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**THE SURVIVAL OF NATIONAL BARGAINING
IN THE ELECTRICAL CONTRACTING INDUSTRY:
A DEVIANT CASE?**

H. GOSPEL and J. DRUKER

ABSTRACT

This article explores what is often seen to be a deviant case in the development of bargaining structure in British industry, namely the electrical contracting industry, where multi-employer national bargaining is often claimed to have remained strong. The first part of the paper briefly outlines the wider context of collective bargaining trends in British industry. In the second section, the development of collective bargaining arrangements in electrical contracting is outlined. The third section then investigates recent developments and the degree to which arrangements in the industry have deviated from the rest of the private sector. In the final section explanations are offered and implications explored. The industry's bargaining arrangements are seen as having some positive outcomes in terms of the regulation of self-employment, employee benefits, and training.

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THE SURVIVAL OF NATIONAL BARGAINING IN THE ELECTRICAL CONTRACTING INDUSTRY: A DEVIANT CASE?

Howard Gospel and Jan Druker

One seemingly incontestable fact about British industrial relations over the last quarter century is the decentralisation of private sector collective bargaining from multi-employer level to the level of the enterprise, division, or plant. This article explores what is often seen to be a deviant case, namely the electrical contracting industry, where multi-employer national bargaining is claimed to have remained strong. This resilience would seem to be despite the fact that, on *a priori* grounds, given industrial structure and work organisation, multi-employer bargaining would seem unlikely in this industry. The first part of the paper briefly outlines the wider context of collective bargaining trends in British industry. In the second section, the development of collective bargaining arrangements in electrical contracting is outlined. The third section then investigates recent developments and the degree to which arrangements in the industry have deviated from the rest of the private sector. In the final section explanations are offered and implications are explored. The industry's bargaining arrangements are seen as having some positive outcomes in terms of the regulation of self-employment, employee benefits, and training.

1. COLLECTIVE BARGAINING STRUCTURE

The broad story of the development of collective bargaining in Britain is well known. In the early twentieth century, where collective bargaining existed, it was decentralised and informal at workplace level, usually covering only skilled male workers. However, a few industries had created regional and national procedural agreements and

some had also created substantive frameworks of wages and conditions (Clegg *et al*, 1964). National bargaining developed further in the First World War period and the creation of Whitley-style National Joint Industrial Councils extended the pattern of multi-employer bargaining to a broader spread of industries. Despite the pressures of the interwar years, national bargaining survived, though often in minimal form. The Second World War further extended the coverage of national multi-employer bargaining (Clegg, 1994).

In the post-war period, and increasingly in the 1960s, national collective bargaining in the private sector came under pressure and began to disintegrate. A number of causes have been suggested for this: the skeletal nature of many national agreements and their inability to regulate changing circumstances at workplace level; full employment and a shift of power to local bargainers; increased product market pressures on firms, especially in terms of growing international competition; and the attempt by many companies, themselves increasingly multi-plant and multi-product, to gain improvements in labour utilisation via domestic arrangements. Under these pressures, local shop steward bargaining grew; wages drifted above national agreements; and national disputes procedures increasingly failed to regulate workplace industrial relations (Donovan, 1968). In part at government prompting, but also at employer initiative, through the 1970s, firms left their employers' organisations and bargained, primarily or exclusively, at company or plant level. In the changed circumstances of the 1980s, this trend towards internalisation and decentralisation was taken further as firms sought to gain the industrial relations initiative and to reshape arrangements to suit their corporate strategies and structures. National agreements were terminated in a spread of industries, from old-established sectors such as engineering to newer areas such as banking. Even where national bargaining survived, such as in parts of printing, textiles, and clothing, it has been of diminishing relevance and sets only a minimum safety net of terms and conditions. Simultaneously, the coverage (in terms of numbers) and scope (in terms of topics) of collective bargaining began a sharp decline (Brown and Walsh, 1991; Brown, 1993; Milner, 1995).

Survey evidence supports this general story. Thus, in the late 1960s, the Donovan report showed that multi-employer bargaining was widespread; just over 20% of the workforce was covered by industry rates which were generally adhered to; while 45% were covered by industry rates which were substantially exceeded; and the rest fell somewhere in between (Donovan, 1968: Appendix 5). By the mid-1970s, in manufacturing establishments with more than 200 employees, although national agreements affected wages in about half the total number of workplaces, this level of bargaining was the most important for less than one fifth of manual workers (Daniel, 1976; Brown and Terry, 1978: 128). Later, Brown and colleagues found that, in manufacturing establishments with 50 or more employees, multi-employer agreements were the predominant form of pay bargaining for just over a quarter of manual and less than a tenth of non-manual employees (Brown (ed) 1981: 118). By the time of the 1984 Workplace Industrial Relations Survey (WIRS) (covering establishments above 25 employees) it was clear that multi-employer pay agreements had continued to decline (Millward and Stevens, 1986). The 1990 WIRS further demonstrated the reduced importance of multi-employer arrangements: between 1984 and 1990, the number of manufacturing workplaces where this was the most important level of pay bargaining declined from 22 to 16% for manuals, although showing a slight rise from 5 to 7% for non-manuals. In private services multi-employer bargaining diminished from 20 to 11% for manuals and from 11 to 5% for non-manuals (Millward *et al*, 1992: 221).

