



The greatest challenge facing Britain's trade unions is non-unionism. **Philip Bassett** sets out the problem and suggests some possible solutions

All Together Now?

Britain's trade unions have found it difficult in the Thatcher years to come to terms with change. Since the unions' abuse of their power in the 'winter of discontent' of 1978-79 helped to usher in Thatcherism, the unions have been in a decade-long freefall into national powerlessness and irrelevance.

Some unions have responded to the political, social, attitudinal, economic and labour market changes with which Thatcherism has been associated. Those unions making such shifts have been on both the right and left of the union political spectrum: one of the greatest current falsities in thinking about unions - and one promoted particularly by government ministers - is that the EETPU electricians' union, with its strike-free, single-union deals, offers the only model for the future. For unions such as the TGWU, GMB, Nupe, AEU and EETPU which have tried to shift their ground, making the change has been hard. It has at times involved a wholesale rethinking of their politics and priorities to try to take account of the fact that the labour-shedding in the recession of the early 1980s hit hardest precisely those economic participants who had traditionally formed the unions' backbone - male, manual, full-time employees, especially those working in large, well-organised manufacturing establishments. Instead, unions have had to look for support to women, to part-time

workers, to employees in the service sector - groups which don't have much of a history of, or tendency towards, trade unionism.

That's meant the prioritisation of issues which had previously been little regarded even within the unions themselves, such as the *advantages*, especially for women, of more flexible work arrangements, rather than their disadvantages; or the *importance* of childcare provisions, or career breaks, rather than their irrelevance.

But however hard that change has been for the unions, it pales against the change which has yet to come, which they must make, or face further marginalisation - coming to terms with non-unionism. What I am suggesting is that not to be aware of non-unionism - what it is, where it is, what different attitudes it may imply for those working within it - cuts out a whole range of possible support, and takes no account of what is a growing trend in the workplace.

Non-unionism has always been a part of British work, and British society (see Fig 1). Only in the 1970s did unionisation rise to more than half of its own constituency of people at work and the unemployed who, under what is regarded as the best definition of the trade unions' recruitment pool, form the unions' potential membership. Arguments rage in academic circles about how precisely to calculate union density: the figures for the proportion of people in trade unions can look

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better, or worse, depending on how their potential membership is defined - whether or not the unemployed, or the self-employed, are included in their potential memberships. But on most definitions, union density in the UK is now around the 40% mark, and overall membership is still dropping as employment grows, suggesting that the density level is set to fall still further.

Much of that membership and density, too, is boosted by the relative strength of unionism in the public sector in Britain. As an economic manager and political protagonist, the government sees little place for unions in a modern economy. As an employer, direct or indirect, the government still broadly sees trade unionism as the norm in the public sector (with GCHQ as the most obvious exception) which it supports through detailed and extensive management negotiation and which it sustains through subscription check off. The decline in union membership has been driven by its sharp rate of decline in the private sector, where industrial relations change has been sharpest in the 1980s, and especially in manufacturing, where it's been sharper still. In the private sector, unionism is much less buttressed by management; as Professor David Metcalf of the LSE says, there it's a fragile creature.

But even with the strongly-unionised public sector included in the figures for unionisation, three-fifths of the workforce is unorganised - it's non-union. Non-unionism exists in a number of forms. Its first major area is in unionised workplaces. Free-riders are a long-standing feature of British unionism: pockets, sometimes quite substantial, of non-membership within organised workplaces, where non-union employees work alongside union members. Significantly, when the TGWU transport union launched its Link-Up campaign to try to organise non-union part-timers, the first real target of the union's officials was not leafleting Kentucky Fried Chicken fast-food bars, but trying to mop up non-unionism in companies where the TGWU already had many members and was recognised for collective bargaining.

