

Abstract

Union membership rose by 100,000 in 1999 ending two decades of sustained membership losses – the longest, deepest decline in British labour history yielding a cumulative fall of over 5 million members. This paper analyses that haemorrhage in membership and asks whether or not the recent increase augurs a resurgence in unions' fortunes.

Membership data and voice arrangements are described first. Then the decline in membership in the 1980s and 1990s is analysed, emphasising both the failure of unions to achieve recognition in newly established workplaces and plummeting density where unions remain recognised. The health of unions turns, in part, on their appeal to potential members, so their “sword of justice” impact is set out next showing how unions have an egalitarian effect on the distribution of pay, cut accidents and promote both family friendly and equal opportunity policies in the workplace.

It is unlikely that employment will grow disproportionately in unionised sectors of the economy. So any revival of unions depends on organising activity among both individuals and firms. The pivotal importance of new recognitions is discussed by analysing three forms of marriage between capital and labour – true love, convenience and shotgun. The paper concludes that a twin track organising strategy would help unions partially reverse their membership losses – signing up new employers but also focusing on the 3 million plus free riders who are covered by collective agreements but not members.

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British Unions: Dissolution or Resurgence Revisited

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1. Introduction

Union membership rose by 100,000 in 1999 ending two decades of sustained membership losses – the longest, deepest decline in British labour history yielding a cumulative fall of over 5 million members. This paper analyses that haemorrhage in membership and asks whether or not the recent increase implies a resurgence in unions' fortunes.

Data on membership are set out and examined in Section 2. It is noted that considerable care needs to be taken when interpreting figures supplied by the Certification Officer. The implications of falling membership for different worker voice mechanisms are also described in Section 2. The decline in membership in the 1980s and 1990s is analysed in Section 3. This emphasises both the failure of unions to achieve recognition in newly established workplaces and plummeting density where unions remain recognised. The future of unions turns, in part, on what impact they have on both economic efficiency and equity. The former outcome has been well documented previously but the “sword of justice” effect of trade unions is somewhat neglected. Section 4 tries to plug this gap by assessing the impact of unions on the distribution of pay, the establishment accident rate and the provision of workplace equal opportunity and family friendly policies. Section 5 looks to the future. It is unlikely that employment will grow disproportionately in unionised sectors of the economy. So any revival of unions turns on organising activity among both individuals and firms. The pivotal importance of new recognitions is discussed by analysing three forms of marriage between capital and labour – true love, convenience and shotgun. The paper concludes that a twin track organising strategy would help unions partially reverse their membership losses – signing up new employers but also focussing on the 3 million plus free riders who are covered by collective agreements but not members.

2. Description of Data

At the end of the century 7.3 million employees in Great Britain were union members, equivalent to 3-employees-in-10. Information on trade union membership and density need to be treated with great caution. There are now two main sources of such data: the Certification Officer and the Labour Force Survey. The annual report of the Certification Officer details union-reported membership from unions with headquarters in Great Britain.

These figures sometimes include members who are retired, unemployed or self-employed. Some people working outside the UK – in Gibraltar or Hong Kong for example – are also included (see Hicks 2000 for more details on these and other complications with Certification Officer data). Trade union density is the percentage of employees or the workforce who are union members. It is a tricky exercise to match the numerator with the denominator to calculate such density figures. For example, should the denominator refer to employees in employment or to the civilian workforce which adds in the self-employed and unemployed?

The Certification Officer data are the only source which provides a long time series on membership (since 1892). Fortunately, they have been supplemented since 1989 with information from the household-based Labour Force Survey which provides evidence on the straightforward question: what fraction of employees in employment are union members? In the three decades from 1950 union membership grew steadily from 9.3 million in 1950 to 13.3 million in 1979, such that by 1980 half the civilian workforce was in membership (Table 1 and Figure 1). Since 1980 unions have lost over 5 million members and only just over a quarter of the civilian workforce were in membership at the turn of the century. The Certification Officer data are supplemented in Table 2 with more recent information on the fraction of Great Britain employees who are union members. Membership fell from 8.94 million in 1989 to 7.15 million in 1998. In 1999 membership rose for the first time for 20 years but density was virtually constant because the number of employees also increased.

Membership data alone are a very blunt indicator of unions' role and contribution to industrial relations. Therefore, information on the coverage of collective agreements is cross-tabulated with membership details in Table 3 to provide a fuller picture for 1999. The evidence in this table is quite remarkable. The majority of employees (13.6 million or 57%) are neither a union member nor covered by a collective agreement. Of those 8.5 million employees covered by an agreement, under two thirds (5.4 million) are union members. Looking at the evidence the other way round, nearly a quarter of union members are not covered by a collective agreement (1.6 million out of 7.0 million). These will include people who retain their membership even though their employer no longer recognises the union for collective bargaining. It also includes many teachers and nurses who are union members but whose pay is set by arbitration by Review Bodies. In other cases the employer recognises a union for grievance and discipline matters but not for pay bargaining.

30% of employees are presently union members. Density alters by demographic, job and workplace characteristics (see Table 4). Density varies little by gender and by ethnic origin. It rises with age, falling off slightly past 50. Those with higher education have

density levels substantially above those with fewer qualifications. This latter finding can also be shown when we consider density for selected occupations. Teachers, nurses and other professional workers have the highest density of any occupation (49%), and sales occupations (11%) the lowest. Density rises sharply by tenure, in part a mirror image of the well-known finding that labour turnover is lower in workplaces which recognise a union.

Workplace characteristics are important too. Small workplaces (under 25 employees) have density levels under half those of larger establishments. People who work in public administration, education and health are far more likely to be members than those employed in business services or hotels and restaurants. Manufacturing (28%) now has union density below that for the whole economy (30%). An individual in Scotland or Wales is more likely to be a union member than one in England, and among regions the north-east has a density level double that of the south-east.

Hand-in-hand with the decline in union density a profound change has occurred in the type of mechanisms that provide employees with voice. Bryson (2000) uses successive WIRS to chart this trend (see Table 5). He points out that since 1984 in workplaces with 25+ employees there has been little change in the proportion of workplaces without any employee voice, the figure remains at around 1-in-6. But between 1984 and 1998 “there was a steep decline in voice arrangements where unions formed the single channel of communication (union-only voices) and a less marked decline in ‘dual-channel’ voice involving union and non-union channels in combination”. These two changes were offset by a large boost in voice arrangements which did not involve unions. If the sample is extended to workplaces with 10+ employees, in 1998 only 1-in-20 used union-only communication while nearly half used non-union voice only.

Table 5 also demonstrates the switch away from representative voice towards direct voice. Representative voice occurs *via* a recognised trade union or a functioning joint consultative committee (or works council). Direct voice by-passes these intermediate institutions and, instead, management and employees communicate directly with one another. Indicators of direct voice include team briefings, regular meetings between senior management and the workforce and problem solving groups like quality circles. Between 1984 and 1998 the proportion of workplaces with only representative voice arrangements halved, those relying on just a direct voice nearly trebled. However, it should be remembered that WERS only reports the incidence of such direct voice rather than the use made of these mechanisms.

Evidence from the WIRS/WERS panel of continuing workplaces shows that the decline in union-only voice is not caused by derecognition but rather a deliberate switch from single-channel union representation to dual channel arrangements. But the corresponding jump in non-union voice arrangements is accounted for by new workplaces adopting direct communication methods (Millward *et al.*, 2000). In a nutshell continuing unionised workplaces have added-on complementary direct communication while nearly all new workplaces opt for direct methods without recognising unions. It is a nice question whether direct channels – providing a voice for non-union members – reflect declining density or cause it.

3. Explanation for Decline of Unions

Whichever way one looks at it the last two decades of the twentieth century were a period of relentless, sustained corrosion in British unionisation. Membership fell by 5.5 million and density from over half to under one third of employees. The number of workers whose pay was set by collective bargaining halved from around 70% to 35%.

