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An analysis of trade unions in shaping favoured employment relations outcomes in the British Labour Party post–1970

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Abstract

Though the contemporary political situation is unfavourable, there has been a continuing and lively debate about the efficacy of trade union affiliation to the Labour Party. This debate has primarily focused upon if trade unions are an effective mechanism for political action due to their institutional role and leverage inside the party's structures.

In order to evaluate the extent of this influence, the thesis examines four legislative events, which chart the transition from two structurally different contexts – *collective laissez-faireism* to a *liberal market economy*. These events are the Social Contract (1974-79), National Minimum Wage (1998), Employment Relations Act (1999) and the Warwick Agreement (2004). The thesis uses Hamann and Kelly's (2004) four factors of influence that shape trade union decision-making as a conceptual framework: (1) economic and political institutions (2) union ideology, (3) employer, political party or state strategies and (4) strategic choices of union leaders. The research established three questions framed as propositions designed to identify structural and agency factors flowing from these four factors.

Utilising this framework, the thesis will present an analysis of the constraining and optimising effects of the four factors on the ability of trade unions to attain favoured outcomes. The research found the strategic choices of union leaders to be the most important factor contributing to minimalist and more extensive employment relations frameworks. Informal processes are judged to have displaced formal processes in conjunction with coordination mechanisms as a means to offsetting environmental constraints.

The thesis' observations are anchored through a unique dataset consisting of in-depth interviews from the reflections of actors who strategically influenced the behaviour of trade unions or directly engaged trade union leaders in the legislative events. The object of enquiry, that being *political action* by trade unions as a mechanism for delivering change, is better understood from the strategic perspective of these actors. As such, a distinctive feature of the research is its approach to case events and sources of data.

Contents

1   Introduction

1.1   Rationale for Research

The object of enquiry is the role of political action as a mechanism for delivering change to the employment relations framework. In the UK context, the thesis will strive to present a deeper understanding and examination of the role performed by the largest affiliated Labour Party trade unions to achieve favoured outcomes at junctures when Labour is in government. Trade unions affiliated to the Labour Party in the UK theoretically have a more effective mechanism for political action due to the institutional role and leverage unions possess inside the party's structures.

The principal interest in this area of research is to assess whether trade unions, despite diminished power in the economy, are able to offset the historical influence they possessed in the macro-economy through higher levels of collective bargaining by a focus on political action. Due to the sharp declines in trade union density and collective bargaining coverage in the UK, the prospect of trade unions increasingly shifting towards the political arena to attain favoured outcomes has significant implications for functionality, politics and employment regulation. It also raises the prospect that in a liberal market economy there is hypothetically a valuable dividend associated with trade union political exchange through the Labour Party in the UK.

However, it is also important to acknowledge a further motivation in that I approach the research as an active participant in the subject matter. Currently, I am employed by a trade union affiliated to the Labour Party and I am a Labour Party member. This in itself brings inherited values and ideologies. Consequently, the implementation of a robust methodological framework will be essential to the integrity, value and observations of the research.

In the UK, the conceptual underpinning of political action as a method for attaining favoured outcomes is contained in Webb and Webb (1913, 1920). In essence, if the enforcement of Common Rules (i.e. the determination of the standard minimum wages and conditions throughout each industry) could not be enforced through the *Method of Collective Bargaining* then it could potentially be achieved through the

Method of Legal Enactment primarily through political action. There is an extensive body of literature on trade unions focusing on industrial revitalisation strategies see Boxall and Haynes (1997), Boxall (2008), Daniels and McIlroy (2009), Heery, Waddington and Kelly (2003), and Heery and Simms (2008). There is also a significant body of literature on the Labour Party-trade union links through the political science approach such as influential works by Harrison (1960), A. Taylor (1987), Minkin (1992), Golding (2003) and Hayter (2005).

Nevertheless, there has been inadequate examination of the strategic choices of trade union leadership and strategising through political action to attain favoured outcomes – and if, how and why this has changed. Concomitant with these points is whether trade union leaderships' have acted in a coordinated, fragmented or individualised manner in the Labour Party to achieve these favoured outcomes. May (1975) previously identified this gap in the literature by drawing attention to the variance in coverage between the influence of 'business and commercial leaders' vis-à-vis union leaders.

There are several valuable recent works by Ludlam and Taylor (2003) and Charlwood (2004) for example, which highlight a new generation of trade union leaders adopting adversarial political positions in the post-2001 period towards the Labour Government. However, there remains insufficient discussion of the factors of influence affecting changes in the political action process both from a historical and contemporary perspective for the purposes of employment relations outcomes. The thesis, therefore, seeks to enhance the existing literature by illuminating the processes designed and operationalised by trade union leaders to offset political and economic institutional constraints through political action. In doing so, the thesis will endeavour to deepen our understanding of trade union strategising, which was regarded to be in its 'infancy' by Boxall and Haynes (1997).

As part of this examination, the thesis seeks to address the limited detail on the content of informal processes used by trade union leaders for legislative purposes as opposed to the industrial arena (Findlay et al, 2009). While the literature refers to informal processes, (Harrison, 1960; Rodgers, 1979; Mackintosh, 1972; McIlroy, 2000b; Ewing, 2005; Hassan, 2002; Laffin and Shaw, 2007), there is limited detail on

associated outcomes in a liberal economic market context through these processes. In order to address these aforementioned gaps in the literature, the thesis will employ the four factors of influence used by Hamann and Kelly (2004: 94) to account for the different forms and outcomes from political action across countries deriving from national economic and political institutions. The principal factors of influence identified as shaping trade union decision-making are as follows: (1) economic and political institutions (2) union ideology, (3) employer, political party or state strategies and (4) strategic choices of union leaders.

1.2   Research Objectives

In the advanced industrialised world, due to increasing decentralisation and decollectivisation of employment relations advanced through the ideology of neoliberalism, the thesis seeks to understand the hostile liberal market terrain trade unions operate within as they endeavour to attain favoured outcomes in the UK.

In this context, the thesis contends that there has been inadequate discussion in both the historical and contemporary literature as to the abilities and strategies of trade unions to attain favoured outcomes in periods of Labour Party governance. When the theme has been evaluated, it has been so primarily from a political science perspective. Principally, this has been framed around how trade unions have affected the Labour Party's political and electoral fortunes and the corresponding power trade unions have been perceived to wield within the party's structures vis-à-vis the Labour leadership. The work of Minkin (1974; 1992; 2014), Harrison (1960), and Richter (1973) supports this contention, as will be discussed in the literature review.

Concomitant with the previous points, the research will therefore seek to offer a more complete account and appreciation of the agency, ideational and structural factors influencing the strategic choices of trade unions in different constrained opportunity structures. As a result, the research is based upon the following objectives:

1. With respect to employment relations outcomes, to examine the changing conditions and content of relations between affiliated trade unions and the Labour Party in government.

2. To contribute to better understandings of trade union strategising, with particular reference to the role of leadership.

3. To explore the nature and effectiveness of changing mechanisms of influence and interaction between affiliated unions and the Labour Party.

1.3 Rationale for Legislative Events

The selected events are the Social Contract (1974-79), National Minimum Wage (1998), Employment Relations Act (1999) and the Warwick Agreement (2004), which charts the transition from two structurally different contexts – c*ollective laissez-faireism* to a *liberal market economy*.[1] The first environment is at a juncture of strong union-party attachment (pre-1979) with high levels of union density and collective bargaining. Collective laissez-faireism, as articulated by Kahn-Freund in 1965, was enabled by an interventionist state, which constructed supportive institutions and associated bodies. These structures promoted collective bargaining as a public policy objective as illustrated by the expansion of trade and wages boards pre-1970. The framework was also characterised by an inclusive approach to trade unions in the management of the economy by the state and the principal political parties despite significant differences between the latter (Coats, 2007, Howell, 2000).

In contrast, the liberal market economy is an environment characterised by weak union-party attachment (post-1979) but in particular, it is reflective of the decollectivisation, deregulatory and privatisation policies adopted by successive Conservative Governments (1979-1997). The approach dismantled the key institutional architecture of employment relations, principally, collective bargaining frameworks ending the hitherto broad public policy consensus. It facilitated low levels of union density and union bargaining coverage through a series of interventionist measures by the state both legislative and economic. The liberal market under the Conservatives was characterised by an exclusionary approach towards trade unions

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[1] NMW and ERA hereafter.

in the economy as it empowered employer prerogative through structural and legislative change.

The rationale for selecting these events is motivated by seeking to identify any patterns in the principal factors, which influence the ability of trade unions to attain favoured legislative outcomes. In particular, the thesis will assess through an investigation of the selected events, to what extent can trade union political action shift the employment relations framework in the UK away from the thrust of successive Conservative Governments' liberalising measures. This is critical to assess in order to ascertain if trade unions can shift the contours of the employment relations framework during the periods when the Labour Party is in government due to the institutional role trade unions perform in the party's structures.

In doing so, the thesis seeks to identify the factors of influence, which shape trade union decision-making as part of the process of political action. The thesis has selected events categorised as functional equivalents in employment relations outcomes enacted by two politically and ideologically different periods of Labour governance (1974-79 and 1997-2010). The rationale for selection was based on each event performing a macro-economic impact on the employment relations framework. Accordingly, the expert status of the interviewees is central to appreciating how trade union leaders – and Labour Government ministers - frame opportunities and constraints. MacDonald (2014: 731) perceptively noted that critical to this process was an attempt to identify, "*…the variables that trade unionists themselves have the capacity to change".*

On this basis, the research will gather data primarily from semi-structured interviews. The criteria established at the outset for interviewees was as follows: key representatives in one of the largest trade unions affiliated to the Labour Party or Trades Union Congress (TUC hereafter) (e.g. General Secretary, Deputy or Political and Research Officers); or persons who have been Chairs/Secretaries of key bodies in the policy-making process involving a Labour Government. Key Labour Party parliamentarians or chief advisors to relevant government ministers, with a direct interface with trade unions on employment relations, were also identified for interview in order to corroborate or contest the data.

1.3   Thesis Structure

The following provides an overview of the proposed structure of the thesis in order to pursue the research objectives. The thesis will begin by reviewing the literature by introducing theories on models of capitalism to assess structural changes in advanced industrialised economies. This is designed to provide context to political and institutional configuration in the UK.

The literature review will further examine the reconfiguration of the UK employment relations landscape in the pre and post-1979 period. This is designed to provide economic and political structural context to fluctuating levels of trade union power in the transition from collective laissez-faireism to a liberal market economy. In this context, the method of political action through the Labour Party to influence legislation is reviewed in order to assess its periodic importance to trade unions in the UK for the purposes of offsetting environmental constraints.

The review also seeks to address the existing material on formal and informal processes to assess whether informal processes have performed a progressively influential role as formal mechanisms have become increasingly centralised in the Labour leadership's hands by the juncture of the 1997 Labour Government. The chapter will conclude by focusing on the extent and gaps in the literature on trade union leadership, strategy and tactics designed to attain favoured employment relations outcomes through political action.

The methodology chapter will propose a philosophical approach and the most suitable research methods in order to examine the research objectives. The chapter will accordingly present the ontological and epistemological assumptions relevant to the prior research objectives. This will take into account the relationship between actions and phenomena in terms of human agency, structures, and power. The merits of in-depth interviews to extract the perspectives of actors who have strategically influenced the behaviour of trade unions in the legislative events are evaluated. Moreover, the merits of methodological triangulation in order to counteract biases in the same phenomena – and across them - are discussed.

The Social Contract (1974-79) chapter will outline several historically important episodes in particular the *Donovan Commission* (1968), and, '*In Place of Strife: A Policy for Industrial Relations*' (1969). This is designed to provide context in advance of the Social Contract's operationalisation and to present the significant strategic response initiated by the Labour Party affiliated trade unions – and the TUC - to the Conservative Government's (1970-74) employment relations policies, principally the Industrial Relations Act (1971).

The chapter will examine the critical issue of pay restraint exercised by trade unions to support the voluntary incomes policy component of the Labour Government (1974-79), as well as the various legislative outcomes facilitated by the newly created Liaison Committee. Critically, the latter process engaged non-affiliated and affiliated Labour Party trade unions through the TUC as the policy-making centre. The chapter will conclude by presenting findings that will support or challenge the perception of the 'inevitability' of the Social Contract's demise by evaluating the degrees of trade union coordination and ideological heterogeneity. Concomitant with these points was the corresponding strategic differences in key sections of the trade union leadership.

A critical prelude to the second legislative event and directly relevant to the research objectives is the first section in the following chapter titled, '*New Labour: Continuation of Neoliberalism or Breaking with the Past*?' The section will present the Labour Government of 1997 in the context of the economic, industrial and political shifts that detrimentally affected the ability of trade unions to influence the employment relations framework. A section of the chapter will further examine the core structural and agency factors, principally shifts in the strategic choices of union leaders and union ideology, which were heavily influenced by the Conservative Governments (1979-97) liberal market reforms. A corollary of the previous point is the changing role of generative mechanisms utilised to advance employment relations aims of trade unions with the Labour Party leadership in the period of opposition.

The NMW (1998) section of the chapter and the second case event will discuss New Labour's political and economic reforms in a liberal market economy. Critically, the

section will discuss the Labour Government's distinctiveness in comparison with the Labour Government of (1974-79) and Conservative Governments (1979-97). The discussion of the NMW (1998) will examine the perspectives of trade union and Labour Party actors involved in the evolution and negotiation of the minimum wage framework. This will explore whether the emergent legislation would have been weaker without specific forms of political action by trade unions in formal and informal settings. The principal factors which are examined in order to assess how trade union decision-making was framed includes union ideology, degrees of coordination between trade unions and associated mechanisms, and, the strategic choices of trade union leadership.

The proceeding ERA (1999) chapter will discuss the emergent employment relations regime framework through the literature and actor interviews. The chapter will focus on key elements of the legislation such as the size of the bargaining unit eligible for trade union recognition and the protection from unfair dismissal to workers. The ERA (1999) chapter will examine the implications of the contested pluralist policy framework and coordination difficulties prevailing among trade unions in sync with the centralisation of power in the Labour leadership constraining the ability of trade unions to attain favoured outcomes.

The Warwick Agreement (2004) chapter will evaluate the significance of key leadership changes in the largest trade unions after the 2001 General Election. This is vital to assess in order to appreciate shifts in the attitude towards political action inside the structures of the Labour Party and the wider labour movement. The chapter will correspondingly seek to identify associated shifts in strategies and mechanisms designed to maximise trade union influence on the employment relations framework through interviews with actors. The resultant outcomes of the Warwick Agreement are presented in conjunction with the value of political action in this event. In this context, the relative outcomes associated with the Warwick Agreement relative to the NMW (1998) and ERA (1999) are discussed.

The penultimate discussion chapter of the thesis follows from the empirical findings presented in selected events. The aim of this chapter is to discuss the research findings in relation to the research questions and to consider the findings with

respect to the existing literature. The chapter will conclude by making observations based on the findings for the subject matter of UK trade unions using political action to attain favoured employment relations outcomes in a liberal market economy.

The final chapter will draw out the implications of these findings and consider the practical and policy implications for various actors but particularly for trade union practioners. The limits of the claims made within the thesis are reflected upon as well as future areas of research that need to be addressed and reflected upon.

2   Literature Review

2.1   Introduction

Employment relations in the UK during the period of institutional reconstruction post-1979 were influenced by a combination of endogenous and external shocks with the emphasis being on the former via successive Conservative Governments. These shocks brought an abrupt end to any inherited traditions or institutional path-dependencies in the UK inclusive of the role of trade unions in the UK economy. The former inclusive environment was enabled by the state via both Labour and Conservative governments for over eighty years.

A new phase of economic and political institutional reforms was ushered in geared towards a liberal market economy transforming the role of trade unions including their relationship with the Labour Party. Until 1979, the Labour Party had acted as a qualified guarantor for trade union rights in the legislature based on a *division of labour* between both sections of the labour movement (see *Ideology of UK trade unions* section).

The thesis utilises four principal factors of influence shaping trade union decision-making in the transition from collective laissez-faireism to a liberal market economy. It broadly follows Hamann and Kelly's (2004) account of different forms and outcomes through political action by trade unions: (1) economic and political institutions (2) union ideology, (3) employer, political party or state strategies, and, (4) strategic choices of union leaders. The prior authors contend these four factors of influence shape 'cross-national patterns' in an analysis of advanced capitalist countries including the UK, Germany, Italy, Spain, and the United States. However, the unit of analysis in the research is the national level, as it constitutes the 'primary arena'.[2]

By employing these aforementioned factors, the thesis seeks to combine broad structural explanations and agency at the centre of explaining trade union decision-making. To achieve the research objectives, the literature review will begin by

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[2] Hamann and Kelly (2004: 94).

introducing theories on the models of capitalism that trade unions operate within to assess structural changes in advanced capitalist economies to illustrate the context of political and institutional configuration in the UK.

2.2   Institutional contexts: Varieties of Capitalism

Economic and political institutions directly shape trade unions and political parties in government and opposition, subtly and overtly, which can increase or decrease the opportunities for trade unions to attain favourable outcomes. The increased prominence of neoliberal dynamics post-1979 facing advanced economies was designed to facilitate greater employer discretion and greater trade union exclusion via an active state.

Above all, neoliberalism is a macro-economic strategy involving trade and financial liberalisation, fiscal discipline and the promotion of deflationary tactics. The approach necessitates structural reforms and an enabling institutional architecture particularly in the sphere of employment relations. The dynamics identified include deindustrialisation; privatisation; decollectivisation; decentralisation to the firm; economic deregulation including trade liberalisation (the European Union); flexible labour markets and the individualisation of labour market relations (Hyman, 2007, Baccaro and Howell, 2011; Hamann and Kelly, 2008; Frege and Kelly, 2013; Howell and Kolins Given, 2011).

The structural constraints on trade unions have facilitated an intense academic debate to elucidate the explanatory factors resulting in apparent cross-country convergence and divergence (Hamann and Kelly 2008; Appelbaum and Schmitt, 2013). Crouch (1993) categorised employment relations along two dimensions: power of organised labour (high-low) and degree of centralisation of labour and capital (high-low). Accordingly, countries were assorted into the following categories in order to help explain divergence: neo-corporatism (strong labour) for example Scandinavia; neo-corporatism (weak labour), for example in Germany; contestational bargaining (strong labour) for example the UK; and pluralistic bargaining (weak labour) for example in France. However, these typologies can be considered out-

dated with particular reference to the UK as the country of focus in the thesis as it can no longer be described as 'strong-labour'.

A more contemporary comparative analysis by Hyman (2001) sets out a framework for analysing trade union behaviour through three ideal types. Unions can function as labour market actors (as in the UK), as class actors (for example Italy), or as social actors (for example Germany) although unions display varying degrees of each of these types. It is widely argued in the literature that institutional configuration creates powerful path dependencies for trade unions in industrialised economies (Appelbaum and Schmitt, 2013; Frege, Kelly and McGovern, 2011; Frege and Kelly, 2013; Hansen and Kupper, 2009; Howell, 2000, 2004; Hyman and Gumbrell-McCormick, 2010). This is primarily encapsulated through the *Varieties of Capitalism* (VoC) approach, which gives credence to divergence. The main emphasis in the VoC comparative work lays in contrasting Anglo-Saxon states (e.g. United States and UK) with continental European and Asian models (Hall and Soskice 2001).

VoC has grouped capitalist systems especially those of the OECD into several categories: Liberal Market Economies (LMEs), Coordinated Market Economies and Mediterranean Economies. Underlying each model are sets of institutional arrangements involving the state, employers and organised labour. In LMEs, markets are ascribed as performing the role of managing relations between economic actors and capital is allocated primarily through stock markets. Gallie (2009: 381) states that in Europe the UK is the 'clearest European case' of a liberal market economy. Such an economy is designed to ensure high levels of labour flexibility and capital mobility, which can facilitate sharp economic adjustments. Liberal economies are also characterised by relatively low-wages and low-skills (Howell, 2004).

Soskice (1999), a key architect of the VoC approach, added that LMEs generally feature weaker unions, less centralised bargaining and less employment protection as a result of less regulated and more flexible labour markets. In contrast, employers in coordinated market economies have an interest in strong trade unionism because they "*form an essential part of productive strategies focusing on high-skill, high-quality export manufacturing goods*" (King and Wood, 1999: 387). In this context,

markets are argued to be subordinate to regulation through non-market co-ordination mechanisms among economic actors, principally encapsulated by collective bargaining and associated supportive legislation. Financial markets are also primed towards providing longer-term capital to firms and limiting the extent of labour flexibility and capital mobility. Germany is the most cited example of a coordinated economy (Howell 2004: 18).

Due to the specific institutional configuration and practice in countries as outlined, different impacts on the wider economy are produced. Hamann and Kelly (2008), for example, state that the levels of bargaining coverage in conjunction with, or instead of trade union density, appear to have the greatest impact on pay inequality. As such, pay inequality it is suggested should be an increasing feature under more decentralised modes of capitalism and most severe in nations with declining union density. The OECD (2004: 130) found that high union density and bargaining coverage, and the degree of centralisation of wage bargaining "*tend to go hand-in-hand with lower overall wage inequality*".

Hamann and Kelly (2008), Hyman and Gumbrell-McCormick (2010) and Appelbaum and Schmitt (2013), through the application of various time series data, present findings it is contended better fits the VoC approach.[3] Hamann and Kelly (2008) present statistics that show trade union density decline has been steeper in the LMEs for the 1980-2000 time period compared to 14 non-LMEs assessed (median percentage point declines were 20.7 and 9 respectively). Also striking are the differences within the non-LME group as the four Nordic economies stand out in the dataset because density fell marginally (-0.5 per cent average across all four countries over a twenty-year period). Over the 1980 to 2000 time period, the gap between the Nordic economies and the other countries widened leading to the conclusion that "*there is no evidence of convergence*".[4]

Visser (1992) also drew attention to the comparable stability of union density in Nordic countries and Belgium compared to other advanced capitalist countries. The author explained this situation by the role of trade unions in the provision of

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[3] Hamann and Kelly 1980- 2000 time series), Hyman and Gumbrell-McCormick (1980 -2010 time series) and Appelbaum and Schmitt (1980- 2007 time series).

[4] Hamann and Kelly (2008: 137)

unemployment benefit - the 'Ghent system'. In 2004, the OECD Employment Outlook also supported this analysis by highlighting only four out of twenty countries, over twenty years, witnessed increases in union density since 1970 those being Belgium, Denmark, Finland and Sweden (i.e. where union affiliated institutions administer unemployment benefit, as a rule). In a longer time-series presented by Appelbaum and Schmitt (2013), it showed only one country with a slight increase in trade union density pre-global recession (2007), which was Finland (1980 - 69.4 per cent to 2007 - 70.3 per cent). However, all four 'Ghent' countries along with Norway did remain the most stable countries analysed.

According to the logic of the Ghent framework, while being institutionally insulated, trade unions are also sensitive to the ideology of political parties via the state. Unions are dependent on the extent of reform and public expenditure cuts to the welfare state (Hyman, 2007; Huber and Stephens, 2001). The assertion is corroborated by the sharp drop in union density statistics in Sweden from 76 per cent in 2005 to 69.3 per cent in 2010 after the Swedish Government elected in 2006 made changes to unemployment insurance (Visser 2015). The significance of the 'Ghent system', however, can be overstated as trade union density ranges from 50 to 80 per cent in these countries. Moreover, Norway's (non-Ghent) density (53 per cent) is comparable with Belgium's (54.7 per cent) in 2007 (see Table 1.1).

Nonetheless, the involvement of trade unions performing a role in the administration of unemployment benefits does appear to be a powerful explanatory factor in trade union density being significantly higher than average. Statistics by Visser (2015) in the following table also show that trade union bargaining coverage rates have remained relatively stable or attained growth in most non-LMEs in contrast to LMEs from 1980 to 2007 period. Within the latter group, coverage fell significantly in the UK (69 per cent 1980 - to 34.6 per cent in 2007), New Zealand (70 per cent 1980 to 17.8 per cent in 2007) and in the United States from 25 per cent in 1980 to 12.7 per cent in 2007.

