

Change for the better: building new trade union institutions that deliver for today's workers

A discussion paper by David Arnold

UNIONS21
building tomorrow's unions

About David

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David has been working with Unions 21 as a Senior Fellow to develop thinking on the way forward for unions. This is his discussion paper with personal recommendations.

Acknowledgements

Thanks to Becky Wright and Sue Ferns at Unions 21 for encouragement and support and Keith Ewing for valuable discussion at the early stages of this project. I would also thank the following for meeting up and giving me their perspectives on the challenges facing trade unions: David Coats, Cameron Tait, John Park, Lord John Monks, Frances O'Grady, Bob Abberley, Louise Chinnery, Jenny Andrew. Particular thanks to Paul Hackett from the Smith Institute for sharing some ideas and reading an early draft and all my great colleagues at UNISON for support and conversation. Needless to say, hopefully, that none of those listed above are responsible for the contents of this paper. On my head be it.

Dedicated to John Lloyd and Robert Taylor.

Introduction and summary

Can the UK trade union movement change to win for people at work today?

*'From at least the 1860s the political system came to recognise and respond to the emergence of trade unions as potentially powerful organisations. Their leaders saw themselves as important partners in a loosely organised progressive movement that sought to become a countervailing influence to the power of capital (and) advocates of the public interest. As a result they came to help shape the world of work in the twentieth century. But the forward march of labour came to a halt more than 30 years ago and it fell into prolonged retreat. The underlying social trends that determined its advance are no longer apparent. Unless the public policy climate changes more favourably it seems highly improbable that trade unions will be able to reassert themselves in the way that they were able to do 50 years ago. Moreover, they may find their existing structures and cultures remain too deeply entrenched to be either reformed or modernised in ways that would enable them to renew their basic political and industrial purposes.'*¹

When thinking about the influence that the trade union movement is able to exert over today's fragmented labour market it's hard not to agree with the great industrial correspondent and commentator Robert Taylor's gloomy picture. There are of course sectors in which union membership and collective bargaining coverage remain high. Added to this there continue to be great victories for unions in the courts, in workplace disputes and in relation to particular campaigns that expose this or that injustice. But, all of these positives take place against a backdrop of continued decline in union membership and density.

Most stinging of all is Taylor's provocative proposition that the movement is too set in its ways to address its own decline. Be in no doubt. This is exactly the kind of suggestion that is guaranteed to give an existential shudder to the movement's problem solvers, as they contemplate statistics on falling collective bargaining coverage in the private sector, ageing membership and the speed of change in today's labour market.

Taking on this provocation is what this paper is all about. Not by looking at and over-claiming the significance of pockets of inspiration, but by starting a debate that prompts honest reflection and action, hopefully in the form of new movement wide initiatives that can ensure that we can once again provide basic political and industrial purposes right across the labour market. My start point is that reform and modernisation are needed – and that faced with the facts and effective arguments the movement *is* capable of such change.

Context is hugely significant in this call to action. When Taylor set out the propositions above some 12 years or so ago, it was just about possible to resist

¹ Trade unions, resurgence or demise, ed. Sue Fernie and David Metcalfe, 2005

the argument that unions were in trouble. Labour had just been elected for a third term on a platform that reflected the Warwick agreement, negotiated with the unions in the run up to the 2005 election. There was still a strong mood that the movement was getting back on track. However, much has changed since then. The point has now been reached at which the evidence of structural decline is incontrovertible. And with this knowledge comes responsibility. Put bluntly, this generation of trade unionists is faced with a stark choice: work together at reform and modernisation to tackle decline, or consign the movement to history.

Added to this there are other more fundamental reasons why this is the time to act. There is a wider recognition now than any other moment in the recent past that the serious imbalances that are a hallmark of the UK's labour market need a countervailing force. Recent interventions from the government, including the National Living Wage and the Taylor Review, are a clear acknowledgement that the challenges of working life for many today (a smaller share of national income reaching pay packets; the insecure nature of many new jobs; and the way in which technological change appears to be putting rocket boosters under the worst aspects of the labour market) now have a more urgent political relevance.

Added to this there is evidence that the public mood towards unions is shifting for the better. Negative connotations stoked for many years by the right wing press just don't seem relevant to those for whom the winter of discontent is ancient history. Recent public opinion surveys and focus groups by Unions 21 and the Fabian Society suggest that most have an instinctive sympathy towards the idea of trade unions². Mixed in with the increase in political participation by younger people and the awareness that many of the dysfunctions of the labour market impact most on the young, it is just possible to see a glimmer of opportunity.

Summary

How then should the trade union movement address the challenges it faces and seize the opportunities presented at this moment in time? In the chapters that follow it will be acknowledged that trade unions today do brilliant work negotiating pay and terms and conditions, representing their members, campaigning and fighting (and winning) high profile legal cases. However, as will be demonstrated in chapter two, membership and collective bargaining coverage is increasingly concentrated in sectors that are now less significant in terms of overall employment. The growth areas, in terms of new jobs, are where unions have little or no organisation, such as retail, hospitality and administrative and technical services. This is also where some of the most unfair working conditions are to be found.

² Young Workers and Trade Unionism in the Hourglass Economy, Unions 21, 2018 and Future unions: towards a membership renaissance in the private sector, Cameron Tait, Fabian Society, November 2017

Not only does this pattern of coverage make it hard for unions to organise those who could benefit most. It also means that: i) unions aren't compelled to develop new offers and services that work for those in growing sectors of the labour market and ii) falling coverage overall results in it being ever harder for the movement to be a countervailing force on major labour market-wide trends and developments - falling wage share, insecure employment, automation, platform working etc.

Equally importantly, falling levels of organisation means prescriptions for addressing today's labour market imbalance - trade union access to all workplaces, more collective bargaining etc. - can't be delivered in growing sectors. What's more the union offer that sits behind them reflects a one size fits all model, based on what works in sectors in which unions have legacy membership and organisation rather than what might be most attractive to people at work now in under unionised/non-unionised sectors.

To develop an initiative to address this situation, it is important to reflect on how we got to where we are today. Chapter three will argue that whilst many causes of the current situation (anti-trade union legislation, de-industrialisation, changing business practices and social change etc.) have been well documented over the years, just as important has been the reaction of the movement itself. This has been shaped by: an organisational structure that makes movement wide strategic initiatives difficult; a culture that is defensive and resistant to change and iii) an over reliance on political and policy solutions, which, whilst part of the answer, are not the hoped for silver bullet.