The other major category of non-unionism is establishments where the opposite is the case - where union membership is either in a minority among the workforce, and unions are not recognised by the employer, or where there is little or even no union membership at all, and the establishment is fully non-union. Examples abound, especially in particular areas or particular industries: new towns such as Milton Keynes or Basingstoke, or Livingston or Irvine, are largely non-union enclaves, and are often promoted as such to companies thinking of establishing themselves there. New high-tech industries, such as those clustered around Cambridge or strung

out along the M4 corridor, are too - though overall, because of long-established and unionised companies such as GEC, Plessey or Ferranti, unionisation figures for the high-tech sector in total can look more impressive.

Within this category of non-union companies, there are numerous sub-divisions. Many non-union companies in Britain are non-union by default, rather than by design. Often they are small, often they're newly-established, often their internal communications and employee relations are handled on an informal, one-to-one basis, so that no-one involved feels much need for a union. But as companies grow, they reach a size level - often around 300 employees - where individual communication is impossible without an extensive systematisation, and the logic of unionisation, of having a small group of individuals to represent a large whole, becomes stronger.

Union recruitment may be a factor in this - but probably not much of a one. Companies are often non-union because of a failure by trade unions to organise them, or even to approach them. In a 1984 survey, Only 15% of managers in wholly non-union companies reported that a union had made an attempt to recruit in the past five years.

Another sub-division is employers who are deliberately non-union. Companies such as IBM, Marks & Spencer, Black & Decker, Hewlett-Packard, Gillette, McDonald's and Mecca Leisure see no need for unions in their businesses.

Some companies in this category are overtly anti-union: they often have an ideological opposition to unions, reinforced and sometimes camouflaged by a belief that their operations are more efficient without them. Some are a-union: while they have no such rooted stance against unions, they have no interest in them, no need for them - and often neither do their employees.

In many ways, of course, these non-union companies are governed by trade unionism and the non-union sector, what economists see as the 'spillover' effect of unionism. In order to keep unions out, many adopt sophisticated paternalistic employment strategies designed to remove or at least substitute for any employee desire for unionism, and many also pitch their pay levels at such a point in the market as to deter employees from believing that unions would be able to do anything for them. This can come expensive: non-union Pedigree Petfoods reckons it costs about 15% more in terms of employees expenditure for it to remain non-union.

Finally, an emerging category is the legitimised non-union establishment. Some of the single-union deals agreed by unions such as the EETPU feature high levels of union membership and

density. Some, though, do not, and for employers the main advantage of these is that they have recognised a union, they have a union deal which effectively hoists a 'Keep Out' notice to other unions with recruitment ambitions. Membership of the AEU engineering union at Nissan in the north-east of England was put recently by internal union figures at only 7% - effectively legitimising what is by this membership level all but a non-union plant.

Non-union companies tend to cluster together: there is a geographical variation in unionism, as well as sectoral and occupational variations. Among manual workers, non-unionism is the highest in south-east, the south-west and the east Midlands, with Scotland not too far behind. Among white-collar workers, it's highest in London, in East Anglia and in Scotland.

Across the first four years of the 1980s, for which detailed information is available, the growth of non-unionism is startling. Just as union membership fell in every region for both manual and white-collar workers by figures ranging from just over 1% to as much as 42%, so the level of non-unionism grew (certainly, from a lower base) in an enormous range - running from 2% to more than 400%.

In overall terms, non-unionism rose over the period by a third among white-collar workers, who have traditionally been less well-organised by unions. Much more worryingly for unions in the UK, though, non-unionism almost doubled over the period among manual workers - traditionally the bastion of unions' membership rolls. As a best guess, given managerial patterns since 1984 - which despite the recession of the early 1980s, have since 1984 perhaps got tougher against unions - then however bad the position for the unions was then, it will be worse now. When new figures emerge for 1984-1988, early indications are suggesting that unionism will have declined further, non-unionism will have shown even greater increases.

Non-unionism, too, tends to be associated with the following characteristics: smaller organisations; smaller establishments within those organisations; relatively high numbers of employees who are part-timers; relatively high proportions of women workers; relatively southern areas of the country; newer establishments; and high-technology establishments.