The thesis will follow the same categorisation of advanced industrialised economies as Appelbaum and Schmitt (2013) except referring to Sweden, Norway, Denmark and Finland as Nordic Market Economies (NMEs) not Social-Democratic, which is

politically loaded terminology.[5] In essence, the classifications consist of the same countries but one different typology. Following the same twenty-one country analysis by Appelbaum and Schmitt (2013), seven countries Finland (70 per cent to 87.7 per cent), Sweden (88 per cent to 91 per cent), Austria (95 per cent to 98 per cent), France (77.4 per cent to 98 per cent), Netherlands (76.7 per cent to 79 per cent), Portugal (70 per cent to 84.9 per cent), and Spain (76 per cent to 76.4 per cent) increased union bargaining coverage from 1980 to 2007.[6]

Table 1.1 Trade Union Bargaining and Density from 1980 to 2007 [7]

Type	Country	Density (1980)	Density (2007)	% + or -	Coverage (1980)	Coverage (2007)	% + or -
CME	Austria	56.7	29.9	-47.3%	95	98	3.2%
CME	Belgium	51.3	54.7	6.6%	96	96	0.0%
CME	Germany	34.9	19.9	-43.0%	85	61.7	-27.4%
CME	France	18.3	7.5	-59.0%	77.4	98	26.6%
CME	Italy	49.6	34	-31.5%	80	80	0.0%
CME	Netherlands	34.8	19.3	-44.5%	76.7	79	3.0%
CME	Switzerland	27.5	18.5	-32.7%	50	44.8	-10.4%
Avg		**39.0**	**26.3**	**-32.7%**	**80.0**	**79.6**	**-0.5%**
LME	Australia	49.6	18.5	-62.7%	84.3	54.7	-35.1%
LME	Canada	34	29.4	-13.5%	37.1	29.4	-20.8%
LME	Ireland	57.1	32.1	-43.8%	*63.5*	40.5	-36.2%
LME	Japan	31.1	18.3	-41.2%	31.1	17.8	-42.8%
LME	New Zealand	69.1	21.3	-69.2%	70	17.8	-74.6%
LME	UK	51.7	27.3	-47.2%	69	34.6	-49.9%
LME	USA	22.1	11.6	-47.5%	25	12.7	-49.2%
Avg		**45.0**	**22.6**	**-50%**	**54.3**	**29.6**	**-45.4%**
EDE	Greece	39	24.1	-38.2%	*85*	83	-2.4%
EDE	Spain	13.5	15.5	14.8%	76	76.4	0.5%
EDE	Portugal	54.8	20.8	-62.0%	70	84.9	21.3%
Avg		**35.8**	**20.1**	**-43.7%**	**72.1**	**81.4**	**12.9%**
NME	Denmark	78.6	67.9	-13.6%	82	81	-1.2%
NME	Finland	73	70.5	-3.4%	70	87.7	25.3%
NME	Norway	58.3	53	-9.1%	70	70	0.0%
NME	Sweden	78	71	-9.0%	88	91	3.4%
Avg		**72.0**	**65.6**	**-8.9%**	**78.5**	**82.4**	**5.0%**

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[5] CMEs (continental market economies), LMEs (liberal market economies) and EDE (ex-dictatorship economies).
[6] Different classifications exist between Hamann and Kelly (2008) and Appelbaum and Schmitt (2013), in particular, Italy and France in the former are Mediterranean categorised while the latter categories them as 'Continental Market economies'.
[7] The figures presented above are from the ICTWSS dataset compiled by Visser (November 2015). The figures italicised (Greece and Ireland) are provided by Appelbaum and Schmitt (2013). In addition, the figures are as close to 1980 and 2007 as possible in some instance the years extends to several years (+/1) for either density or collective bargaining dependent on data. In relation to coverage, Visser uses an '*adjusted bargaining (or union) coverage rate*', which entails employees covered by collective (wage) bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining.

The figures above suggest levels of bargaining coverage in the pre-recession period (2008) were broadly converging with the exception of LMEs, although some countries, in particular Germany, faced significant downwards pressure on both density and coverage (Behrens, 2013).

All countries analysed except Belgium, Spain and Finland over a 27-year period have witnessed significant downward pressure on trade union density irrespective of the level of collective bargaining coverage. NMEs had an average fall of 8.9 per cent; CMEs declined on average by 32.7 per cent, EDEs by 43.7 per cent and LMEs by 50 per cent proportional drop. All non-NME countries possessed trade union density under 35 per cent with the exception of Belgium at 54.7 per cent in 2007. The statistics illustrate that there appears to be a specific set of economic and political factors in operation in LMEs contributing to sharp decreases in trade union density and bargaining coverage epitomised in New Zealand, Australia and the UK. Japan and the United States were historically comparatively low with fellow LMEs but proportionately the declines in density and coverage are broadly equivalent (i.e. up to fifty per cent).

2.3   Industrial and Institutional Convergence

By analysing the political and economic institutions constructed, deconstructed and reconstructed in nation states, the causal mechanisms directly affecting the ability of trade unions to mobilise power resources can be identified (Howell 2005). In doing so, one can seek to explain convergence and/or divergence between advanced industrialised nations in the non-LME categories and LMEs. It is not the primary purpose of the thesis to give a cross-country comparison between the UK and other advanced industrialised nations. However, by presenting a contextual insight into economic and political institutional (re) configuration post-1979, reforms can be assessed through the analytical power of an economic lens.

Hyman (2001) in his seminal paper, '*Understanding European Trade Unions',* identified a critical factor in economic reform, which was nation states will often retain or reform existing institutions towards a new mode of capitalism. This stems from inherited traditions and path-dependencies. Conversely, Hyman asked what would

happen if principally the state and employers relaxed these traditions? In this context, it is important to widen the field of analysis beyond simple albeit insightful quantitative measures such as membership density or bargaining coverage. For example, in France over a twenty-seven year period density has decreased significantly from 18.3 per cent to 7.5 whereas coverage increased from 77.4 to 98 per cent.

Therefore, while declining membership is a strong indicator of union decline in LMEs, this does not necessarily equate to the same impact on trade union power in different countries. Frege and Kelly (2003) cogently argue that a series of indicators are important, which are not easily quantifiable. This includes the dismantling of structures of representation including works councils, declining capacity for mobilisation, weakening of trade union links to political parties, and, diminished power resources because of lower membership or high unemployment.

Consequently, Streeck and Thelen (2005) argue the VoC approach underplays the importance of institutional reform and overstates the role of economic actors who are predisposed to the defence of institutions and the corresponding functionalities. Hege (1996) also developed a critique of institutional approaches in a cross-country comparison by presenting an argument that institutions of representation are not the appropriate unit of analysis, as they are often context bound and experienced differently in specific national contexts. As such, it was necessary to move from the concrete to the abstract by evaluating the process of representation and the factors behind it. Ethnocentric explanations of institutions must therefore be put aside in order to understand, as Hyman (2001: 216) states, the *"complex and often contradictory dynamics of their functioning within a broader ensemble of (in some respects nationally specific) social relations"*.

In a direct response to the abstract challenge, Howell and Kolins Givan (2011: 232) present an argument that states convergence does not necessarily equate to similar paths of institutional deconstruction and reconstruction. Rather, it is done so through 'institutional plasticity'. As the previous term conveys, existing mechanisms can be subtly changed while peripheral mechanisms can take on greater importance or new pathways can be created to facilitate new practices alongside existing institutions. By

adopting a deeper-layered analysis through evaluating institutional reform across countries, the authors nonetheless conclude the result has been 'common'. The direction of travel by governments of different political shades has moved towards a neoliberal trajectory through analysing the UK, United States and Sweden.

In addition, Baccaro and Howell (2011) support the previous points in a powerful evaluation of fifteen advanced industrialised countries where it also argued that the quantitative and qualitative evidence shows a neoliberal trajectory. This is characterised by the general weakening of trade unions. The authors contend that while the specific configuration of institutions in advanced industrialised countries initially gives credence to divergence theories, one must look to the functionality and purpose of institutions in order to reveal the true trajectory of national economies. In an analysis of six nations, findings are presented which challenges divergence consensus arguments. Accordingly, Baccarro and Howell state that despite an "*impressive diversity of institutional forms and paths of institutional evolution there seems to be a common directionality behind the national peculiarities*".[8]

Therefore, it is the economic dynamics driving the *functionality of institutions* rather than specific institutional form, which is the critical point. Hence, neoliberalism as an ideology is a 'protean project' compatible with a wide range of institutional forms.[9] As such, the VoC approach it is argued, is increasingly inadequate for explaining the institutional unstitching across economies characterised by the widespread declines of trade union density, the increasing decentralisation to the firm and local level for wage bargaining. All advanced economies are now ascribed as operating within a neoliberal 'force-field'. Consequently, institutions are given increased prominence, created or reinvented to adapt to this economic environment despite differences.[10]

The work by Gallie (2011) seeks to go beyond the VoC approach as the author presents different employment relations regimes schema.[11] Accordingly, Gallie (2011: 8-9) categorises the employment relations regimes in European countries on the following basis. One, 'inclusive employment regimes' where trade unions have

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[8] Baccaro and Howell (2011: 549). France, the United Kingdom, Germany, Italy, Sweden, and Ireland.
[9] Baccaro and Howell (2011: 551).
[10] The term 'force-field' is used by Baccaro and Howell (2011: 553).
[11] The approach factors in criteria including bargaining coordination and inclusiveness, industrial relations structures and employee job control, employee task discretion, skill formation and development, team influence, workplace consultation, work intensity and employee involvement.

strong institutional participation in decision-making. Two, 'dualistic regimes' where trade unions are involved in decision-making, which tends to be 'primarily consultative' and where the workforce will be 'privileged' in terms of employment rights. Three, 'market based regimes' where employment levels and 'job rewards' are primarily left to the market. On this basis, Gallie (2011: 11) presents the following classifications for European countries: the 'liberal market' regime (UK); the Nordic countries regime; Continental Coordinated regime (Germany, Belgium, Luxembourg, Netherlands, Austria, Slovenia); State Coordinated regimes (France, Italy, Greece, Spain, Portugal), and, Transition regimes forming the EU accession states (Czech Republic, Estonia, Latvia, Hungry, Poland, Romania and Slovakia).

The Continental Coordinated and State Coordinated regimes broadly fell into the dualistic regime category while the liberal market based regime relates to the UK and transition countries. The Nordic countries were encompassed within the inclusive regime. Gallie (2009: 381-3) argues that Nordic countries are 'clearly distinctive' from all countries in Europe while highlighting sharp differences between coordinated economies that can "*only be accounted for by political factors*".[12] As such, Gallie contends that it is problematic to categorise Germany because it '*fits poorly as part of a relatively homogenous set of CMEs*". In particular, task discretion is lower than measured for the UK and German employees were less likely to be consulted than their British counterparts (2009: 385-6).

The below table derives from the bargaining system in the EU Member States from 1999 until 2012 drawing on two central indicators: the primary level at which pay is set in the respective country, and, the degree of coordination. The data stems mainly from Visser's (2015) ICTWSS (Version 5.0) database, but has been updated and in some cases revised by Eurofound's EIRO correspondents. The dataset supports the neoliberal trajectory illustrated in Table 1.1, as it also identifies the increasing trend towards greater decentralisation and the individualisation of employment relations in conjunction with lower levels of trade union density. The data re-confirms the distinctiveness of Nordic countries and Belgium.

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[12] Gallie (2009: 381).

Table 1.2   Levels of Bargaining and Degree of Coordination in EU

	1999	2012	1999	2012
Country	Level of Bargaining	Level of Bargaining	Degree of Coordination	Degree of Coordination
Austria	Intermediate	Intermediate	Highly coordinated	Highly coordinated
Belgium	Centralised	Centralised	Highly coordinated	Highly coordinated
Denmark	Intermediate	Intermediate	Highly coordinated	Medium level
Finland	Centralised	Centralised	Highly coordinated	Highly coordinated
France	Intermediate	Intermediate	Low level	Low level
Germany	Intermediate	Intermediate	Medium level	Medium level
Greece	Centralised	Decentralised	Low level	Low level
Ireland	Centralised	Decentralised	Highly coordinated	Low level
Italy	Intermediate	Intermediate	Highly coordinated	Medium level
Netherlands	Intermediate	Intermediate	Medium level	Medium level
Norway	Intermediate	Intermediate	Highly coordinated	Highly coordinated
Portugal	Intermediate	Intermediate	Medium level	Medium level
Spain	Intermediate	Centralised	Medium level	Highly coordinated
Sweden	Intermediate	Intermediate	Highly coordinated	Highly coordinated
UK	Decentralised	Decentralised	Low level	Low level

Institutional differences in various capitalist regimes are partly attributable to the ideology adopted by political parties, employers and the state (i.e. inherited traditions and path-dependencies). This point is captured by Hamann and Kelly (2008: 31) who state, *"A focus on partisanship and party composition of Governments can also provide important insights into the question of how change in economic institutions and types of capitalism comes about, or why institutions are stable".* It will be entirely consistent, on this basis, that specific political systems and bi/tripartite architecture will be retained to manage economic transformation such as experienced in Italy, Ireland and Spain (Hyman, 2001; Baccaro and Howell, 2011).

Interestingly, Baccaro and Howell (2011: 530) present findings, which illustrate the resilience of tripartite policy-making institutions, as they did not necessarily decline and recede, as first intuitions would suggest in a liberalising context. Rather, institutions were reconfigured to stabilise employment relations through periods of economic transformation. As such, reform was geared towards "*extracting macro*

concessions from trade unions for the implementation of largely market-conforming policy reforms, and therefore this trend is not incompatible with liberalization".

In this context, Pizzorno (1978) describes a social-pact process as being one of 'political exchange' in which the state offers greater economic involvement and/or increased legal rights to unions in return for trade union commitments, particularly on wage moderation. The level of exchange would be determined by the extent of corporatist and coordination mechanisms for the governance of market relations in any given country. A. Taylor (1989: 97) in a succinct description of *corporatism* stated that it was an approach whereby, "*economic interest groups (recognised as authoritative and representative by government) participate in the policy process*". Such participation, according to the author, was characterised by three dimensions: *one*, unions represent members within the process; *two*, unions accordingly bargain with government on the 'contours of policy', and, *three*, unions actively participate in the implementation of policy.

The prior description of corporatism illuminates a principal reason for the Social Contract (1974-79) case event being of substantial historical and contemporary interest in the UK. The event can be conceptualised as a *social-pact,* principally between trade unions and the Labour Government at the height of trade union power. The corporatist approach, spearheaded by the TUC as the trade union bureaucratic centre, would shape the functionality of the Liaison Committee. As Thomson (1979: 37) perceptively stated, in the UK context during the 1970's, "*This institutionalisation of the union role probably best differentiates the present period from the past, although it is not the sole manifestation of corporatism*". Alternatively, in the absence of such a social-pact, as the thesis will examine, it can lead to an all-out assault on the power of organised labour as experienced in the UK after the demise of the Social Contract.

The next section will analyse the reconfiguration of UK employment relations institutions in order to provide the economic and political context to fluctuating levels of trade union power and the corresponding shifts in union ideology and union leadership strategies.

2.4   UK Political and Economic Institutions: *a neoliberal path*

The notion of path dependence (Pierson 1997) pertains to when a particular trajectory becomes difficult to reverse and creates incentives for actors to find solutions that modify existing institutions. The modification can occur in marginal ways rather than creating entirely new institutions. Hence, institutions often persist for long periods and in the short-term; they influence actors' strategies to a greater degree (Ebbinghaus and Visser, 2000).

Howell and Kolins Givan (2011) emphasise that countries that use or reform existing institutions will exhibit greater degrees of stability. State and employer strategies derive from the actions of other actors within the employment relations system principally trade unions. As such, employers and governments have different strategies over time and across different nations, which in turn shape trade union responses. Yet, as Kelly (2013) and Howell (2000: 209) state, if these are the strengths of an institutionalist approach it is 'weakest' when attempting to explain the origins of institutions and in explaining post-formation change because the approach has a, "…*tendency to pay lip service to the role of economic change"*. Economic transformation is viewed as contextual rather than being the driver of change as the previous sections have outlined.

The experience of the UK contrasts sharply with other advanced industrialised European countries but mirrors structural changes in fellow LMEs that have been characterised by rapid declines in trade union density and bargaining coverage. Boxall and Haynes (1997) assess the experience of several trade unions in New Zealand in the context of enabling state support being removed through structural and legislative reforms.[13] The reform led to a collapse in trade union density from 50 per cent to 25 per cent from 1991 to 1996. Despite the analysis being specific to New Zealand, the points below are broadly applicable across LMEs in two principal ways:

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[13] The Labour Government from 1984-90 repealed compulsory arbitration and set in motion the decentralisation of wage bargaining along industry lines. The centre-right National Party Government followed these reforms during the 1990's with the introduction of the Employment Contracts Act (1991), which accelerated decentralisation and removed statutory supports for collective bargaining.

> First, it is in which the State no longer underwrites union survival and in which alternative governments are unlikely to restore all that the unions have lost. The State has foreclosed on certain strategic options available for trade unions. Second, it is an environment in which leading managers and the State share a common ideology: neither envisages a significant role for trade unions in macro-economic management, on the one hand, and workplace governance on the other. (Boxall and Haynes 1997: 568)

The focus of the thesis is the process of political action performed by trade unions via the Labour Party in an endeavour to shape the UK employment relations framework. However, the paper by Boxall and Haynes (1997) is nonetheless valuable as it outlines the limitations of industrial strategies utilised by trade unions in response to neoliberal dynamics.[14]

It is important to draw attention to the pace of institutional reform in the UK being directly affected by the specific configuration of employment relations institutions and the electoral system (i.e. first past the post). The latter factor limited the need for consensus through social-pacts as experienced across the continent of Europe (Frege and Kelly, 2003; Hamann and Kelly, 2004; and Boxall, 2008). Reform was also made speedier in the UK by the absence of strong market coordinating mechanisms due to the ideological dominance expressed by trade unions, employers and the state for free collective bargaining within a collective laissez-faire framework (Howell 2004). Therefore, Kelly (2013: 181) stated that collective bargaining agreements and associated structures had 'shallow roots' in the UK because they were "*not anchored in legal or constitutional foundations as in many other parts of Western Europe*". Collective agreements were not legally binding and trade unions rather than enjoying enshrined legal rights campaigned historically for the restoration of legal immunities.

Due to the aforementioned structural and political vulnerabilities, trade unions were brutally exposed in the post-1979 period as part of the Conservative Government's response to the 'Winter of Discontent' (1978/9) strike wave following the collapse of the incomes component of the Social Contract. Howell (2005) in, '*Trade Unions and the State: the construction of Industrial Relations Institutions in Britain, 1890-2000*', gives a masterful analysis of the enabling and legitimising role of the state in the UK.

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[14] It does so through an evaluation of *organising, servicing, consultancy and partnership* models of unionism.

Conversely, the analysis provides the disabling and de-legitimising role of the state towards trade unions in the post-1979 period through evaluating the employment relations institutional deconstruction and reconstruction, described by the author as being 'profoundly structured'.[15]

2.4.1 *Construction*

The UK state encouraged industrial peace through the creation of Wage Boards and the Whitley Committee (Howell 2005: 69).[16] Crucially, the objective was to create mechanisms, which would strive towards a system where 'collective laissez-faire was precisely the goal' (Howell, 2005: 71).[17] By the end of 1920, it was estimated that trade and wage boards covered 3 million workers or over 15 per cent of the employed population.[18] Additionally, an Industrial Courts Act (1919) authorised the Ministry of Labour to create industrial courts in major disputes to prevent economic instability. Seventy-five courts were created between 1919 and 1965 composed of three people: one from labour, a representative from employers and a neutral chair.

In the post Second World War period, Joint Industrial Councils (JICs hereafter) were also created in all the newly nationalised industries. The national focus on economic sectors operated in tandem with the national bargaining frameworks. In this context, Howell (2005) makes a critical point, which is the institutional architecture that had been fostered by an *enabling state* in a collective laissez-faire environment remained largely intact despite the collapse in trade union membership and density in the inter-war years (i.e. density declined from 45.2 per cent in 1920 to 22.6 per cent in 1933). The consensus across all political parties to varying degrees ensured that trade unionism was viewed as central to the functioning of a stable economy. This meant

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[15] Howell (2000: 209).

[16] In 1909 the Trades Board Act sanctioned tripartite machinery (i.e. government, employers and trade unions), which would characterise employment relations for decades. The Boards established a bottom-floor in essence minimum wages and conditions, and, facilitated collective bargaining, which was legally enforceable in the industries where they were established. In industries where the presence of trade unionism was strong enough the government performed a facilitating role in supporting parallel *de facto* Board structures to encourage stability in industry and the economy.

[17] British Labour Statistics, Historical Abstract 1886-1968. In five reports the Committee proposed a series of *règle du jeu* designed to promote economic stability. In 1917 the Committee recommended three tiers of machinery: Joint Industrial Councils at a national level, joint district councils and works committees. In total seventy-four joint councils were established between 1918 and 1921. So, the industrial framework was in sync with the expansion of trade union membership which rose to 7.93 million members in 1919 while trade union density was 43.1 per cent in the same year. For the first time also more than 50 per cent of male workers were unionised (Fraser, 1999) with the total number of trade unions standing at 1,360 at this juncture.

[18] Milner (1994).

that despite industrial weakness the state did not move more aggressively to dismantle the key tenets of the industrial architecture.

The Labour Government of 1945-51 expanded the collective bargaining framework through national agreements and statutory machinery (Wage Boards, Trade Boards). The Labour Government repealed the Trade Disputes and Trade Union Act (1927) and introduced the Wages Council Act of 1945, which in effect was an alternative to Trade Boards.[19] The latter was designed to fill the void in sectors of the economy where there was no voluntary bargaining in operation whereas the Act (1945) established minimum wages for the first time to sectors such as retailing and hairdressing to complement the Catering Wages Act of 1943 and the Agricultural Wages Regulation Act of 1947 [20] Trade union economic participation was strengthened by the nationalisation of key industries along with the enlargement of public services such as local government, education and the creation of the National Health Service.

A series of agencies designed to foster economic stability were promoted in the post-1957 period. First, Harold Macmillan's Conservative Government created the Council on Prices, Productivity and Incomes in August 1957. The Council was succeeded in 1961 by a series of 'pay pause' measures as wage increases were linked to national productivity and by the National Incomes Commission (NIC) in 1962. [21] The Conservative Government correspondingly brought forward the 1962 White Paper, '*Incomes Policy: The Next Step',* which introduced the notion that wages and salaries would be kept within a 2.5 per cent figure. The measures were considered in the context of rising industrial unrest and inflationary concerns. In 1957, the number of disputes reached their highest since records began in 1893 hitting 2,859 and the aggregate number of days lost were the highest since 1926.[22]

Moreover, the Conservatives established the National Economic Development Council (NEDC) as an economic planning forum in 1962, which was representative of the bi-partisan inclusive approach towards trade unions in market relations. The

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[19] The 1927 Act banned civil service trade unions from belonging to the TUC; made it more difficult for union members to pay the political levy, general strikes and other sympathetic action were forbidden, and there were restrictions on picketing.
[20] Fraser (1999: 192).
[21] The NIC never became established as the TUC refused to engage with the Commission. It was dissolved by Harold Wilson in 1965.
[22] British Labour Statistics, Historical Abstract (1886-1968), Table 197.

forum brought together management, trades unions and government, which was reflective of the corporatist political approach designed to address the UK's relative economic decline. The NEDC would propose pay guidelines in both 1963 and 1964.

According to Howell (2005: 94), this was all reflective of an "*acceleration in the process of industrial restructuring*" to occur in the 1950's and 1960's. The structural changes were illustrated by a shift from older industries such as textiles to newer industries such as vehicle assembly, light engineering and oil refining. Moreover, there was a growth in white-collar service sector jobs where there was traditionally greater resistance to trade unions. Due to these economic structural shifts, the post-war consensus gradually came under strain as large employers and employers' associations voiced concern about the relevance of industry-wide bargaining. In response, multi-nationals facilitated firm level bargaining through productivity agreements that were designed to provide firms with controllable and predictive wage costs in order to remove working practices considered inflexible by employers. This altered employment relations relationships from an externally constructed framework outside the firm, namely via national unions, national employers and the state, to internalised relations inside the firm (Gospel, 1992).[23]

In this period of reconstruction, the Labour Government of 1964-70 signalled its intention to intervene in the most sacrosanct of industrial areas: the determinacy of wage levels in a free collective bargaining employment relations framework. The Prices and Incomes Act (1966) advanced the ability of government to enforce wages in order to bridge the gap between productivity and wage rises. This was due to UK workers' wages rising faster than among its competitors without a comparable shift in productivity.[24] The measures were designed to control shop floor wage bargaining and in effect to control trade union shop stewards. The pay control measures were introduced in conjunction with, *'In Place of Strife: a policy for industrial relations' (1969),* which provoked a defensive response by trade unions into the political sphere (Fatchett, 1987; Marsh, 1992; Minkin, 1992; R. Taylor, 1980; A. Taylor, 1987).

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[23] Gospel (1992).

[24] The Act of 1966 gave power to the government to establish a statutory early warning system. The government therefore could by an order require advanced notice of thirty days for increases of prices and wages. A provision was also made for notification in one week of decisions to increase dividends. If the government referred a case to the National Board for Prices and Incomes a delay would be required until the board made a report on a case or until three months had lapsed. During the wage freeze of 1966-7 only fourteen orders issued enforced a standstill. The TUC General Council had supported the government's Bill by 21 votes to 11 before it had even seen the 'precise wording' according to Hutt (1975: 222).

The thesis will illustrate through the analysis of the Social Contract (1974-79) case event, that the firm-centric and post-Fordist structural shifts, supported in certain quarters by powerful trade unions in response to pay restraint measures during the 1950's and 1960's, would have profound consequences for a future Labour Government attempting to control inflation and industrial action between 1974-79. In addition to structural shifts, the influence of factors such as trade union ideology and union leadership driven by endogenous and exogenous factors to the UK economy will be evaluated (Wilkinson, 2007). Currie in, '*Industrial Politics'* (Oxford, 1979), and Rodgers (1979) support the centrality of these factors by stating that trade union ideology, specifically the ideological dominance of free collective bargaining, was central to the irreconcilability of trade unionism with the incomes component of the Social Contract (see *Ideology of UK trade unions* section).

In fact, there were contradictory dynamics in operation during the 1960's and 1970's that the industrial strike wave in the winter of 1978-9 illustrated. Principally, this related to the attempts to centralise and control wages in tandem with decentralisation to the firm (Undy et al, 1981).[25] The Winter of Discontent in 1978/9 was, therefore, a culmination of economic structural changes and the inability of successive Labour and Conservative governments to curtail industrial action, in particular unofficial action, in an environment that promoted free collective bargaining. The cumulative effect of these events provided the ideological discourse to initiate institutional de and re-construction driven by neoliberalism post-1979.

2.4.2 *Deconstruction and Reconstruction*

The reform project of the Margaret Thatcher led Conservative Government after 1979 was directed towards decentralisation, decollectivism and the individualisation of employment relations. A liberal market economy in a UK context, known as Thatcherism, did not entertain any notion of consensual institutional deconstruction and reconstruction (Wilkinson, 2007). It would herald a new settlement leading to the exclusion and marginalisation of trade unions (Hamann and Kelly, 2004). Trade unions in response would be forced to develop alternative strategies in the absence of social-partner status associated with corporatism and the market coordinating

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[25] Undy, R. Ellis, V. McCarthy, W.E.J. and Halmos, A.H. (1981).

mechanisms more closely associated with NMEs, CMEs and EDEs in an era of industrial weakness (Boxall, 2008).