These trends have been seen as part of a broader international movement towards the decentralisation of collective bargaining. Katz (1993) points to broad similarities in a spread of countries in respect of decentralisation which he explains in a number of ways. First, he gives some weight to a shift in bargaining power away from unions and towards employers who, he argues, for the most part, favour decentralised bargaining. Second, he suggests that the diversification of worker and employer interests may have played a part in decentralisation: more diversified firms want to bargain internally and to set wages and conditions according to their product lines; a growing

diversity of worker interests means that centralised bargaining has less appeal to them. Third, and most significant for him, he stresses changes in work organisation which put a premium on flexibility and employee participation which can be best achieved through decentralised bargaining. These explanations provide a useful reference point for examining change and continuity in bargaining structures. However, we suggest that a full understanding requires that specific arrangements be put in a particular national, sectoral, and industrial context and take account of historical legacies; only then can a ‘deviant’ case be understood.

2. THE DEVELOPMENT OF COLLECTIVE BARGAINING IN ELECTRICAL CONTRACTING

The strength of the national multi-employer agreement in electrical contracting has often been referred to in the industrial relations literature. For example, a Commission on Industrial Relations report in 1972 stated, ‘In this industry there exists the best known example of an industry-wide standard wage rate... with one of the main examples of a comprehensive agreement’ (CIR, 1972: 23, 69). A survey in 1980 stated that, ‘The electrical contracting industry is probably the “jewel in the crown” of multi-employer bargaining’ (Beaumont, Thompson, and Gregory, 1980: 134). Later, an Advisory Conciliation and Arbitration Service report concluded, ‘The electrical contracting industry ... remains an interesting and unusual bargaining arrangement, but it has been almost unique in having a multi-employer agreement strictly observed, with no local additions, throughout the entire industry’ (ACAS, 1983: 12). Both Incomes Data Services and Industrial Relations Services usually refer to the tight and comprehensive nature of the industry’s agreements (IRS 1989: 440; IDS, 1993: 10; IRS 1993:544; IDS, 1994: 6). In view of the apparently deviant nature of the electrical contracting industry, these claims deserve further examination in the contemporary context.

The electrical contracting industry covers the installation and wiring of electrical systems in industrial, commercial, and domestic buildings, ranging from the small to the very large and from the relatively simple to the highly sophisticated. The industry is made up of a small number of large enterprises, some medium sized firms, and a large number of very small firms. Over the last decade or so, there has been a substantial increase in the number of very small firms and sole-traders (Department of Environment, 1996: 41). Given low capital requirements and ease of entry, many former workers become self-employed and small employers, and even medium-sized and some large firms are family-owned and -controlled. Though some of the larger companies work outside the UK, most firms are purely domestic, and the industry is largely protected from international competition. Competitive pressures, however, can be fierce and are accentuated by competitive tendering and marked fluctuations in the construction business cycle. In recent years, there has been a tendency for some of the medium sized firms to specialise in particular areas of electrical work, for larger firms to diversify their interests into broader electrical installation and maintenance, and for electrical firms to be acquired by general builders.

In 1994 82,000 were employed in the industry and over half of these were manual workers (Department of the Environment 1996: 38).¹ Among the latter, apprenticed or otherwise qualified electricians constitute about 90% of the labour force (Joint Industry Board, Handbook 1994: 7). Overall, labour costs represent a high proportion of total costs, averaging about two-thirds of the cost of jobs, and are therefore a crucial factor in competition. The work itself involves operating on site, in many instances unsupervised, and electricians enjoy a high level of work autonomy. Some contracts are long-term, involving large projects or firms providing permanent subcontract support for another firm; many others are short, involving mobility between sites and between employers. Self-employment is widespread, though, as we will see, less than elsewhere in the construction industry.

From an industrial relations perspective, the employers' organisation in the industry has always been the Electrical Contractors'

Association (ECA). This has a membership of 1,926 companies in England, Wales, N. Ireland, and the Republic of Ireland. A separate association exists in Scotland, though this largely follows the lead set by the ECA. The Association comprises one-fifth of the total number of employers in the industry. However, it is not too realistic to view density in terms of very small firms employing only a handful of workers; the ECA claims that it represents all the large and most of the medium sized firms and that their members carry out around 80% of the work undertaken in the industry. On the union side, the main representative body has always been the Electricians' Union, and electrical contracting has always constituted one of its main centres of membership. Thus, the industry has been a route into the trade and into trade unionism for many electricians, often before passing on to other jobs in areas such as electricity supply or maintenance in manufacturing industry. In 1992 the Electrical, Electronic, Telecommunications and Plumbing Trade Union (EETPU) joined with the Engineers Union to form the Amalgamated Engineering and Electrical Union (AEEU), a more general union organising workers in a broad spread of industries and occupations. In 1995 the merged union had 725,000 members, of whom approximately 30,000 work in the electrical contracting industry (Data supplied by AEEU).