New labour movement institutions and organisation that address the challenges of today

The key conclusion drawn from this analysis is that today's trade union movement now has to build new institutions and organisational models that address the demands of today's labour market. The goal is not to replace what currently exists, but to address specific organisational gaps in the most efficient and effective way possible. Inherent in this proposition is the principle that if trade union solidarity is to mean anything today it must mean taking responsibility for solving the big picture problems. This in turn means being prepared to promote debate about a way forward, not being bound by current organisational structures and recognising that for the best results organisational change should go hand in hand with policy change - the latter can't be a substitute for the former.

Chapter four then goes on to sketch out some specific ideas for new institutions that, with further development, could help chart a forward course. These include:

A new centre for trade union growth. Neither a think-tank, producing reports that can be ignored, nor an optional endeavour to which only some

unions subscribe, a centre for trade union growth, would be charged with developing movement wide strategic and tactical plans specifically designed to address growing gaps in coverage and boost membership and collective bargaining coverage overall. It would also make assessments about the resources necessary to achieve real growth in specific sectors (e.g. number and location of organisers) and make recommendations about sector specific union offers. The centre would be established by the TUC, but given licence to operate independently of day to day general council politics, setting out the steps that need to be taken to achieve agreed objectives.

A workers lab. This would be a hot house for new ways of doing things. It would invite bids and provide backing to projects and start-ups (including from consortiums of current unions) aimed at experimenting with new forms of organising and campaigning in parts of the labour market in which unions currently struggle. It might for example, support the development of digital platforms that facilitates collective agreements covering gig workers, or geographic or employer based campaigns that mobilises workers and consumers to deliver localised living wage and decent work agreements. There is already a vitally important non-union initiative that performs this function in the tech field, called Bethnal Green Ventures. A workers lab, backed by the union movement, would aim to provide additional resource and help to inspire more people and organisations to come forward with workable projects (digital and analogue) across the labour market.

A union membership for the low paid. Unions have always found it difficult to organise the low paid. In a more fragmented labour market, with more platform working and many moving from job to job in relatively quick succession, it's becoming an even harder task. A number of commentators have talked in the past about portable membership, that people can take from job to job like AA membership. What has been lacking has been the institutional settlement that can allow this to take place. A new initiative, owned by the movement, would be built on an organisational framework that enabled all unions with a sectoral interest to invest in a new form of membership designed around supporting those on low pay in under represented sectors. This could be linked with the real living wage, with all employers who sign up agreeing to recognise the membership as part of the accreditation process.

A TUC led public facing campaign for worker voice and workplace democracy. This is a time of deep unease about working life and power imbalance. Uncertainty around Brexit, implications of automation, and the apparently limitless capacity of our economy and flexible labour market to generate low quality create a context in which the movement must reach out and build public momentum behind some fresh propositions about the future of work and the centrality of worker voice and workplace democracy to quality of life and economic success.

Investment for renewal initiative, including a solidarity fund. Resources need to be found reform and modernisation. It's important that resources generated for this purpose are seen and structured as investments by the unions that make them. These could involve pooled investments for joint ventures in support of the measures above. Activists and conscientious existing members could support this work too. A *solidarity fund* could be established into which existing members contribute small amounts to help unionise a broader swathe of the workforce.

Alongside this fund raising drives could be targeted at the general public. These might be particularly successful if linked to campaigning for and organising specific groups of workers – e.g. the low paid and the young. If put together imaginatively such campaigns could tap into the latent support for unions and collectivism that is still picked up, even from people who have never knowingly encountered a trade unionist. What's more there would be a sense that such activity would be social proof of our solidarity as workers, even when direct workplace presence is absent.

Given the evidence that improving worker voice and workplace dialogue, including around work organisation and training etc. boosts productivity as well as pay across the economy, its not unreasonable to expect business to contribute to ensuring there is capacity to enable this to take place. As such a business levy should be developed to provide business backing for all of the work highlighted here.

The paper concludes with a look ahead to **four possible future scenarios** for the union movement:

(i) no change and further decline

Unions continue to operate as at present. Membership continues to literally die off and collective bargaining coverage falls. By the end of the 2020s membership is increasingly the preserve of the public sector, which in turn makes trade unionism less effective and more vulnerable to political attack.

(ii) some modest improvements in fortune flowing from a more favourable policy climate

A Labour government is elected with a majority and introduces the range of new union rights and sector level bargaining as set out in the 2017 manifesto. However, without proper organisation in those sectors where unions currently struggle, the measures introduced by the government don't of themselves translate into increased membership and/or effective organisation on the ground. Sector bargaining can't for example be built upon at company level and resources aren't there to capitalise on access rights. Sector level bargaining means that conditions for many improve, but unions don't see an increase in membership or leverage at workplace level. The overall benefit of policy

changes to people at work across the labour market is blunted and vulnerable to further policy change following subsequent changes of government.

(iii) a very strong revival, in which more favourable policy climate is combined with a trade union renewal initiatives

Policy change from above is matched by capacity building below, and the gains from policy are significantly amplified. A host of movement wide initiatives to boost organisation in sectors in which there is currently limited union presence results in greater more tangible returns on collective bargaining. At the national sector level unions have greater clout because of their membership base and the authenticity of their demands. Added to this, stronger organisation at the company level provides more opportunities to build on basic entitlements negotiated at national sector level.

The more that the working people right across the labour market buy-in, whether through traditional membership or through new associated forms of engagement organised by unions to vote on and legitimise sector level agreements, the more resilient the overall settlement would be to changes of government.

(iv) a renewal initiative leading to improved coverage and greater clout but without the public policy gains.

There is no policy change from above, but because the movement undertakes a comprehensive programme aimed at renewal and growth, membership and influence still grow.

Although the policy environment is not any better than it is now, increased presence across a wider slice of the labour market give unions greater legitimacy and potential to win at the workplace and more clout in their dealings with government.

Chapter 2

Trade union influence in today's labour market

The influence that trade unions are able to bring to bear in today's world of work inevitably reflects the fact that organisational reach and collective bargaining is concentrated on a comparatively narrower strip of today's labour market than in the past. In many ways current patterns of influence and strength are a legacy, reflecting an era when manufacturing, the public sector, mining and heavy industry were a more dominant part of the economy. But, to a very large degree, the sectors that have highest and growing levels of employment now are where unions are weakest. The result is that whilst unions clearly still have a positive effect where they exist, on a whole host of issues and challenges facing people at work today, be that low and stagnant pay, the rise of insecure work, growing pay differentials and automation, they have limited influence. As will be argued below, its not just that unions aren't physically present in enough workplaces to make a difference. It's also that the union offer is not adapting to reflect the changing world of work, reflecting instead what still works where unions still have strength.