Writing in 1991, I noted (Metcalf, 1991) that there were three main explanations for the decline of unionisation in the 1980s. First, Carruth and Disney (1988) asserted that “the downturn in membership is entirely a cyclical phenomenon”. But this cannot be so because if macroeconomic variables were the sole cause of membership fluctuations, the gradual fall in unemployment from 3 million to 1 million since 1993 (and the fact that real wage growth was below trend in this period) would have given a major boost to membership. Second, Freeman and Pelletier (1990) calculated a ‘legislation index’ according to how favourable or unfavourable various strands of labour law were to unions in each year. Changes in the law were held to be “responsible for the entire decline” in density levels. Third, Booth (1989) suggested that nearly half of the decline in membership was attributable to changes in the composition of industry alone. Changes in industry mix are unlikely to be the main story because the trend away from manufacturing, male, large workplace-intensive employment towards private service, female, small workplace-intensive employment was already in existence in the 1970s when union membership rose by nearly 3 million. I noted that “composition effects neglect the attitudes and effects of the main actors – employers and

unions. They beg the key question: why have unions not been able to organise and recruit in expanding areas of employment?" (p.23).

It is very plausible that macroeconomic variables, the structure of jobs and the composition of the workplace and the role of the state each contribute to the ebb and flow of union membership. But it is necessary to go behind the correlations and examine the process of decline – to see the part played by employers and by unions and their actual and potential members. We are fortunate because successive Workplace Industrial (Employment) Relations Surveys permit just such an analysis (see the appendix for description of the 1998 WERS sample).

There is no evidence that union activity – the wage premium causing higher labour costs for example – results in a higher rate of closures among union plants compared with their non-union counterparts. Table 6 shows that closure rates were virtually identical for both union and non-union workplaces between 1984 and 1998. Nor has management embarked on wholesale derecognition of trade unions. The evidence in Table 6 suggests that the derecognition rate was around 1% a year between 1984 and 1998. Although derecognition in some national newspapers, TV and docks generated bitter industrial disputes and considerable media interest, it turns out that such management action was quite rare (for related evidence see *eg* Towers, 1997 and Gall and McKay, 1999).

Rather, Machin (2000) confirms my earlier speculation that union decline turns mainly on the inability of unions to achieve recognition in young workplaces reflecting, for example, Thatcherite views among some managers and the growth of investment from overseas. This is fully documented in Table 7. Consider initially panel A. In 1980 establishments under 10 years old had a recognition rate of .59 almost as large as the fraction of 10+ years old workplaces which recognised unions (.65). But over the next two decades unions found it progressively harder to organise new workplaces. By 1998 just over a quarter of workplaces under 10 years of age recognised a trade union, only half the corresponding figure for older workplaces.

Panel B shows that this inability to get much of a foothold in new workplaces is not, as is often asserted, confined to private services. More stunning is the virtual collapse of recognition in newer manufacturing plants. Only 14% of manufacturing workplaces set up after 1980 recognise a union compared to 50% of those established in 1980 or before. Thus, there is a 36% point gap in recognition rates for manufacturing plants established before 1980 than after 1980. The corresponding gap for private services is 10 percentage points and there is no significant gap for public sector workplaces. But these lower recognition rates in newer

workplaces are not the end of the story. Machin goes on to show that even when such recognition is achieved, union density is some 20% (*ie* .11 points) lower than it is in older workplaces.

It is apparent that any resurgence of unionisation will require more recognition agreements in younger workplaces. Mechanisms to achieve this are discussed in Section 5. But before we leave this analysis of decay, two further points must be mentioned. First, there is a further cohort effect affecting union membership. It is well known that young workers have lower rates of unionisation than older workers (see *eg* Table 4) but, more serious from unions' viewpoint, union density has dropped both absolutely and proportionately more among newish entrants than among older workers:

Age	Density %	
	1983	1998
18-29	44	18
30-39	51	30
40+	57	33

This matter has been investigated using sophisticated statistical analysis by Disney *et al.*, (1998) who confirm that successive birth cohorts have a declining probability of joining unions. The plot of density against age in Table 4 is an inverted-U for the 1999 cross section. What has been happening is that the inverted-U for 1999 is below that for 1989 which, in turn, was below that for 1979. In each case the distance between the inverted-Us is getting larger for younger cohorts than for older ones – young employees are now less likely than ever to belong to a union than at any time since World War II. There is strong persistence in union membership and, more importantly, non-membership. Therefore, the trend to successively lower density rates by birth cohort will only be reversed when unions are able to boost membership rates among younger workers. Efforts by the union movement to do just this *via* the newly established TUC-sponsored organising academy are discussed in Section 5.

Thus, the probability of young workplaces having recognition has fallen over time, both absolutely and relatively to that of older workplaces. Likewise, the likelihood of a young worker being a union member has declined over time, both absolutely and relatively, compared with that for older workers. Which of these two, albeit interrelated, cohort effects is more important in explaining union decline? A definitive answer will only be possible when we have a matched panel of workplaces and individual employees. But Machin (2000)

speculates that it is the workplace cohort effect which dominates because workers of *all* ages have a lower probability of being a union member in workplaces established since 1980. This is surely plausible: there is less likely to be a union to join – no recognition – in younger workplaces, which lowers the probability of membership at all ages. Young workers are particularly affected because they are more likely to work in young workplaces. In 1998, for example, in workplaces established prior to 1980 only 10% of the workforce was aged under 25, whereas in those set up in the 1980s and 1990s the corresponding figure is 17%.

Second, while recognition in younger workplaces is vital to the long-run health of the union movement we should not lose sight of falling density where unions are recognised. Indeed, in the short-run the benefit: cost ratio of focusing on retaining existing members and absorbing free riders is likely to be higher than that for recognition activity. Consider the following information:

	Workplaces with recognition, density %
1980	78
1998	56

Some 10 million people work in establishments where one or more unions are recognised. This implies that if unions could regain their average membership density of 1980, membership would rise by some 2.2 million.

In 1980 1-employee-in-4 was in a closed shop, but the legislative onslaught against trade unions in the 1980s meant that by 1990 very few workplaces still had a closed shop. Table 8 shows that the sample of WIRS workplaces with a closed shop fell from 337 to 68 in the six year period 1984 to 1990. Thus, there was a distinct shift in the form recognition took, away from the closed shop towards simple recognition. After careful statistical analysis, Millward *et al.*, (2000) conclude that, “the decline in the closed shop and strong management endorsement of membership were the main reasons for the fall in mean union density in unionised workplaces between 1984 and 1990” (p.150). But the picture is “quite different” for the period 1990 to 1998. Density fell for all three types of union recognition – “employees appeared to have lost their appetite for unionism”. The fall in WERS aggregate density was 13 percentage points 1990-98. Only a quarter of this arose from the decline in the incidence of closed shops or strong management recommendation to join the union. Thus, 10 percentage points are attributable to the reduced propensity to belong to a union

even when encouraged to do so. In a nutshell, in the 1980s unions lost the support of the state and managers, whereas in the 1990s “they also lost the support of many employees” (p.151). This implies a difficult choice for unions: the opportunity cost of devoting resources to organising may be less attention to servicing existing members and the latter may yield more members per £ spent.

4. Unions and the Sword of Justice

Alan Flanders suggested that unions have both a “vested interest” effect and a “sword of justice” impact. Broadly, these can be thought of as the impact on economic efficiency and on equity or due process respectively. The vested interest effect has been well-documented (see *eg* Metcalf, 1993 for a survey). In the 1960s and 1970s productivity levels in manufacturing workplaces were lower where unions were recognised, but this effect was attenuated during the 1980s when productivity growth was higher in unionised than non-union workplaces. Most studies also show that union recognition siphons off some surplus profits in monopolistic firms and workplaces to the benefit of employees *via* a wage premium. The balance of the evidence also suggests that where unions are recognised, physical investment rates are lower but investment in human capital higher than it is in non-union counterpart workplaces.

Much less well documented is the sword of justice effect of trade unions. What follows analyses three strands of this union role. It is shown that unions narrow the distribution of pay, lower the rate of industrial injuries and promote equal opportunity and family friendly policies. Such outcomes may well appeal to many among the majority of employees neither covered by collective bargaining nor a union member, and the implications of these findings for the future health of unions is pursued in Section 5.