A further key institution in the industry is the Joint Industry Board (JIB). This unique body in British industry was established in 1966 by the Contractors' Association and the Electricians' Union, modelled on the practice then existing in New York City (Chapple, 1984: 111; Lloyd, 1990: 502). The JIB is a joint institution, made up of equal numbers of ECA and AEEU representatives, with its own independent chairman, full-time chief executive, secretariat, and offices, in large part financed through the flow of funds from the stamps for the industry's various benefit schemes. The stated aim of this permanent body is 'to regulate and control employment and productive capacity, the level of skill, and wages and benefits of persons employed in the industry' (JIB Handbook, 1994: 13). From the outset, this meant that the JIB has been involved in a wide range of activities. For example, it initially sought to organise the pool of

labour in the industry and to act as a job finding agency. Crucially, it regulates training and certifies the level of competence of electricians and places them into one of four grades (labourer, electrician, approved electrician, and technician). For these grades and for apprentices, wages are fixed. From the outset, the intention was that these 'pay determinations' were to be standard, constituting both a minimum and a maximum rate. In addition, the JIB sets hours and holiday entitlement; it provides insurance cover for accident and death in service; it operates industry-wide sick pay and pension schemes; and from 1980, it has provided free access to private medical treatment through the British United Provident Association (BUPA) (JIB Handbook 1994: 175). In law, the JIB is unique in having an exemption which takes unfair dismissals out of the hands of the Industrial Tribunals system.

The interaction between these institutions can only be understood in a historical context. When the electrical contracting industry developed at the beginning of the twentieth century, it proved extremely difficult to regulate in both product and labour market terms. Ease of entry, the proliferation of small firms, a dispersed and mobile labour force, and competitive pressures made the industry difficult to organise on the side of both employers and employees. In these circumstances, a number of early attempts at joint regulation collapsed. However, from the First World War through the interwar years, there developed a national system which was increasingly institutionalised and centralised (Gospel, 1985). Subsequently, from the Second World War up into the early 1960s, pressures built up on these arrangements, in part as a result of growing Communist Party domination of the union. This posed a threat to the national agreement in that it raised the spectre among employers of politically motivated instability, and, during these years, the industry's arrangements exhibited some of the disintegration which was occurring elsewhere. At this stage, the industry did not really seem to deviate from the main pattern in British industry.

The challenge to Communist domination and a famous ballot-rigging case in 1961 ultimately brought to power a group on the right

of the union. This group proceeded to consolidate its position in an already centralised organisation (Lloyd, 1990). This suited the employers' desire for stability and predictability in the face of rising inflation and industrial relations problems elsewhere. Both sides saw themselves as creating a new kind of relationship in British industry when they signed the 1966 agreement, 'A Transformation of Management-Labour Relations', which established the JIB. Whilst employers in other parts of the construction were faced with high levels of industrial unrest, employers in electrical contracting sought refuge in a closer working relationship with a strong trade union leadership. Under this regime, the employers gave security to the union and good pay and conditions to members; as a *quid pro quo*, the union promised discipline and stability. It is true that over the years there has been recurrent shopfloor opposition to these arrangements, but this has never been sufficient to destabilise them. In the 1980s, leaders of the EETPU positioned themselves on the radical right of the union movement and differentiated their organisation from others which had a more adversarial approach to relationships with employers. Ultimately, this stance led to conflict with the rest of the movement, and for a time from the late 1980s the union existed outside of the Trades Union Congress. In this potentially de-stabilising situation, the relationship with the employers, as institutionalised through the JIB, provided some support for the union.

3. CHANGE AND CONTINUITY IN COLLECTIVE BARGAINING ARRANGEMENTS

There have been a number of significant developments in electrical contracting over the last 20 years which have affected the nature and stability of industrial relations arrangements. One of the most important among these has been the growth of self-employment. Employer preference for this form of labour has been stimulated by demand uncertainties, a desire to avoid the costs of direct employment, and a general climate of deregulation (Evans and Lewis, 1989; Druker and

White, 1995). Whilst self-employment in electrical contracting is lower than in other parts of the construction industry, it was of growing concern to the ECA in the 1980s. Their surveys demonstrated increased use of such labour, although with regional variation and differences of view amongst members as to the merits of such employment. By 1993 it was estimated that 28% of the workforce engaged by ECA firms was self-employed, although this is an underestimate for the industry as a whole, since non-federated firms are more likely to use self-employed labour. There are also marked regional differences with self-employment being used more in the South and South-East (ECA, 1993).