The neoliberal ideology was facilitated by a 'deeply interventionist state' which promoted combating inflation at the expense of high levels of unemployment (Howell 1998: 293-4). The approach was strategically aimed at structurally weakening the power of trade unions as the Conservative Government had a 'deep-seated critique' of trade union political and economic power in the UK. [26] The Conservative Government brought forward the Employment Act of 1980, which contained measures to restrict the closed-shop, limit picketing and reduce dismissal costs. Successive employment relations legislation further restricted trade unions' organisational abilities and immunities. [27] The reforms included the wholesale deconstruction of employment relations mechanisms such as the abolition of the Wage Councils, the termination of the statutory duty of the Advisory, Conciliation, and Arbitration Service (ACAS) to promote collective bargaining, and, the repeal of Schedule 11 in the Employment Protection Act (1975) in the Employment Act 1980. The Schedule had guaranteed workers a statutory route to collective recognition when confronted by a hostile employer.[28]

Successive Conservative Governments pursued an aggressive policy of privatisation in public industries and corporations, which would have significant implications for all trade unions. The list of major privatised industries included gas, electricity, water, nuclear energy, steel, telecommunications, coal, and railways. In total, the number of people working in the public sector fell by 2.2 million from 7.45 million in 1979 to 5.23 million in 1995. The vast majority of the decline (1.7 million) resulted from privatisation as the workforce of the nationalised industries and public corporations fell by 83 per cent, from 2.1 million to 0.36 million.[29] The impact of the Conservative neoliberal agenda was devastating for trade unions in the UK. Since 1979, trade unions lost just less than 50 per cent of their members from 13.2 million to 7.8 million in 1998, which brought density in the workforce below 30 per cent (29.9 per cent).

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[26] Ibid.
[27] This also included the Employment Act (1982, 1988, 1989, 1990), the Trade Union Act (1984), Public Order Act (1986), Trade Union and Labour Relations (Consolidation) Act (1992) and Trade Union Reform and Employment Rights Act (1993).
[28] For a more extensive reading on the specific elements of the legal reforms see the Institute of Employment Rights, A Chronology of Labour Law (1979-2008). http://www.ier.org.uk/resources/chronology-labour-law-1979-2008
[29] Howell (1998: 295).

2.5 New Labour: Continuation of Neoliberalism or Breaking with the Past?

The New Labour Government elected in 1997, it is argued, complemented rather than conflicted with the Thatcherite decollectivist, deregulatory and privatization reforms (Baccaro and Howell, 2011: Daniels and McIlroy, 2009; Smith and Morton, 2009; Kelly 2013, Wilkinson, 2007). Labour stated it would not repeal the fundamental tenets of the Conservative employment relations framework nor return privatised industries to public ownership. However, New Labour's political and economic reforms while informed by neoliberal dynamics were distinct in comparison with the Conservative Governments (1979-97). The new approach was advanced through the notion of *social partnership,* which was informed by European approaches to employment relations (Ackers, 2002)*.*

Social partnership was based on the premise that firms are most successful when employers, managers and employees work together, which should be supported by the state. The approach focused on supply-side initiatives such as skills, training and flexible labour markets. Wood (2000: 367) argues that at the heart of the 'Third Way' narrative is a notion of partnership understood as 'high-involvement HRM'.[30] This focused on the notion of encouraging worker commitment to the firm by improving productivity and quality. Ewing (2005: 9-10) adds that the Labour Government's view on the form of trade union representation framed through 'partnership' placed a "*duty of employees (and by extension their trade unions) to 'cooperate' with employers*".

Nonetheless, social partnership would feature a more inclusive approach by the state and 'enlightened sections' of the business community towards trade unions after the long period of exclusion under the Conservatives.[31] Ackers and Payne (1998: 546) stated social partnership consisted of two core elements: one, it shifted the debate by offering a 'rhetoric of rights and reconstruction', and, two; it appealed beyond union members who were a minority of the working population to encompass all workers. Heery (2005: 3) also highlights that the Labour Government's supporters identified the approach as a 'key break in public policy' as Brown (2000: 315) added that, "*At the national level, the TUC and CBI were involved in employment policy to*

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[30] HRM stands for Human Resource Management.
[31] Ackers and Payne (1998: 546).

an extent unknown for twenty years. Social partnership appeared to be taking root". These assertions are supported by Metcalf (2005: 27) who claimed social partnership also illustrated a shift from 'hostile forces' to an enabling environment for trade unions. As such, the inclusivity of the approach towards trade unions widened the opportunity for strategic choices by union leaders due to the more "*favourable industrial relations terrain*" (Ackers and Payne, 1998: 544).

Accordingly, the employment relations reform of New Labour modified the institutions and practices of market relations, which it inherited such as ACAS and Employment Tribunals. It also created new mechanisms inclusive of trade unions such as the Low Pay Commission, which advises government on the national minimum wage levels. The institutional reconfiguration, however, continued to embed decollectivisation, decentralisation, individual labour rights and flexibilisation. For example, in 2005/2006 there were 115,039 individual claims accepted by tribunals, compared with 86,181 in 2004/2005.[32] Moreover, there was a parallel growth in the number of calls received by the ACAS telephone hotline, which provides advice on areas such as workplace rights. This increased from around 508,000 in the year 1998-1999 to 928,995 in the year 2012/13 (ACAS Annual Reports, 2000 and 2013).

Despite embedding neoliberal dynamics, Ewing (2005: 8-9) identified a 'collective dimension' to be found in the statutory recognition procedure introduced by the Labour Government as a component of the ERA (1999). Frege and Kelly (2004: 18) also contend the ERA represented a concession on the part of the Labour Government in addition to partial re-regulation in the NMW (1998) framework. In conjunction, both legislative events implemented during the same parliamentary term can be argued to counteract the neoliberal trajectory as will be evaluated even if the extent and scope of the legislative events are contested (Simpson, 1999: 30; Metcalf, 2005: 27).

Furthermore, the Warwick Agreement in 2004 prior to the General Election of 2005 highlighted the ability of affiliated Labour Party trade unions in a liberal market economy to attain favoured outcomes though political action inside the party's structures. The Agreement contained a series of pledges with Bewley (2006: 351)

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[32] Annual Report and Accounts 2005-2006. Employment Tribunals Service, 2006.

arguing that the accord was, "*vital in securing union commitment to campaigning for the re-election of the Labour Government in May 2005*". The details that emerged from the Labour Party's National Policy Forum (NPF hereafter) at Warwick committed a future Labour Government to ending a two-tier workforce in the public sector. It also covered areas including pension protection, employee voice and holidays, which will be evaluated (Howell and Kolins Givan 2011, Minkin 2014; McIlroy, 2009; Ewing, 2005; Wickham-Jones, 2014; Bewley, 2006). Nonetheless, a series of authors including Brown (2011), Heery (2005) and Ewing (2005), present arguments contending that the Warwick Agreement represented a continuation of the Conservatives neoliberal model rather than a strategic shift in the governance of market relations.

Howell (2004, 2006) and Baccaro and Howell (2011) persuasively advocate that the Labour Governments' employment relations regime was characterised by two twin themes: social partnership and individual rights within a decollectivised trajectory. Howell (2006: 4) used the concept of micro-corporatism in relation to France's employment relations regime but noted that in the case of the UK it was a 'fundamentally decollectivist' regime underpinned by individual legal rights rather than any reassertion of collective regulation. In a key contribution, Howell (2004:19) stated:

> It is now individual legal rights at work, provided and enforced by the state, that are the primary motor of industrial relations, with collective bargaining relegated to the public sector and those areas of the private sector where, for the most part, employment is declining…The Third Way in industrial relations is institutionally incoherent, in that it is seeking changes in one sphere without challenging the fundamentally liberal market orientation of the rest of the political economy. In this sense, the Third Way can be thought of as a policy adaptation specific to centre–left governments in weakly co-ordinated liberal market economies.

In this context, while New Labour's (1997-2010) language of social partnership was 'poorly defined' and lacking the necessary institutional support as experienced in other advanced industrialised economies, nonetheless, it represented a 'shifting front' (Howell, 2004: 19). The regulatory approach by Labour primarily based on statutory individual rights rather than trade union and collective rights has been

termed as *regulated individualism* by the thesis. This is in recognition of a break from the "*atomism, individualism and exclusive concern with profitability allegedly characterizing Thatcherism*" (Howell, 2004: 13). Legislation and institutions such as the Low Pay Commission and ACAS in both the NMW and ERA underpinned a series of positive individual legal rights.

Therefore, evaluating political action through the Labour Party to influence the law is of critical importance. This is because decollectivisation and low union density have increasingly constrained or denied the opportunity for trade unions to redress perceived imbalances of power through collective bargaining and market relations (Gennard, 2002; Ludlam and Taylor, 2003; Brown, 2011; Seifert, and Silbey, 2010).

The next section will illustrate the significant ideological reappraisals on the part of trade unions in the UK in order to influence state regulation principally through the Labour Party in order to attain favoured outcomes.

2.6   The Ideology of UK Trade Unions

Reality does not just consist of material objects as ideas and discourses are just as 'real' and can have causal effects. As such, it is critically important to evaluate path-dependency factors principally ideology because it can constrain and influence the strategic options of union leaders as the literature evidences (Flanders, 1957; Turner, 1956; Harrison, 1960; Gennard and Hayward, 2008; McIlroy, 2000; Bodah, Ludlam and Coates, 2003; Brown, January 2011).

Hyman (1995, 2001, and 2007) introduced the concept of 'union identities' as a potential factor in the development of trade union strategies due to 'inherent traditions'. Frege, Kelly and McGovern (2011: 222) assert that the, "*concept of trade union identity (which arguably parallels recent work on corporate identities) is crucial in that it incorporates a notion of strategic choice*".

Turner (1962), in a seminal analysis of the cotton unions, gives an authoritative insight into the ideology of trade unions based on their historical grounding that led them to adopt 'open' and 'closed' forms of trade unionism. 'Open' trade unions, in

particular general unions, were described as being restricted in their bargaining power to a greater degree than 'closed' unions. In turn, this led to them exploring an alternative strategy i.e. political campaigning (Fatchett, 1987). The differences in union 'character' are shaped internally by the adopted democratic processes and externally by issues such as mergers and politics. These differences are depicted as contributing to non-craft unions and the miners taking up 'political action' in the latter half of the 19th century (Turner, 1962: 364). Rallings (1983: 68) in an analysis of white-collar workers also acknowledged that the industrial background of a trade union could influence its ideological orientation stating, "*White-collar workers are still less likely than manual employees to be exposed to a close-knit occupational community or to a traditionally 'political' industrial environment*".

Hyman and Gumbrell-McCormick (2010: 321) complement these previous points, adding that path-dependency for trade unions like nation states "*can often be traced back to the sequencing of industrialization and the struggle for democracy*". The purpose and form of trade unionism, as presented in the literature review, therefore, is greatly influenced by its interaction with the state, political parties and employers under specific modes of capitalism. While the particular form of trade union political action to achieve industrial objectives can be context bound in terms of its specific form in nation states, the process itself can be generalised.

Sidney and Beatrice Webb base the expression of political action in the UK principally in two books: *Industrial Democracy* (1913) and *The History of Trade Unionism* (1920). In essence, if the enforcement of Common Rules could not be enforced through the *Method of Collective Bargaining* then they could be achieved through the *Method of Legal Enactment*. As a result, a division of labour between the industrial and political spheres led many trade unions to approach politics in pragmatic fashion. It is primarily for this reason that trade unions in the UK were historically 'conservative' in their attitude towards politics (Fatchett, 1987: 59). Accordingly, trade unions did not universally embrace the Method of Legal Enactment as it was considered to interfere with the process of free collective bargaining (Webb and Webb 1913; 1920).

The aforementioned point can be crystallised in the creation of the Labour Party itself. In February 1900, at a specially summoned Congress representing trade unions and Socialist societies, a draft constitution was adopted, which established the Labour Representation Committee (LRC). These organisations were, thereafter, to be represented on the proposed committee as well as the TUC's Parliamentary Committee. [33] In a close vote by 546,000 votes to 434,000, the LRC was established.[34] However, the TUC was described at the juncture of the LRC's creation as placing, "*no faith in the scheme* and *attached little importance to it*".[35]

In addition, Fatchett (1987) highlights that the closeness of the vote stemmed from trade unions such as the Gasworkers Union who believed that due to the lack of coherent politics across trade unions and the differing political sympathies of trade unionists, then this would prove problematic to the success of the LRC. To reemphasise this point, the miners were described as having 'stood aloof' from the political development because they preferred to use their own organisational efforts to secure objectives (Harrison 1960: 334).[36]

The value of the Method of Legal Enactment and specifically the LRC took a historically changing path when the Law of Conspiracy and the Law of Torts (1871-76), which was considered to have 'legalised' strike action, was reversed by the Law Lords in 1901. The Taff Vale Railway Judgement (1901) until the Trades Dispute Act (1906) paralysed the ability of trade unions to act in industrial disputes. It is this game-changing legal decision that made the Labour Party into a political force during the 1906 General Election (Webb's, 1913; 1920; Turner, 1962).[37]

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[33] The TUC Parliamentary Committee nominated four of its members all who afterwards became Members of Parliament (S. Woods, W.C. Steadman, R. Bell, and W. Thorne) to sit with two representatives each from the Independent Labour Party (Keir Hardie and J. Ramsay MacDonald), the Fabian Society (G. Bernard Shaw and E. R. Pease), and the Social Democratic Federation (H. Quelch and H. R. Taylor).

[34] "*This Congress, having regard to its decisions in former years, and with a view to securing a better representation of the interests of labour in the House of Commons, hereby instructs the Parliamentary Committee to invite the cooperation of all cooperative, socialist, trade union, and other working organisations to jointly cooperate on lines mutually agreed upon, in convening a special congress of representatives from such of the above-named organisations as may be willing to devise ways and means for securing the return of an increased number of labour members to the next Parliament*". The motion cited in Harrison (1960: 11)

[35] Webbs (1913: 684).

[36] The main drivers influencing the decision by trade unions to create the LRC were as follows. One, trade unions who had hitherto placed greater degrees of support in Liberal Party candidates could not rely on the party to deliver or restore industrial rights. Two, as such, an independent political party representing organised labour was viewed as increasingly necessary in response to the judiciary who were prone to phases of judicial activism to curtail the power of trade unions. Three, despite strong union presence in geographical areas such as the coalmines of the North East of England there was a relative economic weakness of trade unions across the country.

[37] In the General Election of 1906, the LRC in response put forward fifty independent candidates with the impressive election of twenty-nine candidates. Twelve 'working-class' candidates under the auspices of the Liberal Party were also elected. Due to

The literature also reflects upon the importance of the financial influence of trade unions via political funds from the turn of the 20th century (Webb and Webb 1913, 1920; Harrison, 1960). These finances were integral to the rise of the Labour Party and central to influencing the political and legislative process. The financial influence was increasingly channelled through the Labour Party. The Osborne Judgement (1908) ruling, which stated that it was illegal to impose a 'political levy' on union members for the support of its sponsored candidates elected to parliament, is a further judicial decision of paramount importance. The judgement directly influenced the ideological positioning of trade unions with respect to the Labour Party, as the former increased power resources in the political vehicle to protect their organisational integrity.

The Osborne decision was partially reversed by the 1913 Trade Union Act but with the caveat that ballots would be issued. This required a majority of union members who voted to endorse payments made through a special political fund (Webb's, 1920; Fatchett, 1984 and 1987). The political role of trade unions was defined in the 1913 Trade Union Act, which crucially established a 'rigid line' between the industrial and political spheres of union activity thus legally reinforcing the division between the two (Fatchett, 1987: 9).[38]

The impact of the Conservative's Trade Disputes and Trade Unions Act (1927), which introduced the 'contracting-in' of union members paying into political funds, is assessed by Harrison (1960). The Labour Government of 1945-51 repealed the Act, thus reintroducing the principle of union members 'contracting-out' of political funds. The periodic interference in the ability of trade unions to deploy finances to politically campaign due to Conservative legislation is analysed throughout the literature, specifically the impact of the Trade Union Act (1984) and the Trade Union Labour Relations (Consolidation) Act (1992). The aforementioned Acts were informed by the desire to curtail the power of trade unions, and in turn the Labour Party. Successive measures introduced from 1979-97 required trade unions to hold a review ballot of their members on the continuation and maintenance of political funds for a period no

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the electoral success of the candidates fielded by the LRC it resulted in a significant parliamentary representation warranting a name change to the Labour Party.
[38] Support for the principle of political funds varied within trade unions under the initial ballots imposed by the Act but there was a two to one victory. The Act (1913) until the present day has continued to shape the political and industrial financial functions of trade unions.

longer than 10 years (Leopold, 1997, 2006; Minkin, 1992; Grant and Lockwood 1999; Marsh 1992, Brown, 1991; R. Taylor, 1987).

As a result of legal interventions, trade unions and union leaderships culturally developed a deep 'mistrust' towards legal 'interference' by the state reinforcing the principle of the division of labour (Flanders, 1969; Webb's, 1913). The division greatly influenced the ideology of trade unions until the 1970's in that they 'rarely' moved towards political action (Richter, 1973: 21). This point can be illustrated by the largest and most powerful unions being described in the literature acting as a 'Praetorian Guard' for the Labour Party leadership. For example, after 1948, with the exception of one minor vote in 1950, not one Labour Party Conference vote went against the party leadership until 1960 (Minkin 1974: 13).

Minkin (1974:10) stated that trade union leaders had historically, "*neither sought to become the political leadership of the party nor generally have they sought close control over the process of policymaking*". Both leaderships from the industrial and political dimensions recognised their functional differences in the economy and parliamentary processes. These points are complemented by R. Taylor (October 1987: 430-1), who stated that the industrial and political alliance of 'labour' was, "*…formed on a tacit understanding that neither the industrial nor the political wing should seek to dominate the other*".

In this context, the key dilemma would be to what extent would trade unions mobilise power resources inside political institutions and the wider economy in reaction to the Labour parliamentary leadership when it: "*chose, or was driven, to advance into the 'closed' areas*'" (Minkin, 1974: 15). '*In Place of Strife: A Policy for Industrial Relations*' (1969) represented the first major incursion by the parliamentary leadership into 'closed' areas (i.e. industrial sphere). The episode emphasises the importance of Hyman's (2001) point in relation to the effects of relaxing attachment to inherited traditions. The Labour Government's White Paper provoked a defensive response by trade unions into the political sphere to preserve legal immunities and to prevent greater regulation by the state (Richter, 1973; Fatchett, 1987; Marsh, 1992; Minkin, 1992; R. Taylor, 1980; A. Taylor, 1987; McIlroy 1998).

While the literature acknowledges that political action prior to 1970 did have a role to play to varying degrees of importance, it is cautioned by the strand in the literature that contends that even where trade unions accepted the need for political action or juridification it was always viewed as 'subordinate' to industrial action (Flanders, 1969: 20). The dominant ideology remained that statutory regulation was secondary to regulation by collective agreement in a collective laissez-faire environment. This was based on the belief that trade unions could extract from employers' conditions and codes of employment more favourable than could ever be achieved through legislation (Minkin, 1974; Turner, 1962; Howell, 1998, 2005; Thomson, 1979).

There is a strong body of literature, however, that contends it was a misrepresentation of the broader factors to suggest UK trade unions did not rely on state support or legislation (Howell, 1998, 2000, 2004, and 2005; Kelly 2013; Flanders, 1957, 1969; McIlroy 2009). While support for collective laissez-faireism was dominant, it never was "*hegemonic within the labour movement*" (Howell, 1998: 304). Rather, it was a position that reflected the dominant position of the large craft unions and general unions who achieved recognition relatively early on in industrialisation and whose members were unlikely to be earning low wages. In contrast, smaller unions, white-collar unions, and public sector unions were historically more positive and sympathetic about legislation and regulation by the state.

Due to inherited traditions expressed through trade union sectionalism, policy differences existed on a number of key fronts including voluntary incomes polices; industrial democracy; employment legislation and public ownership (Turner, 1962; Richter, 1972; A. Taylor, 1987; R. Taylor, 1980; Minkin, 1992; May, 1975; Fatchett, 1987). Therefore, the attitude towards items of legislation by trade unions has fluctuated between the industrial (bargaining) and legislative (principally the Labour Party) dependent upon the industrial strength and inherited traditions of individual unions (Cyriax, 1960; A. Taylor, 1987, Brown, 2011).

Comparisons, to a degree, can be drawn here with corporations where culture and relational dimensions shape institutional strategic choices (Whitley 1992). The divisions between trade unions and in turn with the Labour Government (1974-79),

due to sectionalism or 'framing processes' as described by Frege and Kelly (2003: 8), are identified as a factor in the Social Contract's disintegration. This was despite the coordinated efforts through the strategic choices of key trade union leaders to maximise cohesiveness (Fatchett, 1987; R. Taylor, 1991; Marsh, 1992; May 1975, A. Taylor 1989).

A structural factor identified in the Social Contract's collapse was that power resided more with individual unions in the UK. This is in contrast with Europe where trade union confederations in Italy, Spain and Germany, as described by Frege and Kelly (2003: 18), have 'sufficient authority' over trade union members to ensure more coordinated strategies (Turner, 1962; Richter, 1972; R. Taylor, 1980; Minkin, 1992; May, 1975; Fatchett, 1987, Frege, Kelly and McGovern, 2011). The cumulative effect of these aforementioned factors inevitably led to the suboptimal collective bargaining power of trade unions with the Labour Party leadership and the state (Marsh 1992: 190). In a free collective bargaining context, at the height of trade union power, this was not considered a strategic challenge in the way it would become in a liberal market economy (Fatchett, 1987; Marsh, 1992; McIlroy 1998).

Frege, Kelly and McGovern (2011: 223) contend despite common convergence pressures that trade unions still exist within a specific societal context, which shapes 'strategic choice'. In this context, Hamann and Kelly (2004: 108) highlight that the use of the general strike is unlawful in the UK, United States, and Germany in contrast with Spain and Italy. The availability of strategic options such as a general strike, therefore, directly affects the "*structure of political opportunities afforded by the respective political institutions to the union movements*". As such, Boxall (2008) argues that what varies due to these societal contexts is the extent and expression of strategic choices for trade unions.

Consequently, different strategic choices have manifested through what Frege and Kelly (2003: 8) term 'constrained opportunity structures'. Trade unions in the UK ideologically converged during the late 1980's and 1990's as a response to the damaging and destabilising impact of the Conservative neoliberal reforms. In the context of these constraints, a new trade union strategy through the TUC emerged which focused on rights for individual workers. This mirrored the individualisation of

employment relations facilitated by the state's decollectivisation strategy. Howell (2005: 117) describes the strategic pivot as trade unions preparing to concede to the "*greater juridification of labour law*". The position derived from an acknowledgement that employers would not automatically recognise trade unions; union recruitment policies were yielding limited new members, and, bargaining agendas were now decentralised and dominated by employer prerogatives.

The shifts in trade union ideology can also be located in the fluctuating balance of power inside the union movement away from the industrial craft and general unions towards the growing influence of white-collar and public sector unions who were more predisposed to regulation. As Hamann and Kelly (2004: 109) perceptively identify, trade union "*identities are themselves subject to change as new strategies, issues, or leaderships evolve*". Howell (2004: 18) reinforces these points by highlighting support for greater juridification was representative of a broader strategic response by trade unions. In a comparative analysis on the UK, USA and French employment relations models, the author asserts that due to the pressure of neoliberal dynamics unions could no longer, "*…rely upon bargaining and non-market co-ordination to regulate the labour market; the choices are deregulation or regulation by the state*".

Accordingly, Ewing (2005: 15) asserts the legacy of the neoliberal trajectory in the UK has produced important ideological consequences for trade unions in that attaining favoured outcomes are increasingly, "*secured by political campaigning and by legislation rather than by collective bargaining*". Kelly (2012) also argues that secondary strategies to collective bargaining such as political action are increasingly the focus of trade union strategies in a liberal market economy. Therefore, evaluating political action through the Labour Party in the UK, as a means to influencing the employment relations framework, becomes critical in a liberal market economy. As Reuda (2006: 390) illuminates, "*Social democratic governments are more likely to produce pro-insider policies when they are subjected to greater amounts of pro-insider pressure from unions*".[39]

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[39] For more detail on industrial revitalisation strategies see Daniels and McIlroy (2009); Heery, Kelly, and Waddington (2003), and, Novitz (2002).

2.7   Labour Party: A Mechanism for Trade Union Political Action

The thesis will focus on the affiliated Labour Party trade unions that have been the largest trade unions in the country. The thesis will evaluate how these trade unions have sought to utilise their influence through institutional mechanisms inside the Labour Party to achieve favoured employment relations outcomes often in concert with the TUC leadership.

It is important to state that in doing so is not to deny other strategies worthy of future analysis associated with political action such as *social movement unionism* epitomised in the United States. This particular form of political action is becoming an increasing feature of the activities of trade unions in the post-global crash era (i.e. 2007), as unions seek viable 'escape-routes' in response to the continued diminution of their power, which was "*initially driven by political exclusion*" (Heery, Kelly, and Waddington, 2003: 92). An illustration of this form of political action is trade union alliances with anti-austerity organisations.[40] However, before the financial crash, such ties between trade unions and social movements "*exerted a limited influence on union recovery*".[41]

During the 1970's, which is the key juncture for evaluation in the thesis, five principal institutional avenues were available to trade unions in order to influence Labour Party policy to varying degrees. Those were as follows: the Parliamentary Labour Party (PLP), the annual Labour Party Conference, the National Executive Committee (NEC), Liaison Committee and Constituency Labour Parties (CLPs) (May, 1975; Marsh, 1992). The cumulative effect of these levers demonstrated, "*the constraining influence of the informal ethos of formal party practices*" (Drucker, 1991: 246). In essence, trade unions had access to various formal, intermediary and informal levers that could constrain the desires of the parliamentary leadership. Of the various mechanisms during the 1970's, the Liaison Committee, as the area of focus in the Social Contract chapter, was described as the "*most vital decision-making body in the Labour movement*" (R. Taylor, 1976: 403).

