Do unions still have power in Britain?

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Evidence for a long term decline in trade union power in Britain appears to be incontrovertible and, for some commentators, is inextricably linked to the rise of neoliberal economic policy and to the legal restrictions that hamper trade unions. After briefly reviewing the evidence, I set out a number of different ways of thinking about worker and union power. I then argue that the balance of power between labour, capital and the state is more complex than sometimes suggested and that consequently workers do have a number of strategic options for recovering bargaining power.

Union power in decline

Because union power is a complex phenomenon, it is best measured by a set of variables: the proportion of workers in unions (since competition between workers weakens bargaining power); the coverage of collective bargaining (as opposed to unilateral employer control); the incidence of strikes (the capacity to mobilize workers and impose sanctions); and the wage share in national income (a rough measure of income distribution between labour and capital).

The parameters of decline on all these measures are very familiar and can therefore be rehearsed very briefly. I take the 1970s as the starting point even though some commentators argue that decade was highly unusual and provides a misleading and inappropriate benchmark. Union density has fallen from over 50% of the workforce in 1979 to a little under 26% in 2013 (and is still falling); bargaining coverage has fallen from around 75% (1979) to about 30% (2013) and continues to decline; the average annual number of strikes has hovered between 100 and 150 over the past ten years, a reduction of well over 90% compared to the 1970s when the annual strike rate never fell below 2,000; finally, the share of wages and salaries in national income (as compared to profit, interest and rent) has fallen almost continuously since the late 1970s, one of the longest and steepest periods of decline on record. And to round off this gloomy picture we can add three further observations, the first of which is that the union wage premium – the difference between union and non-union wage rates – has fallen by around 10
percentage points since the mid-1990s. Second, union membership is increasingly concentrated in the public sector and now stands at just 14% in the private sector. Thirdly, the capacity of unions to mobilize members even in strike ballots, let alone strikes, has eroded in recent years so that ballot turnouts of 40% or less are now commonplace.

Markets, government policy and institutions have all contributed to union decline. Economic globalization, measured by trade openness and minimal controls on capital mobility (as in the UK), is strongly associated with both union density decline and falling strike rates. Neoliberal economic policy – broadly speaking, deregulation for capital but tougher regulation for unions, workers and welfare recipients – has also contributed to the decline of union power not only in the UK but across the advanced capitalist world. Britain's labour laws comprise one element of this policy mix but in my view they are less important than the other elements: union density and strike rates have declined almost everywhere, even in countries with more favourable laws on strikes. In some countries, institutional protections for the rights of unions and works councils have maintained bargaining coverage at high levels even where union density has declined. In the EU15 for example, average bargaining coverage in 2011 was around 80% whilst average union density was just 28%. On the other hand, the wage share in national income has declined at about the same rate in these countries as in the UK. Whilst union involvement in bargaining is obviously welcome, it is clear that across Western Europe it has failed to halt the continuing redistribution of income from labour to capital.

There are various policy implications that flow from these analyses of which the most obvious is to challenge the hegemony of neoliberal ideas. In practice, this means pressuring social democratic parties to abandon or modify the pervasive commitment to neoliberalism that has been their hallmark for several decades. Whilst some social democratic parties have been willing to modify this or that aspect of neoliberalism, there is little sign, outside of Greece, that any of Europe's major left-wing parties are contemplating a fundamental break with neoliberalism. The British Labour Party is therefore quite typical: it is willing to levy somewhat higher taxes on the rich, to boost the minimum wage (a little) and to intervene in other policy domains where capitalism is clearly dysfunctional, such as housing and training. Yet these measures are framed within an overall economic approach which maintains the neoliberal obsession with deficit reduction, cuts in public spending and caps on the welfare budget. One implication from this analysis is that whilst Labour neoliberalism is preferable to Conservative neoliberalism, it is unlikely to do anything that will help reverse the long run decline in union power. This is not a recipe for a syndicalist rejection of party politics. On the contrary, the increased volatility of the electorate and the growing fragmentation of the party system in the UK actually provide unions with more sources of power than in previous elections, a theme examined in more detail below. Nonetheless we do need to re-examine the sources of union power in order to try and work out initiatives that unions can take independently of government policy and irrespective of the party/parties in power.