Self-employment threatens the stability of arrangements in the industry in a number of ways. First, it threatens organisation on the part of both employers and employees since sub-contractors, relying on self-employed workers, and workers, being paid by the task or by the day without reference to negotiated rates, have less incentive to join organisations which negotiate arrangements from which they are excluded. Second, it threatens the wage system in that self-employed workers are more likely to receive wages which are fixed independently of the national agreement. Such workers may be paid less than national agreements on the grounds that they do not pay tax; in boom years, they may be paid more, because they do not receive other benefits and do not feel bound by the agreement. Third, the self-employed do not participate in the non-wage arrangements of the JIB, covering holidays, sick pay, and pensions, and this in turn undermines the national framework. Thus, national agreements are likely to apply to fewer workers and there is likely to be a greater variation between different categories within the workforce.

The industry has also been affected by growing competitive pressures which have borne on the construction sector more widely. Fluctuations in workload, resulting from variable interest rates and investment levels, have been compounded by compulsory competitive tendering for public sector work and by an intensification of cost pressures on clients. Some firms have moved into niche markets and some larger firms have diversified into a wider range of electrical and

electronic services. Such changes have opened up competition and undermined established practices, for example, by reducing the possibility of collusion in terms of price-fixing and market-sharing within the tendering process. In the past this had been facilitated by the ECA which was both an employers' and a trade association and its product market activities complemented multi-employer wage regulation which sought to take wages out of competition (Gospel, 1985)

Such pressures have threatened the viability of national regulation in the electrical contracting industry. Yet the arrangements remained strong up to the beginning of the 1990s and in many respects the industry still remains a deviant case. It is to various aspects of continuity and change that the article now turns.

In terms of organisation, membership of the ECA rose slightly through the 1970s and 1980s, peaking with a membership of 2,433 in 1990, since when it has fallen to 1,926 in 1996, largely reflecting mergers in recent years. Density has not fallen among firms of a size which the ECA considers to be its constituency, and it is claimed that members continue to carry out around 80% of work in the industry. Though comparable figures do not exist for other industries, this stability of membership and level of density is certainly higher than that for most other employers' organisations. In part this level of membership reflects the historical traditions of employers and the continued benefits provided by the system. The ECA's influence is enhanced because it is also a trade association: though there are now stricter legal constraints on preferential trading and collusion than in the past, the ECA does provide a forum and a set of services in support of commercial interests.

It is more difficult to establish the movement in union membership in electrical contracting. Table 1 underestimates total union membership because it largely excludes non-JIB electricians. It also overestimates the fall in membership in recent years which is in part due to a temporary change in dues arrangements. Density among JIB electricians is high, since, unless workers express otherwise, union membership is automatic through the JIB and covered by JIB income.

Density has remained fairly constant over time. However, in recent years, an increasing proportion of electricians, particularly among the self-employed, are outside of the JIB and less likely to be unionised. Thus, the union represents a falling proportion of the workforce as a whole. Nevertheless, at an estimated 40% of the labour force, it is higher than in construction more generally where it represents only 15%.²

TABLE 1**Organisational Membership in Electrical Contracting 1975-95**

	ECA Membership	EETPU/AEEU Membership	JIB Employers	JIB Employees
1975	2123		2,680	33,746
1976	2148			32,960
1977	2151		2,678	33,213
1978	2099		2,742	35,741
1979	2193		2,746	34,677
1980	2248	31,274	2,697	34,814
1981	2232	32,095	2,671	31,998
1982	2251	29,801	2,612	29,196
1983	2192	28,809	2,538	29,644
1984	2183	28,507	2,491	30,948
1985	2179	28,668	2,507	32,710
1986	2262	28,038	2,517	32,121
1987	2296	28,432	2,539	31,542
1988	2268	28,393	2,590	31,334
1989	2406	27,726	2,495	30,801
1990	2433	29,096	2,527	30,664
1991	2412	30,466	2,499	30,957
1992	1987	29,018	2,451	29,438
1993	1958	24,993	2,357	26,308
1994	1930	22,854	2,218	24,842
1995	1930	20,607	2,155	23,584
1996	1926	20,014	2,119	22,925

Source: ECA; AEEU; JIB. The AEEU figures for 1993, 1994, and 1996 are our estimates based on JIB figures.