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[40] Sparrow (28 February 2012).
[41] Heery et al (2003).

The Social Contract was viewed as seminal because it represented a 'decisive break' with the past strict adherence to free collective bargaining. It signified a shift towards greater state involvement in the management of market relations in concert with trade unions (R. Taylor, 1976: 406). This view is reinforced by the belief that the Liaison Committee, as described by A. Taylor (1987: 28), represented a historical shift away from "*negative-defensive unionism to positive initiative unionism*". The assertion is complemented in other areas of the literature (Cyriax, 1960; Harrison, 1960; Minkin, 1992; Marsh, 1992 and R. Taylor, 1987). The Liaison Committee was designed to be an intermediary mechanism that could build greater mutual understanding and help off-set the tensions between the PLP and trade unions following the experiences of the 1964-70 Labour Government (Heffer, 1972; Paynter, 1970; R. Taylor, 1991).

For the purposes of the thesis, the experience of the Liaison Committee is a fascinating process in that employment relations policy-making within the Labour Party was developed and agreed to via an intermediary mechanism. Historical studies in terms of policy-making in the Labour Party have largely focused on the role of the TUC vis-à-vis the Labour Party/Governments (Flanders, 1957; Coates, 1991; Minkin, 1992), the role of annual Labour Party Conferences (Harrison, 1960; Minkin, 1974, 1992), and, the influence of internal democratic processes within trade unions (Harrison, 1960; Richter, 1973; R. Taylor, 1980).

Due to the influential role trade unions held within the Labour Party, there was a potential of the former projecting an 'alternative' Labour Government policy (Paynter, 1970: 450). This critique was made of the policies produced by the Liaison Committee, which were viewed in some quarters as representing a rival manifesto (R. Taylor, 1976: 406). The Liaison Committee declined in importance particularly after the 1983 General Election until it effectively ceased to operate by 1990. The shift was accentuated by the desire of the TUC to seek to influence Conservative Governments based on its corporatist philosophy (A. Taylor, 1987; Minkin, 1992). Concomitant with this point was the desire by the TUC to withdraw from its engagement with the Labour Party due to the constitutional wrangling within the party during the 1980's (Minkin, 1992).

The strategic shifts were simultaneously reinforced by a strong body of opinion in the PLP who had historically supported greater policy-making power being transferred to the parliamentary leadership (Yates, 1960; Heffer, 1975). There had been attempts by various groupings in the Labour Party to initiate reform, which sought a reduction in the power of trade unions by widening the franchise on internal issues such as parliamentary selections and leadership contests (Seyd, 1978). Internal reform was considered, in some quarters, necessary due to the belief that trade unions espoused 'antidemocratic' behaviour within the Labour Party (The Political Quarterly, 1995: 122). This ideational discourse gained greater traction after the election of Neil Kinnock as Labour Party leader in 1983.

The subsequent power and policy-making shift towards the Labour leadership was described as a 'readjusted equilibrium' (Bassett, 1991, 321). The changes were also facilitated by the neoliberal dynamics unleashed by Conservative Governments, which constrained the influence of trade unions inside the Labour Party and the wider economy post-1979 (A. Taylor, 1987; Brown, 1991; Marsh, 1992; Evans, Ewing, and Nolan, 1992; Ludlam, Wood, Heery, and Taylor, December 2003). In this context, the literature examines the economic and political constraints, which presented a major dilemma for those unions affiliated to the Labour Party in the 1980's. The dilemma was framed around trade unions having either to reduce their institutional leverage in the Labour Party due to its perceived negative impact on the party's electoral prospects, or, the failure to do so would continue to harm Labour's electoral appeal (R. Taylor, 1987).

A number of authors including Undy (2002: 638) stated 'mainstream' union leaders in response to this ideological discourse were persuaded by contextual arguments, to varying degrees, to reduce their institutional role on the pretext it would help make the Labour Party 'electable'. The aforementioned assertion is supported in the literature through the specific example of the National Graphical Association (NGA). The union is described as having agreed to the parliamentary leaderships' internal Labour Party policy reforms on the basis that it was electorally advantageous thus "*industrial pragmatism superseded political purity*" (Gennard and Hayward, 2008: 201). However, the pro-leadership stance adopted by individual trade unions affiliated to the Labour Party premised on electoral reasons was not universally

accepted. Trade unions often resisted policy changes based on their ideology and desire to retain institutional leverage (Bassett, 1991; Minkin 1992).

The Policy Review group process of the Labour Party launched in 1987 was considered an essential component of the reform strategy to widen Labour's electoral appeal. The process shifted policy-making power away from annual conference hence away from trade unions (Marsh, 1992; Minkin, 1992; Bodah, Ludlam and Coates, 2003). The continuation of Labour Party reforms during the 1990's is also considered in the literature under the successive leaderships of John Smith, and in particular Tony Blair, resulting in power being progressively shifted towards the parliamentary leadership. This is illustrated by the total trade union vote at conference being reduced to fifty per cent in 1995 from seventy per cent in 1992 and from ninety per cent beforehand (Bodah, Ludlam and Coates, 2003; Freeden, 1999).

At the 1993 Labour Party Conference, the voting procedures were also reformed to introduce the principle of 'One Member One Vote' extending more institutional power away from trade unions. Trade unions and CLPs were required to ballot members individually with results allocated proportionately. The weighting of votes in the party's Electoral College was also changed to give each section (PLP, CLP and trade unions) a third of the share of votes.[42] The Labour Party NEC reinforced and facilitated the pro-leadership stance by voting to support further restructuring of the policy-making process. In doing so, it reduced the influence of institutional mechanisms such as the NEC and annual Labour Party Conference in rule-making over the Labour leadership (Alderman and Carter, 1994; McIlroy, 1998; Hamann and Kelly, 2004; Hayter, 2005). The reform process culminated in the publication of 'Labour into Power: a Framework for Partnership' (1997) (McIlroy, 1998; Kelly, 2001; Ludlam and Taylor, 2003; Laffin and Shaw, 2007; Wickham-Jones, 2014).[43]

The union-party detachment dynamic manifested in the political funds ballots between 1985/6 and 1993/7, which were held due to the Trade Union Act (1984).

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[42] The weighting of votes in the electoral college prior to that, as established at the 1981 party conference, for the election of Party Leader and Deputy Leader was set on the following terms: MPs were given 30 per cent of the vote, the CLPs 30 per cent and the affiliated trade unions 40 per cent.
[43] The process has eventually left the affiliated trade unions with 17 per cent of the voting power in the NPF (i.e. 30 seats of 175 in 1997 now reduced to 30 seats out of 186 in 2014 or 16 per cent. The number of seats filled by the unions fell from 17 out of 30 to 12 out of 33 on the NEC also in 1998.

The ballots coordinated by the Trade Union Coordinating Committee (TUCC) offered unions the opportunity to spell out that the funds were designed to advance the political and industrial objectives of trade unions. Much of the trade union campaign material circulated around the respective memberships deliberately downplayed the link to the Labour Party due to the increasing union-party ideological detachment post-1979. This approach was partially informed by the internal party reforms introduced in the 1980's and 1990's (Brown, 1991; Leopold 1997; Marsh, 1992; Grant and Lockwood, 1999).

Consequently, Wickham-Jones (2014: 22) stated that due to successive Labour Party reforms trade unions "*now enjoy little formal influence over some of the institutions of the Labour party".* Accordingly, trade unions could endeavour to facilitate the development of policy through new processes inside the Labour Party's structures to challenge these institutional constraints (Charlwood, 2004; Wickham-Jones, 2014). This proposition potentially opened up the space for less formal and alternative processes in similar fashion to the influence of these processes in attaining industrial outcomes (P. Findlay et al, 2009).

2.8   Informal Processes

A central objective of the thesis is to evaluate through the data whether informal processes perform an increasingly important role as formal mechanisms have become increasingly centralised in the Labour leadership. Specifically, the thesis is motivated by excavating and illuminating informal processes and spaces designed to shape formal processes and outcomes.

Informal processes in Labour Party policy-making from the perspective of trade unions were historically described as a 'second circuit' according to the literature (Harrison, 1960: 257). Bassett (1991: 309) described informal processes as the 'most effective method' that either trade union or Labour leaders brought its objectives to each other.

Informal processes were considered a 'subtle affair' involving a multiplicity of factors including personal relationships (Rodgers, 1979: 430). The aforementioned point is

identified as a factor bringing together the largest trade union General Secretaries affiliated to the Labour Party to discuss matters in the post-war period (Mackintosh, 1972). The former approach provided the General Secretaries of the 'Big Four' largest Labour and TUC affiliated trade unions with the model to regularly meet informally post-2001 (Charlwood, 2004; McIlroy, 2009) (see Trade Union Leadership Strategy section).[44]

Minkin (1992) identified the importance of informal processes that trade unions were involved with in conjunction with the TUC and Labour parliamentary leadership under the successive tenures of Neil Kinnock and John Smith. Specifically, the previous author argues that informal processes grew in significance in tandem with the centralisation of power in the Labour leadership during the period of opposition in the 1980's. To illustrate this point, there was a gradual reduction in the role of the Liaison Committee, which was replaced by less formal forums such as the 'Contact Group'. Moreover, the role of intermediary and informal processes are reinforced in contemporary literature as the TUC is described as having moved from 'outsider' status under the Conservative Governments from 1979-97 to 'insider' status under the new Labour Government. The shift was characterised in 1997 by regular informal meetings with relevant government ministers and civil servants (McIlroy, 2000).

Therefore, while the literature refers to informal processes, there is nonetheless limited detail on associated outcomes and the strategising of trade union leaders in a liberal market economy through such processes (Harrison, 1960; Rodgers, 1979; Mackintosh, 1972; McIlroy, 2000; Ewing, 2005; Hassan, 2002; Laffin and Shaw, 2007). An example that does illuminate outcomes associated with informal processes is the experience of the Fire Brigades Union (FBU) and the firefighters' dispute with the Labour Government between 2002-2004 (Seifert and Silbey, 2010). The gap has been partially addressed by Minkin's (2014) latest book '*The Blair Supremacy: A Study in the Politics of Labour's Party Management'.* However, even in this latest study by Minkin there remains inadequate assessment of trade union strategy and strategising to attain favoured outcomes

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[44] Big Four originally consisted of Transport and General Workers Union (TGWU), UNISON, General and Municipal Boilermakers Union (GMB) and Amalgamated Engineering and Electric Union (AEEU).

2.9   Trade Union Leadership Strategies and Structure

The review will now assess the literature in relation to the significant influence which agency performs as trade unions attempt to attain favoured outcomes through the strategic choices of union leaders. Morgan and Smircich (1980: 498) cogently articulate that when one 'relaxes' the ontological assumption that the world is a 'concrete structure' then social agents can create strategy.

In this context, Child (1972: 3) in the development of organisational theory stated that environmental variability had "*attracted most attention as the major factor contributing to uncertainty among organisational decision-makers*". Frege and Kelly (2003: 12) complement this by adding the following, *"…we argue that structural variables (though useful in providing a primary explanation of cross-country variation) are insufficient to explore the deeper dynamics of union revitalization"*. Therefore, how trade unions and their leaders strategically respond and make choices is vital to assess, as the prevailing environment does not exclusively determine trade union behaviour (Heery and Simms, 2008; Boxall, 2008).

Child (1997: 45) further noted that 'strategic choice' was defined as the, "*process whereby power-holders within organizations decide upon courses of strategic action*". Hamann and Kelly (2004: 113) complement these aforementioned points by adding that the strategic choices of union leaders *"…are critical as they respond to growing economic pressures, from monetary union in Europe and from trade liberalization in the United States*". Hansen and Kupper (2009: 2) in the strategy-as-practice approach added that, "*strategy rather implicates a dynamic component: it is an activity that can be better described as a process of strategising*".

Therefore, factors such as union leadership, structure, strategy and tactics can influence the success or otherwise of favoured outcomes being attained in any given environment. This is despite the opportunities for success being significantly more constrained in a liberal market economy. In essence, the previously cited contributions in the literature highlight that trade unions through strategising, and acting upon this process, can choose amongst a range of options in response to the

prevalent structural conditions. Trade unions are not exclusively determined by context (Child 1972, 1997).

Howell (1998: 300) complements other areas of the literature in relation to the path-dependencies of institutions as influencing and constraining the strategic options perceived as open or viable. As such, Boxall and Haynes (1997: 570) contend that one must endeavour to capture the strategising process and influences upon those options through the 'locus of leadership'. The process can be more difficult to identify in a trade union in contrast with businesses because the former manifests as voluntary and democratic associations of workers. The thesis, however, identifies the 'locus' of power in the relationship between the largest trade unions and the Labour Party - and between trades unions themselves - as General Secretary leadership. As will be demonstrated, union leadership has profound implications for the strategic choices adopted by trade unions (Harrison, 1960; McIlroy, 2000; Ludlam and Taylor, 2003; Minkin, 1992; Charlwood, 2004; Frege and Kelly, 2003; Hyman, 2001).

Union structures are also identified as a factor in the development and enactment of trade union strategies. Structures are ascribed as comprising of horizontal and hierarchical organisation features (centralised or decentralised union organisation, unitary or multiple-peak federations) in concert with relationships among trade unions. Factored into structural processes are national union leaderships and their corresponding relations with other union officials and rank and-file union members - a dynamic that varies across countries. Hence, structures also directly contribute to the framing of leadership decisions

Structural reorganisation has been identified as contributory factor in trade union leadership strategies in the UK, primarily as part of an endeavour to exercise greater political and industrial leverage as a response to economic transformation. This can be illustrated in the following statistics as in 1933 there were 208 TUC affiliated unions compared with 150 in 1970 to 112 in 1978. The number then reduced to 68 by 1994 and finally to 67 in 2005. Between 1978 and 1994, there were 143 mergers involving TUC unions (Undy, 1999: 468). Buchanan (1992: 304) also cites that between 1949 and 1979 about 300 trade unions 'disappeared', whereas from 1979

to 1988 the number of TUC affiliates reduced from 109 to 72 'almost entirely from mergers'.

The UK merger pattern follows trends in other classic LMEs in response to structural changes as discussed by Boxall and Haynes (1997: 582) in relation to New Zealand. Moody (2009: 680-3) also evaluates union mergers in the United States as a partial response to economic restructuring, which correspondingly decreased trade union density, overall membership and collective bargaining levels. For example, the five 'conglomerate unions' in the United States (Service Employees Union, the Food and Commercial Workers, the Communications Workers, Teamsters and the Steelworkers) in 2005 were responsible for the proportion of mergers rising from 13 per cent in the 1970's to 80 per cent in the 2000's.

In addition, in a pan-European study, Waddington (November 2006: 644) illuminates that union merger activity was informed by a more challenging structural environment induced by neoliberal dynamics. The prior study supports the contention that there is a general uniform merger trend across advanced industrialised countries by unions as a strategic response to a more hostile environment. This lends credence to Clegg's (1976) analysis in '*Trade Unionism under Collective Bargaining*', which argued that the level of collective bargaining was the primary explanatory factor in union structural development. For example, during the period of collective bargaining expansion, facilitated by the Whitley Committee proposals, there were a series of mergers in sync with the proposals culminating by 1926.

There were similar merger spikes identified by Clegg (1976) and Waddington (1988) during the nationalisation of key industries and the expansion of the public sector post-1945. Whereas in the 1960's and 1970's merger wave this coincided with structural changes in the economy epitomised by a shift towards productivity bargaining. As such, economic structural changes are positively correlated with merger waves, which is not to dismiss the level of collective bargaining, "...*as an influence on merger activity but to suggest that it is not necessarily independent of economic factors*" (Waddington, 1988: 410).

Evans, Ewing, and Nolan (1992: 580) further argue that due to falling union memberships, and in turn finances, in conjunction with employer and state opposition, this correspondingly *"intensified merger activity as a means to concentrate scarce resources and members and enhance at minimal cost their presence in political and industrial spheres".* Frege and Kelly (2003: 9) reinforce this assertion by outlining that mergers and internal reorganisation can potentially have a positive impact in three areas: (1) strengthened union organisation through economies of scale, (2) increased labour market and/or political power and eliminating inter-union division, and, (3) increased power resources could boost membership levels. In a UK context, the merger process is highlighted by public sector unions merging post-1979 in response to the decentralisation of bargaining facilitated by Conservative decollectivist, deregulatory and privatisation policies.[45]

Therefore, as union leaderships are informed by trade union structures, then this inevitably influences the framing of the available opportunities for action (Hyman, 2007). It is argued by Frege and Kelly (2003: 14) that German and Scandinavian trade union leaders in more coordinated market economies countries, "*rely more on collective decision-making".* German unions, therefore, through this leadership structure are 'better placed' than their Spanish or Italian counterparts to engage employers in new bargaining initiatives. This is due to 'denser networks' of local union representatives both through the legally mandated works councils and the Vertrauensleute system (ibid).[46]

Historically, the implications of this approach in Germany meant less reliance and opportunities for political action by trade unions and their leaders due the institutional focus on works councils. However, this position is shifting due to the pressure of global neoliberal dynamics with trade union density and bargaining coverage substantially decreasing in Germany as previously highlighted. Moreover, trade unions do not have formal institutional access through the German Social Democratic Party in contrast with UK counterparts (Hamann and Kelly, 2004). These

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[45] The three largest public sector unions National Union of Public Employees (NUPE), National and Local Government Officers Association (NALGO), and the Confederation of Health Service Employees (COHSE), merged into UNISON in 1993.
[46] The system of Vertrauensleute has typically evolved into an organisational infrastructure for works councils, to the extent that the "*latter became more representative and was adopted by the unions as their chosen instrument for workplace interest representatio*n" (Streeck, 1995: 336).

points reemphasise Hyman's (2001) proposition, which queries the implications for trade unions if inherited traditions are relaxed principally by the state and employers.

The British and American union confederations are described in the literature as being 'relatively weak' in comparison with their national affiliates. This is illustrated to varying degrees in all the legislative events analysed in the thesis. In contrast, the Italian and Spanish confederations appear to have acquired 'sufficient authority' over their members to act as representatives of organised labour vis-a-vis central government (Frege and Kelly, 2003: 19). In the UK, the opportunity for trade union leaders to act in greater coordination was accordingly limited deriving from what Frege and Kelly (2003: 14) term an 'individualist leadership structure' akin to a CEO in a classic LME.

These structural factors existent in the UK reinforces the reasons for evaluating the effects of individual and coordinated trade union leadership as it performs a more discretionary institutional role than counter-parts in NMEs, CMEs and EDEs. Rallings (1983: 71) complements this point in relation to the importance of agency through trade union leadership by arguing that union members in the UK had been 'content' to, *"allow responsibility for the 'political' direction of their union to rest in the hands of the elected and/or bureaucratic leadership"*.

As May (1975: 38) perceptively identified, there were 'unwarranted assumptions' that union leadership in the UK was, "*a fixed rather than a potentially changeable element*'. The strategic choices of union leaders are informed by economic and political institutional factors, union ideology and inherited traditions as well as personalities. These factors are not fixed but variable. The 'changeable' element can be historically identified by shifts in political activity by trade union leaders. The Labour leadership was described as having control of 'rule-making' up until the mid-1950's when as a result of trade union leadership changes contestation over policy areas such as defence and nuclear weapons began to emerge (Harrison, 1960; McKenzie, 1966; Flanders, A. 1968). Importantly, active union leadership was also instrumental in the creation of the Liaison Committee in 1971 as a strategic response to '*In Place of Strife'* (1969) (Heffer, 1972; May, 1975; Paynter, 1970; R. Taylor, 1991).

Trade union leadership is identified as a key factor in the initiation, operation and the breakdown of the Social Contract (Coates, 1989; Hay, 2009, Black and Pemberton, 2009). The factor of trade union leadership also directly influenced the political posture of individual unions in relation to the reform of Labour while in opposition on issues such as the Europe Union, employment relations and defence between 1979-97 (Mack, 1956; Harrison, 1960; Minkin, 1992). In addition, as previously discussed, it facilitated the transfer of power to the Labour leadership for electoral reasons

McIlroy and Campbell (1999) highlight the important role played by internal pressure (i.e. grassroots) by trade unions members on union leaderships and how the process has exerted pressure on individual trade unions to shift their strategy. The previous authors cite the Industrial Relations Act (1971) in particular. The factor of internal pressure on trade union leaderships directly affected the ability of union leaders to retain support from the respective memberships for the voluntary wage settlements arising from the Social Contract (R. Taylor, 1980; A. Taylor, 1987; Minkin, 1992). There is also a contemporary insight into the internal dynamics of unions by McIlroy (1998) and the centrality of internal union election results in the post-2000, which ushered in a new set of trade union leaders. The new leaders began to adopt collective adversarial positions towards the Labour Government and the language of social partnership, as will be discussed in detail in the Warwick Agreement chapter (Ludlam and Taylor, 2003; Charlwood, 2004; Hamann and Kelly, 2004; McIlroy and Daniels, 2009).

Consequently, trade union leaders' choices are pivotal in the evolution of organisational direction and indeed of other trade unions. However, the notion of trade union strategising and operationalised strategies as distinct from 'business-style strategic planning processes' is regarded to be in its 'infancy (Boxall and Haynes, 1997: 567). The academic neglect was a factor identified by May (1975: 4) with respect to the variance in coverage between the influence of 'business and commercial leaders' vis-à-vis union leaders. The aforementioned is a deficit the thesis seeks to address through the presentation of the selected legislative events.

The importance of the strategic choices of union leadership is emphasised because despite the broad ideological convergence on the need to utilise legislation by trade

unions, it simultaneously became more difficult to achieve favoured outcomes via the state due to the union-party detachment facilitated by neoliberal dynamics. The Blair Premiership accelerated an 'arms-length' approach towards trade unions, which resulted in 'mounting frustration', as described by Waddington (2003: 354). The 'frustration' pertained to the Labour Government's policies on the reform of public services, the restriction of extending collective employment rights in the ERA (1999), and, the level of the NMW (Ludlam and Taylor, 2003; Frege and Kelly, 2004; Grant and Lockwood, 1999; Smith and Morton, 2001).

In addition, due to the process of union-party detachment fostered by the liberal market economy, the opportunities for creating mechanisms such as the Liaison Committee were further constrained as Labour entered government in 1997. Certain options for trade union action via politics were perceived as being closed-off. This made leadership strategies even more critical to organisational survival and growth. Accordingly, Boxall and Haynes (1997: 571) supplement this point by stating, "*In all unions, there is a 'politics of leadership' which requires sensitive analysis if strategic decision-making is to be understood*".

2.10   Conclusion

The literature review has evaluated in detail the material surrounding the relationship between Labour Party affiliated trade unions and the Labour Party within specific economic and political institutional contexts (collective laissez-faireism to a liberal market economy). The process has explored the four principal factors influencing trade union decision-making, which follows Hamann and Kelly's (2004) account for different forms and outcomes through political action by trade unions. For the purposes of the research objectives, these principal factors of influence provide a valuable conceptual framework in the UK national context although, as previously stated, they can be also utilised in a cross-national analysis.

Through the utilisation of the conceptual framework, the review has discussed the competing approaches, which have shaped the extent of trade union institutional engagement in the governance of market relations. The first employment relations regime descriptor, adopted for the purposes of the research objectives, is *collective*

laissez-faireism. The approach, as articulated by Kahn-Freund, is considered the most useful descriptor of the prevailing institutional configuration and dominant ideology among trade unions and government in the pre-1970 period. Concomitant with this point is the economic, institutional and ideological weaknesses, if not contradictions, arising from *collective laissez-faireism* and the *corporatist* approach operationalised during the Social Contract.

Successive Conservative Governments in the employment relations arena and the wider economy advanced *neoliberal* reforms in the post-1979 period. The manifestations in the UK of this ideological approach primarily lead to the exclusion and marginalisation of trade unions, the dismantling of collective bargaining frameworks, and, the empowerment of employer prerogative in market relations through an active state. However, it is in this context, the inclusivity of *social partnership* towards trade unions as a concept advanced by the 1997 Labour Government in the employment relations arena can be identified as a break from the past in the literature.

New Labour's approach, which found support in sections of the trade union movement, particularly during its first-term, did ameliorate the more hostile elements of neoliberalism. Nonetheless, it is an approach, which was institutionally weak and lacked widespread institutional support in the business, political and trade union community. Social partnership as an approach also emphasised individual employee rather than collective and trade union rights. Hence, the thesis adopts the concept of *regulated individualism* as a more appropriate descriptor for the employment relations regime of successive Labour Governments (1997-2010), while acknowledging the concept of social partnership as a descriptor in the literature.

In this shifting landscape, as Hamann and Kelly (2004: 112) identify, the strategic choices made by trade union leaders, "*largely reflect the channels of influence they perceive as available to them (the opportunity structure). Political action might well be a fundamental task to (re) install union rights, but it is also a strategy whose fortune is highly dependent on the actions of governments and employers*". The specific 'opportunity structure' in the UK is based on one trade union confederation and a more discretionary institutional role for trade union leadership decision-making.

It is also framed by the political configuration (i.e. one major centre-left party) and a first past-the-post electoral system, which permits financial donations to the Labour Party. This opportunity structure has shaped the ability for coordinated trade union action between the largest trade unions and the development of informal processes.

Child (1997: 45-6) identifies that in any given context, "*It was assumed that effective strategic choice required the exercise of power and was therefore an essentially political phenomenon".* As such, the strategic choices of union leaders based on an interpretation of the options available have produced different choices by union leaders. The process in the UK contrasts with the greater degrees of party political autonomy and affiliations in NMEs, EDEs and CMEs. This is partly due to stronger corporatist institutions, historical political and religious cleavages and formal political neutrality which prohibits trade unions from funding parties directly as experienced in Germany (Hamann and Kelly, 2004: 100-2; Hamann and Kelly 2008: 137; Hyman and Gumbrell 2010: 320).