4.1 Union wage policies

A stylised industrial relations fact is that the spread of pay among unionised workers is lower than the spread among their non-union counterparts. There are three routes to this greater equality of pay in the organised sector. First, unions reduce pay dispersion **within** establishments. Unions prefer a single rate of pay for each occupational group whereas in

non-union firms with individual pay determination supervisors decide pay levels within a range. Unions also prefer seniority-based progression of rates. These preferences stem from unions' desire for objective standards, where pay goes with the job, because of concerns about favouritism, discrimination and the measurement of the "true" contribution where pay is subjectively related to the "merit" of the individual.

Next, **across** firms and workplaces union wage policies lead to a narrower wage dispersion in the organised compared with the unorganised sector. At the turn of the last century the Webbs (1902) introduced the concept of "the common rule" into the vocabulary of industrial relations and used it to define trade union objectives. The fixing of a standard rate of pay – the rate for the job – was the pivotal common rule. The strength of this common rule has ebbed away as the locus of collective bargaining in the private sector has switched from national multi-employer agreements to firm or workplace agreements. Around a quarter of private sector employees are covered by collective agreements of which under a tenth are covered by national agreements. Consequently the dispersion of pay in the organised sector is likely to be higher now than it was in the past. Nevertheless, the organised sector is still likely to have less dispersion, other things equal, than the unorganised. Multi-employer bargaining still exists in parts of printing, textiles, clothing and construction. And even in sectors where national bargaining has disintegrated unions own internal organisation permits or encourages pay comparisons across companies *via* research support for collective bargaining, the way lay officers are taught to formulate pay claims, industry level forums, and the involvement of full time officials in local pay negotiations.

Third, unions operate a *de facto* **minimum wage policy** through collective bargaining. In Local Government for example the lowest basic rate in the 1997 national agreement was £4 per hour and presently many public sector unions are achieving a £5 per hour minimum. And the Transport and General Workers Union reports a similar lower bound negotiated for some industrial cleaners, knitwear operatives, bar staff and retail workers.

The upshot of these union wage policies – which operate within and among firms and which cut off the bottom end of the pay distribution – is that we expect unionised workers to have a more equal distribution of wages than their non-union counterparts. Some evidence on this is given in Table 9, taken from the Labour Force Survey covering over 16,000 employees a quarter. Two measures of the dispersion of log earnings are presented: the standard deviation and the 90th percentile minus the 10th percentile. Consider initially the raw earnings data. On both measures the union pay distribution is more concentrated than the non-union pay distribution. But of course, this could be nothing to do with unions, instead it

may reflect the fact that unionised workers and jobs are more similar than non-union ones. To allow for this possibility the bottom panel of the table presents evidence on the dispersion from the residuals from a regression equation that permits controls for the heterogeneity of people and jobs between the union and non-union sectors.

Two strong findings occur. First, considerable pay dispersion persists even when controls are included – the dispersion in the residuals is around two-thirds the dispersion in the raw data. Second, it remains the case that, even when we compare essentially homogenous employees in similar workplaces and jobs, the pay dispersion is lower for union members than for non-union employees. Thus union wage policies do matter – the lower dispersion in pay among unionists is not just because they are more similar than non-unionists.

So far we have shown that unions reduce the spread in the pay distribution. But they also do something more profound – they compress the pay structure between women and men, blacks and whites and those with health problems and the healthy. This impact of unionisation on the pay structure by gender, ethnicity, health and occupation is set out in Table 10. The results are quite remarkable. Unionisation narrows the wage structure for each pair of groups. The fraction of employees who are union members is rather similar for each of the groups, at around a third. Thus the impact of unionisation on the pay structure comes *via* the premium associated with union membership. In each case the lower paid group – females, non-whites, those with health problems and manuals – receive a higher premium if they are a union member than do their higher paid counterpart groups.

For example, female union members earn 8.7% more than a woman with the same characteristics who is not in a union. By contrast male union members earn no more than their non-union counterparts. Similarly, the payoff to union membership for non-whites is 8.4%, more than double the 3.9% premium for whites. Likewise, union membership provides a bigger return to those with health problems (5.3%) and manual workers (12.9%) than the healthy (3.9%) and non-manuals (3.0%).

Consequently the average wage structure is compressed by the following percentages compared with what it would be if there were no unions:

Group	If there were no unions, wage structure would be wider by %
Male/female	2.6
White/black	1.4
Healthy/health problems	0.6
Non-manual/manual	3.1

If there were no unions the gender pay gap would be 2.6% wider and the race pay gap 1.4% bigger.¹ These are very substantial effects. They can be put into perspective by a comparison with the impact of the national minimum wage (NMW). Its introduction in 1999 had a specially favourable effect on female pay – two thirds of those affected were women – and it narrowed the gender differential by a little under 1%. Compare this with unions’ impact: unions compress the gender pay differential by 2.6% - treble the impact of the initial NMW.

4.2 Equal opportunities and family friendly policies

Union recognition is associated with a much greater likelihood of the workplace having some form of equal opportunity (EO) policy and an array of family friendly policies designed to encourage female employment. Fernie and Gray (2000a) summarise the evidence thus: “Women in unionised workplaces are much better off in terms of career opportunities, flexible work arrangements and general support for family responsibilities than their counterparts in non-union workplaces” (p.3). The evidence is set out in Table 11. There is not a single indicator of EO or family friendly policies which is more likely to be found in a non-union than in a union workplace. Under EO it will be seen that unionised workplaces are more likely to have a policy, to monitor it and to measure its impact on the workplace. Likewise, where a union is recognised, flexible work practices are more common including parental leave, working from home, term only contracts, the possibility of switching from full- to part-time employment and job shares. Few workplaces provide nurseries or financial help for childcare but, again, such policies are more common in unionised establishments.

¹ This impact of unions on the wage structure is estimated from differences between union and non-union wages in the presence of unions. This evidence is then used to calculate what wages would be in the absence of unions. The implied assumptions and method of calculation is set out in Metcalf *et al.*, 2001.

Over two-fifths of non-union workplaces do not provide any of these benefits, more than twice the fraction of unionised establishments with none.

The information in Table 11 is, of course, raw cross-tabulated data. It might be, for example, that the reason unionised workplaces are more likely to have these policies is simply because unions are disproportionately recognised in larger workplaces or the public sector, which themselves make more intense use of EO and flexible work. Fernie and Gray (2000b) investigated this possibility and found that even when controls are made for sector, public / private, workplace size, HRM policy *etc*, such EO and family friendly policies are still positively associated with recognition. Some examples of extra likelihood of such policies being found in unionised workplaces are set out in Table 12. Union recognition is strongly associated with the incidence of various equal opportunities policies. For example non-union workplaces are 20% less likely to have an equal opportunities policy on gender than their unionised counterpart. Family friendly policies are also more likely to be found in workplaces with union recognition but the strength and significance of such associations are weaker than those for equal opportunities.

4.3 Industrial injuries

Ever since the Webbs (1902) wrote about industrial injuries a century ago, it has been recognised that a union presence in a workplace is likely to reduce the rate of industrial accidents. There are a number of routes which produce this outcome. For example, unions lobby for safety legislation and, on occasion, might take industrial action locally to make the workplace safer. Many trade unions also provide health and safety courses for officials and lay activists. Further, a union presence will tend to promote “voice” over “exit”: where a union is recognised, employees with concerns about accidents are more likely to be listened to rather than labelled as a nuisance.

The 1998 WERS permits a full analysis of the associations between unionisation and accidents (see Litwin, 2000). An industrial accident is where an employee has sustained any one of eight listed injuries during working hours over the last 12 months, including bone fractures, burns, amputations and any injury that results in immediate hospitalisation for more than 24 hours. The accident rate is the number of such accidents divided by the number of employees in the workplace. Many factors other than union recognition influence the accident rate. Thus, Litwin controls for: the vintage of the workplace; % male in the workforce; size of workplace measured by number of employees; climate of employee

relations at the workplace; whether or not health and safety matters are discussed by a committee or by a joint consultative council; and industry.

