtain formal qualifications are less likely to join trade unions than those who leave school at the legal minimum age. The main exceptions are teachers and nurses who belong to highly unionized professions. In America growing numbers of well educated white collar employees are adding to the pressures for protective labour laws. This is further

reducing the power of trade unions as will be seen later when we study labour law in detail.

Other characteristics which may lead to a decrease in the power or membership of trade unions concern the composition of the labour force. One fact that is commonly accepted is that women do not join trade unions to the extent that males do. In recent years there has been a significant move from primary to secondary employment. The secondary labour force is predominantly female as they are often only interested in having a part-time job. Why does this trend towards part-time work lead to de-unionization? The answer lies in the fact that it is not financially feasible to organise this type of worker. Constant effort would be required to recruit new members as the employees changed and it would be difficult to continue representing the previous employees. The wages of these employees are normally low therefore the union dues would be lower (assuming a pro rata subscription system). Also employers tend to discourage unionization in these industries.

Trends however, do show that female union membership density has increased from 24% in 1948 to 39% in 1979. A lot of this is due to increases in female white collar work which increased from 30-46% in the same period. These statistics are for Britain but similar trends can be seen in Ireland. Because of the shift in employment patterns some 54% of all union members now work in the public sector, a sector employing 36% of the working population.

To summarise the findings so far. De unionization has been caused by: a decrease in inflation, a decline in manufacturing coupled with the rise of the services sector, an increase in white collar workers and in female participation rates.

Another important factor is technology. Technological advances normally lead to a decrease in the required workforce as "opportunities afforded through technology allow companies to significantly increase output with a stable or reduced labour force."

This reduces the scope for union activity as more and more employees are declared redundant, and technology can't be de-invented. This kind of situation existed in the printing industry as told in "Fleet St. moves on". Here, changes in the economic environment facilitated by technological developments were of decisive importance to trade union power. Reduced cost of entry to the market and the breakdown in oligopoly meant that other newspaper houses had to overcome the competitive advantage of new entrants with a reduced cost base. Employers cannot maintain oligopoly in the long term, therefore they have to change any restrictive practices regardless of union power. To

conclude, technology has led to a breakdown in oligopoly in the newspaper business and makes it easier for employers to produce without a trade union. This pattern has been repeated in many industries.

Another factor associated with technology is that in many hi-tech industries, trade unionism is not the tradition. It is not encouraged and a paternalistic style of management is often adopted to reduce the perceived need for a trade union among the workforce. The shift to microelectronics in Ireland has been dominated by American multinationals. These large companies refuse to deal with trade unions and this is facilitated by the IDA. One exception is Digital which will negotiate with reference to non-specialised employees (those engaged in menial tasks). There must be some benefit for the employee and it is normally in the form of good employer-employee relations plus other incentives. One of the best known companies using this warmarm-pit approach is IBM.

In America, more and more companies are basing their labour policies on the IBM model.

"this means paying competitive salaries and benefits, providing amenities such as recreation facilities, involving workers in decision making and creating them fairly-nonunion companies in particular are instituting formal systems similar to union grievance procedures, that enable workers to solve job related problems. And no layoff policies are spreading" (Hoem, Beyond Unions).

No layoff policies imply that the worker has a job for life if he "works hard". Firms also often decrease wages and increase worker benefits, which amounts to a subtle form of exploitation. Nonunion firms with more "assertive" management are becoming more acceptable. Historically firms were associated with a multiunion pattern, there is now a growing trend towards single union deals. Multinationals are in a particularly strong position in this regard-either they get their single union deal or they go somewhere else with their factory. This is precisely what Ford did in Dundee.

This trend has been enhanced by changes in labour law. In Britain recent developments since 1979 have added more power to the elbow of management than unions and have thus enhanced deunionization. Below is a summary of the labour law changes that have given management more confidence (allowed "management to manage"). It was claimed that between 1974 and 1976:

"Labour enacted a militants charter of trade union legislation. It tilted the balance of power in bargaining throughout industry away from responsible management towards unions." (Bright et al., 1983)

Election success in 1979 for the Tories saw the beginning of a program of amendments of existing statute law and largely directed at restricting the power of trade unions. This programme was carried out in three phases. First statutory instruments were passed. This extended the "continuous service qualification" for unfair dismissals claims to one year and reduced the minimum period of consultation which must be given by employers to recognized trade unions where mass redundancies are planned. Some potential applicants for unfair dismissals were now excluded and in a period where unemployment has more than doubled, reducing the consultation period considerably affects the power of the trade union.