As Table 1 shows, coverage by the JIB has fallen from a peak in the late 1970s.³ In terms of employers covered, membership fell by 23% between 1979 and 1996 and in terms of employees covered by 35% over the same period. These figures can be taken as a rough proxy for the extent of joint regulation in the industry. Though there is a decline, this would seem to be less than in most other industries where joint bodies have ceased to exist and the coverage of collective bargaining has declined precipitately.⁴ This has especially been the case in other areas of construction. It would also seem that JIB wages and basic conditions, do seem to set a standard among many non-JIB firms and spill-over throughout the industry, though with some differentiation.⁵ Membership and density are, moreover, only one measure of resilience and deviancy, and it is necessary to look in more detail at the operation of the institutions.

As stated above, one of the main challenges for the industry has been the growth of self-employment. The employers and the union have tried jointly to tackle this in various ways. In the early years of the JIB, the industry tried to ban self-employment altogether, with the penalty of fines and expulsion. This ban had some effect, and a few firms were fined and others left the JIB. However, this was a remedy of limited value, since outsiders were then free to make unrestricted use of such labour, thereby competing with some advantage over those who remained in membership. An alternative was to incorporate controls over the use of self-employment into the agreement. In the early 1980s, working rules were amended to permit the use of a minority of self-employed labour where it could be shown to be unavoidable and where the firm supplying such labour was a JIB member. In addition, the parties to the agreement established a labour supply agency to provide workers to the industry on a self-employed basis. The intention was to ensure that JIB contributions were paid and that members which mainly employed direct labour were thus not disadvantaged. In practice, however, this proved difficult to enforce and presented legal problems concerning restrictive trade practices. Though the union was consistently strongly opposed to self-employment, there were growing divisions among the employers as to

the desirability of self-employment. In 1995 the rule was replaced by a 'Code of Good Practice on the Temporary Use of Self-Employed Operatives' which allows employers to use self-employed labour when they cannot otherwise resource their work through directly employed staff. More recently, the industry has considered allowing labour agencies to join the JIB, but no agreement has yet been reached. These measures did not in themselves resolve the problems of self-employment, but they do suggest a greater capacity to regulate this kind of working than elsewhere in construction. As a result, in electrical contracting self-employment represents about a third of the labour force compared to two-thirds in the rest of construction (ECA, 1993).

The importance of a national agreement may be judged by its internal effectiveness and external impact. In terms of external impact, electrical contracting is a lead agreement in its sector. Rates of pay have consistently been higher than in building and civil engineering and normal working hours have been reduced in advance of other agreements within the sector. In terms of internal effectiveness, the closeness of negotiated pay rates to actual earnings is a key indicator of the extent to which an agreement is applied in practice. As already stated, the intention at the outset was that rates should be standard and should reward workers on the basis of their skill, irrespective of the nature of the site, type of work, or profitability of the employer.

Table 2 expresses negotiated wage rates for the approved electrician (representing 61% of the workforce) as a percentage of earnings. Overtime earnings have been excluded from the calculation because of cyclical fluctuations in this component, so that negotiated rates are compared with earnings inclusive of shift, payment by results, and other payments and allowances. It should also be noted that payment by results and shift payments are low in the industry.⁶ The resulting comparison between rates and earnings provides a crude measurement of the continuing importance of the national agreement, though some fluctuation is inevitable representing the accident of settlement dates and the operation of incomes policies in the 1970s. The comparison shows a remarkable continuity in the relationship over

most of the period and further evidence for the deviant nature of the electrical contracting agreement.

TABLE 2**Wage Rates as a Percentage of Earnings, 1968-1996**

Date	Approved Electrician Rate	Date	Approved Electrician Rate
1968	83.3	1986	83.7
1971	95.6	1987	84.4
1972	95.0	1988	85.1
1975	93.0	1989	85.4
1979	83.7	1990	84.0
1980	82.4	1991	86.5
1981	81.0	1992	88.1
1982	84.9	1993	82.9
1983	86.4	1994	85.9
1984	86.1	1995	82.9
1985	90.7	1996	80.5

Source: IDS and NES.

Variations from national agreements are of two kinds. First, there are those which are unintended by the national bodies, and which autonomously and unconstitutionally add to, or subtract from, the national agreement. Second, there are those which are intended, and which derive from the administration of the agreement at workplace level and which constitutionally supplement the national agreement (Sisson, 1987: 19). Under the first heading, might be included variations such as straightforward plus payments, bogus incentives and bonuses, inflated expense and travel payments, unwarranted upgrading and overtime, and completion payments. These may be either provided unilaterally by the employer or fixed bilaterally by informal bargaining and are more likely to occur on large sites. Such payments have always existed in the industry, and, in the early years of the JIB, firms were sometimes fined or expelled for having recourse to them. Under the

second heading, the industry's wage system has made various provisions for controlled flexibility. First, from the early 1970s, payment above the standard rate has been allowed for supervisory responsibility, though the intention was that this should be small and should be monitored by the JIB. Second, from the mid-1970s, 'controlled incentive schemes' were allowed, but only after the scheme had been approved by the JIB and where the base rate was fixed at a percentage below the JIB rate (IDS, Report 127, December 1971, 5; IDS Report 272, January 1978). In practice, few such incentive schemes were ever introduced. Third, large sites have always constituted a problem for employers because of their vulnerability to union pressure and leapfrogging. From 1981, a new collective agreement, the National Agreement for the Engineering Construction Industry (NAECI), has set rates of pay and conditions on large sites such as power stations, oil and chemical refineries, and manufacturing plants, which are covered by a site agreement. For electrical contractors on these sites, a dispensation can be granted from paying JIB rates in favour of NAECI rates. This provides some flexibility at these pressure points, ensuring a framework of established differentials between trades which is transparent to the JIB.