Back to worker and union power

When we say that union power has declined, as measured by membership density, strike rates or bargaining coverage, we are primarily talking about associational power, the capacity to influence employers and government based on organizing and mobilizing workers in unions. But equally important is structural power, the capacity of workers to influence employers or governments based on their position in the production process, the
balance between supply and demand in the labour market and the nature of the product market. One of the features of globalized production is the long supply chain, based on a large number of interconnected firms, each highly dependent on the adjacent links in the chain. Whilst global supply chains seek to exploit cheap labour in the South, they also entail the construction of vulnerabilities or weak links, a vulnerability successfully exploited by British unions in retail and food processing. In relation to labour markets, the tendency of British employers to poach skilled workers from their rivals instead of investing in training provides workers with potential bargaining leverage (as train drivers have discovered in the era of privatization). In other sectors by contrast, especially the growing low skill service sector of bars, restaurants, hotels and social care, workers are readily replaceable from the reserve army. Finally, the basis of competition in the product market, especially in private services, can often provide workers with leverage. Where firms compete on quality or where reputation is important in securing or maintaining customers or contracts, then reputation damage is a significant weapon, as Nike discovered twenty years ago when it was hit by a student and labour anti-sweatshop campaign. The Nike campaign also highlights another crucial point: rebuilding worker power will often entail building coalitions that can increase our power resources and isolate our main enemies.

It is also worth noting that union power is exercised not only in the economy but also in the political arena. Across Western Europe general strikes over pension, welfare and labour market reform have often secured significant concessions from governments (although less so since 2008). Two factors have underpinned union power: first, their capacity to mobilize broad coalitions comprised of workers, citizens and students; and second, the weakness of many governments in the face of increased electoral competition (from new and from small parties) and the declining attachment of voters to any particular party. Although British union membership is just 14% of the 46 million UK electorate, strategic resource deployment and campaigning can have a substantial impact on political parties in key marginal seats.

Another way of thinking about power is to imagine it as layered: on the surface we have the outcomes of conflicts over particular issues e.g. a uniform wage for London bus drivers. A deeper level of power is apparent in the control of the agenda, i.e. which issues appear on the bargaining agenda. Deeper still is the domain of ideology, the sets of ideas that shape the way we think about unions, wages, the economy etc. Within this perspective, the main task of unions seeking to recover their power is twofold: broaden the agenda of issues on which unions can claim a voice, for example in the areas of training, but less obviously in say housing construction, bringing together a coalition of tenants groups, architects and building workers. Second, and as already noted, unions must continue to challenge the key tenets of neoliberalism and promote a positive, alternative policy for growth. That is crucial because within the neoliberal framework unions represent a distortion of market forces and therefore a brake on economic progress. Only within a different economic framework can unions plausibly be presented as having a positive role to play in pursuit of different objectives such as social justice.

One final point to make about power is that it is a phenomenon which has to be detected and deployed by union activists through the exercise of strategic capacity. The American activist and academic Marshall Ganz tells the story of David and Goliath as a fable about power and strategy. The large, heavily-armoured, sword-wielding Goliath looked certain to defeat his smaller adversary, who was armed only with a slingshot. But what David lacked in conventional power resources, swords, shields and the like, he compensated for with strategic capacity, the ability to think creatively about his strengths in relation to his opponent’s weaknesses. A couple of stones from a slingshot can’t penetrate armour, but
after two shots to the eyes his opponent lay on the ground, blinded and vanquished. Real life is rarely that simple but Ganz’s injunction is to think strategically and creatively about our opponents’ weaknesses, about our strengths and about the ways in which we can mobilize the latter to exploit the former.