Second, the Employment Act 1980 narrowed the definition of lawful picketing making it more difficult for a trade union to take effective industrial action. It also set out codes of practice for certain areas of law e.g. union secret ballots and closed shop agreements etc. Third, the Employment Act 1982 further restricts union power in areas associated with industrial conflict and union organisation. Some other adverse legal developments are the Social Security Act 1980, the Abolition of Fair Wages Resolution and the reduction in the effectiveness of wages councils. Trade unions are still learning to cope with this new legal environment, and splits within the TUC as to how to cope have not helped matters. At the same time the traditional functions of unions are being encroached upon by the legal system. Closer European harmonisation has resulted in new unfair dismissals rules and other laws regulating the work place. In one sense this is a testimony to the success of trade unions in having their traditional (and onetime subversive) demands enshrined in public legislation, on the other hand it would seem to obviate the need for their existence. The Tory legislation has often taken the form of strengthening individual rights in precisely those areas where it would hurt unions most - the closed shop and strike ballots. Thus unions are facing a loss of both power and responsibility, and rethink of what their role should be is required.

Another influence affecting the power of trade unions is in the political sphere. Often trade unions meet government to discuss national issues. This phenomenon has been labelled corporatism; but it is important to emphasise that it is not a form of joint management. It is only recently that trade unions have started to react to what they see as a hostile government.

"More generally the government is determined to deny the trade union movement any effective voice in the decisions which deeply affect working people. It has rejected any notion of engaging in genuine consultation with or reaching a broad understanding on economic and social policy" (Bright et al., op. cit.)

Increasingly some trade union members are urging withdrawal from the corporate policies of the government. In Ireland numerous unions are being urged to affiliate with a political party. Unions however are not meant to be political parties so such an arrangement would be questionable. As an example of such a demand, Charlie Douglas (ATGWU) asked

"Is it not time that we said clearly to our members that their needs as consumers, as parents and as free citizens, can be met (only) in part by trade unions in a conservative political system?"

John Carroll also sees a need for radical action. This push for a political role for unions is a fight for their survival, an attempt to prevent the ongoing deunionization processes from continuing indefinitely. It is clear that there is a strong need for the unions to acquire some worthwhile political influence if they are to survive.

One final question worth discussing is "Are the changes we are witnessing temporary changes resulting from a recession or is a more fundamental shift underway? If they are permanent then the question of a future role for trade unions is of paramount importance. From the membership point of view, unions are going to have to launch new recruitment drives. A study by John Kelly surmises that failure to make any inroads white collar and private services employment can be traced to lack of effort on the part of trade unions. Activity is often concentrated around the margin of existing membership groups rather than in areas where the union has no presence. The sluggish response of the trade unions could be due to a number of factors. Naturally, a failure to immediately realise that this was the best source of new members must be mentioned. A shortage of finance (bearing in mind that subscriptions would have been falling in this period) was also a factor. Finally if the union organises a constant proportion of a declining workforce, the stability of union density may preserve its bargaining power. They would therefore have little interest in expanding membership. As Bright points out

"With regard to recruitment patterns we would expect that mergers will continue and recruitment strategies will largely be based on openness and a search for new sectors." It will be in the trade unions' own interests to make themselves attractive to potential members. Unions are no longer expected to deal with just wages and conditions. Working peoples' expectations have risen and workers are now demanding more of a voice in union affairs. If unions are to improve their capacity for decision making then according to Fogarty they will have to

(1) double union dues and have much more professional expertise in union offices

(2)ensure one clear channel on employee representation in each organisation

(3)take a new look at union procedure.

Perhaps most importantly,they should recognise that a problem does exist.Whatever the approach they take,it will be a long time before we can regard trade unions as Clegg did as "one of the most powerful forces shaping our society and determining our future"

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