In terms of other conditions and non-wage benefits, the JIB agreements on hours, overtime premia, and holidays continue to provide rules for much of the industry, though the numbers formally covered has declined with the fall in JIB membership. Holiday pay, sick pay, accident and death insurance, and pensions, all paid for by employer contributions, are generous by the standards of the construction industry. The controversial BUPA scheme, introduced in 1980, and subsequently extended to cover white collar employees in the industry, remains the largest single scheme in British industry with over 30,000 members. At site level in electrical contracting, the scope of bargaining is constrained, but, at national level, formal bargaining over a wide range of issues continues to take place.

Training has always been a key concern of the industry, reflecting the skilled content of the work. From the outset, to receive grading, a worker's apprenticeship or equivalent qualification has to be officially

recognised. Apprenticeship training is central and is closely regulated by the industry. Through the JIB the apprentice is registered; employed status is mandated; rates of pay are determined; and the level of theoretical and practical standards are fixed. As Table 3 shows, the number of apprentices in training has fluctuated over time, largely reflecting the business cycle, but, on the whole, it has held up much better than elsewhere in British industry (Rainbird, 1991; Agapiou *et al*, 1995: 156; Gospel, 1996). This deviance in terms of training arrangements and outcomes reflects a number of factors. It reflects the customers' desire for qualified and safe workmanship, and the JIB grading system is widely acknowledged as evidence of training and competence. It also reflects the collective and proactive approach to skill formation taken by the parties. In the 1970s, the industry was among the first to move towards training to specified national standards. Following a fall in apprentice numbers in the early 1980s recession, the apprentice wage rate was in effect reduced so as to give an incentive to employers to take on apprentices. The industry has also used its collective approach to turn government initiatives to its advantage. Thus, it was also quick to use Youth Training as a subsidy for apprenticeship training, but not to replace apprentices with trainees as occurred elsewhere in construction; it early introduced National Vocational Qualifications, while retaining its own traditional qualifications and skill tests; and it was one of the first industries to institute a Modern Apprenticeship scheme which is essentially a continuation of the industry's own arrangements. All this has been done despite the fact that in 1989 the industry opted out of the construction industry training levy arrangements, left the Construction Industry Training Board, and established its voluntary own training agency (JT Ltd). In terms of further training, the grading scheme provides a mechanism for motivating and rewarding skill formation; and both the industry jointly and the employers and the union separately provide a series of courses and facilities for skill upgrading.

TABLE 3**Apprentices in Training**

Year	Apprentices	Year	Apprentices
1971	16,975	1984	10,978
1972	15,765	1985	10,220
1973	14,625	1986	10,701
1974	13,886	1987	11,777
1975	13,487	1988	12,952
1976	13,414	1989	14,792
1977	12,563	1990	16,555
1978	10,960	1991	17,092
1979	9,786	1992	15,675
1980	10,521	1993	14,299
1981	11,693	1994	13,473
1982	11,374	1995	12,595
1983	9,632	1996	10,229

Source: JIB.

National disputes procedures are less significant today than they were a quarter of a century ago, and in this respect also electrical contracting is a deviant case. Of course, in all sectors there has been a decline in strikes, but in electrical contracting this has not been accompanied by a decline in the use of the national disputes procedure. An average of 36 cases per year go to a formal dispute committee, and there has been no downward trend in numbers (JIB Handbook, 1996: 174). The industry operates a multi-stage procedure, consisting of informal conciliation by ECA and union officers, with local, regional, and national hearings. The machinery is also used for handling unfair dismissal cases since electrical contracting has uniquely since 1979 been given exemption from Industrial Tribunal legislation. Cases are often heard on site, without lawyers. with an equal number of employer and union officials sitting on a case, with a JIB official

present, and with provision for arbitration. The cost of the system is a cause for concern for some employers, not least because the qualifying period is six months rather than the two years under the legislation and because the industry rather than the state meets the costs. Yet to date there is a preference for this form of autonomous industrial self-government.

In summary, the system of multi-employer regulation in the electrical contracting industry has weakened somewhat since the 1970s. It covers fewer workers and firms and there are significant strains within the system. However, in the context of the pressures on the industry and compared with the deregulation elsewhere in British industry, especially construction, the system remains significant both in the scope of its application and in the standards which it sets.