In a world of increasing decentralisation, decollectivisation and the individualisation of employment relations facilitated by neoliberal dynamics, the thesis seeks to contribute to the literature by evaluating what successes, or otherwise, UK trade unions have achieved by intervening in market relations through political action. The thesis has selected legislative events that chart the transition from two structurally different contexts characterised by dramatically differing degrees of trade union strength. In doing so, the review has set the theoretical, historical and national context to effectively analysing the Social Contract (1974-79), NMW (1998), ERA (1999) and the Warwick Agreement (2004).

Consequently, the thesis will explore whether the findings nurture a climate of hope, or conversely, if they embed pessimism as political action is progressively utilised as a substitute for collective bargaining across advanced industrial nations due to the global neoliberal 'force-field'.

3   Methodology

3.1   Introduction

The chapter introduces the *Critical Realist* research philosophy and how this has guided the research design in terms of data collection and analysis. In doing so, this will affirm the merits of critical realism for interrogating the structural and agency factors under investigation. The chapter will conclude by detailing the research design and associated data collection phases of the study.

The thesis uses four principal factors of influence affecting trade union decision-making, which follows Hamann and Kelly's (2004) account for different forms and outcomes through political action by trade unions. The factors are as follows: (1) economic and political institutions (2) union ideology, (3) employer, political party or state strategies, and, (4) strategic choices of union leaders.

As demonstrated in the literature review, there is a need to examine and understand the strategies of trade unions through the specific opportunity structure and channels of influence available in the UK to attain favourable employment relations outcomes. A principal focus of the thesis is the perceived successes and failures by trade union actors during legislative processes and the associated mechanisms perceived to positively assist or undermine the extent of emergent legislation.

The Hamann and Kelly framework is influenced by Child's (1972; 1997) original work on organisations and environmental non-determinism. The approach examines the perceived scope by organisational leaders to strategically choose between options and to endeavour to create a less hostile if not more benign operating environment. As such, the thesis' framework permits for a distinct focus on the strategic choices of trade union leaders and the contingent dynamic it performs in trade union decision-making as an under researched factor of influence. These points are reflected in the following research questions.

3.2   Research Questions

The research on the basis of the literature review and the methodological approach will seek to address the following questions framed in the form of propositions:

1. Trade unions confront greater obstacles in securing favoured employment relations outcomes in the selected successive employment relations events due to economic and political institutional constraints.
2. Coordinated trade union leadership inside the Labour Party to offset environmental constraints has positively impacted on favoured employment relations outcomes being attained.
3. Informal processes have largely displaced formalised ones as a means to achieve favoured employment relations outcomes by affiliated Labour Party trade unions.

The research questions are designed to identify the structural and agency factors that - implicitly or explicitly - influence the capacity of trade unions to attain favoured outcomes in the selected case events (see Research Design). In order to address the questions identified above, the following section will consider the ways in which research philosophy can help frame an effective research design appropriate to the research questions.

3.3   A Critical Realist Approach

Critical realism is a meta-theory that mainly derives from the work of academics such as Bhaskar (1989) although it has been developed by Archer (1995, 1998, 2000, 2003) and Sayer (1992, 2000). In organisation and management studies, Ackroyd and Fleetwood (2000, 2004) and Reed (2005) have developed the approach. The philosophical approach is compatible with a relatively wide range of research methods (Sayer 2000) (both quantitative and qualitative techniques). It is vital to state that no research method is the sole preserve of any theory – they are paradigm neutral. The benefits of a method are dependent upon what is being analysed and interrogated.

Critical realism privileges ontology over epistemology in the sense that scientific research and explanation must be based on specific ontological assumptions about the nature of reality (Fleetwood, 1999; Ackroyd and Fleetwood 2000, 2004; Danermark et al. 2002; Alvesson and Skoldberg, 2009). Ackroyd and Fleetwood (2000:15) outline the ontology of critical realism:

> Explanation is conceived in terms of revealing mechanisms which connect things and events in causal sequences and requires the elaboration of structure mechanisms, powers and relations that alter the condition and the continually reproduced and/or transformed outcomes of the human agency to be achieved.

Ontologically, the defining feature is that there is a world, which does not consist of atomised events. Structures exist independently of our knowledge and causal mechanisms exist and endure even if they are not in visible operation. In essence, the approach distinguishes between reality and our knowledge of it operating in two different dimensions. Sayer (2000:14) expands upon the point of explanatory powers stating, *"…explanation depends…on identifying causal mechanisms and how they work, and discovering if they have been activated and under what conditions"*. The approach asserts that there are causal relationships in which, for instance, an event is caused by antecedent event (x), or much more likely, the combined effects of events). However, the causal relationship of these events is not given by 'empirical conjunction' thus cannot be easily captured by a survey (Ackroyd, 2009: 4).

For critical realists, social phenomena, therefore, often with great difficulty, can be understood but not often measured in a way that is quantitatively robust hence its general preference for qualitative methods. This implies that particular choices depend on the nature of the research question, and, the purpose and context of the study in order to establish a "*concrete research project*" (Danermark et al. 2002: 1-2). A critical realist approach contrasts with the ontological and epistemological underpinnings of positivism as the latter approach has regarded - in its deductive-nomological model - theoretical propositions as simply statements of universal relations and laws (Alvesson and Skoldberg, 2009). If the statement is valid, it is true, otherwise false.

Validity of course is an important consideration when assessing the quality of any research. However, this is a different proposition from stating whether something is 'true or false', rather the issue becomes one of (x) and (y) applies to event (a) but only (y) in (b). The issue of validity related to measurement can in fact undermine the accuracy of claims related to causality between independent and dependent variables. For these reasons, it is important to acknowledge at the outset the limitation of using quantitative research methods to measure and make predictions concerning complex social actors in a constantly changing structural environment such as trade unions.

A critical realist framework, therefore, encourages the researcher to seek to identify and make meaningful connections between structures (visible and not) and the causal powers of mechanisms. As such, social phenomenon occurs independently of the construction by individuals and groups. Structures and mechanisms exist whether visible or invisible as they still exert an influence on behaviour. Sayer (2000: 20) complements this point:

> It also needs to be remembered that social reality is only partly text-like. Much of what happens does not depend on or correspond to actors' understandings; there are unintended consequences and unacknowledged conditions and things can happen to people regardless of their understandings.

Diagram 1   Conceptual Approach
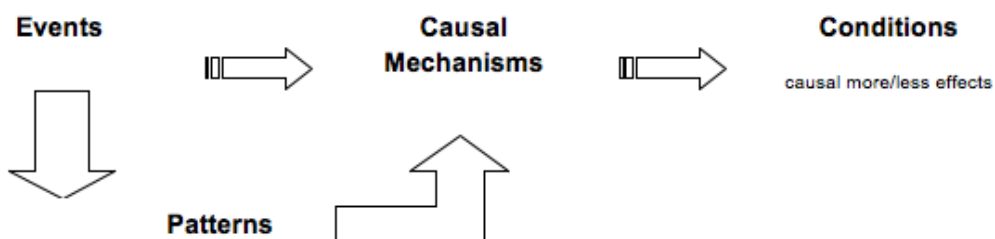
The social world is viewed as a multi-layered open-system with stratified ontological domains (Fleetwood, 1999; Ackroyd, 2004; Thompson and Vincent, 2010). Reality to critical realism consists of three stratified ontological domains – the *empirical*, the *actual* and the *real*. The empirical domain includes what we can observe i.e. observable phenomena and exists according to our experience. The actual domain is broader in that it refers to that which manifests independently while the domain of the real includes those mechanisms that are productive of different events and other surface phenomena. The triumvirate domains permit a deeper-layered analysis that goes beyond one's experiences and perceptions. Accordingly, critical realism views the task of science as one, which should explore the realm of the real and how it relates to the other two domains. The empirical domain is narrower and can be seen as a site of expression of the other two domains.

In order to attempt to ascertain the behaviour and motives of actors in a closed system and then assuming this is wholly transferable, as positivists assert, has no validity according to critical realism. Rather than falsification and viewing empirical analysis as the sole basis for modifying or rejecting a theory, critical realism concerns itself more with a theory's overall plausibility and its internal logical consistency (Goddard, 1993). To isolate the motives for trade unions, for example, is impossible because they are organic and constantly evolving due to factors such as leadership.

Whilst ontologically bold, critical realism can be described as methodologically cautious. This is in contrast to positivism, which tends towards methodological 'imperialism' with large sample studies generated to support generalisations while the approach firmly rejects the methodological individualism of social constructivism (Sayer, 1992, Fleetwood and Ackroyd, 2004). Critical realism provides a lens for accepting that knowledge of reality is complex, problematic and often contradictory but, as stated, this does not necessarily follow that reality is wholly constructed (Edwards, 2005; Sayer, 1997).

Bhaskar (1977) postulates that if the causal criterion for a reality is accepted then it must be acknowledged that there are concrete realities. Hence, humans are shaped by and assist in the evolution of the social and natural world. Bhaskar (1989: 36) adds:

> People do not create society. For it always pre-exists them and is a necessary condition for their activity. Rather society must be regarded as an ensemble of structures, practices and conventions that individuals reproduce and transform, but which would not exist unless they did so. Society does not exist independently of human activity (the error of reifications). But it is not the product of it (the error of voluntarism).

The critical realist approach, therefore, contends that actors do not create structures rather they remould and transform pre-existing structures. Porter (2000: 143) complements this by stating that the theoretical assumptions of critical realism are as follows: "*…human action is enabled and constrained by social structures, but this action, in turn reproduces or transforms those structures*". Research approaches that scratch the surface are rejected as inadequate as is the existence of a constant combination of events.

Critical realism is based on the research process being one of 'constant digging' to reveal the ontological depth of reality (Alvesson and Skoldberg, 2009: 43). It is in the interest of underlying mechanisms and structures – central to the research objectives - that provide the conditions for the possibility of events, which distinguishes the approach (Fleetwood, 1999; Edwards, 2005). While social actors may provide partial answers or contributions to addressing the research objectives, the social constructivist approach, for example, does not consider the wider structural factors. The latter is integral part in seeking to explain trade union strategising and operationalised strategies. It is critical to understand the environmental context and associated constraints, which is central to the research objectives, as the questions in the form of propositions pertain to two different structural contexts: collective laissez-faireism and a liberal market economy.

Furthermore, Morgan and Smircich (1980: 498) also add that approaches such as positivism are limited because it seeks to freeze processes into, "*structured immobility and to reduce the role of human beings to elements subject to the influence of a more or less deterministic set of forces*". As previously stated, positivism embraces empiricist methodologies that seek to establish 'truths' and is concerned with removing values that can impair a researcher's objectivity (Ackroyd, 2004; Bryman, 1989). Subjective elements in any scientific inquiry are considered as

mediating variables, which help to explain unexpected variances in results, or, are ignored because they cannot be verified (Johnson and Duberley, 2000).

However, from a critical realist perspective "*causal explanation is not about the deterministic or stochastic association of patterns of events, nor about experiences, but the ascription of causal powers to objects*" (Tsoukas, 1989: 553). There is no single 'truth' according to critical realists as the approach contrasts with social constructivism, which postulates that reality and knowledge is subjective hence people should be 'thinking in realities' (Cunliffe, 2004: 410). As there is an acceptance of a 'reality', then there are multiple interpretations of it, which means that there are competing knowledge claims in which to compare and evaluate.

Critical realism recognises the relationship between actions and phenomena in terms of human agency, structures, and power at the meso-level. The approach shares the interest of positivism in the objective world, patterns, generalisation and in finding causalities. However, it crucially diverges because positivism is considered too superficial as it disregards unobservable mechanisms, which help produce the phenomenon that they attempt to measure and explain.[47] In an analysis of Richard Hyman's work from a radical and Marxist perspective, Frege, Kelly and McGovern (2011: 215-6) reinforce the previous point:

> Societal phenomena must be analysed in terms of actually existing structures and causal mechanisms that are not necessarily directly observable (and hence quantifiable) — a conviction which is, of course, a major challenge to the principles of empiricism and quantification (Hyman 1994c: 171).

If a mechanism or a process is identified, then generalisation is possible in a case-based approach. As such, how a mechanism and context interact can be illuminated more clearly. Any variation in outcomes can also be evaluated through analysing the underlying generative mechanisms that perform differently in unique contexts. As Sayer (2000: 17) stated, through this process one can 'sharpen our

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[47] Donaldson (1996, 2005), an arch proponent of the positivist approach, utilised scientific methods such as quantification and controlling for extraneous causes when applied to organisations.

conceptualisations' of the environmental constraints trade unions operate within through the critical realist lens in order to develop more adequate theories to describe and understand (Ackroyd, 2004; Tsoukas, 1989, Sayer 1992, Fleetwood, 1999). Danermark et al. (2002: 21) state:

> Scientific work is instead to investigate and identify relationships and non-relationships, respectively, between what we experience, what actually happens, and the underlying mechanisms that produce the events in the world.

Structures entail properties that lie behind individual consciousness hence causal mechanisms operate largely independently from the consciousness of individuals. Causality should not be understood in terms of predictability and being universally applicable but rather as contextual and emergent. As stated, a critical realist researcher does not make any claims about actual outcomes, which will be co-determined by other causal mechanisms such as human agency. Rather, the approach looks towards casual mechanisms, the interplay between structures and human/social agency, and, the powers that govern events (Ackroyd and Fleetwood 2000, Danermark et al 2002, Edwards, 2005, Tsoukas, 1989).

Tsoukas (1989: 556) reinforces a critical realist perspective by asserting that merely pattern-matching is not enough, "*In other words, they want to know what are the structures, the generative mechanisms and the contingent factors responsible for the observed patterns*". Whether a causal power is activated (or not) and the effects manifest (or not) is contingent upon the right set of circumstances and conditions e.g. the analogy of a bomb exploding or striking a match (Tsoukas, 1989, Danermark et al, 2002, Edwards, 2005). Schostak (2002) eloquently captures this point:

> The term causative is preferred because it does not imply that something will happen but that it is implicit until some triggering conditions arise. Thus, science can only develop an effective body of knowledge if the underlying structural frames within which action can take place are discovered.

Recognising and accepting that there are mechanisms in existence, the objective is to ascertain those mechanisms providing the 'point of entry' for analysing the subject matter. How a researcher excavates and locates the 'point', as Ahrens and

Chapman (2006: 822) argue, depends on the notion of 'reality', "*The interview, for example, might be mobilised towards qualitative or positivistic ends depending on the notion of reality that they are supposed to explor*e".

Ackroyd and Fleetwood (2000) contend that the three domains identified by critical realism do not necessarily synchronise with each other, as it is impossible to connect a power or causal mechanism to its manifestation at the domain of the actual (i.e. events and actions) in one stage. Power and causal mechanisms act transfactually, which is to say that 'something' is said to be having its effect whatever the eventual outcome (Pratten, 2014). This is similar to the concept of latent or hidden power such as ideology. Reality does not just consist of material objects from a critical realist perspective as ideas and discourses are considered just as 'real' and can have causal effects.

An ideological perspective of a trade union such as the belief in the division of labour between the industrial and political prisms, as discussed in the literature review, could constrain the mobilisation of power resources by trade unions inside the Labour Party to attain favoured outcomes. The causal mechanism may or may not visibly manifest but this does not mean that ideology did not exert influence on the choices adopted. Hence, it shapes the "*psychological and ideological boundaries of participation*" (Gaventa, 2006: 29).

Unlike critical realism, positivism neglects the value of human subjectivity as a legitimate focus for research. However, without an understanding of intentions, purpose and strategies, it is difficult to properly understand human actions as asserted by Laing (1967) in '*The Politics of Experience and the Bird of Paradise'*. Gaventa and Cornwall (2001: 74) contribute to this critical point:

> ...empirical quantitative forms of knowing may reduce the complexity of human experiences in a way that denies its very meaning, or, which reinforces the status quo by focusing on what is, rather than on historical process of change.

Therefore, as Patomaki and Wight (2000: 235) state, "*the material and ideational have to be viewed as a whole*". In this process of abstraction from the domains of the

actual and the empirical world to transfactual mechanisms, critical realism postulates that once a power is in motion, as discussed, it continues to have an effect even if its power does not manifest. The fact that social scientists study processes and objects that are always open, complex and chaotic means much depends on the 'modes of abstraction' utilised through, *"the way of curving up and defining our objects of study"* (Sayer 2000: 19). Without a process of abstraction, in relation to category formation, then, "*there is little chance of constructing a theory that corresponds to reality*" (Fleetwood, 1999: 458).

A researcher, therefore, should employ a variety of different approaches to theory development: *deduction; induction; abduction* and *retroduction*. Positivism is faulted, as highlighted, for addressing only empirical regularities through its deductive approach, which prevents it from asking why things occur (Edwards 2005). *Induction* proceeds by inferring something from observed events or phenomena to the unobserved (Sayer 1992). The central issue is that we are not logically entitled to assume that because a particular sequence of events has occurred in the past it will do so in all cases. There is an implication that there is no difference between allegedly causal processes and accidental association. There is nothing deeper that could be said to be beyond the point of observation.[48]

Abduction (commonly referred to as inference to the best explanation) and *retroduction* are forms of reasoning in the logic of discovery (Stanford Encyclopedia of Philosophy 2011, Sayer 1992). Abduction involves re-contextualising a known phenomenon within a new frame involving creative imagination, which corresponds with inferring the characteristics of structures – retroduction. This reasoning leads to causal powers being identified in a given situation and then projected back on to a particular situation in order to help explain events (Danermark et al 2002, Sayer 1992). Although hypotheses are not by the virtue of how they are abducted valid modes of inference, they can be a more comprehensive way of reasoning and seeing beyond the empirical reality (Danermark et al 2002).

As such, critical realism contends that 'reality' is discoverable, described and activated under definable circumstances. While humans through the prism of their

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[48] Ibid.

cultural and temporal existence experience a reality, this does not mean that real objects cannot be experienced or perceived. Rather, it is indicative of humans being restricted by their temporal existent state. Archer (2003) adds that the critical realist approach can permit a greater exploration of the relationships between social and personal identities. It can also help to account for both structural and cultural emergent properties. This process, therefore, requires an interpretive dimension, as social phenomenon cannot be exclusively captured by qualitative measures. Ackroyd (2004: 146) reinforces the aforementioned point, "*the social world is an interpreted world, and that relationships between people, institutions and structures are produced by people that is, they are socially constructed*".

3.4   Generalisation

In a critical realist approach, Sayer (2000: 15) states that in open systems, "*…the same causal power can produce different outcomes*". This implies an alternative type of inference to generalisation, in the sense of regularity with the focus being on abstraction concerning what produces particular states and changes (Sayer 2004: 11). The approach is essential because empiricism can only ever identify a subset of experiences; "*…even if there existed a method to enabling us to experience all the events in the world, it would still not provide the knowledge*" (Danermark et al 2002: 203).

Regularity is seen as a function of a mechanism or process that generates a set of causal events that can be caused by an antecedent event or the combined effects of events (Pawson and Tilley, 1997). In this context, generalisation should be interpreted on the basis of how extensive is a certain phenomenon (Sayer 2001). The real 'domain' to which results are generalised is analytic rather than statistical hence the "*reason for thinking the discovery of a generative mechanism is significant is conceptual as much as it is empirical*" (Ackroyd 2010: 537). In essence, if a generative mechanism can be found to be operative in other identified phenomena then it can be generalised as having causal powers that will contingently manifest.

However, different contexts can reinforce a generative mechanism, alter it or even suppress it. Patterns of interaction and discretionary behaviour involving different

groups with varying motivations and desires means that human interactions inside and across trade unions do not necessarily result in 'predictive regularity'. This directly affects the aspects of continuity and change associated with causal mechanisms (Ackroyd, 2009). It is then possible to consider the 'interaction' of context and mechanisms over a time period and in different locations in order to evaluate the production of outcomes by adopting a critical realist approach.[49]

Explanation can be generalised from a critical realist approach from a single case, and "*the adequacy of a single case need have nothing to do with how many other such cases there are*" (Sayer 2000: 21-22). In case-study approaches, the objective is to develop a general explanation that fits each case despite the contingencies of context (Yin 2009). Burawoy (1998:19) complements this point stating,"*…the purpose of comparison is to causally connect the cases. Instead of reducing the case to instances of a general law, we make each case work in its connection to other cases*".

As such, the form of trade unions utilising political action to achieve their industrial objectives while being context bound the process nonetheless can be generalised. This is similar to the process of institutional functionality rather than form in the management of market relations. As Baccaro and Howell (2011) argue, while the specific configuration of institutions in advanced industrialised countries initially gives credence to divergence theories it is in evaluating the functionality and purpose of institutions, which reveals the 'common' trajectory of national economies. Therefore, the economic and political factors driving the *functionality of institutions* are what matters rather than the specific form.

Consequently, the thesis seeks to contribute to the literature by evaluating what successes or otherwise UK trade unions have achieved by intervening in market relations through political action. In doing so, the case-based approach can illuminate political action - as a generalised concept – as a progressively important process across advanced industrial nations as trade unions are increasingly exposed to the neoliberal 'force-field'. For these reasons, critical realism is the philosophical approach that the thesis selects based on the ontological and epistemological

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[49] Ibid.

assumptions relevant to the research questions. The approach is judged as the most appropriate as it acknowledges both structure and agency in the cases. The approach selected allows for an evaluation of varying ability of trade unions to attain favoured outcomes in a collective laissez-faire context to a liberal market economy through political action.

3.5   Research Design

The central purpose of the research is to establish the extent of power trade unions have exhibited in influencing the outcomes of employment relations events through political action. As Ackroyd (2009: 538) states, the concept of comparing a range of instances must be 'similar in some ways' before adding the following:

> For this to be effective, cases have to be selected because they exhibit or are likely to exhibit variations in the mechanism under scrutiny – or of its context…precise interaction between context and mechanism is often unknown, and fixing the relative contribution of these components is the object of enquiry.

The legislative events have been defined as being functional equivalents in employment relations regimes enacted by different Labour Governments over the following time periods: 1974-79 and 1997-2010. The selected events are as follows:

1. The Social Contract (1974-79)
2. Minimum Wage Act (1998)
3. Employment Relations Act (1999)
4. The Warwick Agreement (2004)

Eisenhardt and Graebner (2007) highlight that research, which utilises a case-based approach, can accommodate various sources including interviews, archival data, survey data, ethnographies, and observations. A case-based approach can be utilised to elucidate the operation of causal mechanisms and to operationalise the research based on the ontological underpinnings of the thesis (Ackroyd, 2009). Eisenhardt and Graebner (2007: 25) add that building theory from such cases is a research strategy, which "*involves using one or more cases to create theoretical*

constructs, propositions and/or midrange theory from case-based, empirical evidence".

Case studies according to Yin (2009: 107) involve multiple sources of evidence converging on the research objectives, which allows lines of enquiry to corroborate inferences. These aforementioned sources can give an *"account of the generative processes"*, but the primary method utilised is interviews (Ackroyd 2010: 537). By employing this research method in a case studies approach mechanisms, constructs and relationships are to a greater degree established and outlined. Hence, it is easier to define and develop abstractions. Case approach studies are centrally concerned with the validation of the mechanisms or processes contained in them, and, clarity on their nature (Ackroyd, 2008; 2009). Due to possessing the capacity to reveal the operation of mechanisms, research using case-based approaches may be thought of as the "*primary kind of research design in the realist cannon*" (Ackroyd, 2009: 10).

It is important to re-state that surveys do have a range of advantages in relation to a case-studies approach in conjunction with interviews. The method enables an analysis of conditions such as population size, wages, labour turnovers, size of workplaces, size of organisations (e.g. members), and, number of employees (e.g. sub-groups) (Guest et al, 2003; Wood, 1999). Also by utilising survey methods, and refining them over time, a researcher is able to enhance understanding in relation to questions on the nature of an organisation's change strategy. Moreover, it facilitates an identification process, which assesses the impact of practices on performance as measured perceptually (Lawler et al, 1998).[50]

The most important criteria for the evaluation of survey research in a research design are reliability and validity (Bhattacharyya 2007; Bryman and Teevan 2005). Reliability is fundamentally concerned with consistency of measures whereas validity refers to whether a research instrument can capture and measure the concepts under investigation (Silverman 2001). Dependent upon the survey questions the data gathered through answers could lead to unreliable or distorting data (Hall, 1992).

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[50] Lawler, E.E., Mohrman, S.A. and Ledford, G.E. Jr (1998) cited in Wood, S. (1999). For example, Edwards (1987) also studied strikes and payment by results systems using survey data. The survey through identifying sets of conditions such as the size of workplaces and industrial sector identified the operation of 'causal powers' affecting payment by results systems.

The principle reason for this is that any answer is directly correlated with personal notions of importance and value weighting. Validity concerns related to issues of measurement can undermine the accuracy of claims related to causality between independent and dependent variables.

To illustrate the aforementioned point, Forslund (1994) statistically established that the elasticity of substitution between employment and real wage was 1.34. This meant that on average a trade union should be willing to trade a one per cent increase in wages for a 1.34 per cent fall in employment. Fleetwood (1999) highlights that the prior scenario is unlikely to be endorsed by any trade union despite a statistical inference indicating otherwise. Embedded survey methods in case-studies approaches can add to understanding, however, the benefit of utilising the method is of a potentially distorting influence on the research objectives. Traxler (2003: 196) accentuates this point in an analysis of the nature of national systems of coordinated collective bargaining in four countries stating that many quantitative studies "*neglect the manifold qualitative differences*" in relation to coordination.

A criticism of industrial relations literature on the subject of trade unions is that it is dominated by fact-finding and description rather than explicit theoretical generalisation (Ackers and Wilkinson, December 2005). The objective of the research is designed to add knowledge by bringing "*to light formative processes*", which produce particular outcomes (Ackroyd and Karlsson, 2014: 24). This is so that we can better understand the inter-relationship between events, causal mechanisms, and the opportunities open – perceived or otherwise - to trade unions to influence employment relations outcomes in fluctuating structural environments (Ackroyd, 2008).