Organisational reach of today's trade unions

The reach of today's trade union membership, collective bargaining coverage and workplace presence is a legacy of the past, with the public sector remaining the last redoubt of something approaching mass membership. And whereas parts of the private sector that used to be in the public sector, such as utilities, transport and manufacturing still enjoy reasonable levels of coverage, membership in the private sector as a whole is in significant decline.

What makes this picture more precipitous is that the public sector itself is shrinking relative to the labour market as a whole and trade union membership in the private sector is lowest in those sectors that are growing. Of all people in work, 17% are employed in the public sector, which is the lowest since comparable records began in 1999.³ In the private sector the largest three areas in terms of workforce jobs are (i) retail (ii) administrative and support services and (iii) professional, scientific and support services. Together these categories account for 43 per cent of private sector jobs. However, union density here is only ten per cent. For the labour market as a whole membership stands at 23.5%. For the private sector as a whole its 13.4%. The proportion of employees who have their pay affected by collective bargaining across the top three sectors in terms of jobs is 11.7%. For the labour market as a whole its 26.3%.

The other side of the equation is that unions are strongest in parts of the private sector in which there are ever fewer jobs as a share of total employment. The

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/mar2017>

top three private sector areas for unions are: (i) transport and storage (ii) utilities (iii) manufacturing. Average density across these three categories is 30.6%. However, less than 10 per cent of total jobs are in these sectors.

Longer term projections suggest these trends will continue - with unions in one part of the economy and a growing number of employees in areas in which unions are weakest. A report for Unions 21⁴ suggests that future employment growth will be particularly strong in sectors such as retail, food and beverage services and professional, administrative and technical services. Today's unions clearly have limited presence in these sectors.

Chart 1 Private sector trade union membership as a proportion of all workforce jobs by industry, ranked with highest at top. Column three shows the proportion of employment in that industry and column four where that industry ranks in terms of overall share of employment.

Industry/sector	Trade union density	% of overall private sector workforce jobs	Ranking in terms of overall employment share – 1 being highest in terms of workforce jobs
Transportation and storage	36.6	7	7
Water supply, sewerage, waste management and remediation activities*	33.5	0.8	13
Electricity, gas, steam and air conditioning supply*	32.6	0.5	14
Manufacturing	17.8	10	4
Arts, entertainment and recreation	14.7	3.9	10
Financial and insurance activities	12.9	4.2	9
Construction	12.1	8.7	6
Wholesale and retail trade: repair of motor vehicles and motorcycles	11.4	19	1
Administrative and	11.2	12	2

⁴ Unions 21, The Changing World of Work, 2017

support services			
Information and communication	10.1	5.5	8
Agriculture, forestry and fishing*	8.5	1.7	12
Professional, scientific and technical activities	8.3	12	3
Real estate	8.1	2.1	11
Accommodation and food service activities	2.5	9.2	5

Sources: (i) Workforce Jobs by Industry, December 2017 (ii) Trade Union Membership 2016, statistical bulletin, DBEIS, May 2017

The influence of unions on pay today

Data suggests that workplaces in which unions are present still enjoy a wage premium. In workplaces with collective bargaining and in which unions negotiate pay, employees are about 7 per cent better off (see figure 1) than those in which unions don't negotiate pay. Added to this, there is a sword of justice effect, with wages of non union members being dispersed (and thus more unequal) than the wages of members (see figure 2). This is the case, whether one considers simple gross hourly wages (where the wages of non members are 20-25 per cent more dispersed than the wages of union members) or regression residuals (where they are 10-15 per cent more dispersed). Both of these differences between unionised and non unionised workplaces have become less pronounced, but they have endured. One of the interesting things about the figure below is the uptick in 2009/11. Analysts suggest that this reflects the ability of employees in unionised workplaces to hang on to their wages at a time when workers in non-unionised workplaces were seeing their pay squeezed in the recession.⁵

⁵ Trade union membership and influence, 1999-2014, John Forth and Alex Bryson, September 2015, NIESR.

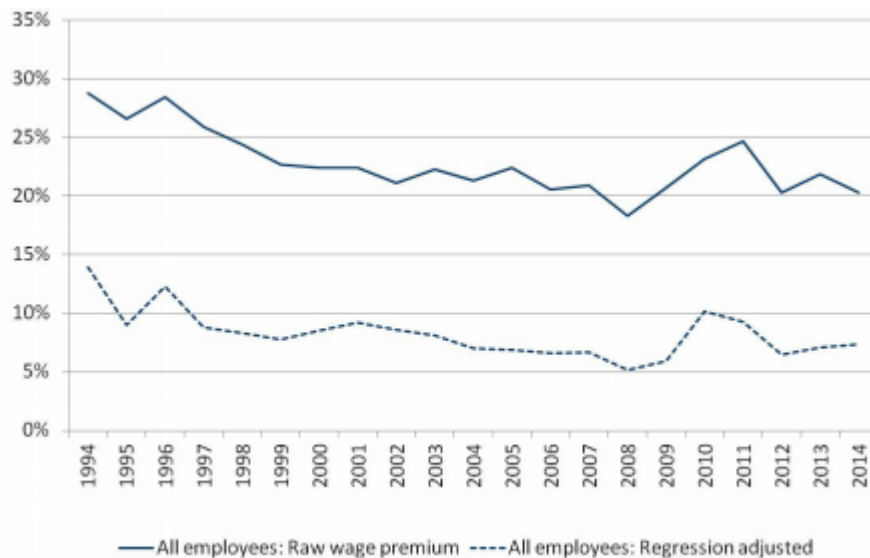


Figure 1: Union pay premium from NIESR, Trade union membership and influence, 1999-2014, John Forth and Alex Bryson, September 2015.

With declining influence across the labour market it is perhaps inevitable that in those sectors that aren't well organised, the picture on pay is far more problematic. Nearly a quarter (23 per cent) of all employees are stuck below the needs based Real Living Wage and 4.3 million people will still be earning less than two thirds of the median when the government's National Living Wage (NLW) is fully rolled out in 2020.