4. EXPLANATIONS AND IMPLICATIONS

One explanation for the deviant nature of national multi-employer bargaining in electrical contracting relates to the sectoral characteristics of the construction industry as a whole. It might be argued that, in a sector which (outside of major contracts) is largely closed to international competition, it is more feasible to maintain multi-employer networks and sustain national agreements. This is because competitive cost pressures may be less strong than in more open sectors and purely domestic firms can be more readily brought into such agreements. Indeed, there are other parts of the construction industry where national agreements are still important. These include the building industry working rule agreement, the heating and ventilating agreement, and other specialist areas such as plumbing and demolition agreements. The agreement which is most effective, apart from electrical contracting, is that for the engineering construction sub-sector. This agreement (NAECI) was created in the early 1980s and modelled on the JIB (Korczynski, 1996); it is effective because of the dominance of a small number of large clients who need to ensure stable industrial relations on big sites. On the other hand, the national

agreement in building is relatively weak; the agreement in civil engineering has been de-stabilised by the recent disintegration of the employers' association; and the agreement in heating and ventilating sets only recommended rates and conditions. Also, we repeat again some of the factors inimical to national organisation in construction — the proliferation of small firms, the spread of self-employment, and marked demand fluctuations. A sectoral explanation does not therefore fully explain the continued strength of national bargaining in electrical contracting.

Another set of explanations, which might account both for the relative strength of multi-employer national regulation and also for recent changes within electrical contracting, relate to the specific product and labour market structure of the industry itself.

In terms of product markets, where there is the reality or possibility of fierce domestic competition between a large number of firms, many of them small, there is an incentive to institute multi-employer regulation. First, this economises on the cost of bargaining and providing benefits, especially for small and medium sized companies. As Katz (1993: 12) notes, employers in industries with small scale production and modest capital requirements seem more likely to retain central bargaining structures. Second, in a classic manner, multi-employer bargaining serves to take wages out of competition and this increases the likelihood that firms, especially small firms, will play by the same rules. Third, industry bargaining ensures a certain predictability in labour costs in tendering for contracts. In this respect, it is significant that, in the electrical contracting wage determinations, the settlement is promulgated well in advance of their implementation so as to facilitate costing. Given these factors, there is an incentive and possibility for employers and the union to organise together to regulate their industry.

In terms of the labour market, the workforce is skilled, and wage costs represent a high proportion of total costs. Electricians consider themselves a distinct elite in the construction industry, and, as we have seen, they are more likely to be directly employed than other site workers. Of course, there are differences in skill and complexity

between the types of work which are undertaken. However, the labour process is relatively homogeneous, there is a high degree of occupational cohesion, and there is a high level of skills transparency. For quality and safety reasons, clients prefer that work is done by an accredited electrician, which has usually come to mean a JIB accredited electrician.⁷ Given these factors, again there is an incentive and a possibility of taking wages out of competition.

Powerful though these structural factors may be, they mainly predispose the parties to acting in a certain way rather than predetermining outcomes. For a fuller explanation of the institutional arrangements, it is necessary to examine the interplay of union and employer preferences as a political process and in a historical context.

The Electricians' Union has always been the predominant union in the industry, and contracting has provided it with initial recruitment into the union and with one a major centre of membership. For reasons already given, the industry is in many ways difficult for a union to organise and to regulate. To obtain employer recognition and the protection of wages and conditions, especially among smaller firms, the Electricians' Union was prepared to enter into comprehensive national agreements and to see these tightly enforced. This was also attractive to the leadership since historically it further reinforced their central control and helped contain political challenges mounted by disaffected members. After the bitter struggles of the 1950s and 1960s, the new leadership saw a tight national agreement and close working with the employers as a means to reinforce its control. In the early 1970s, it gained recognition from the ECA of the Electrical Engineers Staff Association as the sole bargaining agent for supervisory, technical, and administrative staff. It also needed security during the 1980s when its membership elsewhere was declining and when relations with other unions deteriorated. The mutually interdependent relationship with the ECA was perceived to lower the cost of organising and servicing the membership and became a part of the union leadership's culture. In this way, the support of a centralised union has been a necessary condition for strong national regulation. However, by itself, the union was not strong enough to enforce national bargaining, and union

commitment would not, in itself, have persuaded employers that such arrangements should be developed and retained.