The evidence shows first, that unions are more likely to be found in workplaces where the likelihood of any accident occurring is higher, even when controlling for the variables listed above. Thus, the likelihood of one or more (*ie* any) accidents is 8% higher in a workplace with union recognition than in a non-union workplace. This association surely arises, as Nichols (1997) argues, because “it is not trade unions that call forth unsafe working conditions, but rather unsafe working conditions that call forth trade unions” (p.151). More importantly, second, the accident rate is lower where unions are recognised. The raw rate in the WERS sample are:

	Mean accident rate %
With union recognition	1.55
Non-union workplace	2.07

This finding is confirmed when we focus on just those 639 workplaces which have had one or more accidents. The presence of a union lowers the accident rate in these workplaces by a quarter compared with a similar non-union establishment – we may call this the “safety valve” effect of unions. This is important evidence when combined with the findings of Sandy and Elliott (1996). Their research showed that the compensating wage differential for extra risk of accident or death was lower for union workers than for non-union employees. They speculated that “the main thrust of union policy may be to reduce the incidences of fatal accidents rather than to improve the *ex ante* compensation for facing fatal risks” (p.303). Their suggestion is entirely consistent with our evidence.

Flanders was right. Unions do indeed have an important sword of justice impact, summarised in Table 13. It has been shown, for example, that unions temper pay inequality, promote equal opportunities and family friendly policies and cut accidents. Emphasis on such outcomes may well appeal to many present non-members if and when they ever get asked to join a union and it is to the question of union resurgence we now turn.

5. Union Resurgence?

5.1 Background

How might unions reverse declining density and achieve a sustained rise in membership? Broadly, there are two possible routes to revival. Either employment in unionised sectors of the economy has to grow relative to non-union employment or unions must engage in more intense organising activity.

Frankly, it is most unlikely that any boost in the aggregate number of jobs in the labour market will occur disproportionately in the unionised sector. While there are plans for a modest rise in the number of police, nurses and teachers the (highly unionised) public sector will not experience much growth in employment in the next decade. In manufacturing the number of jobs has more than halved (from 9 million to 4 million) since 1966; anyway, recall from Table 7 that unions are finding it just as difficult to get recognised in new manufacturing plants as they are in new service sector workplaces. Similarly, there is no suggestion of a strong growth in jobs in the utilities or transport. It is likely, instead, that the major share of any growth in employment will occur in private services with a present union density of around 15%. So disproportionate growth in employment in the union sector is not the route to a restoration of unions' fortunes.

Alternatively, unions can invest more in organising activity, which may yield a larger return presently than in the last two decades because the climate of opinion fostered by the state is no longer hostile to collective labour institutions. There are a number of channels for such investment in organising. Either the focus can be on individual employees, for example the 3 million free riders noted in Table 3, or the workplace or the firm can be the focus of attention and recognition can be achieved, in principle, in three main ways. First, the marriage between capital and labour might be based on true love – a partnership keenly sought by each party. Next, the marriage might be pragmatic – one of convenience – such that the employer, while preferring to remain non-union, voluntarily agrees to recognition as a second best in order to avoid confrontation. Finally, it might be a shotgun marriage imposed after due process on a reluctant employer by an institution of the state.

5.2 Individuals

Unions both emphasise procedures and cause outcomes which, in principle, might appeal to many employees who are not presently members. In Section 4 their “sword of justice” role was set out: unions cut accidents, encourage strong equal opportunities and family friendly policies and cause the distribution of pay to be more equal. In addition, for example, unions promote lifelong learning (see *eg* Unions 21, 2000), insurance and even discounted ISAs (Trade Union Fund Managers, 2000).

The most obvious group to target, and probably the cheapest to sign up, are the free riders – “in-fill” recruitment. It was shown in Table 3 that of the 8.5 million employees covered by a collective agreement under two thirds (5.4 million) are union members so there are 3 million such free riders. Alternatively, simply restoring density where recognition does exist to its 1980 level would yield over 2 million extra members.

Union density has plummeted since 1990 even where unions are still recognised – employees “lost their appetite for unionism”. Why? Charlwood (2000) investigated this using the British Social Attitudes Survey. He states that a key influence on the decision of an individual to belong or not to a trade union turns on that individual’s perception of union strength or weakness: if the union is weak why bother to belong? He attributes the fall in density in the 1990s to the introduction of new management techniques – the individualisation of employment contracts (see Brown *et al.*, 1998) for example – which weakened unions. Case studies (*eg* Darlington, 1995 and Fairbrother, 2000) hint that the membership losses are compounded by the retirement of long standing union reps and activists who are uncomfortable with the new management regime. Edwards (2000) notes that the decline in density in the 1990s coincided with the “servicing model” where unions provide selected services to their members such as credit cards and access to health care benefits. As he notes: “this model has not fared well”.

This evidence on why employees belong or not to unions yields an important insight (due to Ed Heery). If individuals are more likely to join or re-join a union when it is active then building collective organisation is an important complement to individual recruitment campaigns. Regaining recognition at News International would, for example, have a symbolic importance well beyond that one firm and yield extra members in already-recognised workplaces.

Greater effort is probably required when the focus is the 13.6 million employees (57%) who are neither covered by collective bargaining nor union members. A number of

initiatives are occurring to recruit among this large heterogeneous group. These include the TUC Organising Academy established in 1997 and various initiatives in individual unions including setting up organising departments, increased training in recruitment methods, attempts to re-deploy generalist officers to recruitment activities and use of electronic media for recruitment purposes (see Heery *et al.*, 2000b for more details).

The TUC Organising Academy is “to train a new generation of union organisers and foster a ‘culture of organising’ within trade unions”. Its purpose is to develop skilled union organisers – the organising model - through a combination of classroom training interspersed with placements working on organising campaigns arranged by the sponsor. The academy can be evaluated using cost benefit analysis with data from Heery *et al.*, (2000a). In 1998 and 1999 the 50 organisers targeted around 600 employing organisations and directly recruited some 7500 new union members. Further, the campaigns to which they contributed generated some 18,000 new members, implying a cost per recruit of some £77. Union dues per year are mainly above £77 and the recruits would presumably stay in membership more than one year, implying (even if the organisers went for easier targets first) that the Academy is a worthwhile investment. But, as Heery *et al.* themselves point out, such recruitment is but a small proportion of the 500,000 recruits per year required if – consequent on the normal churning in the labour market – unions are to even maintain present density levels. This implies that the Organising Academy is a rather minor component of individual recruitment and should be thought of as but one among many recruitment initiatives taking place. Further, it is probably best evaluated by monitoring the subsequent strength of workplace organisation such that membership is sustained and grows long after any campaign by workplace activists ends.

The Organising Academy is part of the New Unionism project designed to “increase the levels of union membership among young people [*via*] more effort in organising non-union workplaces, particularly in the private sector” (Trade Union Congress, 2000). The Organising Academy has provided a mechanism for a younger generation of activists in their 20s and 30 to become union officials. Trainees have been involved in specific projects to recruit young people. For example, Unison trainees have organised campaigns among student nurses, a Society of Telecom Executives trainee focused on recruiting graduate recruits in British Telecom and a Transport and Salaried Staff Association trainee recruited further education students on travel and tourism vocational courses. Other initiatives to boost youth membership include altering the format of the TUC annual youth conference away from a motion-based event to one focused on campaigns and skill development, the

appointment by all big unions of full-time Youth Officers to coordinate and support young members activities are a “rights to work” help line aimed at working students. The evidence in Section 3 on the historically low levels of union membership among young employees hints that this is a sensible investment by the union movement although the returns are mostly still in the future.

Unions are also using electronic media for recruitment initiatives. In Call Centres – the engine room of the new economy sectors like on-line banking and telecommunications – innovative campaigns have used e-mail to target new members and the telecoms union, Connect, also hands out a leaflet carrying details of a website where workers can log on and fill in an online survey about their terms and conditions (as Sue Fernie put it – from the Webbs to the web page!). Membership of Connect rose 5% in 2000.

Once an individual union has achieved very high density rates in its traditional sphere of influence, any expansion of membership can only be realised by branching out into other areas which might antagonise existing members. The Royal College of Nursing faces such a dilemma. It has grown progressively over the last two decades to achieve a current membership of 325,000 – all qualified nurses or students. It recently consulted members on a change to its constitution to allow some health care assistants into a special category of membership. The RCN is a fine example of a craft union with a professional ethos and, not surprisingly, this proposed move by the leadership to become more open met fierce resistance from some members. But the rise of the health care assistant, increasingly taking on the less skilled nursing tasks and increasingly holding vocational qualifications, meant the union cannot duck the possible trade-off between expansion and dilution and the proposal was agreed.