The NLW is providing a major boost. Since its introduction in 2016 the NLW has resulted in the biggest decrease in low pay since 1970s⁶. By 2020 3.7m will be beneficiaries, many of them women and part time workers. However, without on- the-ground organisation and properly negotiated pay scales there are likely to be growing problems around differentials, and an increasing number who previously earned just above the NMW/NLW finding themselves on the wage floor with few opportunities for progression. In wholesale and retail it is estimated that one in four will be on the wage floor in 2020, whereas in hospitality it will be two in five.

Just as important, however, is the big picture and the decline in the movement's ability to influence norms across the wider labour market. When trade union membership and collective bargaining coverage was at its peak during the 1970s the share of national income devoted to pay (the wage share) was greater and inequality narrower than today. The mechanisms and institutions through which this influence was translated were varied, but a movement seen as legitimate and representative across the entire labour market was at the centre of them. They included national bargaining, plant level collective agreements, fair wage resolutions and wages councils. These were reinforced by greater authority in

⁶ Resolution Foundation, Low Pay Britain 2017

the public debate about the social contract, public policy and prevailing ideas about working life. All of these factors together created wider trends.

The contrast with today couldn't be greater. The wage share has been in long term decline since the 1970s (Figure 2). Added to this, and in many respects a more worrying turn, has been the inability of pay to bounce back from recession. As many commentators have pointed out, the most striking feature of the UK's recovery from the post financial crisis recession has been the unprecedented period of falling wages, with earnings now 6 per cent lower than they were in early 2008.⁷

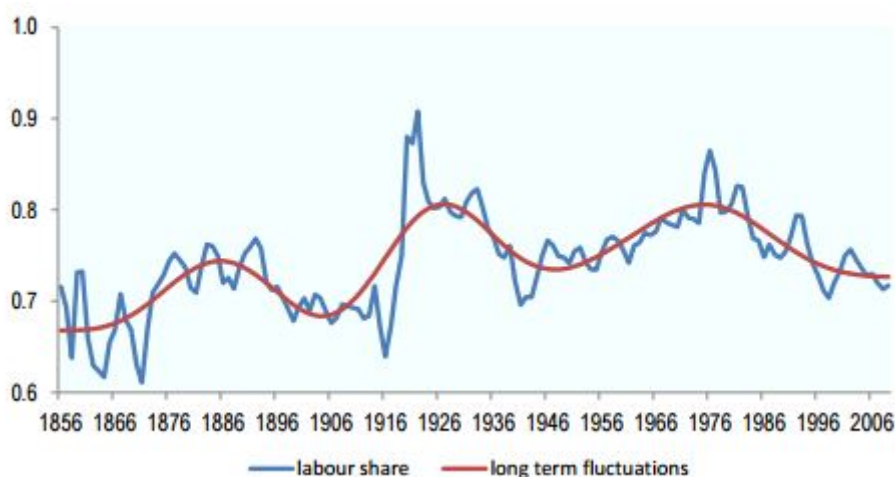


Figure 2: The long term decline in the share of UK national income being paid in wages – the labour share (ILO/OECD 2015)

There are other factors that impact on the wage share, especially variations in employer costs. However, if union membership and collective bargaining coverage were not restricted to an ever smaller share of the labour market, it is a fair assumption that the wage share would now look healthier and pay would have recovered more quickly from the financial crisis.

Influence over wider challenges in today's labour market

Whilst full-time and permanent employment remains the norm for most in work, employees increasingly face a sense of power imbalance as a consequence of government labour market policy and the vicissitudes of the UK business model in the global economy. This is fuelling an increasingly important debate between adherents of labour market flexibility, who cite this as the driver for UK job creation, and its critics, who despite some significant interventions by the government, see excessive flexibility as the main culprit for lamentable pay and productivity performance. Trade unions are key participants in this debate, but

⁷ Resolution Foundation analysis of Bank of England data in Work in Brexit Britain, Reshaping the Nation's Labour Market, 2017

again hampered by lack of overall reach, falling membership and industrial muscle.

The number of people working in atypical employment has increased significantly over recent years. Although the overall picture is beginning to steady as the post Brexit referendum labour market tightens, the number in insecure work is huge. Self employment has grown to five million people, one in seven of all workers. This is partly fuelled by employers cutting costs and evading their responsibilities and employment costs by coercing employees to register as self employed. Added to this the number of agency and temporary workers continue to grow, with estimates of the former ranging from 800,000 to 1.2 million and the latter accounting for about 1.6 million (including temporary agency workers). More than 900,000 are on zero hours contracts.⁸

Technological developments are also changing the character and intensity of work for many. Digital apps such as Uber, AirBnB, Clickworker and Task Rabbit for example are creating platforms that connect 'gig' workers (again typically 'self employed') with those who want to acquire goods or services, be that a taxi ride, delivery of a takeaway meal or completion of a specific work task like putting together a book shelf.

The same digital technology is also increasing the intensification of work⁹, with work based algorithms¹⁰ reducing autonomy and monitoring work performance against benchmark targets. Pickers at Amazon warehouses carry devices that countdown the seconds they have to retrieve items. Uber drivers and fast food bicycle couriers working for Deliveroo receive regular reports on their performance and customer ratings and are subject to regular reports.

In this complex milieu notable union victories, organisational innovations and successful campaigns regularly occur. The GMB have fought a test case against Uber, successfully winning a claim, on behalf of two drivers, that they were employees, not self employed as the company claimed. This entitles them to the NLW and basic employment rights, including holiday pay.

There are, at the same time, examples of trade union innovation that seek to support the growing number self employed / freelance workers. Community union, for example, has recently gone into partnership with a social enterprise called IndyCube to provide a membership offer that involves office space, legal

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rq.pdf

⁹ <https://orca-mwe.cf.ac.uk/67987/1/5.%20Work%20Intensification%20in%20Britain%20-%20mini-report.pdf>

¹⁰ When your boss is an algorithm, Sarah O'Connor, Financial Times, September 6, 2016 https://login11.cpsserv.com/EUP/sso_redirect/?orig_url=https%3A%2F%2Fwww.ft.com%2Fcontent%2F88fdc58e-754f-11e6-b60a-de4532d5ea35

advice and an invoicing service. The union hopes to grow the project by 100,000 members over the next five years.