In an uncertain environment, organised employers in electrical contracting have always wanted to stabilise the industry and increase predictability. The predecessors of the ECA had historically used product market collusion, price-fixing, and trading rebates to bring this about. Over time, the employers had accepted the need for a degree of co-operation and regulation in the product market and for collective discipline in the labour market. As this seemed to pay off, the firms in the industry were prepared to continue the system of multi-employer regulation which had developed historically. For them the creation of the JIB was a significant event. It signified a continuing commitment to regulation and it further institutionalised relations. For most employers covered by the agreement, it has produced a degree of stability in the industry, at both national and local level, and has tended to reduce interfirm cost variation and thereby stabilise pricing and tendering in a situation where market-sharing and price-fixing is now illegal. The JIB has itself come to be a significant player in the industry and, along with other joint bodies especially in the training area, it has developed a strong institutional centrality which permeates the industry. Thus, the majority of member firms continued to value the system, despite the challenges and pressures which built up especially in the 1980s.

At the present time, however, there is new set of pressures on the agreement and a questioning of the arrangements which may render electrical contracting less deviant. First, there is some fear on the part of the employers that the merged AEEU may not have the same understanding of, or commitment to, the arrangements as did the Electricians' Union over many years. In practice, this is probably unfounded as electricians' representatives continue to have a high profile within the AEEU and the union still very much sees the arrangements as a way to retain membership. More potentially destabilising on the union side is its difficulty in making significant gains in organising the self-employed. Second, there may be a lack of familiarity amongst younger self-employed workers with the role and purpose of trade unions and the ways in which union membership

might support their interests. Third, and probably more important, are waning memories on the part of many employers of the reasons for setting up the arrangements in the first place, especially given lower levels of militancy within the industry. Fourth, a growing diversification of activities within some larger firms, a concentration on niche activities by other large and medium sized firms, mergers with building firms, and an increasing divergence of interest between large and smaller firms throws into question employer commitment and solidarity. In particular, it would seem that large firms, especially on large sites, may find less and less community of interest with smaller firms. Finally, the spread of self-employment and the further intensification of competition continue to pose increasing strains on the industrial relations system. If these trends continue, there may be less incentive for employers to maintain industry regulation in the future. Together these pressures are making for greater demands for flexibility which in the future may make the industry less unique.

5. CONCLUSION

Multi-employer national bargaining has declined in most private sector industries in Britain, and in general there has been a decentralisation and contraction of collective bargaining. However, national multi-employer regulation has survived in some industries and in particular in the construction sector. It has survived strongly in electrical contracting where a relatively tight and comprehensive agreement continues to operate. Though the agreement may be less of a 'standard' than in the past, it is still a very effective 'floor' and far from being a mere 'safety net', to use Brown and Terry's terminology. This survival is to be explained by sectoral and industrial characteristics, by the existence of a centralised trade union, and by the nature of employer solidarity; it has also been sustained by institutions which seem to work and by a particular historical and ideological legacy. Strains on the system arise from some of Katz's pressures, in particular a growing diversification of both employer and employee interests and

the felt need of some employers to obtain greater flexibility. Pressures also come from sectoral and industrial characteristics such as the growth of self-employment and from specific changes such as the waning impact of a particular historical legacy.

In the case of electrical contracting, national bargaining offers some benefits in terms of industrial stability, good terms and conditions, self-governing procedures, skill formation, and standards of work. Over the last 25 years, most employers and governments have urged the advantages of decentralised bargaining, citing product market and labour market imperatives; also, in the private sector at least, many unions have favoured decentralisation. Given the particular set of circumstances in the electrical contracting industry and the growth in other industries of single-employer bargaining or no bargaining, it is unlikely that the arrangements in electrical contracting could constitute a model for other British industries, though, as we have said, it has been so used elsewhere in construction. The arrangements do, however, show that, where certain conditions exist and where commitment can be developed, multi-employer regulation is possible. In the construction sector, in particular, where the choice is not so much between multi- and single-employer bargaining, but between multi-employer and no bargaining, the model of electrical contracting has something to offer. Unless the circumstances of present day British industrial relations change, it is unlikely that it will constitute a broader model and in this respect it remains a largely deviant case.

ENDNOTES

- ¹ The same source indicates that there were 38,100 electricians in 1989, the latest date for which figures were available for the whole of Great Britain.
- ² Employment by electrical contractors fell from 50,800 to 44,000 between 1984 and 1994 and JIB employment as a proportion of the total fell from 61 to 56%. The density figure for electrical contracting is our estimate and for construction it is taken from the Labour Force Survey.
- ³ There are a few ECA firms which do not join and a few (about 200) non-ECA firms which do join.
- ⁴ Between 1984 and 1990, collective bargaining coverage declined from 64 to 51% in private manufacturing and from 41 to 33% in private services (WIRS 2 and 3).
- ⁵ See the discussion below of close movement in JIB rates and earnings in the industry and the effectiveness of working conditions.
- ⁶ An alternative approach to measurement of the relationship between rates and earnings, adopted by Brown and Terry (1978) and based on an artificial rate comprising the average of the major skilled and unskilled rate compared with earnings minus overtime, confirms this trend.
- ⁷ For the increased interest in quality, see ISO 9000 which encourages a benchmark such as the employment of a qualified JIB electrician.

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