5.3 Recognition

The 1998 British Social Attitudes Survey indicates that 40% of non-union employees in non-union workplaces would join if a union was available – an untapped pool of over 3 million employees who come under the umbrella of the Employment Relations Act (Charlwood 2000). So getting the employer to recognise a union is a potentially fruitful route to higher membership. But how? If the aim of a union is to switch income from capital to labour what incentive is there for the employer to recognise a union?

In the 1950s and 1960s union recognition spread because unions were able to impose costs on the employer. In newspaper publishing, for example, some recognitions achieved by

the NGA and SOGAT resulted from the threat of a secondary boycott. The NGA organised ink producers and SOGAT organised newsprint manufacturers. Publishers were threatened by the possible withholding of ink or paper supply if they would not recognise the respective unions in the print sector. In the West Midlands many of the recognitions achieved by the TGWU in the engineering industry were a consequence of a threat that TGWU drivers would not deliver supplies to the engineering plants. These days such mechanisms to achieve recognition are outlawed. Now recognition occurs voluntarily or *via* the law. Voluntary recognition stems from either true love – cooperation between labour and capital, a proper partnership – or a pragmatic second best – a marriage of convenience. The legal route, inevitably associated with adversarial industrial relations, is a shotgun marriage imposed on a resistant employer by the Central Arbitration Committee under the provisions of the 1999 Employment Relations Act.

5.3.1 Legal route

If an employer will not recognise a trade union voluntarily the recognition provisions of the 1999 Employment Relation Act, which came into force in June 2000, permit the use of the law to achieve recognition. The way in which ballots for recognition will work is set out in the appendix. In summary, if a union can prove a majority of membership in the bargaining unit then it gains recognition. If not, a ballot is held in which the union must win 50%+ in the ballot and must have at least 40% of the bargaining unit voting “yes”. It is too early to assess the impact of this legislation but it is unlikely – by itself – to lead to a resurgence of membership *via* a flood of new recognition agreements. There are a number of reasons for thinking this.

First, simple arithmetic. Say, generously from the union viewpoint, there are 5 elections a week, with an average of 400 voters each. This implies 100,000 employees a year vote in CAC-sponsored elections. Remember that 15 million employees are not covered by collective agreements. Assume, on the basis of past UK experience in the 1970s (Beaumont, 1987; Wood, 2000) and current US evidence (Farber, 1999), a union win rate of 0.5. This implies that 50,000 extra employees per year would be in newly recognised bargaining units or 0.3% of the non-covered sector. Such a success rate would not even offset losses from plant closures, derecognitions and declining density where there is recognition. Further, the pool of winnable bargaining units will decline over time because rational unions will initially target more winnable bargaining units.

Second, the USA has had a similar law for more than half a century yet under 1-employee-in-10 in the private sector is a union member and recently unions have won under half of the ballots organised by the National Labour Relations Board (Logan, 2000).

Third, various forms of statutory recognition procedures existed in the UK in the 1970s. The 1971 Industrial Relations Act established a tight legal framework to decide on the sole bargaining agent. When this was repealed the 1975 Employment Protection Act set out procedures for referring recognition issues to the Advisory, Conciliation and Arbitration Service (ACAS). This statutory route to recognition ended in 1980. Although union membership rose by nearly 2 million during the 1970s, when this previous statutory system operated, the General Secretary of the TUC states that such recognition laws added only 60,000 workers to union ranks (*Financial Times*, 6 June 2000, see also Gall and McKay, 2000).

Fourth, triggering the law means that the employer is hostile to recognition. There are already consultancy firms offering their services to such employers to fuel their antagonism and to encourage them to resist unions by, for example, suggesting a particular definition of the bargaining unit, persuading the recognition agency (the Central Arbitration Committee) that recognition is “not in the interests of good industrial relations” and by encouraging employees – by fair means or foul – to vote “no” in any ballot. The likely tone of such “union-busting” campaigns can be gauged from contributions during a seminar on this issue organised in May 2000 by law firm Eversheds: “UK employers should view a union organisational effort as an economic heart attack. Organising labour unions are philosophically dedicated to coercing employers into economic partnership with them” (Alan Lips, partner in the Labor and Employment Group at leading US firm Taft, Stettinus and Hollister, quoted in *The Observer*, 4 June 2000). In the USA unions have always had a lower success rate in recognition elections where the electorate (workforce) is large than where it is small, and this workforce size-gap has widened substantially over time (Farber, 1999). This surely reflects the greater use of expensive union-busting consultants by larger firms who can more easily afford such cost.

Even though contemporary US, and previous UK, experience with statutory recognition provides no strong suggestion that this is the main route to resurgence many unions are likely to brave the hostility of employers and embark on recognition *via* the law. In some cases this is because there are old scores to settle. The National Union of Journalists, which experienced widespread derecognition in the 1980s, will probably use the Act to try to achieve recognition at News International (Times, Sun), The Independent and Associated

Newspapers (owners of the Daily Mail). Similarly there are likely to be attempts to overturn previous derecognitions in chemicals, oil and telecommunications. In other cases the Act will be used because, despite substantial membership, the company refuses to acknowledge the union. For example the TGWU has 400 members among the 2000 workers at the East Kilbride plant of Motorola but, as the company will not negotiate about recognition, the legal route will probably follow. Likewise, the financial services union UNIFI has a long standing dispute with HSBC about recognition for managers and is likely to trigger the law. In yet other instances there may be no history of unionisation – call centres on greenfield sites for example – but the union believes there is a silent majority in favour of representation which will be demonstrated in a card count or a ballot.

Trade unions will need to think very carefully about these shotgun marriages. Willman (2001) describes “a union” as a conglomeration of bargaining units. Such a unit achieved *via* the statutory route is, according to Willman, more likely to meet with a “recalcitrant employer” adding to the already one third of workplaces with recognition which Willman states have no meaningful collective bargaining. Further, such units are more prone to be financially non-viable – costing more to operate than they generate in revenue – thus stretching the resources of the union. If this is so the main rationale for unions’ keenness for the law on statutory recognition must be explained by the shadow cast by the law encouraging marriages of convenience to which we now turn.

5.3.2 Voluntary recognition agreements

A company will voluntarily sign a recognition agreement for one of two reasons. Either the management genuinely believe the union has something to offer or, alternatively, the management takes a pragmatic approach. It is not keen on unions but not outright hostile and so, anticipating a possible legal challenge, recognises the union of its choice (which must be independent and not a company sweetheart union), and negotiates a package with which it can rest content (see *eg* Wood, 2000).

Genuine partnerships include the recognition agreement between GB Airways and the AEEU covering 400 cabin crew, engineers, ground and office staff and recent agreements at the Inland Revenue, European Gas Turbines, Unisys and Tesco. Such agreements aim to switch the focus of relations between labour and capital away from battling over the size of the slices towards achieving a bigger cake. It should be noted that the latter four agreements were not, however, new recognitions. Rather the existing partners agreed to turn over a new

leaf. At Tesco for example the old system of industrial relations was seen as unsatisfactory by both the union and the employer. The annual wage negotiations had become ritualistic and the company had begun to question the value of its relationship with the union. Communication was poor and consultation was limited. The partnership agreement between Tesco and USDAW includes new consultation structures, greater exchange of information, more upward communication and investment on the training of union representatives at all levels (see Industrial Relations Services, 1999) for more details of the Tesco agreement and Heery (1999) for an insightful examination of social partnership).

Pragmatic recognition – marriages of convenience – sometimes dressed up as partnership agreements – may well also suit both parties. The employer might, for example, achieve provisions on dispute resolution or performance-related pay which may not be available once the relationship is adversarial. And from the union viewpoint, recognition imposed on a combative employer may prove a pyrric victory. If an employer fails to comply with a CAC-imposed agreement s/he will only face a fine (and never imprisonment) when it is “appropriate to do justice in the case”. Further, there is no explicit duty on an employer to bargain in good faith once the union is ostensibly recognised. Any widespread lack of good faith would presumably require the imposition of pay rates and conditions determined elsewhere under collective bargaining on the recalcitrant employer but the Act contains no such sanction. This second, pragmatic, form of voluntary recognition can be thought of as an indirect effect of – the shadow cast by – the legal route discussed above.