Therefore, the case-based approach focuses on the aspect of *political action* as employed by trade unions in the UK as a process when Labour is in government over a time period rather than concurrent cross-country comparisons. Admittedly, this approach may have a "*limitation in terms of process*" (Edwards, 2005: 275), as it is not a direct observation of behaviour. However, as Ackroyd (2009: 14) confirms, it is accepted that even where "*similar organisations and similar workgroups are studied,*

almost everything is different between the cases. However, the idea is to choose as cases situations in which the same complex generative mechanisms are involved".

In this context, Burawoy's (1985) comparative analysis of factory regimes in the USA, Britain and Hungary is important because Burawoy makes comparisons between the behaviour found in a US firm, Lupton – a British engineering works - and Haraszti in Hungary. While the three firm regimes had professional managers directing the firm and similar payment systems, the behaviour of the workgroups within the groups was dissimilar. Burawoy's key finding was that despite similarities in the labour process and factory regime, the political and economic contexts were more relevant to explaining the different experience of the workers. Specifically, work place discipline in Hungary was stronger despite state ownership and the lack of unemployment. This led to the distinction between the mechanism and context in these cases. The latter point is important as the events selected for analysis involve generative processes in different economic and political contexts in the UK: collective laissez-faire to a liberal market economy.

3.6   The Case for Selecting Events

The evaluation of trade unions begins post-1970 to the end of the Labour Government's electoral term in 2010. The events have been defined as comparable phenomenon in employment relations enacted by Labour Governments (1974-79 and 1997-2010) in different structural contexts.[51] Principally, the timeframe has been adopted because of the significant initiative instigated by trade unions to influence employment relations outcomes in 1971 (i.e. Liaison Committee). The creation of the Committee represented a watershed moment, according to the literature, as trade unions became actively involved in framing and implementing employment relations outcomes as opposed to reactively mobilising power resources to reverse judicial decisions and laws.

There are inevitable drawbacks and critiques in categorising the events as functional equivalents with each having displayed a series of multifaceted dimensions. The

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[51] Labour fought another election in October 1974 after failing to win a majority in February 1974 and the party won three consecutive elections in 1997, 2001 and 2005.

primary rationale for selection was based on each event performing a macro-economic impact on the employment relations framework. The alternative was to compare one specific element of legislation such as trade union recognition procedures or industrial action legislation.

The research could also have selected events or elements in a shorter time period such as by deliberately omitting the Social Contract (1974-79) from the thesis to concentrating on a period less than thirteen years. However, this was considered as insufficient to adequately illuminate the changes in political and economic institutions in the UK affecting the ability of trade unions to influence macro-economic legislation nor the differences or continuity in political action when Labour is in government. Moreover, due to the period of Conservative Governments (1979-97), the first opportunity to assess the ability of trade unions to exhibit power and influence on the Labour Party in government after the Social Contract occurs with the NMW (1998), which effectively overlaps with the ERA (1999). In this context, both aforementioned events shape the employment relations approach of the first-term Labour Government.

There are drawbacks between analysing events over such a significant period of time most notably access to actors to interview. Nonetheless, the thesis considers it a central objective to research the contrasting abilities of trade unions to exhibit influence over Labour Governments through the identified legislative events. The events illuminate the transition from collective laissez-faireism at a juncture of strong union-party attachment (pre-1979) with high levels of union density and collective bargaining coverage to a liberal market economy characterised by weak union-party attachment (post-1979), low levels of union density and collective bargaining coverage, as the literature review has evaluated.

The significance of the Warwick Agreement (2004) allows for an evaluation of the coordinated trade union leadership strategy and the associated processes utilised in order to secure favoured outcomes through political action in a liberal market economy at variance with the Labour Party leadership. Through an evaluation of the selected events, the reader is able to gain a deeper understanding of the structural and agency factors, which have presented opportunities and exerted constraints on

the ability of trade unions to apply influence on Labour Governments. It also permits the opportunity to present the historical significance of ideological reappraisals by trade unions engendered by neoliberal dynamics towards political action and to identify any patterns or disconnect arising from inherited traditions.

As discussed within the literature review, the legislative case events have been selected on the basis that trade unions affiliated to the Labour Party in the UK theoretically have a more effective mechanism for political action. This is due to the institutional role and leverage unions hold inside the Labour Party's structures. This is in contrast with an alternative approach that would have been to select specific legislative events defined as functional equivalents involving both Conservative and Labour governments in order to evaluate the varying ability of trade unions to exert power over different political parties in a liberal market economy. This approach was rejected on the basis of the exclusionary approach and hostile measures adopted by successive Conservative Governments from 1979-97 towards trade unions. If the latter approach was adopted it would have significantly limited the value of any comparable analysis between Labour and Conservative governments from a trade union perspective.

Trade unions are organisations which are influenced by a wide set of relations such as the economy and society as well as human agency. Hence, intensive research methods are more appropriate for subjects, which are affected by and in turn affect society. The objective of the research is to answer the three research questions in the form of propositions through 'constant digging' by evaluating the selected events. Sayer (2000: 21-2) reinforces these points by stating:

> Intensive research is strong on causal explanation and interpreting meanings in context, but tends to be very time-consuming, so that one can normally only deal with a small number of cases.

Klüver (2009: 536) argued that textual data is arguably the most "*widely available source of evidence*" on political processes and therefore suitable in the study and measurement of interest group influence such as trade unions. For example, political documentation has, "*great potential to reveal information about the policy positions*

of their authors: texts can be analysed as many times as one wishes and they provide information about policy positions at a specific point in time". This contrasts with the large sample sizes for surveys and questionnaires associated with extensive research methods that seek to address themes such as frequency or distribution.

Rather, the thesis is driven by endeavouring to illuminate the connections between structural and agency factors in operation in different contexts involving the critical perspectives of actors in the selected events, principally trade union leaders. The next section will specifically address the research design and the most appropriate method for investigating the structural and agency factors.

3.7   Semi-Structured Interviews

In-depth interviews have been selected as the primary method to extract the perspectives of actors who have strategically influenced the behaviour of trade unions through decision-making processes. The use of this research method is based on the 'root assumptions' about the ability to extract the necessary information in relation to the phenomena being assessed and investigated (Morgan and Smircich, 1980: 491).

Ackroyd (2008 and 2009) also advocates the use of interviews instead of surveys as a more suitable method for capturing beliefs and values; and in turn how they link into behaviour. This is because complex and open systems, as critical realists argue, are not easily or indeed appropriately conceptualised with quantitative research such as surveys. Therefore, researchers adopting interview techniques in contrast with survey researchers will not adopt a specific set of questions rather the process will begin with a "*general plan of inquiry*" (Rudestam and Newton, 2007: 110).

However, Fontana and Frey (2005: 698) highlight that, *"increasingly, qualitative researchers are realising that interviews are not neutral tools of data gathering but rather active interactions between two (or more) people leading to negotiated, contextually based results"*. The presence of the interviewer can have a distorting effect in relation to interviews whether it be *pre* (i.e. by selecting the questions), *during* (leading the interviewee), and, *post* (i.e. reflection and selection of data used

for theoretical positioning) (Ahrens and Chapman, 2006; Gubrium and Holstein, 1998).

It is crucial, therefore, to recognise these aforementioned effects and be sensitive to them because they cannot be completely overridden. Researchers are not neutral-observers of the world and have degrees of bias (Amis and Silk, 2007). Bhaskar (1977: 249) reinforces this by stating:

> …whenever we speak of things or events etc, in science we must always speak of them and know them under particular descriptions, descriptions which will always be to a greater or lesser extent theoretically determined, which are not neutral reflections of a given world.

Cunliffe (2004: 414) articulates on the basis of a social constructionist approach that by being a critically reflexive practitioner a researcher can 'expose unspoken assumptions', which influence us including ideologies. This point is supported by Strathern (1991: 7) who emphasises the relationship of the researcher to a subject matter and the inherited assumptions that they bring as individuals to the research, "*…the ethnographer can no longer pretend to be the neutral vector for the conveying of information; her or his participation in the constructed narrative must be made explicit*".

As such, Brewer (2000) adds that a researcher's background, the subject matter, access to interviewees and the relationship with them is essential to detail in order to ensure the integrity of the researcher and the research itself. Awareness of such factors and through a process of reflexivity the researcher can be open and transparent about the knowledge claims made in the research. Ackroyd (2009: 537) complements these points by stating critical realists take cognisance of these inherited values and the ideologies researchers bring to the subjects under investigation:

> Realists, then, are mindful of the fact that, as actors with their own meanings, they nonetheless seek to recover the meanings attributed to situations by other actors, and to feature them in their account of the generative processes that are at work. To this extent

they are reflexive in their approach to the meanings attributed to events by their subjects and themselves.

According to Archer (2003), an important role of the interview is to 'draw out' and analyse human reflexivity, individual reasoning and their grounding in the 'inner conversation'. The explanations of thoughts and actions by informants are significant because their inner conversations "*have powers that can be causally efficacious in relation to himself and to society"* (Archer, 2003: 14). Different 'modes of reflexivity' are required in this process manifesting from what Archer calls 'conversational collaboration' with informants.[52] This involves "*attempting to remain receptive and never intentionally to be evaluative*", being "*ready to participate in non-directive exchange*" on features of everyday life, and, making "*no attempt to play the role of interviewer as-cipher*". These protocols for interviewing, according to Smith and Elger (2012: 19), "*suggests that, on occasion, the theoretical agenda pursued in critical realist interviewing may prompt a largely non-evaluative conversational approach*". The implications for critical realists were that there was not, "*a strongly defined uniform stance on the implications of their philosophical stance for social research interviewing*" (ibid).

Eisenhardt and Graebner (2007) highlight interviews are most successful when designed to limit bias. A key approach to limiting bias is using numerous and highly knowledgeable informants who have experienced or engaged in the phenomena under investigation. This should ideally include informants who have being involved in the organisations under investigation at different hierarchical levels and locations as well as informants from other relevant organisations and outside observers.[53] Any research that utilises interviews as a primary source for data can also be influenced by retrospective sense making by 'image-conscious informants' (Eisenhardt and Graebner, 2007: 28). Alternatively, as described by Smith and Elger (2012: 17), research can also be influenced by informants who are, "*very experienced in addressing public media and providing polished but strongly edited accounts of their views and activities*".

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[52] Ibid.
[53] Ibid.

Moreover, interviews have "*limitations in terms of process and outcomes*" because they rely on reports rather than direct observation (Edwards 2005: 275). These are obvious challenges to a critical realist interviewer hence a robust research design should seek to mitigate these effects. A researcher must endeavour to ensure that it will be, *"unlikely that these varied informants will engage in convergent retrospective sense making and/or impression management*" (Eisenhardt and Graebner, 2007: 28). The questions for interviews were, therefore, sent in advance and the transcripts returned with the opportunity to amend so that informants can reflect, check facts and conclude that their accounts 'ring true' (Amis and Silk, 2007; Hanson and Newburg, 1992; Lincoln and Guba, 1985). However, this did not preclude further interview questions as interviews developed with informants to expand upon themes and issues raised in answers. See the below '*Documentary Analysis'* section for other sources designed to limit and mitigate these challenges.

Data was gathered through twenty-eight semi-structured interviews involving twenty-nine persons conducted from February 2008 to July 2015 ranging from venues in union offices, Westminster Parliament, conferences and hotels. The primary criteria established for interviewing were individuals who were key representatives (e.g. General Secretary, Deputy or Political and Research Officers) in one of the largest trade unions affiliated to the Labour Party or TUC. Persons who have been Chairs/Secretaries of key bodies in the policy-making process involving a Labour Government. Key Labour Party Parliamentarians or chief advisors to relevant government ministers who had a direct interface with trade unions in the selected employment relations events.

The research has on judgement decided to focus on the specific role of the largest trade unions and the TUC leadership as the identified 'group'. The approach is designed to evaluate and contextualise the strategising and strategic options pursued by trade unions and their leaderships in different political and economic environments. The thesis has also sought to interview where possible Labour Government ministers or key advisors to Labour Government ministers directly involved in the selected case events that negotiated with trade unions and their leaderships in order to corroborate or otherwise the perspectives of trade union leaders.

Pawson and Tilley (1997: 166) describe the calibre of the individuals interviewed in the thesis as 'mechanism experts' or alternatively phrased by Eisenhardt (2005: 541) as 'key informants'. Such categorisations are designed to distinguish between forms of expertise, which Pawson and Tilley (1997) compartmentalise between 'practitioners' and 'subjects'. According to Smith and Elger (2012: 15), this approach has implications in not only the selection of interviewees but also how interviews are focused and conducted.[54] Practitioners are seen as having 'expert knowledge' about the ways in which policies have been implemented, the opportunities and constraints in a given situation, and, have influenced the outcomes including 'putative successes or failures'.

Access to these 'key informants' was not a problem although sometimes waiting considerable time periods to interview informants has been. However, this has not changed the nature of the research. On one occasion, a former General Secretary was unavailable to be contacted and another colleague in the role of political officer during the tenure in the organisation was available to compensate. On another occasion, a General Secretary of a trade union recommended another individual in position of Deputy within that organisation as being 'better placed' to discuss the political role. On several occasions, informants also suggested contacting other individuals who could add perspective to the events, which opened up new lines of enquiry or corroborated the individuals already provisionally selected or interviewed.

The findings will demonstrate that there is heterogeneity in views, interpretations and reflections based on the informants' organisational vantage point. Informants for example were asked specifically on occasion to articulate the reasoning behind different institutional positions and whether they shared the same analysis of other informants as emerged in other semi-structured interviews. On one occasion, an interview was conducted in a pair – Dave Prentis, General Secretary of UNISON, and Liz Snape, Assistant General Secretary. Informants presented their views and heard from the co-interviewee at the same time. The pair differed on several occasions during the interview producing a more diverse account from within the same organisation on specific issues and encouraged each other to reflect upon

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[54] Subjects are described as having much 'narrower' expertise primarily focusing on "*immediate experiences and orientations to policies developed by others*".

specific events and to revise their views (Bryman 2004). The key informants encouraged each other to reveal more information and pointed to inconsistencies or imperfect recall in the others' accounts (Wilkinson 1998).

The aforementioned illuminates the benefits of vertical interviewing within organisations and to the possibility of focus groups or paired interviews. However, in light of the expert status of the individuals interviewed, alternative interview formats (paired or focus groups) were not employed. This was due to the primary objective being to interview the 'key informants' in individual organisations. This is not to deny that this is a limitation of the thesis but rather it was not central to the research objectives.

As discussed within the literature review, while 'bottom up' approaches directly influence trade union leadership strategising and the strategic choices adopted, it is the 'locus of leadership' that the thesis has decided to focus on, principally General Secretaries (Boxall and Haynes, 1997: 570). To reiterate, the interviewees were purposefully chosen to ensure that they were experts for the specific requirements of the thesis (Rudestam and Newton, 2007).

Importantly, the object of enquiry is the role of *political action* as a mechanism for delivering change to the employment relations framework. In the UK context, it is the objective of the thesis to provide a deeper understanding of the role performed by affiliated Labour Party trade unions to affect outcomes via internal Labour Party mechanisms at junctures when there is a Labour Government. The thesis, therefore, contends that the research design still meets the criteria of "*using numerous and highly knowledgeable informants who view the focal phenomena from diverse perspectives*" (Eisenhardt and Graebner, 2007: 28).

Of those interviewed, only two were female and all but one individual was from a white ethnic group. This in itself is a historical reflection of the lack of female and non-white representation in the upper echelons of affiliated Labour Party trade unions and Labour Party leadership. Admittedly, more candidates could have been approached. However, the quality and calibre was considered more than sufficient for the purposes of the thesis in addition to multiple sources of data and archival

material accessed. One interview was conducted via telephone (Tom Watson) and recorded on loudspeaker. This was due to logistics and accelerating the time schedule to fit with the thesis' completion due to the informant's schedule in the General Election 2015 and UK Labour Party Deputy Leadership contest.

A legitimate critique of my approach can be made on the basis that there is no cross-referencing of the findings in the data by interviewing informants in different hierarchical levels within organisations, or, horizontally by interviewing more candidates including outside the terms of reference. In doing so, this could have presented a wider array of dynamics affecting the four factors of influence involved in the employment relations events selected for analysis.

Consequently, leading individuals associated with business groups, for example, were not selected for interview in order to assess and evaluate the impact they brought to bear on the selected employment relations events. However, the role of business has been addressed from the perspective of trade union leaders and the wider literature in the case events analysed during Labour's tenure in government from 1997-2010. In doing so, the approach illuminated the constraints businesses exercised on the ability of unions to attain favoured outcomes.

3.8   Theory-Driven Interviews and Data Analysis

The semi-structured interviews were all recorded on various devices to optimise the 'fidelity' and credibility of the research in order to enhance the 'trustworthiness' of the research design (Rudestam and Newton, 2007: 111). Due to the critique of critical realism by social constructivists with respect to 'reality', the research attempts to limit bias and any assumptions that may be inherent (consciously or not). This is designed to provide an 'honest' interpretation of the events being analysed (Eisenhardt and Graebner, 2007: 25).

Hand-coding was also utilised as the preferred method as it provides the researcher with in-depth knowledge and intimacy of the content. The method does not offer the same level of reliability that could be achieved through a computer programme such as Wordscores or Wordfish, which are one hundred per cent replicable and have no

reliability issues. However, the usefulness of computer-based methods is limited because of the lack of large empirical data sets and whether an actor's policy preferences are a true reflection of favoured outcomes or strategic positioning. Although time consuming and labour intensive, hand-coding allows the researcher to fully immerse in the data set and to code, analyse and develop an interpretation of the data. The researcher also has the ability to pick-up on subtleties within the data that a computer programme simply could not. Specifically, within the data I was endeavouring to identify patterns in events and processes as indicators of causal mechanisms – visible and not (Ackroyd 2010: 386).

Secondly, I began to identify and to crystallise the conditions for existence and operation of a mechanism – and when it became more prominent and in what structural conditions e.g. informal processes. Mechanisms were rarely offered by participants but were presented in questions sent in advance to the interviewees or introduced by the interviewer in discussion for probing. This follows from the 'hierarchy of expertise' logic presented by Pawson and Tilley (1997: 164) which states that interviews should be *theory-driven* in the sense it is driven by the interviewer who remains the expert rather than the informants 'thoughts and deeds'. Pawson (1996: 307) also asserts that as such the informant "*is there to confirm or falsify and, above all, refine that theory*".

As Smith and Elger (2012: 12) emphasise, by adopting the theory-driven approach to interviews this puts the researcher/interviewer "*more firmly in the driving seat*". However, this is not intended to suppress the active role of the interviewee. Pawson (1996: 307) complements this by stating the research interview takes the form of negotiation and dialogue in which 'I'll-show-you-my-theory-if-you'll-show-me-yours'. The theory-driven interview, therefore, hinges upon a characterisation of the interviewer and the interviewee as possessors of different types of expertise. The researcher/interviewer is seen as having particular expertise in characterising wider contexts and the outcomes of action so discussion "*should be led by the researchers' conceptualisations*" (Pawson 1996: 303).

Meanwhile, as Smith and Elger (2012: 12) argue, the expertise of the interviewee is "*likely to be greatest*" in relation to explanatory mechanisms that focus on the

"*reasoning, choices, motivations*" as described by Pawson (1996: 303). Moreover, the latter author identifies that in this context, "*the researcher will often assume that the balance of expertise lies with the informant in describing the detailed way in which reasoning contributes to social change*".[55] Pawson and Tilley (1997) codify this theory-driven approach to data collection in terms of investigating relationships between the underlying causal mechanisms including actors' understandings and rationales for action, the varying contexts in which mechanisms operate and the resultant outcomes. This inevitably requires "*recombining evidence*" in order to trace chains of causality and to consider the conditionality of whether generative mechanisms are activated or not, and the associated outcomes (Yin 2009: 126).

3.9 Documentary Analysis

The research has utilised multiple sources of data inclusive of archival documents, policy meetings and conference documents, autobiographies, and, secondary data such as newspaper reports. The approach is designed to corroborate and enhance the credibility of the semi-structured interview via methodological triangulation (Kidder and Fine, 1987: Rudestam and Newton, 2007, Yin, 2009, Eisenhardt and Graebner, 2007). This has been considered necessary because the interviewees are disproportionately – albeit deliberately - drawn from trade unions as identified informants in the selected case events under investigation.

In the case event of the Social Contract (1974-79), the opportunity to interview was curtailed by the historical nature of the case, specifically the limited availability of interviewees. In this situation, the thesis was provided access to the Trade Union Group (TUG hereafter) minutes at Westminster from the post-war period, historical TUC Congress Reports and documents, and, the wider literature to provide as comprehensive an analysis as possible in light of these constraints.

In essence, methodological triangulation refers to the use of methods designed to counteract biases in investigations of the same phenomenon in order to strengthen the research validity. Greene, Caracelli, and Graham (1989: 256) state when, "*two or more methods that have offsetting biases are used to assess a given*

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[55] Ibid.

phenomenon, and the results of these methods converge or corroborate one another, then the validity of inquiry findings is enhanced". Dür (2008) also argues that methodological triangulation is more likely to produce reliable results as it is designed to reveal strategic preferences of actors in the policy construction and decision-making processes by permitting the researcher to seek out the 'real' interests and positions of actors. The method also gives the researcher the opportunity to discover hidden and informal forms of influence, which are central to the research objectives.

Analyses of union documents were used to illuminate rather than to simply confirm the views of interviewees or to contradict data from the interviews but to provide context. Therefore, the triangulation of data is not about confirmation or validation but rather complementarity. An obvious danger, as previously stated, is that interviewees present ideal accounts of their own actions and rationales so the combination of this data with the public and ideational discourses of empirical documents might simply "conjoin the faults" (Pawson and Tilley 1997: 158). However, a robust research design, which the thesis has outlined, should seek to ensure that this is limited and mitigated through methodological triangulation in concert with the established interview protocol.

3.10   Ethics

While my research paper approaches the subject matter based on critical realist assumptions, the point raised by Cunliffe (2004) and Strathern (1991) regarding influences and assumptions (tacit and non) is important to address. Researchers are not neutral-observers of the world and have degrees of bias (Amis and Silk, 2007). Therefore, there is a need to be reflective on these dynamics for the integrity of the research. I have had no professional contact, personal contact or rapport with all but three of the interviewees, however, as Ackroyd and Karlsson (2014: 27) argue it is impossible to assume "*complete detachment*" from the subject matter.

Nonetheless, it is important to be mindful and reflective upon the conscious and subconscious influences in the thesis. As previously stated, I have been an active participant in the subject matter although not in any of the case events. I am

employed, at the point of writing, by the largest Labour Party affiliated union, UNITE, and I am a Labour Party member. I have also worked at the Political Departments of UNITE at a UK and Scotland level at different junctures during my tenure. This in itself brings inherited values and ideologies.

However, the advantage of my vantage points outweighs any potential weaknesses. Specifically, I have a deeper appreciation of processes, in particular informality, and, the factor of strategic choice as exercised through leadership due to being an active observer and participant in these areas. These advantages facilitated a different framing of the questions, which were sent in advance to interviewees, and, follow-up questions during interviews based on an understanding of the subject matter.

The professional positions I have worked in I suspect – although at no juncture was this expressed – enabled access to the calibre of interviewees. Perhaps, this derived from an assumed perception that I would deal sensitively with the subject matter and the associated transcripts. In essence, I could be 'trusted' to present the findings in a fair and balanced way, as opposed to individuals with deterministic assumptions or hostile attitudes regarding the efficacy of trade unions intervening in a liberal market economy through political action. However, to emphasise, at no point was I asked to 'talk-up' the role of individuals or of any specific union or conversely to 'talk-down'.

4   Case Event 1 - The Social Contract (1974-79)

4.1   Introduction

The state of relations between trade unions and the Labour Government (1964-70) is vital to evaluate in order to provide a context to the first employment relations event to be analysed: the Social Contract. The section will outline the Donovan Commission (1968), and, '*In Place of Strife: A Policy for Industrial Relations'* (1969). The central purpose is to provide the economic and political context in which trade unions operated within in advance of the Social Contract. It is vital to state that without '*In Place of Strife',* there arguably would not have been a Liaison Committee designed to act as a bridging mechanism between the Labour Party and trade union leaderships.

The response initiated by the Labour Party affiliated trade unions – and the TUC - to the Conservative Government's (1970-74) employment relations policies, principally the Industrial Relations Act (1971), will be analysed. This critically includes assessing the role of the aforementioned Liaison Committee, which was created as a means for coordinating the aforementioned Act's repeal. The Liaison Committee was also described as 'fathering' the Social Contract (1974-79), which was partially designed to curb inflation through exercising a voluntary incomes policy, with the trade unions (May 1975:126). The methods employed by trade unions to influence the Trade Unions Labour Relations Act (TULRA) (1974) and the factors behind the decision of trade unions to pursue both individual and collective strategies are also evaluated.

