in brief...

Circling the wagons: unions' part in their own decline

> **Without substantial internal reform, it is unlikely that unions could take advantage of even the most favourable circumstances for growth**

The conventional explanation of union decline in Britain tends to stress the impact of outside forces. Manufacturing employment collapsed and there was massive membership loss. Unemployment rose. Hostile legislation impaired unions' ability to represent and recruit. In short, macroeconomic and political factors restricted unions' ability to sustain the membership advances of the 1970s across subsequent decades.

What are the implications of this argument? First, it sustains the hope of revitalisation: if macroeconomic conditions generate decline, you wait for their reversal to stimulate growth. But second, it diverts attention from union behaviour. Adverse trends in organising success, resource accumulation and service development are not, on this argument, predictors of future performance but merely symptoms of present malaise.

Since 1997, with better macroeconomic conditions and more favourable politics, decline has not been reversed. In the private sector, it has continued apace. Why? Union behaviour is important. This is not to discount outside forces but rather to argue that once decline sets in, the unions' response may not only fail to reverse it but exacerbate the decline. There are several elements in the argument.

First, there are no new, big unions. The union 'business' consists of a set of large, 'oligopolistic' enterprises seeking to expand into non-unionised sectors but, generally, failing to do so. Whenever large-scale expansion of membership has taken place in peacetime, as in the 1880s and 1970s, new and different types of unions have emerged. They are not doing so now.

> **Union mergers fail to bring down costs, fail to improve performance and fail to attract new members**

Second, mergers don't work. They don't bring down costs, improve organisational performance or attract new members. On the contrary, they simply generate organisations that are good at merging. They are conglomerate federations with limited ability to generate scale economies and limited incentives to organise the unorganised.

Third, unions don't deliver in the workplace. The private sector wage differential has disappeared. Employers seldom rely on union-only arrangements, supplementing them with consultation and participation. Membership under collective bargaining has shrunk. Collective bargaining agendas have narrowed. There are far fewer union reps around. If an employee is seeking to resolve a grievance or a firm is seeking to establish better employee relations, there are non-union alternatives.

Fourth, unions can't spend their way out of decline. Structurally, they have had a long-term revenue deficit of subscription income over total expenditure, which means that asset revenue or sales must cover operating expenditure. Asset bases have slowly declined over the post-war period to an historical low. Competition between conglomerates keeps subscriptions down. Federated structures in merged unions keep expenditure up, as does the collapse of workplace representation.

In short, it is not likely that unions could take advantage of even the most favourable circumstances for growth without substantial internal reform. The strategies of many large unions reflect a need to survive, but growth strategies might look very different and require different structures and policies. The first thing you do when you circle the wagons is uncouple the horses.

'Circling the Wagons: Endogeneity in Union Decline' by Paul Willman is a chapter in *Trade Unions: Resurgence or Demise?* (Routledge, 2005).

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