There were 748 voluntary recognition agreements signed between 1995 and September 2000 (see Gall, 2000). Around half were signed in the four-year period 1995-98, then the pace quickened with the other half sealed in 1999 and 2000. Gall believes that these agreements have brought 0.5 million new workers under recognition, implying that the “average” agreement covers over 650 employees. He states that “recent ‘scalps’ have been Virgin Atlantic, Barclaycall, Tilbury Docks, Newsquest Newspapers and United Parcel Service”. Further, he calculates that there are more than 600 current campaigns for recognition covering a further 0.5 million employees and in 170 of these cases (80,000 members) unions have already recruited more than half the relevant workforce.

In further analysis Gall and McKay (2000) note that these campaigns are “heavily skewed” towards manufacturing and former public sector organisations and “unions are not concentrating on the employment growth areas such as Call Centres, retail and business services and hotels and restaurants. This results from trade unions recruiting and organising within relatively familiar areas and where they already have some membership base”. This is

confirmed in Table 14 which sets out full details of recognitions monitored by both Gall and by Industrial Relations Services (2000) from January 1997 to June 2000 just prior to the new legal machinery for recognition coming on stream. IRS managed to track 212 new (full) recognitions covering 150,000 employees. Half of these workers were in public services or ex-public sectors such as NHS caterers and local authority outsourced payroll teams. A further 50,000 were in the familiar manufacturing, finance and transport and communication sectors, leaving just 1-in-6 of the newly covered workers in the rest of the private service sector.

Although partnership agreements have attracted considerable publicity and comment (see IRS, 1999) only 1-in-5 of the deals describe themselves, or have been described, as such. And among even these, very few comply with the Trade Union Congress (1998) model principles which include a commitment to employment security and flexibility, lifelong learning and the sharing of information. Similarly 1980s type so-called new style deals featuring no strike clauses coupled with compulsory arbitration only account for around 40 cases.

In some instances a union is recognised but bargaining is conducted through company councils or staff forums where non-union members are also represented. Some 40 such cases exist, including both GB Airways and Monarch Airlines (with AEEU), normally arising when the company adds union recognition to its extant consultation arrangements. Gall also notes that unions have cracked some “hard nuts” including charities (National Lottery Charity Board and MSF) and firms in road haulage and air transport, docks (recognition of TGWU at Tilbury), call centres (*eg* Barclaycall and UNIFI), retail and business service and BBC outsourced work (Capita and GMB and Unison).

If membership is to increase it will be important for unions to achieve recognition in some large organisations. IRS (2000) tracked all new recognitions between January 1997 and June 2000. There were 210 cases covering 150,000 newly covered employees but just 5 cases accounted for half these employees. The deal between Compass and UNISON covers 50,000 NHS catering staff, for example, and that between the Offshore Contractors Association and the AEEU and GMB cover 10,000 oil and gas offshore workers.

6. Conclusion

Union membership fell by over 5 million in the 1980s and 1990s, the longest sustained and deepest haemorrhage of members in British labour history. Macroeconomic variables, changes in the composition of jobs and the workforce and the legal onslaught against unions probably all played some part in accounting for the decay in collectivism. But it is necessary to go behind such correlations to understand the process of corrosion.

Two main factors were at work. First, unions failed to get recognised in most workplaces established after 1980. There were insufficient “births” to offset the “deaths” from the wholesale rundown of union strongholds in sectors like coal, steel and shipbuilding and the trickle of derecognitions. Second, where unions were recognised density fell alarmingly, particularly in the 1990s once the closed shop was outlawed. By the turn of the century there were 8.5 million employees covered by collective bargaining but under two thirds were union members, implying over 3 million free riders.

Employment is unlikely to grow proportionately more quickly in unionised sectors than in non-union sectors. It follows that any resurgence in unions’ fortunes turns an organising activity among individuals and employers. Despite excellent vision and leadership both nationally and locally, it is hard to be too optimistic about union fortunes over the next decade. In the first place organising activity is expensive and represents a “tax” on existing members. Then there is the arithmetic: Gall states that new recognitions have added (gross) 100,000 covered employees a year, on average, 1995-2000. It is almost inconceivable that the legal route to recognition will directly add more than a further 50,000 employees annually. Even if organising campaigns were ten times larger than those mounted by the Organising Academy the annual gross extra inflow of members would only be 90,000. Such organising activities would therefore yield around 0.25 million newly covered employees a year. This would not even keep pace with net job creation, running at around 0.35 million *per annum* since 1994 and would hardly be enough to offset losses from closures, derecognitions, retirements *etc* (and not all employees in newly recognised workplaces would be union members). So unions will hope that the indirect impact of the law is powerful, promoting a greater flow of ostensible voluntary recognition agreements than in recent years. Further, although signing up sufficient employers is vital, unions will also wish to pay greater attention to declining density where they remain recognised: if unions could retain their

existing members and sign up one tenth of the 3 million free riders each year their fortunes would be transformed.

Table 1
Trade union membership and density 1950-1999, UK

	Membership (000)	Density among civilian workforce (%)
1950	9,289	40.6
1960	9,835	40.9
1970	11,178	45.8
1980	12,947	49.0
1990	9,947	35.3
1999	7,807	26.8

Note: Trade union membership data from annual report of Certification Officer. See text for fuller discussion of content of these data.

Sources: Civilian workforce data from British Labour Statistics: Historical Abstract, HMSO 1971; DE Gazette, Historical Supplement, 2, November 1989; Labour Market Trends, various issues.

Table 2
Trade union membership and density 1989-1999
Great Britain, employees in employment

	Members (000)	Density (%)
1989	8,939	39.0
1990	8,835	38.1
1991	8,602	37.5
1992	7,956	35.8
1993	7,767	35.1
1994	7,530	33.6
1995	7,309	32.1
1996	7,244	31.2
1997	7,154	30.2
1998	7,152	29.6
1999	7,257	29.5

Note: The membership data (column 1) include self-employed people who are members, approximately 0.3 million in 1999. The density data (column 2) refer to membership among employees in employment only.

Source: Hicks (2000), Table 2, data from Labour Force Survey.

Table 3
Coverage of collective agreements and union membership
Great Britain, employees in employment, autumn 1999
Millions (%)

		Union Members		Total
		Yes	No	
Covered by collective agreement	Yes	5.4 (23)	3.1 (13)	8.5 (36)
	No	1.6 (7)	13.6 (57)	15.2 (64)
Total		7.0 (30)	16.7 (70)	23.7 (100)

Source: Calculated from evidence in Hicks (2000) using data from Labour Force Survey.

Table 4
Characteristics of union density
Great Britain, employees in employment, autumn 1999

Characteristic	Density (%)	Characteristic	Density (%)
All	30	<u>Workplace</u>	
<u>Demographics</u>		Size	
Gender		< 25 employees	15
Male	31	25+ employees	37
Female	28	Selected Industries	
Age		Manufacturing	28
<20	6	Hotels & Restaurants	6
20 – 29	20	Business Services	11
30 – 39	31	Public Administration	61
40 – 49	39	Education, Health	50
50+	34	Country – Selected	
Ethnic Origin		Regions	28
White	30	England	39
Non-white	27	Scotland	35
Highest Qualification		Wales	40
Degree	37	North East	22
Other Higher	44	South East	
A-level	29		
GCSE	22		
No	25		
<u>Job-related</u>			
Length of Service			
< 2 years	14		
2 – 10 years	27		
10+ years	54		
Selected Occupations			
Professional	49		
Craft	32		
Sales	11		

Source: Hicks (2000), Table 5, data from Labour Force Survey.