4.2   Donovan Commission and In Place of Strife

The trade union movement received a shock from the House of Lords in the '*Rookes and Barnard case'* (1964). The case threw into question the exact status of trade union legal immunities as a trade union took industrial action to maintain a closed-

shop, which previous court decisions appeared to have granted.[56] As a result of the decision, a union official could be liable for the tort of conspiracy for inducing some other person to break a contract of employment. The General Council of the TUC stated the judgement made it "*possible to regard merely the giving of a strike notice in itself as constituting a threat to break a contract of employment*".[57] The TUC won from the Labour Government a restoration of legal protection through language added to the 1965 Redundancy Payments Bill, amending the Contracts of Employment Act. However, the restoration of the pre-Rookes position through the Trades Disputes Act (1965) also presented an opportunity for the incoming Labour Government to address the growing incidence of industrial action.[58]

The Labour Prime Minister, Harold Wilson, persuaded the TUC to agree to a full independent inquiry into trade unions through the Royal Commission on Trade Unions and Employers' Associations chaired by Lord Donovan (1965-68). The Donovan Commission eventually recommended that the 'voluntarist' system of industrial relations should be retained. However, the Commission also made an argument that there should be a better regulated employment relations system with clearer written agreements, better procedures and structures. The report stated that alongside formal procedures for industrial bargaining at a national level there also existed a second tier of informal structures and practices at the workplace level. The drive towards the latter was symptomatic of economic structural factors, which accelerated work place bargaining – a dynamic intensified by statutory incomes policies. The result was a growing gap between nationally agreed pay rates and actual earnings that produced a potential for perpetual conflict between the formal and informal systems unless the latter was incorporated into the former (Howell, 2005).

While the issue of industrial stoppages per se did not overly concern the Commission, the form of the stoppages did. Studies appeared to confirm that the strikes were overwhelmingly unofficial and unconstitutional breaching both disputes procedures and the decision-making procedures of unions. Out of more than 2,000

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[56] The case of Douglas Rookes against officials of the Association of Engineering and Shipbuilding Draughtsmen was upheld as the union's threat to go on strike at British Overseas Airways if Rookes was not dismissed, who resigned from his union, despite there being a no-strike agreement was illegal.
[57] TUC Congress Report (1965: 58-9).
[58] Between 1955-65, there were 27,561 stoppages in contrast with 17,911 stoppages between 1945-54. This represented 41,833,000 aggregate number of working days lost in stoppages compared with 20,963,000 over the same period. British Labour Statistics, Historical Abstract, 1886-1968, Table 197.

disputes each year between 1964 and 1966 fewer than a hundred had official sanction hence, 95 per cent did not (United Kingdom Royal Commission, 1968; Fraser 1999: 217). As such, one of the key recommendations by the Commission was to move towards an industrial relations architecture, which incorporated the shop steward's movement grounded in the workplace and the informal system.[59] The newly elected leader of the Transport and General Workers' Union (TGWU hereafter), Jack Jones, in 1968 added that the Commission was, "*…more favourable to my way of thinking than I had dared hope*" (Jones, 1986: 198). The assessment was predicated on the Commission's endorsement of the primacy of free collective bargaining, the rejection of compulsory ballots and legal sanctions, and, recognition of the growing role of shop stewards in the workplace. This was despite the recommendation of 'cooling-off' periods on industrial action.

The Labour Government's White Paper, *'In Place of Strife',* nevertheless, proceeded to endorse a greater transfer of power to the relevant government minister, Barbara Castle, than the Commission recommended. In relation to official strikes, the relevant minister would have the ability to reserve power to order a ballot of the respective union members wherever it was determined that a strike might pose 'a serious threat to the economy'. To address the rise of unofficial strikes, government intervention in the form of ordered conciliation pauses of up to twenty-eight days would follow whenever the government deemed that the strike might have 'serious' consequences. The White Paper repeated the central theme in the Donovan report that the rise of unofficial strikes required the reform of trade union structures and behaviour. The Labour Government's sugar on the pill consisted of reforms relating to dismissals, proposals to subsidise union education services and union amalgamations, and, to conduct elections supervised by the Commission on Industrial Relations (CIR) in the choice of a national union by employees.[60]

Therefore, while the White Paper involved a package of measures supportive of trade union recognition, negotiation rights and employment protection, it was the incursions into free collective bargaining through proposed penal sanctions, which provoked a furious reaction. At the 1969 Biennial Delegate Conference of the

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[59] There were in 1968 approximately 175,000 shop stewards according to an extensive survey made for the Donovan Commission.
[60] In Place of Strife: A Policy for Industrial Relations (January 1969). London HMSO, Cmnd 3888.

TGWU, the retiring General Secretary Frank Cousins, warned the Labour Government that his union "*would resist attempts by any Government to limit the freedom of the Union to act on behalf of its members*".[61] Under growing pressure from grassroots members, shop stewards and key union leaderships, the TUC Congress in June 1969 met to approve a 'Programme for Action' to a Special Conference of Executives. Union sponsored Members of Parliament (MPs hereafter) reflected the TUC's position as the minutes of the TUG obtained by this author illustrate on 17 January 1969 at a meeting requested by Barbara Castle. The minutes stated:

> The members would not accept that the Government were entitled to insert penal clauses in the White Paper.

Victor Feather, TUC General Secretary in 1969, also appeared before the TUG on 18 February 1969 and 17 July 1969 stating the TUC's opposition to 'penal legislation'. In his appearance in the latter meeting, Feather is quoted as saying, "*that it was impracticable for any Government to try and fine workpeople and trade unionists because they had come out on strike*". In several appearances by the Prime Minister before the TUG, the minutes on the 17 June 1969 highlighted the following:

> The Prime Minister informed the members that they would be introducing a Bill, which would contain penal clauses, as it was essential for such kind of clauses to be in an act unless the trade union movement would accept greater responsibility. The majority of the members were opposed to his suggestion.

The role of informal processes during this episode are also illuminated by Jack Jones (1986: 204-05) in his autobiography. Jones highlighted a private meeting in May 1969 with fellow trade unionists, Hugh Scanlon, President of the Amalgamated Engineering Union (AEU), and Victor Feather of the TUC. The individuals were the

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[61] Richter (1973: 235).

three most powerful leaders in the trade union movement in discussion with the Prime Minister and Barbara Castle. Jones reported:

> Barbara [Castle] was rather shrewish, trying to put Hughie [Scanlon] and me in our place. We were told once again that 'the public is looking for action on unofficial strikers. Action must be taken by the Government; you've had your chance, boys!' The nearest thing to a conciliatory tone was adopted when they explained their attitude to 'criminal sanctions', as we called them. 'No', said Barbara, 'people will not go to prison, Fines could be imposed but they would be collected as civil debts'.

The response to '*In Place of Strife'* was an inevitable reflex by the trade union movement who perceived that its direct interests and freedoms were being invaded by the law. The Labour Government withdrew the Bill in light of the strong resistance by trade unions through various processes, in particular the TUG. Fatchett (1987: 57) in an insightful contribution, stated:

> In this febrile atmosphere, the usual processes of accommodation broke down, often into open hostility. As substantial sections of the Party in general, and the Parliamentary Party, in particular, lent their weight to the trade unions' case, the Government found itself isolated.

The consequences of the retreat would be considerable. The Conservative Party would win the General Election in 1970 introducing constraining legislation in the Industrial Relations Act (1971). [62] The breakdown in relations between the parliamentary leadership and trade union leaderships resulted in the confidence of the latter in the former being 'severely diminished'.[63] The Labour Party at the helm of the state had shifted from an *enabling* disposition towards a *constraining* outlook from a trade union perspective. However, in the aftermath of the White Paper, key sections of the trade union leadership initiated a series of proactive steps in an effort to bind the political and industrial spheres of the labour movement. It would be an

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[62] The Conservative Party attained 330 seats taking a share of 46.4 per cent in contrast with the Labour Party with a share of 43.1 per cent and 288 seats.
[63] Minkin (1992: 116).

attempt to avoid a repeat of 1969, as the following section will discuss.

4.3   The Industrial Relations Act (1971)

The Conservative Government produced its consultative document in October 1970 containing eight central pillars, which were 'non-negotiable' (May 1975: 102). The legislation offered a statutory recognition procedure, restricted union legal immunities during strikes, and, inter-union and secondary disputes would not be covered by immunity.

A new National Industrial Relations Court would adjudicate on trade union behaviour declaring actions 'unfair' while the government through emergency powers could deal with strikes if they were damaging to the economy by imposing a sixty day 'cooling off' period and the issuance of a strike ballot. The latent ambition was to reduce the incidence of strikes via injunctions, cooling-off periods, emergency powers, no strike agreements, legal immunity being restricted, and, an unfair dismissal procedure aimed at establishing procedures to prevent disputes occurring.

The objective of opposing the Bill led to enhanced co-operation between the PLP and the TUC (A. Taylor, 1987). On 10 November 1970, the minutes of the TUG stated, "*After Mrs Castle had outlined this vicious document it was agreed that we should oppose any Bill that was based on the issues contained therein*". In December 1970, the PLP affirmed its total opposition and urged the NEC, PLP and TUC to develop "*a workable accord between a future Labour Government and their members that can be put to the electorate*".[64] The progress of the Bill, nonetheless, could not be prevented and in December, the TUC and the Labour Party in response agreed to create a liaison body to co-ordinate opposition and prepare for the repeal of the Act.

A major rank and file resistance by union members emerged to the Act, principally from unions who had been at the forefront of opposing '*In Place of Strife',* those being the country's two largest unions the AEU and TGWU. Jack Jones and Hugh Scanlon attempted to persuade the TUC to back a one-day strike in February 1971

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[64] A. Taylor (1987: 7).

but this was outvoted.[65] The AEU, however, organised two one-day strikes against the Bill on 1 and 18 March with both strikes receiving substantial support from the membership while the TGWU regarded both as 'non-cooperation days', although it did back the second strike in the engineering and shipbuilding industries.

In contrast, the TUC General Council at variance with its two biggest affiliates formulated an alternative strategy of advising unions not to register as part of IRA (1971), as opposed to industrial action. The formula received the approval of a Special Congress in March 1971 but the debate made it clear that the formula was far too weak in the eyes of some larger unions, principally the TGWU and AEU, and, too strong in the view of others including the National and Local Government Officers Association (NALGO). The inherent difficulties arising from heterogeneity in the TUC were all too apparent as there was, "*considerable difficulty in formulating an agreed programme of action*".[66]

The decision not to co-operate with the Act shifted the emphasis on to the newly created Liaison Committee. The emergent trade union strategy consisted of three elements (1) voluntary reform based on the Donovan Report, (2) an independent element in resolving conflict, and, (3) the extension of industrial democracy. The Liaison Committee approved the strategy in June 1971 to a, "*rapturous welcome from the General Council which they believed they would have an enhanced influence over the next Labour Government*".[67]

The net result was that by the time of the 1972 Annual Congress only thirty-two unions with a total of half a million members were suspended from the TUC for registering under the Act's terms. The final act of expulsion involved unions representing some 353,000 of the TUC's ten million affiliated membership in 1973.[68] Howell (2005: 113) stated the overall impact, "*…appeared to be a stunning confirmation of the Donovan Commission's justification for why using penal*

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[65] The Amalgamated Engineering Union merged with the Amalgamated Union of Foundry Workers (AUFW) in 1967 to form the Amalgamated Union of Engineering and Foundry Workers and with the Draughtsmen and Allied Technicians' Association (DATA) and Constructional Engineering Union in 1971 to form the Amalgamated Union of Engineering Workers, AEUW. For the purposes of consistency, the chapter will use AEU.
[66] May (1975: 111).
[67] A. Taylor (1987: 7-8).
[68] This included the Electrical Trades Union and several other unions of significant size such as the National Union of Seamen (43,000); the Bakers' Union (50,000); National Union of Bank Employees (103,000) and COHSE (113,000).

sanctions to modify the behaviour of industrial relations policy would not work". Lord Lea of the TUC in interview reinforced this assertion:

> First, there was this strategy of de-registration, which wasn't just in order to get it repealed by the next Labour Government it was to make it nugatory. It was remarkably successful, if you measure it by our terms thirty-two unions including the EETPU out of some one hundred and thirty union affiliated at that time as I recall, who were expelled for not agreeing to the de-registering i.e. we will not register under the Industrial Relations Act, which was quite a big deal.[69]

The IRA (1971) was viewed a failure as the Conservative Government rarely invoked its own legislation (Undy et al 1981; Fraser: 1999, Kessler and Bayliss: 1995). It was estimated that 3.3 million working days were lost in opposition to the IRA (1971).[70] The Act was largely ignored by large employers while the government enforced the cooling-off period clause only once in relation to a railway ballot in 1972. Importantly, the government failed to use the mechanism in the miners' dispute in late 1973 into 1974 as the Prime Minister Edward Heath announced a three-day week to save fuel resulting in power cuts.

In this context, the Conservative Government would fight the General Election in February 1974 on the infamous platform of '*Who Governs Britain?*' The electorate answered, if somewhat ambiguously, by returning Labour to government with a minority status - 301 seats (37.2 per cent of the vote) to the Conservatives 297 seats (37.9 per cent). The proceeding Labour Governments from February 1974 until May 1979 would witness the most fascinating period of relations between both wings of the labour movement. The process was fostered through the Liaison Committee and encapsulated in the Social Contract.[71] May (1975: 40) stated that, *"It is important to note that the main thrust of union activity in policy-making within the Labour Party after 1970 took place in the Liaison Committee and not through the customary machinery of the NEC and its sub-committees"*.

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[69] Electrical, Electronic, Telecommunications and Plumbing Union.
[70] Fraser (1999).
[71] The Labour Government called a new election in October 1974 gaining 319 seats to the Conservatives 277 with 39.3 per cent of the electorate in contrast with the latter's 35.8 per cent. A majority of three.

Marsh (1992: 42) reiterated the primacy of the Liaison Committee asserting that, "*during the 1972-6 period, the most important channel was probably the least well known; the Trade Union-Labour Party Liaison Committee*". As such, the prior author stated that it was 'surprising' that there has been no major study of the Liaison Committee despite the crucial role it performed in the development of Labour Government policy.[72] The remainder of this chapter will seek to address this deficit through an evaluation of the repeal of IRA (1971) and the development of the Social Contract from a trade union perspective.

4.4   The Social Contract in Formation

Jack Jones highlighted the difficulties of trying to gain agreement through the 'moribund' National Council of Labour (NCL). Jones cited his efforts to persuade Labour to improve upon the Conservative Government's position of an increase in the pension by £1 a week in the autumn of 1971 as a catalyst in making overtures to Harold Wilson. The NCL in the inter-war period had been described as a 'bridging organisation' (Minkin, 1974: 8) and as the 'most authoritative' policy formulating mechanism in the Labour movement despite its lack of constitutional party authority (Bodah, Ludlam and Coates, 2003: 49). It would form the template for the Liaison Committee. Jones stated:

> During the conference [1970] I talked to everyone I could about the need for a joint body which would bring parliamentary leaders as well as the NEC together with the TUC, in regular sessions. I said to Harold Wilson: 'Surely to God, we can knock out essentials on which we can all agree, the bedrock minimum which will get the support of the public. And then let's campaign for it'. I made clear that we would all have to sacrifice some of our old ideas to get agreement.[73]

Jones in interview complemented these prior points as he referred to the influence of 'intellectuals' in the Labour Party as a contributory factor to the weakening of the

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[72] Marsh (1992: 41).
[73] Jones (1986: 237-8).

links between the industrial and political wings during the last Labour Government. Jones said:

> Well there was a tendency on the part of many in the Labour Party, the Labour Party professionals, some of them were MP's who joined the party without any trade union connections, without any responsibility to the trade unions. So, I fought very strongly to try and establish some unity, to strengthen it and to help it to grow. It was vital that there should be closer links. So, there was no question on my part and I used my endeavours to make sure the unions played a part in the Labour Party and that individual unionists were persuaded.

Jones added that developing the liaison process required his personal efforts to convince a fellow key trade union leader – Hugh Scanlon of the AEU - to support an alternative strategy, he said:

> Hugh Scanlon was a bit lukewarm and of course Scanlon had come from the Communist Party but eventually I persuaded him to help support the Labour Party but it was general support it had not come up from individual membership.

The necessity of mending relationships after 1970 was not according to Minkin (1992: 122), "*simply an institutional matter*". Rather, it drove at an emergent strategy focused on new processes designed to induce more favourable outcomes. Therefore, the "*structural manifestation*" of this emergent process was the Liaison Committee (Marsh 1992: 49). The conceiving-mind of the Liaison Committee is disputed as Lord Lea, who would become the forum's joint Secretary on behalf of the TUC, in interview said:

> On the origins of the TUC-Labour Party Liaison Committee, I think that the formula I had originally agreed with Len Murray was something along the line of what actually emerged. I put this to Jim Callaghan after a meeting at Transport House of the Labour

Party Home Policy Committee he said: 'Well, you know the Labour Party is the National Executive Committee'.

I said 'Jim you know as well as I do our people are not interested in talking to the National Executive Committee it's their number two's that are on the National Executive Committee, its the Shadow Cabinet, it's the leaders of the Labour Party'. He said, 'David you do know'…this is Jim Callaghan talking to me…'you do know that you're treading on a thousand principles here of the Labour Party?'

I said, 'well I may be but I'm not treading on the realities which is what I am talking about is the catastrophic breakdown between members of the shadow cabinet or cabinet through the National Executive'. He said 'alright'. So, we agreed this formula, which was TUC, NEC, and PLP more or less.[74]

Irrespective of the exact origins of the Liaison Committee, Jack Jones and Lord Lea both corroborated the need to initiate a response through a new process from a trade union perspective. Crucially, the Liaison Committee would incorporate the TUC rather than Labour Party affiliated unions exclusively. This was because the involvement of non-Labour Party affiliated unions such as NALGO was perceived as necessary to the success of any pact. Lord Monks, then a researcher - and future TUC General Secretary – in interview identified the inclusivity of the approach stating arguments over the composition of the Liaison Committee were resolved by the TUC's involvement:

Yes, well in Jones, he could use the TUC as a vehicle for bringing along non Labour Party affiliated people. Secondly, it solved the issue, as the TUC General Secretary was involved, who was going to be the Secretariat. You didn't have to agree it with the Right of the General Council – the GMB led Group – it was up to the TUC. Jones was confident that in this set-up he could play a leading role.[75]

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[74] Len Murray, Assistant General Secretary of TUC (1969-73) and General Secretary (1973-84). Jim Callaghan MP, Chancellor of Exchequer, 1964-7 and thereafter Prime Minister, 1976-1979.

[75] National Union of General and Municipal Workers (NUGMW) from (1924–74) and from 1974–82 the union was called the General and Municipal Workers' Union (GMWU). Thereafter, the union was renamed the GMB (General, Municipal, Boilermakers and Allied Trade Union) which it has been called since 1989 following a merger with the Association of Professional, Executive, Clerical and Computer Staff (APEX).

Lord Whitty, an employee of the TUC's Economic Department during this period, complemented this prior analysis by agreeing that a process, which involved the TUC, was desirable if favourable outcomes were to be attained.[76]

> The relatively new TGWU General Secretary Jack Jones felt that we needed a better mechanism. His view, and it was also the view of other trade union leaders, was that the relationship should be between the TUC and the party, and a Labour Government when it was elected. That was seen as the policy-making nexus rather than via the party's internal mechanisms.
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> So, it was the full TUC where even in those days quite a lot of unions were not affiliated to the party. The TUC had the policy-making bureaucracy and processes to bring and design trade union policy.
>
> The relationship with the government had broken down effectively over the last stages of the government's incomes policy and 'In Place of Strife'…Although I was sitting in the back row of these meetings I was not directly involved in the Liaison Committee itself. However, it was a change because previously Labour leaders dealt with individual affiliated unions on one level and the TUC to some degree on another.

Importantly, to reinforce Lord Lea's point in the relation to 'number twos', the Liaison Committee provided a forum for direct engagement between the principal trade union and Labour Party leaders. The former did not sit on the Labour Party NEC but on the TUC General Council, hence political functions were devolved to intermediaries. According to Minkin (1978: 473), the Liaison Committee was a 'new bridge', while A. Taylor (1987: 27) stated the process "*enabled a speedier inter-change of ideas and proposals as well as an appreciation of the other's perspectives*". The formal establishment of the Liaison Committee took place in January 1972. It was composed of six representatives from the PLP, the NEC and the TUC. Secretarial support came from the TUC and the Labour Party jointly as the chair rotated amongst the three parties concerned.[77]

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[76] The 1977 figures (as at 31 December 1976) there were 59 Labour Party affiliated unions, 5,800,069 members; TUC affiliated 115 unions, 11,515,920 members. The total union membership in UK was approximately 12,270,000.
[77] At the outset the PLP (H. Wilson, J. Callaghan, D. Healey, D. Houghton, R. Mellish and R. Prentice), the NEC (A.W. Benn MP, B. Castle MP, J. Chalmers (Boilermakers), A. Kitson (Scottish Motormen), I. Mikardo MP, and Sir Harry Nicholas (General Secretary of the Labour Party)), and the TUC (G. Smith TUC Chairman, ASW) Lord Cooper (vice-chairman and NUGMW), Sir Sidney Greene (NUR), Jack Jones (TGWU), H. Scanlon (AEU) and Vic Feather).

At the first meeting the Committee on 21 February 1972, the Committee agreed to formulate a repeal bill to IRA (1971), which would be introduced in the first session of parliament upon Labour's return to power. Further meetings of the Liaison Committee, however, showed repeal of the 1971 Act would not be as straightforward as imagined. The restoration of immunities and the extension of union prerogatives could not be covered by one Bill. However, the TUC was accredited as acting as an 'organised bloc' as the broad details of legislation to replace the IRA (1971) and an extension of worker rights had been agreed to by July 1972 in the '*Statement on Industrial Relations'* (1972) (Thomson, 1979: 47).

A series of important meetings of the Liaison Committee took place late September 1972 with the circulation of '*Labour's Programme for Britain'*, which addressed the key economic post-war problem of delivering inflation-free growth, rising public spending, a healthy balance of payments and rising personal consumption. These issues, the Labour leadership asserted, could only be attained through economic growth and the planned redistribution of resources. This would require the, *"need to take interim measures to regulate the purchasing power of consumers".* [78] Accordingly, at several Liaison Committee meetings in January, February and March 1973, the TUC acknowledged the possibility, while simultaneously not accepting, the future introduction of a voluntary incomes policy encompassing comparability between the public and private sector. However, Jack Jones warned the Labour leadership of the dangers in pushing for an incomes policy without a more comprehensive strategy as it would produce splits in the union movement (Jones 1986: 279).

As such, the Liaison Committee minutes in February 1973 on the '*Economic Policy and Cost of Living'* reflect these aforementioned concerns as it remarked, "…*the problem of inflation could only be handled within a coherent strategy designed to generate cooperation".*[79] The TUC's response to '*Labour's Programme for Britain*' was 'interesting' according to A. Taylor (1987: 23-24). The TUC suggested the Labour Party contact the affiliated unions to the TUC to publicise the agreed document with the reason appearing to have been, "*reluctance on the part of the*

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[78] Labour Party, 'Labour's Programme for Britain' (1972: 13) cited in A. Taylor (1987: 17).
[79] TUC-Labour Party Liaison Committee, Economic Policy and the Cost of Living (February 1973: 2 and 4) cited in A. Taylor (1987: 22).

TUC to be seen to be closely tied to the Labour Party and avoid making a commitment on wage restraint". The TUC position can be partly attributable to the growing representation of non-Labour Party affiliated unions who were primarily the victims of previous phases of governmental pay restraint in the public sector. This was illustrated by NALGO, which was the fourth largest union in the country with nearly 400,000 members in 1970.[80]

Hostility to statutory price controls was palpable at the TUC Congress of 1973. David Basnett, who became General Secretary of the GMWU in the same year, moved a motion, Composite 7 (anti-inflation policy), rejecting any statutory pay policy.[81] Basnett, in control of the third largest trade union, endorsed the Liaison Committee's work but premised support on a free collective bargaining framework being the only workable solution to consensual economic management. Jack Jones seconded the composite urging delegates to support closer cooperation through the Liaison Committee.[82] Lord Whitty adds that the role of the GMWU 'solidified' the role of the TUC in the Liaison Committee due to the union's new leadership seeking strategic reorientation and a desire for closer relationships with other key unions – principally the TGWU. Whitty said:

> His [Basnett's] view, which was also my view, was that the G&M need to resituate itself away from the far Right of the trade union movement to the centre – that was part of it – part of it was also keeping close to the T&G as he had been the national officer for the chemicals industry which was a sector where both unions were very close whereas in many sectors the unions were at daggers drawn.
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> His view of things was that the T&G and G&M needed to talk on particular policies and particular politics and they had to be close so that there was greater centre politics in the TUC. He and others, including Geoffrey Drain the leader of NALGO, which was a non-affiliated union, wanted to ensure that the TUC was not polarised between Left and Right and that there was a quite solid centre.

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[80] NALGO was also the fourth largest trade union affiliated to the TUC in 1974 with 518,117 members. TUC Annual report (1974).
[81] National Union of General and Municipal Workers (NUGMW) from (1924–74) and from 1974–82 the union was called the General and Municipal Workers' Union (GMWU). For the purposes of consistency in this chapter, the union will be referred to as the GMWU.
[82] TUC Proceedings (1973: 512) cited in A. Taylor (1987: 24). Composite 7 passed unanimously.

The discussions surrounding the Liaison Committee statements, principally the '*Statement on Industrial Relations*' (1972) and the '*Economic Policy and the Cost of Living* (1973)', leading up to the 1974 General Election, illustrated that the TUC, and in particular Jack Jones, was "*an assertive force in shaping the broad understanding on policy and procedure which became known as the Social Contract*".[83] However, the liaison process was beset with two fundamental problems at the outset. First, the process was strongest at the top and how far a spirit of cooperation trickled down to the membership was highly debatable. Second, the reality of the any concordat was theoretical and aspirational, which could only be judged against Labour entering government. If, and when entering government, outcomes were then matched against statements this could undermine the process. While the prior is a truism, it is important to state that the purpose of the Liaison Committee from the perspective of leading trade union actors was also to rebuild relationships, create dialogue and foster a climate of mutual exchange.

The significance of the Liaison Committee's purpose from the perspective of the trade union movement during the years of the Conservative Government (1970-1974) cannot be underestimated, as Geoffrey Goodman states:

> In fact, I myself was very much involved in the setting up of the Committee in those early stages when Jack Jones of the TGWU and people like Bill Keys of SOGAT (Society of Graphical and Allied Trades) were very actively involved in creating it. It was a very serious attempt to try and establish an understanding between the Labour Party and trade unions.
>
> Not only a Labour Government but in opposition and through it came the birth of the Social Contract too. It was a recognition by the trade unions that they too had been lacking in the past in this vision and the need to develop a better understanding with the political side of the movement…it was a very important development.