Initiatives are also occurring outside of the movement's mainstream. The tiny Independent Workers of Great Britain have been fighting Uber and Deliveroo through the courts. Non union pro worker groups have also begun to emerge. Organise Platform has sought to learn from the US digital campaign organisation Co-worker, creating a network of workers and consumers to put pressure on Amazon to improve working conditions.

Recent months have also seen notable high profile campaigns, directed at companies such as Sports Direct and Hermes, and a significant Supreme Court victory by UNISON over the government's attempt to introduce employment tribunal fees.

But whilst these examples have made a difference to many workers and pushed important issues about power imbalance in the labour market up the public and political agenda, they do not scale up or create the critical mass necessary to tip the scales back our way.

Do unions have the capacity to deliver their own prescriptions?

So, what is the movement's prescription for addressing falling pay and runaway flexibility in today's labour market? On this the trade union movement remains remarkably consistent. As the TUC make clear in their submission to Matthew Taylor review of modern employment practices and their recent publication 'The Great Jobs Agenda', the answers lie in collective bargaining and employee voice.

'While an employer can ignore the views of a single worker, when workers come together in a union, employers have to listen. Collective bargaining raises pay and improves terms and conditions of work too.

And if we want an economy that works for everyone, workers need a voice in the boardroom to promote long-term thinking.'¹¹

To these ends the TUC calls on employers to: recognise trade unions for collective bargaining on pay and conditions; agree collective consultation arrangements; and establish the representation of workers on company boards (or equivalent top level management body). Of government the TUC demands; the right for unions to access all workplaces to tell individuals about the benefits of joining a union; workplace consultation on important changes; direct worker representation on company boards; and that unions, employers and government get together to discuss training, pay and conditions in low paying industries.

As has been shown above there is evidence to suggest collective bargaining and worker voice make a difference. Access that enables unions to organise and pursue collective agreements should make a difference. However, the

¹¹ The Great Jobs Agenda, Giving Every Worker the Chance to Progress, TUC

uncomfortable truth is that as things stand union organisation and resource today is concentrated on too narrow a slice of the labour market to be able to convert new rights into a better deal at work for most.

The same goes for a range of other policy measures that have been called for over recent months, including Labour's proposal for sector level bargaining (discussed in the next chapter) and the IPPR's idea for automatic union enrolment. Both offer opportunities, but neither is a silver bullet. Without membership, organisation on the ground and an institutional framework to back it all up across those huge swathes of the labour market in which unions are currently close to non-existent, the promise of what can be delivered will remain unfulfilled.

Equally importantly, the union movement prescription assumes one size fits all. There is little reflection about what types and models of trade union membership and organisation could make most difference in the fragmented labour market described above. A recent report by the Fabian Society¹² proposed that a key challenge for unions now was to have a convincing answer to the question that any prospective member will justifiably ask. Of course, it's relatively easy to answer that in the public sector and the old heartlands where there is a tried and tested off the shelf union offer. However, it's extremely difficult to give a convincing answer to a person with a number of part time jobs or a person who regularly changes their job.

Whilst this has an impact right across the labour market, it's the low paid and those at the sharp end of labour market flexibility who are most poorly served by this lack of adaptation.

¹² Future unions: towards a membership renaissance in the private sector, Cameron Tait, Fabian Society, November 2017

Chapter 3

How did we get here and how do we move on?

Understanding why we are where we are is vital to getting to where we need to be. Many factors have been identified over the years that seek to locate the causes of the movement's problems in social and economic changes and political attacks. Deindustrialisation, the changing values of working people (from collectivism to individualism), the shift of employment out of large factories into small enterprises and the emergence of non-standardised forms of work are often cited. At a macroeconomic level the explanation centres on the shift from the post war Keynesian settlement, in which unions had a key role in maintaining demand, to neoliberalism, the logic of which was to crush all institutions that stand in the way of the free market. Added to these of course is the anti- trade union legislation enacted by the Thatcher government during the 1980s.

There is clearly a great deal in all of these explanations. However, the story wouldn't be complete without trying to understand too the extent to which the actions of unions themselves and the operating system of the movement has played a role in decline.

At the level of individual trade unions the story since the days of mass membership and peak collective bargaining coverage, has inevitably varied from union to union - from extinction to defensive merger, from 'heroic' defeat to successful sector/industry level adaptation. However, whilst specific examples of what individual unions have done might tell us something about tactical reactions in specific sectors or businesses, the more important ground to cover in terms of understanding the huge gaps in coverage described in the previous chapter and what lessons need to be learned about a way forward now, is the movement's strategic response, or lack thereof, to the changing world in which it found itself. Even though the combined challenges listed above would inevitably have made life extremely difficult, it's hard to escape the conclusions that the way we as a movement have set ourselves up has contributed to where we are now.

Three closely related features of the movement's operation that need to change are sketched below i) an organisational structure that makes strategic initiatives difficult; ii) defensiveness and resistance to change iii) an overemphasis on political solutions to trade union problems. This is followed by some proposed principles for reform.

An organisational structure that makes strategic initiatives difficult

There have been examples in the past of the trade union movement taking initiatives to build new institutions that address economic change. One example was the creation by the TUC of industrial committees and regional councils in response to industrial change in the 1960s and 70s. However, because the TUC

is a representative body, without policy making authority over its constituent affiliates, new initiatives are difficult to agree, organise and resource. In many senses this difficulty has become greater as unions have faced greater pressure. As one colleague puts it, the UK trade union movement is a flotilla, not an aircraft carrier.¹³ So whilst all unions invariably share the same mission, they are seldom on exactly the same course. The vessels are different sizes. They are in different conditions of seaworthiness. Some of the crews are more experienced than others. Each boat has its own idiosyncratic captain.

The TUC Organising Academy is a good example of structure working against movement initiative. Established as part of the New Unionism project in 1998, it did secure some notable successes. Ultimately, however, it has struggled to have an impact on membership numbers and collective bargaining coverage despite the relatively benign conditions in which it was set up.

The big idea underpinning the initiative was that organising should be the central activity by which unions could grow in both established and nonunionised sectors and that this would result in greater influence with employers and government. To these ends unions were encouraged to allocate appropriate resources to make the initiative work across the labour market.

Some notable successes were achieved. During the Academy's initial period of activity there was an increase in the diversity of union membership, with a majority of female members being recorded for the first time and an increase in the number of black and minority ethnic workers.¹⁴

However, the tendency to focus on their own course rather than the bigger picture meant that the project could not deliver on its wider goals. Most unions wanted to concentrate on building membership strength on their own territory, in sectors and workplaces where they already had members. There was also a lack of willingness to set targets for the amount of resources to be put into the project. The fact that unions found themselves operating on an increasingly narrow strip of the labour market meant that competitiveness worked against the solidarity that should have been the hallmark of an initiative that reached beyond the movement's heartlands where increasing number of jobs were and are being created.