Table 5
Changes in worker voice arrangements
1984 to 1998 (%)

Type of voice arrangement	1984	1990	1998
Union only	24	14	9
Union and non-union	43	39	33
Non-union only	17	28	40
No voice	16	19	17
Representative voice only	29	18	14
Representative and direct voice	45	43	39
Direct voice only	11	20	30
No voice	16	19	17
<i>Weighted base</i>	<i>2,000</i>	<i>1,997</i>	<i>1,991</i>
<i>Unweighted base</i>	<i>2,019</i>	<i>2,059</i>	<i>1920</i>

Notes: Base: all workplaces with 25 or more employees. Union voice defined as one or more trade unions recognised by employers for pay bargaining or a joint consultative committee meeting at least once a month with representatives chosen through union channels. Non-union voice defined as a joint consultative committee meeting at least once a month with representatives not chosen through union channels, regular meetings between senior management and the workforce, briefing groups, problem-solving groups, or non-union employee representatives.

Source: Bryson (2000) adapted from Millward, Bryson and Forth (2000), Tables 4.13 and 4.15.

Table 6
Closure rates, new recognition and derecognition
in British workplaces

	1984 – 90	1990 - 98
A Closure Rate		
With recognised unions	.14	.14
No recognised unions	.15	.15
B Derecognitions / New Recognitions		
Derecognitions	.09	.06
New recognitions	.04	.04

Source: Machin (2000) calculated from successive WIRS/WERS panel data; closure rate from trading sector sample only.

Table 7
Union recognition by age of establishment

A. Union recognition by age of establishment

Age	1980	1984	1990	1998
Under 10 years	.59	.58	.34	.27
10+ years	.65	.68	.59	.50

B. Union recognition in 1998 and set up date of establishment

Set up	All establishments	Private sector manufacturing	Private sector services	Public sector
1980 or before	.54 [559]	.50 [89]	.28 [257]	.88 [213]
Post 1980	.29 [528]	.14 [108]	.18 [330]	.85 [89]
Gap (standard error)	-.26 (.02)	-.36 (.05)	-.10 (.03)	-.02 (.03)

Notes and Sources: Taken from Machin (2000) Tables 2, 3. Panel A from the four WIRS / WERS samples. Panel B from 1998 WERS sample based on establishments with reported age data with at least 25 workers; weighted sample size in square brackets; gaps are the differences in union recognition for establishments set up post 1980 compared to those set up in 1980 or before.

Table 8
Decline of the closed shop

Type of recognition	Number of workplaces in WIRS/WERS weighted sample			Density %		
	1984	1990	1998	1984	1990	1998
Closed shop	337	68	17	87	84	61
Strong management recommendation	331	321	176	79	77	68
Just recognition	458	514	623	55	62	53

Note: Base is all establishments with 25+ employees which recognise one or more trade unions.

Source: Millward *et al.* (2000), Table 5.5

Table 9
Unions and the distribution of pay

	Union	Non-union
Raw		
Standard deviation	0.457	0.592
90 – 10	1.14	1.47
Residuals		
Standard deviation	0.330	0.439
90 – 10	0.843	1.008

Notes:

1. Sample size is 16,730.
2. Standard deviation and 90 – 10 from log earnings
3. The residuals are estimated from a regression equation containing the following independent variables: age, qualifications, workplace size, industry, occupation, region, marital status, public / private, full-time / part-time, permanent / temporary, gender, able bodied / disabled, ethnicity.

Source: Labour Force Survey, Autumn 1998.

Table 10
Impact of unionisation on pay structure by
gender, race, health and occupation

Group	Unionised %	Premium %	Without unions, wage structure would be wider by %
Male	33	0.0	2.6
Female	31	8.7	
White	32	3.9	1.4
Non-white	32	8.4	
Healthy	32	3.9	0.5
Health problems	33	5.3	
Non-manual	32	3.0	3.1
Manual	32	12.9	

Notes:

1. Total sample size is 16,489.
2. Hourly pay premium associated with union membership estimated from regression equation with the following controls: age, marital status, qualifications, part-time worker, temporary worker, industry, occupation, region, public sector, workplace size and (as appropriate) gender, ethnicity and health.
3. In all the regressions but one the coefficient on unionisation is significant at better than 1%. Further, in each pairwise comparison the premia are significantly different from one another at 5% or better.
4. The method by which the last column – how much wider the wage structure would be in a notional labour market without unions – is calculated, is fully detailed in Metcalf *et al.*, (2001).

Source: Labour Force Survey, Autumn 1998.

Table 11
Union recognition of EO and
family friendly policies

	Workplaces %	
	Union recognition	Non-union
Recognition / non-union	45	55
Equal Opportunity Policy		
Formal written policy on EO or managing diversity	91	54
Collect statistics on posts held by men / women	49	18
Monitor promotions by gender, ethnicity, etc	26	7
Review selection and other procedures to identify indirect discrimination	39	11
Review relative pay rates of different groups	19	14
Measure effects of EO policies (only workplaces with EO policies)	24	9
Entitlement To Family Friendly Benefits For Non-Managerial Employees		
Parental leave	51	22
Working at or from home in normal working hours	17	11
Term-time only contracts	28	12
Switching from full-time to part-time employment	64	42
Job sharing schemes	50	15
Workplace nursery or nursery linked with workplace	7	2
Financial help / subsidy to parents for child care	5	3
None of these	19	43

Source: Fernie and Gray (2000a) from approximately 1700 workplaces with 25+ employees WERS 1998.

Table 12
Extra likelihood of policy being found in workplace with
which recognition compared with “twin” workplace
without recognition

	Coefficient	%
Equal Opportunities		
Formal policy	.51	19.6
Collect statistics	.27	6.2
Promotions monitored by gender	.39	2.5
Selection procedures reviewed	.35	4.4
Measure effects	.40	1.6
Family Friendly		
Parental leave	.36	12.1
Entitled to job share	.18	3.5
Workplace nursery	.23	0.1
No family friendly entitlement	-.23	-8.9

Notes: Coefficients and marginal (%) effects calculated from probit regressions. Control variables are: HRM practices (10 variables), private sector, % female, workplace size, industry. All coefficients for equal opportunities significant at 5% or better. Family friendly coefficients non-significant except for parental leave.

Source: Fernie and Gray (2000b) from approximately 1700 workplaces with 25+ employees, WERS 1998.

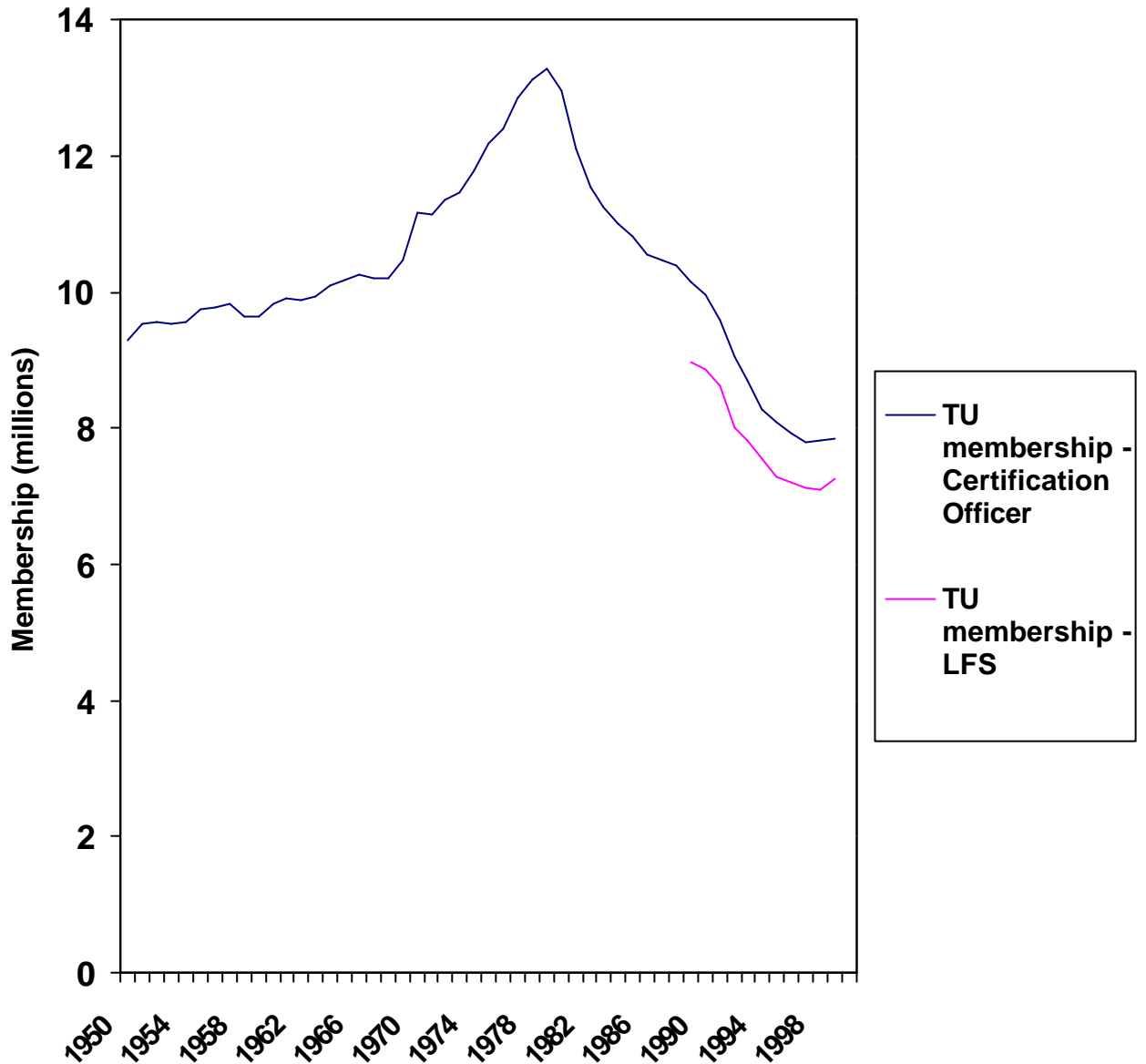
Table 13
Sword of justice effect of unions