For British unions, the worrying thing about this list is its underlying link: that all these characteristics are now associated with growth in the economy. *In every case*, the characteristic with which non-unionism is associated is on the increase. Entrepreneurialism and a booming economy, even with higher interest rates, is leading to the creation of more new, small companies. Changing patterns of

work are leading to the employment of more part-timers and more women. Accelerating technological change means fewer manual workers. The shift of wealth, capital and investment to the south is promoting regional disparity. And high-tech companies are growing too, especially in the M4 corridor and its M3 offshoots leading to the high-tech cluster around non-union IBM's Southampton-area plants, or in science parks around Cambridge, or in the central lowland belt of Scotland.

What all this seems to indicate is that the union base is dwindling: fewer and fewer people are in trade unions, more and more are not.

But why should people be in unions anyway? In the 1980s, what have the unions done for their members? It is perfectly possible to mount a good argument suggesting that unions have largely failed their members in the 1980s. Though oddly enough it's not an area about which much is known in terms of hard evidence, employees join trade unions for a whole variety of reasons: because it's the normal thing to do where they're working; because they've been a union member before, or because their family or friends have been; because they actively want to join; because there is a union there for them to join; because they don't actively not want to join; because a union is effective in recruiting them; because an employer is; because they are moved, intellectually or emotionally, by the moral force of union membership.

But probably the best guess, supported by what research there is, is that people largely join unions for *instrumental* reasons: that is, what protection a union can give them, what strength, what services, what advantages, what leverages.

In that instrumental area, unions have largely failed their members in the 1980s. They haven't been able to deliver pay increases which open up a real differential with non-union employees. In the largely non-union USA, for the small proportion of employees who are in a union (only about 17% of the workforce) the union mark-up on wages, (the amount by which union members get more than non-union employees), is sizeable - an average of 30%. Here, the mark-up is much lower than that - about 10% or less. Yes, unions have by and large over recent years been able to deliver pay increases often above the inflation level for their members. But the real impetus for that has not come through union wage push, but from what *employers* want, what they require to keep their operations efficient and effective, and fully-staffed.

In terms of national political strength, the unions are now able to offer their members little, if anything at all; at the TUC congress in the autumn it was

distinctly nostalgic when Jacques Delors, president of the European Commission, appeared before the delegates as a figure of palpable power - the first for a decade at TUC conference - and spoke *approvingly* of such terms as 'collective bargaining' and 'legislation'.

In terms of services unions can and do offer help. But even here, unions could be better at their job. As part of its Special Review Body, the TUC asked its member unions about services, and they found among their members a great demand for them - wanting help with mortgages, with insurance, with legal problems. The unions have moved to meet this demand; but what the TUC survey showed was that it was a demand which was there, but which previously had not been met.

Most of all where the unions have failed their members has been over jobs. In the early 1980s in particular, unions were all but completely incapable of stemming the huge tide of labour-shedding. They were virtually unable to do for their members what they wanted their unions to do for them

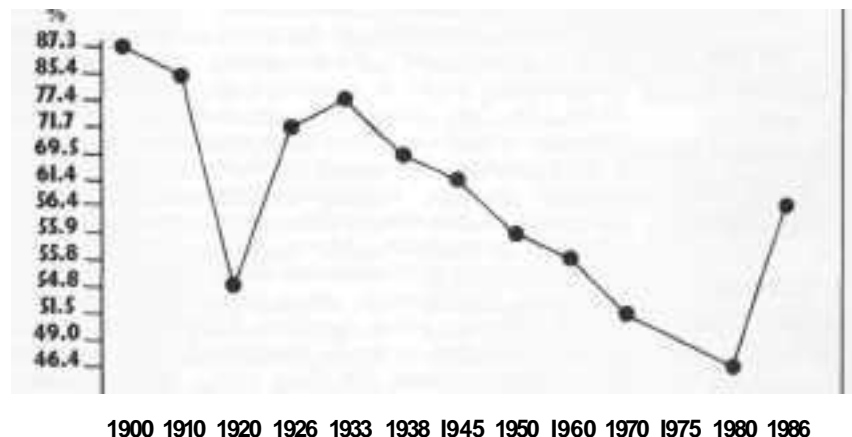
at a rate of about 3% per year.