Defensiveness and resistance to change

Given the political attacks on unions, the scale of economic change and the rate of decline it's little wonder that the movement has become very defensive. This has been the driving force behind some of the mergers we have seen over recent years, in which unions in the same or related sectors have circled the wagons in an effort to ward off further decline. One wise ex official that I talked

¹³ Thanks to Paul Hackett from the Smith Institute for this metaphor.

¹⁴ 10 years on: the impact of the Organising Academy on the union movement, Jane Holgate and Melanie Simms, 2008

to told me that in his day his peers were too busy worrying about keeping their union's pension fund afloat that indulging in risky new ventures. Survival is the mother of invention – not progress.

In addition the political culture in unions has mitigated against accommodation to a changing world.

Unions of course are democracies. Elections for senior positions are keenly fought. However, the low level of participation in union democratic structures results in the prioritisation of a left / activist agenda, over any strategic focus on adaptation to a fragmenting labour market and appeal to an ever more diverse workforce. Tradition and the old time religion trump innovation every step of the way.

Unsurprisingly perhaps many non members now see unions as quite distant from their day to day experiences. Recent studies by both Unions 21 and the Fabian Society reflect this.

Old industrial images were a common reference point for participants in focus groups, with many drawing factories, coal mines and striking workers when asked to sketch the images that came to mind when talking about trade unions. These images placed unions as historical institutions from the past, rather than part of the present day. Participants also said that unions weren't for them, because they didn't envisage staying in the same job for very long.¹⁵ A similar finding emerged from a Unions 21 survey of younger workers, with many preferring 'exit' to 'voice' -switching job rather than seeking to change working practices where they are.¹⁶ Added to this was the sense that unions did not adequately represent women and people from ethnic minorities.¹⁷

Over emphasis on political solutions

The hostile environment (Thatcher's anti union laws compounded by the measures introduced since Labour lost power in 2010) and the historic link between the affiliated unions and the Labour party have almost inevitably led to unions placing an ever greater emphasis on policy solutions as the way back to influence and power. Once we get a Labour government, the argument goes, we'll secure policy changes that will create a level playing field upon which unions can reassert themselves.

In many ways the years after Labour lost power in 2010 have given further impetus to this approach. The unions were subject to harsh new legislative attacks that suggested the Conservatives remained as intent as ever in playing to their own gallery and fighting the old union foe. Added to this the Labour

¹⁵ Future unions: towards a membership renaissance in the private sector, Cameron Tait, Fabian Society, November 2017

¹⁶ Unions 21, Young professional workers, trade unions and the hourglass economy, 2018

¹⁷ Supra.14

party in opposition stoked its own internal culture war by committing to public sector pay restraint and introducing party reforms intended to reduce union power.

In this context Jeremy Corbyn's subsequent election as leader of the Labour Party with strong support from the largest affiliated trade unions, was in many ways inevitable. Labour's manifesto, *For The Many Not the Few*, published ahead of the 2017 General Election, included a substantive chapter on workers rights. In addition to some specific policy measures, including banning zero hours contracts and bogus self employment and introducing a £10 mandatory living wage, the manifesto included a raft of pro-union measures:

- giving trade unions a right to access workplaces;
- reviewing the rules on union recognition with a view to ensuring that more workers have the security of a union;
- ensuring that Britain abides by the global labour standards set out in ILO conventions, which in effect leaves the path open for a return to secondary action

Added to this the manifesto called for the re-establishment of a ministry of labour to promote collective bargaining, and for the introduction of sector level bargaining.

However, whilst political and legal changes can help enormously, they need to be accompanied by organisational changes within the union movement itself. Access to all workplaces is all well and good in a world in which unions have extensive capacity and organisation. As was shown in the previous chapter, this is not currently the case. The same goes for sector level bargaining. In retail, the digital economy and administrative and technical services unions lack of coverage means that they would struggle to establish legitimacy, reflect genuine worker priorities and convert a voice at the top table into the organisational strength necessary to back up the promise of collective bargaining below.

Principles for reform: the building blocks of a new operational model

The current operating model is a barrier to developing and implementing new movement wide initiatives that could deliver for people at work today. However, to rip things up and start again is clearly a non starter with zero chance of winning support from existing unions. An alternative, to be discussed further in the next chapter, is for the movement to recognise the limitations of current operations and work together to build new separate institutions that specifically address today's challenges. These would operate alongside current arrangements. The starting point should be the adoption of clear principles for reform which, it is hoped, would be difficult for anybody in the trade union movement to disagree with.

(i) Taking responsibility for addressing decline, even if this means changing the way we do things

It should be an established principle that today's trade union movement has to take responsibility for addressing systemic decline, and that it is in the interests of all individual unions to act together to do this. Tempting as it might be to double down where there is still reasonable levels of membership and collective bargaining coverage it should be acknowledged that without widespread recovery across the labour market, trade unionism will increasingly be for the minority and, as a consequence, ever more vulnerable to further decline.

(ii) Reflection and debate - a force for good

Honest reflection across the union movement about what the problems and challenges are, together with active promotion of debate about how these can be addressed, should be seen as a force for good. Too often now reflection on how bad things are is seen as weak, a compromise or ideologically suspect. However, encouraging reflection and debate is an essential step on the journey towards renewal. There are good examples of where some debate about the changing world of work and the union response happens already. But too often this makes us uncomfortable. Debate about union reform at TUC Congress in 2017 around a motion on the topic from CWU should have been the most significant of the week. It ended up way down the agenda. None of the big unions contributed. If we don't prioritise open debate then creativity and ideas won't come.

(iii) Structure is a function of purpose

George Woodcock, a General Secretary of the TUC in the 1960s, famously said that unions should think of structure as a function of purpose. He said this in response to a motion passed at TUC Congress in 1962 that had called for the British trade union movement to adapt its structures to adapt to changes in industry. This principle is just as valid to attempts to adapt today as it was then. The difference is that we are more than 50 years further down the line and appear just as attached to an organisational and structural model that George Woodcock would have had in mind when he delivered his 1962 speech.

Only by urgently embracing this principle can we expect to create the conditions for innovation that is now so desperately needed.