Indicator	Sample	Union indicator	Control variables	Union effect	Author
Pay distribution - standard deviation - pay structure by gender, race etc	Approx 16,500 employees from Labour Force Survey, Autumn 1998	Membership	Age, qualifications, workplace size, industry, region, marital status, public/private, ft/pt, permanent/temporary	(i) sd union .330 sd non-union .439 (ii) without unions wage structure wider by (%) male/female 2.6 white/non-white 1.4 healthy/health problems 0.5 non-man/manual 3.1	Metcalf <i>et al.</i> (2001)
Accident rate one of 8 listed injuries (eg bone fracture, burns) requiring immediate hospitalisation for 24 hours + no. of such accidents in last 12 months ÷ no. of employees	WERS 1998 639 workplaces with 1+ accidents	Recognition	% male age of wp size of wp climate of IR in wp safety discussed by JCC etc industry	Accident rate (mean 1.85) is a quarter lower in wp with union recognition	Litwin (2000)
Equal opportunities and family friendly - EO 6 indicators eg policy on gender - FF 12 indicators eg parental leave	WERS 1998 approx 1700 workplaces	Recognition	HRM (9 variables) % male private / public fixed term contracts age of wp size of wp	(i) + ve and significant assoc. between recog and all EO indicators (ii) + ve assoc between recog and most FF indicators but only significant for parental leave	Fernie and Gray (2000b)

Table 14
New recognitions January 1997 to June 2000

	IRS		Gall
	(2000)		(2000)
No. of full recognitions	212		509
No. of partial recognitions	n.a.		34
No of employees covered	149,756		182,000 (from 451 known cases)
SECTOR	<u>No. of</u> <u>recognitions</u>	<u>No. of</u> <u>employees</u>	
Manufacturing and construction	78	28699	
Public services	12	10280	
Private services			
Finance	5	10600	
Transport and	29	11329	
Communication	48	23839	
Other			
Ex-public sector	2	2100	
Electricity, Gas, Water	16	12938	
General eg LA Payroll	1	50000	
Catering (ex NHS)			
TOTAL	<hr/>	<hr/>	
	212	149,756	

Figure 1: Trade Union Membership in Great Britain 1950 - 1999



Notes and sources:

1. Membership data from the annual reports of the Certification Officer consists of self-reported membership figures from trade unions head-quartered in Great Britain.
2. The Labour Force Survey samples 60,000 households every quarter, data on trade union membership comes from the third quarter of every year.
3. See text and Hicks (2000) for further details.

Appendix 1 – How Ballots for Recognition Will Work

Unions can ballot for recognition in all companies with more than 20 employees. Smaller companies are exempt. Recognition allows unions to represent employees in various areas, for example collective bargaining for pay and conditions, and representation in grievance procedures.

The process is triggered when a union applies for a ballot. Usually it will have been canvassing for members, so it can meet the requirements to show: a 10% membership within the bargaining unit; the group of workers to be covered by the recognition agreement; and that a further 50% are likely to support recognition.

The employer has 10 days to respond. It can agree recognition straight away. If it does not there are 20 days for negotiation. If it still refuses, the Central Arbitration Committee is called in. First it will rule on the bargaining unit (BU). Employers could have an advantage here – the rules say that the bargaining unit must be compatible with ‘effective management’.

There is a 20-day period for the employer and union to agree the BU. If at the end of that period there is no agreement, the committee will make a decision after another 10 days. If the union can prove a majority of membership in that bargaining unit, then it gains recognition. If not, there is a ballot – either postal or at the workplace – within 20 days. Costs are shared.

If the union wins, there is automatic recognition. If it loses, it cannot re-apply for recognition within three years. The union must not only win 50% in the ballot, but must have at least 40% of the BU voting. One final point is that the union must be able to prove that it is genuinely independent – it cannot be a stooge of the employer.

Appendix 2 – Workplace Employment Relations Survey 1998

Our main data source is the 1998 Workplace Employee Relations Survey (WERS98). (Cully *et al*, 1999 provide full details of the survey and information on previous surveys in 1980, 1984 and 1990). WERS98 collected detailed information from 2191 workplaces with ten or more employees - the largest survey of its kind in the world. 15.8 million people work in workplaces with ten or more employees, three quarters of employees in employment in Britain. Large workplaces were over-sampled, but the use of weighting variables allow results to be representative of all British workplaces with ten or more employees.

According to those responsible for the survey it aims to “examine what is, rather than what ought to be, the current situation [in employment relations]. It is uniquely well placed to do this, because of the manner in which the survey is founded, organised and conducted” (Cully *et al.*, 1998:1). The sponsoring bodies are the Department of Trade and Industry, The Economic and Social Research Council, the Advisory, Conciliation and Arbitration Service and the Policy Studies Institute. The survey was designed by a small team from the sponsoring bodies in conjunction with leading academics in the field. The interviewing was conducted by Social and Community Planning and Research between October 1997 and June 1998.

WERS98 comes in three parts. The first part is a management questionnaire, completed by senior managers responsible for the management of employee relations in the workplace. The response rate for this section of the survey was 80%. The second section is a worker representatives questionnaire: 950 worker representatives were interviewed, a response rate of 83% from workplaces with a worker representative. In a departure from previous WERS surveys, WERS98 also contains a short employee questionnaire. These questionnaires were distributed to 25 randomly chosen employees in each workplace. Completed questionnaires were returned by 28,323 employees, about two-thirds of those distributed.

WERS98 contains a wealth of detail on pay levels and systems and collective representation, along with extensive information on workplace characteristics, allowing us to control for other factors that may influence pay systems and the distribution of pay. The section on representation at work contains information on three key areas. First, the type of relationship between management and unions; if the management recognises unions for collective bargaining, individual representation or neither. Second, the structure of

workplace trade unionism – the extent of multi-unionism, and the unionisation levels among different occupational groups. Third, the strength of the union indicated by whether a pre- or post-entry closed shop exists, and the percentage of employees that are union members. The section on payment systems and pay determination asks questions about different types of variable pay schemes present in the workplace; which occupational groups they are applied to; and the extent of participation in schemes like employee share ownership in the workplace. The worker representative questionnaire allows the responses in the management questionnaire to be verified. Overall the high response rates make information derived from WERS98 extremely reliable.

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