Given all these various factors, it can hardly be surprising that 3m employees abandoned union membership in the 1980s. Though a substantial proportion of that can be explained away by unemployment and by structural change, a lot of it can't. A substantial proportion of it is straight rejection of union membership in instrumental grounds - union membership as an irrelevance. That weakens the union base in other ways. Take politics. Not only does poll evidence suggest that non-unionists tend to be more likely to own their own homes, rather than be council or private tenants, and are more likely to own shares than trade union members, but that politically, they're clearly to the right. Mori's quarterly snapshot of voting intentions puts the non-union support for the Conservative Party as being remarkably consistent, varying only a few points away from the 50% mark. That matters, too, because of the sheer numbers involved: trade unionists may have a density of 40% of their own workplace-based constit-

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FIGI
Non-Union Density
Proportion of workforce not in a trade union



- prevent them being made redundant. Now it may be that unions have never been able to prevent redundancy; but that doesn't in any way diminish membership expectancy that no matter how powerless a union actually is in practice, that it should be able to stop such things happening.

Not only have unions not stopped redundancy, new evidence is suggesting that the very presence of unions is making things worse in employment terms: that there is a connection, and almost certainly a causal connection, between trade unions and employment growth - that on average, companies with trade unions grow more slowly in terms of the size of their workforces, and decline more quickly, than do non-union plants,

but among the electorate the figures are a good deal lower. For its polling, among Mori's electorate-based sample, only 24% are union members. Seventy six per cent are not, and that proportion is steadily growing as the sample base continues to reflect the changing electorate.

What all this seems to show is two things. First, that the sheer size of the non-union group, either in the workforce or in the electorate, is a constituency the unions simply cannot afford to ignore in favour of a rigid adherence to full-blooded collectivist attitudes - that full trade unionism, rooted in collective bargaining and collective representation, is the only appropriate union method for

organising employees. Secondly, however tough might be the challenge, non-union employees may not be inimical to trade unions. They may be winnable to unionism; they have been in the past, and they may be so again. For unions not to try to crack non-unionism is to accept the inevitability of their decline. As the union base shrinks, non-unionism may harden beyond the reach of the collectivist approach.

But straight collectivism will be insufficient as a union approach to non-unionism precisely because non-union employees define themselves in this sense by *not* being union members, by *not* being collectivist. Accordingly, what unions will have to do is to temper that collectivism, to blend it with a more individually-based approach. Individualism in employee relations - carrying out the employment relationship on a direct one-to-one basis, rather than through representational channels - is very much the new creed of the employers. It is both the new target and the new methodology of the practitioners of human resource management, the sophisticated extension of personnel management being imported from the USA. So far in the UK, few human resource managers are prepared to acknowledge what is overtly accepted in America: that human resource management is overtly linked with non-unionism - but it is there, eddying round in the undercurrents of the new employer individualism.

For the unions, trying to come to terms with individualism, trying to combine it with a collective approach, is not the same as wholesale acceptance of it. What is clear for unions is that a straight rejection of individualism, of which non-unionism is the most extreme example, is inadequate as a response to it. The sole effect of that tactic is likely to be that the entirely collectivist approach is simply brushed aside.

Take performance-related pay as one expression of the new, individually-based employee relations. Under this system, pay is not determined by collective bargaining, by setting a rate for a job, but by actual performance in a job. In its most extreme examples, all of an employee's pay is performance-related; in less extreme cases, performance pay is an element of the whole. Unions may not like performance pay - clearly, it strikes at the heart of their collectivist approach. But given the twin difficulties for unions of current employer strength and employee disinterest, it would be better for unions to try to establish the criteria for performance pay, and to monitor its progress, rather than simply to stand by, pure, and see it introduced.