(iv) Organisational development needs to go hand in hand with policy change

The over emphasis on policy solutions risks downplaying the importance of addressing the capacity and organisational issues described in chapter two. The two need to go hand in hand. This will require developing new forms of membership and organisation that can deliver for millions of low paid insecure employees in today's fragmented labour market.

Chapter 4

Creating new labour movement institutions that meet the challenges of today

This could be a moment of change for the trade union movement. We know we have a problem of declining levels of trade union membership and organisation. We know what the consequences are in terms of ability of unions to influence pay and labour market conditions. And we know too what aspects of the current trade union operating model make renewal difficult.

So, how, in this context can we chart a forward course? This chapter sets out the case for new institutions - not to replace what currently exists, but that recognise current limitations and address specific organisational gaps in the most efficient and effective way possible. The proposed institutions discussed in turn below are

- a new centre for trade union growth;
- a workers lab;
- a union membership for the low paid;
- a campaign for worker voice and workplace democracy;
- an investment strategy for growth strategy

A new centre for trade union growth

The TUC has responsibility for strategic development and capacity building. This involves providing training and courses to union organisers and officers through the Organising Academy. It also involves specific projects aimed, for example, at recruiting younger workers and helping unions to make the most of digital technology. What's urgently needed to compliment the current picture, however, is a single initiative, with movement wide buy-in, devoted specifically to reaching un-organised and under organised sectors of the labour market.

Neither a think-tank, producing reports that can be ignored, nor an optional endeavour to which only some unions subscribe, a centre for trade union growth, would be charged with developing movement wide strategic and tactical plans specifically designed to address growing gaps in coverage and boost membership and collective bargaining coverage overall. It would also make assessments about the resources necessary to achieve real growth in specific sectors (e.g. number and location of organisers) and make recommendations about sector specific union offers. The centre would be established by the TUC, but given licence to operate independently of day to day general council politics, setting out the steps that need to be taken to achieve agreed objectives.

Workers lab

Related to the centre for trade union growth, a body needs to be created that can channel support to brand new initiatives, including start-ups and micro unions in the gig economy, including organisations such as the IWGB. This could be modelled on the Workers Lab in the US, which has been established to experiment with and promote different models and organising strategies that can boost power and pay in those parts of the labour market that are difficult for the established unions to operate in. Examples of organisations supported by the Workers Lab in the US include:

Restaurant Opportunities Centers United, who provide training and career support and mobilise diners/consumers to advocate for pro-worker policies. Workers Lab have provided financial backing for the development of smart phone enabled learning programme aimed at helping workers to progress into higher paying restaurant jobs.

Color of change, which is a large on-line racial justice organisation that runs digital advocacy campaigns. Workers Lab are currently exploring opportunities to organise with Color of Change in Silicon Valley, looking at ideas that involve mobilising high skilled/in-demand software engineers and designers to use their leverage to demand better conditions in solidarity with the gig workers and other contractors that their companies engage.

The Working World, who promote cooperatives in low income communities. Workers Lab is supporting their initiative that aims to deliver a new pro-worker contracting model for the agricultural sector.

In all cases the Workers Lab seek to support projects that build power for working people, that are scalable and sustainable. Although these examples are very specific to the USA it's not difficult to see how something similar could be developed here, not least to help develop new ideas that promote meaningful and affective membership for agency workers and those in the gig economy and which support worker community alliances.

Something similar is already afoot in the UK. A worker tech partnership between the Resolution Trust and Bethnal Green Ventures aims to develop tech based innovations that support the low wage workforce. A workers lab would compliment this initiative, providing additional resource and helping to inspire more people and organisations to come forward with workable projects (digital and analogue) across the labour market.

A union membership for the low paid. Unions have always found it difficult to organise the low paid. In a more fragmented labour market, with more platform working and many moving from job to job in relatively quick succession, it's becoming an even harder task. A number of commentators have talked in the past about portable membership, that people can take from job to

job like AA membership. What has been lacking has been the institutional settlement that can allow this to take place. A new initiative, owned by the movement, would be built on an organisational framework that enabled all unions with a sectoral interest to invest in a new form of membership designed around supporting those on low pay in under represented sectors. This could be linked with the real living wage, with all employers who sign up agreeing to recognise the membership as part of the accreditation process.

A public facing TUC led campaign for worker voice and workplace democracy

There is no doubt that working life in the UK is characterised by serious power imbalances. As set out in chapter two, insecurity, low pay and different types of atypical work are endemic in today's increasingly fragmented, low productivity, labour market. The key factor behind this is the way in which wider forces of globalisation, increased power of multinationals, technological change are refracted through a distinctive British political and labour market model. The challenges thrown up by Brexit, which threatens to put turbo chargers under the worst aspects of this model, are profound. Added to this the UK's current political stalemate is resulting in a lack of proper public debate about the future of work and the choices we face as a country about our economic future.

Recent months have seen a number of interventions that could help, not least from Matthew Taylor's Review of Modern Working Practices. The report and the government's response to it, did at least acknowledged that the goal of good work for all should be a goal of national strategy. A further significant set of interventions have come from the TUC itself in response to the Brexit debate, with General Secretary Frances O'Grady continually highlighting the risk to workers rights and jobs from leaving the single market.

The challenge now is to catalyse these interventions and to build momentum by reaching out to the public and leading a national debate about the future of work and the centrality of worker voice and workplace democracy to quality of life and economic success. The Taylor review starts from the proposition that the UK's flexible labour market and its ability to create jobs is a positive and the start point for the good work agenda, but that flexible labour market has to work for both parties. The balance to be struck is a social contract to which working people must be party, at a policy level and at every workplace

In changing times we need to reassert our core purpose. The TUC is uniquely placed to stand up and make the case for the voices of all workers to shape the future and institutions that will give them a platform through a sustained programme of outreach and campaign activity.

Investment for renewal initiative, including a solidarity fund

Resources need to be found to support reform and modernisation. It's important that resources generated for this purpose are seen and structured as investments. These could potentially take the form of joint ventures, in which a number of unions come together to organise a particular sector to follow through and provide democratic underpinning for sector level agreement (say, for example, hospitality) or create a cross sector union membership service in a geographical location (e.g. a city or region). In such cases unions would put in resource but then see a return to be shared among parties to the venture.