Or take individual contracts. While few employers on established sites are likely to be able administratively to

move to new, individual rather than collectively-based agreements, many on new sites are going to do so: British Coal, for instance, is effectively only using a collective agreement with the UDM as a figleaf to legitimise a move to otherwise wholly individually-based employment relationships at its new Asfordby and Margam mines. Better for unions in this case to draw up core contracts to give employees something to counter employer requirements than to see employers proceed unilaterally towards individualism. In both these cases, not to take the more pragmatic course will mean abandoning employees to employer demands; the danger for unions in doing that, in remaining pure, is that they abandon employees' relationship with their unions.

To deal with new industrial relations, where the model is no longer consensual, unionised companies like Ford or ICI (and even such companies as these are getting less consensual), but entrepreneurial, non-union companies like IBM or McDonald's, unions are going to have to continue to change their approaches. Increasingly, they will have to come to terms with the fact that they are not going to be able to recruit members based on what they can offer them through collective bargaining. In difficult-to-organise areas, such as hotels and catering, the problem for unions is not, oddly enough, getting employees to join the union. Union organisers say that can be relatively easy, though the high levels of staff turnover especially in such areas as fast food can make it a problem. The difficulty for unions in such areas is retaining employees in membership. Unions can easily recruit employees by a series of promises - promising to increase their wages, improve their conditions, better their job security, get the boss off their backs. But the basis of these promises is collective bargaining, won through union recognition. If or when union recognition doesn't come, then employees who have been recruited into the union on the basis of these promises become disillusioned, and leave.

So unions need to offer benefits to employees not based on collective bargaining and a recognition relationship with the employer. Some British unions balk at taking unions in the US as a model given the long term decline in union density in the USA. But at least in the US unions have faced up to the depth of their crisis and are trying out radical solutions in a way unions in Britain are still not. One of them is to offer employees associated union membership, under which they receive union benefits such as financial services, including low-cost credit cards, at attractive rates which are not dependent on the union being recognised by the employing company. The advantage for the union in this

arrangement is that it establishes a union base within a non-union company, and a union link with non-union employees.

In the UK, some moves are being considered along similar lines. The GMB general union, for instance, is trying to move away from check-off - the automatic deduction of union dues, usually by the payroll computer, by employers from employees' pay - as the chief method of subscription collection. Other unions, for whom check-off has been a crucial, employer-maintained baseline of membership support at a time of heavy job losses, may well regard the GMB's idea as near-suicidal (and indeed there are moves again within the government to look at making check-off unlawful under a future Employment Act, which would probably take at a stroke a huge slice out of union membership and push Britain much closer to a non-union economy). But the GMB calculates both that the time may come when employers will simply no longer be prepared to sustain trade unionism through the check-off, and that in any case it loses members on check-off constantly, as they move between unionised and non-union employers. The GMB thinks that individual relationships with the union, with employees paying their subscriptions through bank standing orders, will be sounder in financial and in membership terms. It will also go some way towards matching the increasingly individualised relationship employers have or want with their employees.

Another idea being considered in the unions is family membership.

Under this, the head of a family - often working in an established industry with a strong union base - takes out membership which, like associate membership of the Automobile Association, covers spouses, would also cover his children, who are more likely to be in work which has been traditionally difficult to unionise - temporary, part time, in the service sector. In that way, when they move from job to job, in work which unions find it difficult to have access, they can retain their membership and the unions can retain their union link.

Such suggestions are around. For their own survival, what the unions need to do is to consider them, and act on the best - soon. Otherwise non-unionism will grow untrammelled. Unions might well see that as a problem; the problem for unions is that many employers and employees will not.

If the unions do not start to meet the challenge that non-unionism poses, if they don't try to reshape themselves at least to some extent to the individualistic demands of which non-unionism is the apex, then the alternative for them may simply be a further slide down the slippery slope of decline. •

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