To a certain degree there is already a tradition of unions at sector level pooling resources for specific purposes. An investment for renewal strategy would build on that tradition in the interest of the wider movement and enable the testing of new products and services, which if successful, could also be extended to existing memberships. The Federation of Entertainment Unions, for example, (Equity, Musicians Union, Writers Guild, National Union of Journalists) pursue joint initiatives, such as provision of support for freelance members to enable them to develop their business skills.

Activists and conscientious members could support this work too. A *solidarity fund* could be established into which existing members could contribute small amounts to help unionise a broader swathe of the workforce.

Fund raising drives could also be targeted at the general public. These might be particularly successful, if linked to campaigning for and organising specific groups of workers – e.g. the low paid, the young, the exploited. If put together imaginatively such campaigns could tap into the latent support for unions and collectivism that is still picked up, even from people who have never knowingly encountered a trade unionist. What's more there would be a sense that such activity would be social proof of our solidarity as workers, even when direct workplace presence is absent.

Improving worker voice and workplace dialogue around training and work organisation helps to boost productivity, as well as pay, across the economy. As such, it's not unreasonable to expect business to contribute to ensuring there is capacity to ensure this happens across the labour market. There are also arguments against, and potential uneasiness about unions becoming toothless if they take money from business. However, indirect support, through a compulsory levy collected by government and then granted to unions, make this far less of a risk.

Conclusion

Four scenarios – which do we choose?

Predicting the future can be a fool's errand. When it comes to economic, political and social change the variables are endless. That said, looking at current membership and labour market trends and possible policy developments it is possible to sketch out four different scenarios that should help guide decisions about the future.

No change

Under a no change scenario union membership and collective bargaining coverage will continue to decline. Work by the Resolution Trust estimates that if trends that we have seen over the last five years continue, trade union membership will fall below 17 per cent by the end of the 2020s.

Membership will increasingly become a preserve of the public sector and ideas about collective bargaining / collective voice will seem increasingly distant to working people across the labour market, especially young people as the trend towards an ever older membership continues apace.

Competition among unions on the ever narrower strip of the labour market with a tradition of collective bargaining would become fiercer, and opportunities for collaboration decline.

Given the pay premium and sword of justice effects that come from trade union membership, wages will continue to suffer and inequality increase. Trends towards ever greater insecurity would continue.

In this context any labour market interventions and policy changes that do come (e.g. NLW, apprentice levy) will be government driven, in response to electoral politics, economic necessity, lobbying efforts of business and civil society campaigns (e.g. community campaigns and worker/consumer social campaigns). Whilst trade unions continue to be stakeholders in policy making (e.g. responding to government consultations) and be a campaign voice, the increasing retreat into old heartlands will mean that the organised labour voice will be less relevant than the past.

The potential that collective bargaining has to properly contribute to solving Britain's low pay and productivity challenge will remain untapped.

Policy change from above but capacity issues unaddressed

Under a policy change from above scenario an incoming Labour government could introduce a series of reforms, but unions still struggle to take full advantage because of capacity and in some respects legitimacy issues.

A new government department would be established to promote collective bargaining and ensure a voice for workers at the cabinet table. Sector bargaining would be introduced, with employers and unions agreeing minimum pay rates (including overtime), hours, holidays and pensions – plus procedures for union recognition and the handling of disputes.

Where there are already sector skills councils, such as in the automotive and construction sectors, there would be a good chance of building on existing arrangements to deliver European style collective bargaining agreements. These would set basic entitlements that unions would be able to build upon through company level bargaining, where they have capacity. In sectors without infrastructure (the growing sectors – retail, hospitality etc.) looser arrangements would be instituted, possibly wages councils.

It would also be possible that a host of other pro-union / pro-worker measures would be introduced – rights for unions to access workplaces, tougher measures to deal with blacklisting, electronic balloting for industrial action, a guaranteed voice for workers in corporate governance and a £10 an hour minimum wage.

All of these things would be massively helpful. However, without proper organisation in those sectors where there unions currently struggle these measures of themselves wouldn't translate into increased membership or organisation on the ground. The basic entitlements secured at sector level wouldn't be built upon at company level. The generation that are used to fending for themselves are none the wiser (in the same way that those on the NLW don't know about the role of unions on the Low Pay Commission). Unions with few members in a sector would have little incentive to invest in research and/or campaign in support of claims.

In short conditions for many would improve, but unions wouldn't necessarily see an increase in membership or leverage at workplace level. As such the overall benefit of Labour's policy changes to people at work across the labour market would be blunted.

Policy change from above plus the trade union movement addressing its capacity issues

Under a scenario in which policy change from above is matched by capacity building below, the gains set out above would be significantly amplified. A host of movement wide initiatives to boost organisation in sectors in which there is limited union presence would result in greater more tangible returns on collective bargaining. At the national sector level unions would have greater clout because of their membership base. Added to this, stronger organisation at the company level would provide more opportunities to build on basic entitlements.

Things would inevitably look different depending on the sector. Those that have a history of tripartism would inevitably look more traditional. Those that don't might be quite different, doing things in ways that reflect the characteristics of the sector, the aspirations of those that work in it and the ideas and innovations coming from the movement. It's unlikely that one size would fit all.

Crucially membership and influence grow in a sustainable way. The more that the working people right across the labour market buy-in, whether through traditional membership or through new associated forms of engagement organised by unions to vote on and legitimise sector level agreements, the more resilient the overall settlement would be to changes of government.

No policy change from above but the union movement addresses capacity issues

Under a scenario in which there is no policy change from above, but in which the movement does undertake a comprehensive programme aimed at renewal and growth, membership and influence would also grow.

Although the policy environment would not be any better than it is now, increased presence across a wider slice of the labour market would give unions greater legitimacy and clout in their dealings with government.

Without involvement in state created collective bargaining institutions a greater emphasis would be placed on seeking to influence pay, terms and conditions and labour market conditions through workplace organisation and new forms of campaigning and alliance building.

Final thoughts

Jack Jones used to say that he was a trade unionist first and a member of the T&G second. This philosophy underpinned the social contract and a period of unprecedented levels of union membership. Today's generation of trade unionists face one hell of a responsibility. We should follow Jack's philosophy and face it collectively, putting the needs of workers and movement overall first. If we do nothing we are odds on to become the living (and dying) embodiment of Robert Taylor's suggestion that we are too set in our ways to reform ourselves to reprise the role that movement played in shaping the old world, which for all its faults, was one in which working people, through the institutions that had built, had a far greater say over working life.