The Social Contract was insufficiently developed as a programme to be presented at the General Election of February 1974, as an economic crisis engulfed the country. The crisis was epitomised by the three-day working week policy of the Heath

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[83] Minkin (1992: 118).

Government. Speaking on television, in advance of the election, Labour leader Harold Wilson asserted the party had a 'great social contract' with the TUC. However, on the same day, illustrative of the problems that would confront the Social Contract, Hugh Scanlon of the AEU, outlined the nervousness of any suggestion of an agreed incomes policy stating, "*we [the TUC] are not agreed on any specific policy as of now*".[84]

4.5   The Social Contract in Operation

TULRA (1974) restored some of the immunities that had resulted in legal action being taken against trade unions for inducing breaches of contract and protected employers from actions on unfair dismissals for making redundant non-union members of a closed-shop (Kessler and Bayliss, 1995). The Act represented the culmination of years of preparatory work in conjunction with outright opposition to the IRA (1971). The importance placed on ensuring a Labour Government is illustrated in the affiliated trade unions to the Labour Party giving over £3 million to Labour for its 1974 election campaign compared with £1.6m in the 1970 election.[85]

The TUC had circulated a repeal Bill within days of Labour taking office, however, the Employment Minister, Michael Foot, had relayed that the whole repeal of IRA (1971) could not take place in one stage primarily because of the Labour Government's minority status. Lord Monks described the initial stages of the Trade Union and Labour Relations Bill. At this juncture Monks was a TUC researcher asked to produce a template for repeal by Ken Graham, Head of the TUC Organisation Department, he said:

> With about 24 hours of work I had put in that weekend by Monday afternoon I had something done. Ken Graham, Len Murray and Vic Feather, who was still the General Secretary, used it as the first shot at the issues to be covered.

Monks added:

[84] A. Taylor (1987: 29-30).
[85] According to a report by the Registrar of Friendly Societies a total of 7,120,000 trade unionists in Britain paid the political levy in 1974 (R. Taylor, 1976: 400).

The work on law, which was one main strand, we basically got to the point where we needed a quick Bill to repeal the Industrial Relations Act and to give us back 1906 and a bit more. We don't want any hanging about. Secondly, we want - in what became the Employment Protection Act - rights to recognition, unilateral arbitration, rights to individual workers, redundancy, protection on unfair dismissal and some other things. Thirdly, which was Jones' thing; we need rights on Industrial Democracy including workers on Boards as long as they were picked by trade unions.

So, the two strands came, there was a lot of serious effort, and indeed by the time the election came in February 1974 we had, courtesy of Bill Wedderburn and some other guy, we had a Bill that was the basis of the Trade Union Labour Relations Bill. When members of the General Council first saw it, it was pretty thick with 29 or 30 clauses I think; they thought this isn't a one clause Bill which repeals and replaces the Industrial Relations Act but we had been advised that you couldn't actually do that. The Industrial Relations Act had itself repealed previous laws; it had not been an amended Bill itself.

The Bill was viewed as a 'never-to-be repeated' opportunity by Jack Jones to extend trade union rights as part of a political exchange process encompassing enhanced collective bargaining, an extension of the closed-shop, improved health and safety, and, the resolution of industrial tension by the creation of a new Conciliation and Arbitration Service (A. Taylor 1987: 11). The TUC opposed Labour's reference to 'conscientious objectors' to union membership being protected in closed-shops. Nonetheless, the General Council of the TUC expressed their 'appreciation' of the Labour Government's efforts to get the TULRA on the statute books by July 1974 (R. Taylor, 1980: 132).

The Liaison Committee had previously met on 22 April 1974 to approve a process for the coordination of a 'Social Contract'. To promote co-ordination, the monthly Liaison Committee meetings would take place on the Monday before NEC and TUC General Council meetings.[86] Lord Lea in relation to the formulation of the Social Contract stated the following in interview:

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[86] Castle Diaries (1980: 85). Barbara Castle states it was at this meeting the term social contract was agreed in preference to social compact.

Another of my half-baked ideas was in the form of the Social Contract. I don't claim exclusive authorship of this as a formal concept but I think I used it before anybody else. It is, in a sense, an idea which has now been overloaded with so much baggage that it sounds as if it's a sort of constitutional revolution but it was the fact that everyone from David Owen, who became top of the SDP [Social Democratic Party], who have always been in denial about this, through to Jack Jones or whoever, could see that a wages policy wasn't just a wages and prices policy. It was a wages and prices and pensions policy and child benefit and unfair dismissals policy, development policy and so what do you call all that lot?

A. Taylor (1987: 27) contended such an agreement, as described by Lord Lea, offered, "…*the prospect of a significant shift away from negative-defensive unionism to positive initiative unionism even if the price asked was high"*. May (1975: 19) supported this analysis commenting, "…*the defensive and negative aspects of trade union political action which have necessarily dominated its approach to the legal position of the unions are less in evidence and the unions have the opportunity to propose policies which they are anxious to see given legislative enactment.*"

Table 2.1   Affiliated Labour Party Trade Unions 1974 – Top Six

Trade Unions Affiliated to the Labour Party in 1974	Affiliated Members
TGWU	1,000,000
AEU	870,000
GMWU	650,000
EETPU	350,000
Union of Shop, Distributive and Allied Workers (USDAW)	292,568
Association of Scientific, Technical and Managerial Staffs (ASTMS)	151,000

Statistics provided by House of Commons Library derived from Labour Party Conference Report 1974, Annual Report of the Certification Officer 1976.

While the contours of the Social Contract were laid out, the detail was not. The '*Collective Bargaining and The Social Contract'* (1974) document sharpened these contours. The TUC General Council on June 26 1974 affirmed that the Liaison Committee process was engendering, "…*a strong feeling of mutual confidence which alone would make it possible to reach the wide ranging agreement which is necessary to control inflation and achieve sustained growth in the standard of*

living".[87] The document went further emphasising to all TUC affiliated unions that the General Council looked to unions to take into account the 'constructive policies' of the Labour Government and in particular, the repeal of IRA (1971) (see Box 1.1).[88]

The TUC checklist of the Labour Government's achievements during its first eight months in office was alleged to have, "*amounted to a virtual item implementation of the February 1973 Liaison Committee statement on economic policy*" *(A. Taylor, 1980: 132).* The TUC added that there would be 'restricted scope' for real incomes increases advocating protection through 'threshold agreements' in industrial sectors to compensate for price rises above a certain level. Consequently, the document stated that it would be "*important in the current situation to ensure a smooth transition from statutory controls to voluntary collective bargaining*".[89] To achieve these objectives, the TUC argued that its affiliates apply a twelve-month rule between major pay increases; in return, trade unions expected a continuation of favourable Labour policies.

Box 1.1   1974 Trade Union List of Labour's Achievements

- National Union of Mineworkers (NUM) and Coal Board settlement putting an end to three-day week;
- £10 weekly pension increase for single person and £16 weekly increase for married couples;
- Tax changes to help 'less well-off' through increased allowances and higher incomes tax rates;
- Closing of tax loopholes; introduction of a 'wealth tax' and also a 'gift-tax';
- An extra £500M for food subsidies;
- Freezing of house rents and allocation of £350M to local authorities to expand housing programme and purchase houses built by private developers;
- Keeping mortgage rates low through £500M loan to building societies;
- The repeal of IRA (1971) in the Trade Union Labour Relations Act (1974) and the abolition of the Pay Board and its associated powers;
- Intention to establish ACAS and an Employment Protection Bill to extend legal rights of workers and unions ; and
- The Health and Safety at Work Act (1974) tightened up and codified existing legislation and to make enforcement more effectives extending protection to 8 million workers.

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[87] Collective Bargaining and the Social Contract (1974: 4).
[88] Collective Bargaining and the Social Contract (1974: 6).
[89] Collective Bargaining and the Social Contract (1974: 9).

The growing prominence of the Liaison Committee, according to R. Taylor (1976: 405), was partly based on the Labour Government's attempts to 'ignore' the NEC due to its Left-wing majority. The government correspondingly turned to the Liaison Committee for 'guidance and discussion'. Jack Jones supported this assessment affirming that Labour Government minsters 'preferred to deal' with the Liaison Committee.[90] Lord Monks complements these points in interview as he identified the 'stabilising' role the trade unionists were performing in the Liaison Committee:

> It was a very, very fractious affair. You had people like Dennis Skinner on one side and people like Denis Healey on the other. The Prime Minister found it quite useful because the trade unions were a kind of civilising block, even though they were right and left they were fairly cohesive, they were respectful of government without being subservient to it but they were not trying to score political points that the Left on the NEC were trying to do. So, it was a stabilising body, but the meetings were extremely entertaining.

In a sign of the emerging economic problems, trade union leaders urged the Chancellor, Denis Healy, to support public spending by £975 million in the Spring Budget of 1975. However, the Chancellor moved in the opposite direction with cuts totalling £1 billion. The TUC in a stinging public rebuke commented upon the shortcomings associated with the budgetary liaison process stating *"…inadequate discussion of the Budget strategy before the 1975 Budget is but an important example of how the logic of the Social Contract, which is a wider understanding and agreement between the trade union movement and the government about the management of the economy among other matters, needs to be even more fully and adequately developed".[91]*

The lack of consultation can also be identified at the Liaison Committee meeting on 23 June 1975, which discussed the soon to be published '*The Development of Social Contract*' in July (1975). The discussion focussed on the need for a price target, pay target and a reduction in unemployment levels. Only Jack Jones and Len Murray – TUC General Secretary - were present from the trade unions as Prime Minister Wilson commented that the Liaison Committee was not the forum for detailed policy

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[90] Jones (1986: 281).
[91] The Development of the Social Contract (July 1975: 5).

deliberations rather it was an 'influencer' of public opinion due to its role at the "*centre of the Labour movement*".[92]

Wilson's remarks appeared to be at variance with the policy-making role the Committee had developed post-1970, however, it was suggestive of the Labour leadership's intentions of constraining incomes and prices in light of the deteriorating economic environment, which was described as *"the deepest recession in the western world since the Second World War*".[93] The specific factors during 1975 were that the UK was heading towards a major economic crisis with the pound under severe pressure on foreign exchange markets. The context was one of rising oil prices and catch-up pay settlements due to the legacy of incomes and prices policies all contributing to an escalating inflationary situation. Consequently, R. Taylor (1980: 135) highlighted that key trade union leaders like Jack Jones recognised, "*catastrophe was staring them in the face*". During the summer of 1975, the TUC was therefore, "*forced to swallow some unpalatable truths about the state of the British economy*".[94]

Nonetheless, '*The Development of the Social Contract*' (July 1975) highlighted that the three-stage programme on the employment relations framework, despite the turbulent economic environment, was successfully being enacted from the perspective of trade unions. The Employment Protection Act (1975) restored trade union immunities and abolished the Commission on Industrial Relations, the National Industrial Relations Council and the Registrar of Trade Unions and Employers' Associations. The Act also allowed for a trade union to refer a recognition dispute to the new Advisory, Conciliation and Arbitration Service (ACAS) (see Box 1.2).

Box 1.2   ACAS Functions

- To provide facilities for conciliation, mediation and arbitration
- To publish codes of practice
- To make recommendations on applications for trade union recognition under statutory guidelines.
- To provide a free advisory service on industrial relations and personnel issues.

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[92] A. Taylor (1987: 55).
[93] The Development of the Social Contract (July 1975: 5).
[94] Ibid.

The protection against unfair dismissal was extended, as companies were required to provide maternity pay for women, and, to preserve their jobs during maternity leave. Longer notices of redundancy were also enshrined in statute, as was the ability of trade union officials to carry out their duties.[95] The 1976 Trade Union Amendment Act would follow which tightened the loopholes with respect to the closed-shop restricting non-union membership to religious beliefs precluding membership. Progress was made on an Industry Bill and legislation relating to industrial democracy. The completion of this latter stage of the trade union programme it was envisaged would, "*reinforce the standing and function of trade unions and trade unionism at every level of economic activity*".[96]

On the contentious issue of the incomes policies component, the majority of the TUC General Council (19 to 13) endorsed a Phase One pay policy of their own. This contained a £6 per week rise for everybody except those earning over £8,500 a year who got nothing beyond increments for the coming year until August 1, 1976. The TUC stated they would 'oppose' any settlement in excess, as Jack Jones noted the pay target was designed to be, "*Not a free for all but a fair for all – that is our* policy". The £6 policy was approved by 6,945,000 votes to 3,375,000 at the TUC Congress.[97] The objective of Phase One was to reduce inflation from the level of 25 per cent to a figure of 10 per cent in the following year.

The Labour Government agreed to accept the TUC approach but the Remuneration, Charges and Grants Act (July 1975*)* was passed, which gave ministers the powers to act should voluntary restraint fail thus sending a powerful signal to the trade union movement. The TUC re-emphasised the position that there was, "*no viable alternative to a continuation of voluntary collective bargaining*".[98] The TUC would guide and police the policy, which was not significantly breached by any union

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[95] The Act stated that an employer proposing to dismiss one or more employees that recognised a trade union "*shall consult representatives of that trade union with regards to the proposed redundancy with consultations beginning at the earliest opportunity*". This was on the following basis: (a) if the employer is proposing to dismiss 100 or more employees within a time period of 90 days or less, consultations must begin at least 90 days before the first redundancy would take effect and (b) if the employer is proposing to dismiss 10 or more employees within a time period of 30 days or less, consultations must begin at least 60 days before the first redundancy would take effect. The right to claim unfair dismissal was introduced by the Industrial Relations Act 1971 with the qualifying period being two years, which was reduced to one year in 1974 and to six months in 1975 by the Trade Union and Labour Relations Act 1974. The only workers able to claim unfair dismissal were those who worked 21 hours or more a week but the Employment Protection Act 1975 reduced this to 16 hours a week and allowed part-time workers who worked between 8 and 16 hours a week to claim the right after five years' service.
[96] The Development of the Social Contract (1975: 5).
[97] A. Taylor (1987: 63).
[98] The Development of the Social Contract (1975: 9).

despite special cases in the 'region of 30 per cent' for local authority manual workers and NHS ancillaries to bring minimum rates into line with the TUC's low pay target of £30 for a normal full time week. In this context, the '*Development of the Social Contract*' (1975) document indicated the tensions brewing within the TUC – and with the government, as it stated: *"There can be no failure of the Social Contract if there is an identification by trade unionists themselves, and by all members of the Government as well."* [99]

The total TUC budget demand in the spring of 1976 was for a £1.9 billion boost in public spending, however, Denis Healey's budget was described as being a 'broadly neutral affair' (R. Taylor, 1980: 136). Following the Budget in June 1976, the TUC outlined in '*The Social Contract' (1976-77)* document that the Labour Government had, "*for its part continued its broad programme of legislative advance*". In turn, the trade union movement 'without exception' had adhered to the £6 pay policy.[100] The report specifically lauded TULRA (1974) and the Employment Protection Act (1975) while praising further measures contained within the wider Social Contract. This included the Social Security Pension Act (1975), Sex Discrimination Act (1975), Community Land Act (1975), Race Relations Act (1976), the Housing Act (1974), which introduced significant state funding for housing associations, and, the introduction of the Capital Transfer Tax (1975).[101]

In addition, '*The Social Contract*' (1976-77: 8) report welcomed the Chancellor's decisions, as of 5 May 1976, not to put up the price of school meals by 5 pence at a cost of £35 million. A further £15 million for training and job creation by the Manpower Services Commission along with a commitment to put 100,000 people into jobs or training through selective measures were also commended by the TUC. However, despite these significant achievements the Social Contract would increasingly become defined by its most contentious element: an incomes policy.

The TUC and Labour Government agreed to target a reduction in the rate of inflation in 1977 to a figure 'well below 10 per cent' with the latter aiming at a further 'halving'

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[99] Ibid (Page 22).
[41] The Social Contract 1976-77 (June 1976: 3).
[101] In Part III of the Finance Act 1975 a new tax on all gratuitous transfers of capital, both by way of lifetime gift and on death, was introduced. A capital transfer tax was designed to close loopholes in estate duty: the exemption of trusts; and, the seven-year rule. The 1972 Housing Finance Act reduced the council housing subsidy and replaced controlled rents with 'fair' rents - in effect a rent increase. The 1975 Housing Rent and Subsidies Act reversed the policy of 'fair' rents and empowered local authorities to set rent levels.

of the inflation rate by December 1977.[102] An agreement was reached between the TUC and government ministers on a new 5 per cent pay policy on total earnings for all hours worked from August 1976 to August 1977. This contained a £4 upper cash maximum increase as the ceiling and £2.50 minimum a week as the floor. The twelve-month rule would once again apply in Phase Two.[103] The trade unions faced with the real prospect of the demise of the Labour Government during the unfolding economic crisis endorsed the second year of a tighter pay policy by a vote of 20 to 1 (9,262,000 to 531,000 votes) at the Special Congress in June 1976. The agreement came despite the TUC acknowledging 'problems' were arising from the effects of the previous £6 flat-rate supplement on pay differentials and the value of over-time, shift and payment-by-results payments.[104]

It was in this economic context Jim Callaghan, Prime Minister, and Chancellor Healey told senior union leaders on 14 July 1976 that the government would have to take measures to cut back its Public Sector Borrowing Requirement (PSBR). The move was part of governmental efforts to restore overseas confidence in the British economy. The Chancellor agreed to set up a joint government and TUC working party to review the problem of sterling balances but he did not accede to TUC pressures on policy priorities. Ultimately, the Labour Government sought an IMF loan with the terms announced by Healey on 15 December 1976 involving cuts of £1 billion in 1977-8 and £1.5 billion in 1978-9; in return, the government received a loan of £2.3 billion.

Consequently, the regional employment premium was abolished, food subsidies were brought to an end and the government's holdings in British Petroleum were reduced to 51 per cent from 68 per cent (Hoopes, June 1994).[105] The TUC Economic Committee, despite its opposition, 'swallowed the inevitable' according to R. Taylor (1980: 138), as the TUC publicly declared, "*It is vital to continue the Social Contract policies and we will continue to press for the implementation of these policies against the background of a desire to maintain a Labour Government in office*".[106] Lord

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[102] The Social Contract (1976-77, June: 5).
[103] The Social Contract (1976-77, June: 7).
[104] The Social Contract (1976-77, June: 6).
[105] Hoopes (June 1994).
[106] Cited in R. Taylor (1980: 138).

Monks commented on the escalating severity of the economic situation and the tensions developing inside the labour movement, he said:

> The economy, the inflation rate went to 26 per cent in 1976, I think, and a fairly disastrous period. Then the Liaison Committee agreed to firm up the Social Contract and essentially tried to limit wages to inflation. There were no legal restrictions as nobody would accept that and this is where relations got tough with Mikardo and people who said, 'no you have got to have free collective bargaining in a capitalist system' and so on.[107]

Inflation had in fact reached a high of 26.9 per cent in August in 1975 before coming down to 14.3 per cent in September in 1976.[108] During the economic turmoil, Jack Jones addressed the TUG on 30 November 1976 to discuss, *'The present economic situation, the Government and its relations with the Trade Unions. The need to increase production and to maintain a Labour Government'.* Hugh Scanlon reinforced this sentiment on 18 January 1977 at the TUG as he made, "*special mention of the terrific pressures the trade unions had experienced by keeping, to the limits, the conditions of the Social Contract*".

The public signs of the Social Contract's emergent disintegration came during the September 1976 TUC Congress. A motion moved by USDAW and seconded by the TGWU supported a "*planned return to free collective bargaining*" during 1977.[109] The aforementioned unions involved two of the biggest affiliates to the Labour Party and TUC (see Table 2.1). Therefore, the signals were clear from the trade union movement, among even the most loyal of trade union leaders, that a system of pay restraint on voluntary lines was infeasible beyond the summer of 1977. While the TUC and its affiliated unions maintained in public the spirit of cooperation, in private, Jack Jones articulated the growing tensions and concerns in the following contribution:

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[107] Ian Mikardo MP. On 27 March 1974, Mikardo was elected chairman of the Parliamentary Labour Party.
[108] The Guardian (8 April, 2013).
[109] R. Taylor (1980: 138).

> But I was in no doubt that our agreement with the Government was wearing thin. I told both Jim Callaghan and Denis Healey: 'We will have to get back to normal collective bargaining. The most you can expect from us is an attempt to organise an orderly return with emphasis on some priorities'. Denis acted as if he didn't believe it'.[110]

With an improving inflationary position - 15.6 per cent (September 1977) - through the rolling 12 month phases, the 1977 TUC Congress found the majority of trade unions emphatically backing a return to free collective bargaining. In the aftermath of the decision Len Murray, General Secretary of the TUC, described collective bargaining as "*what we are formed to do*".[111] The decision proceeded Jack Jones significant defeat at the TGWU Biennial Delegate Conference in July 1977 as the delegates voted for a return to 'unfettered collective bargaining' by August 1.[112] The TGWU decision was informed by the increasing prominence of workplace bargaining and ideological support for free collective bargaining within a collective laissez-faire regime. As a result, the active membership of largest union in the country became increasingly hostile towards the state's incomes strategy.

However, the TGWU decision must be viewed through the backdrop of years of pay restraint, rising unemployment and public expenditure cuts. Jones presciently commented:

> When the result of the voting was announced, and I rose to comment, the delegates showed that they respected my views although so many of them voted against them. I told them that I believed in the acceptance of Conference decisions and would do my best to implement this one.

> 'The Executive will consider how it can implement this in a way that will maintain unity of our union and still keep a Labour Government in Westminster'. That was easier said than done, yet it is on record that the TGWU did keep to the TUC recommendation to allow twelve-month intervals between wage settlements, and with one or two justifiable exceptions, accepted the 10 per cent pay increases policy introduced by the Callaghan Government for the following year.[113]

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[110] Jones (1986: 305).
[111] R. Taylor (1980: 141).
[112] Jack Jones Interview (July 1977).
[113] Jones (1986: 323).

Nonetheless, the Labour Government pushed forward with a pay guideline target in order to bring the rate of inflation down into single percentage figures. Accordingly, the government adopted a position that sought to ensure that national earnings amounted to no more than 10 per cent in the period from August 1977 to August 1978. Consequently, the Social Contract became increasingly defined as a pay policy rather than 'a wider social platform'.[114]

Dorfman (1983: 129-31) described the TUC General Council strategy during 1977 as being one of 'acquiescence' because while the body disagreed to a third year of wage restraint the TUC reluctantly accepted its implementation. [115] The 'acquiescence' was partly induced by unemployment rising from 641,000 in October 1974 to 1.518 million by October 1977. Marsh (1992: 52) complements these prior observations stating that the incomes policy was "*based at first on the active co-operation, and subsequently, on the acquiescence of the unions*".

The Liaison Committee published a broad policy statement on 27 July 1977 with few specifics – '*The Next Three Years and Into the Eighties'.* The main thrust of the document stated, "*Our task to ensure that the sacrifices of recent years have not been in vain".* [116] The 'twelve-month rule' in Phase Three, as Jones previously referred to, was respected by the TUC as it evolved a 'nod and wink' understanding with the government. Therefore, despite the TUC's official opposition to the wage limit, it did not seek to mobilise the trade union movement against government policy (Minkin 1992: 125). This point is crystallised by a firefighters' strike, which was discussed at the TUC General Council meeting in December 1977. In a very close vote (21 to 19), the council voted against the TUC giving support to the FBU and correspondingly launching a campaign against the 10 per cent guidelines issued by the government.[117]

The average increase in earnings from August 1977 to August 1978 came out between 14 and 15 per cent albeit more than the government desired in the economic realities of the day it was a result more favourable than most observers perceived to be possible, particularly as trade union membership in the late 1970's

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[114] Jack Jones Interview (July 1977).
[115] Dorfman (1983).
[116] TUC Report (1977: 357) cited in R. Taylor (1980: 141).
[117] TUC Report (1978: 288).

was approaching its zenith.[118] Inflation had also come down from 26.9 per cent in August 1975 to 7.4 per cent by June 1978, which was "*about the average for industrial countries and lower*"; and undoubtedly a significant improvement.[119] However, cooperation with the trade unions on inflation was achieved in line with a major fall in average living standards from 1975 and into 1978 as Table 2.2 illustrates.[120]

In this context, the brewing tensions between the industrial and political wings of the labour movement were in full public display by the summer of 1978. The precarious balancing act was brought to an end by the Labour Cabinet's decision that the overall pay increase figure for the next wage round in Phase Four should be no more than 5 per cent. This was contained in the government's paper titled, '*Winning the Battle Against Inflation*' (July 1978). The government's pay target flew in the face of industrial and political realities. Union after union rejected the prospect of further incomes policy guidelines and came out in favour of free collective bargaining at their respective delegate conferences following the TGWU's lead (Bodah, Ludlam and Coates, 2003: 52; A. Taylor, 1987: 101). Lord Lea corroborates these aforementioned points:

> The disintegration of 1978/9 I think is not correctly recorded by most historians. We had told Denis Healey, and we had very great respect for Denis Healey and vice versa. But, Treasuries ministers are always going to be the most hated ministers in Whitehall simply because whether a policy's correct they're the ones who say 'no you can't spend that money'. But, also they're the ones who had a very crude view about how counter-inflation policy can work. If their computer says five per cent is the maximum they just say there's a white paper including five per cent in it.
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> I remember on one occasion I met the Treasury official who wanted to discuss pay policy, I remember him saying five per cent and I said 'just like that? No discussion?' What am I supposed to say? Goodbye?' You know it was quite difficult as it were to do the 1978 conversation because we – that's Jones and Scanlon and everybody - had told Denis Healey that pay restraint and deals like that were not a permanent way of life.

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[118] Ibid.
[119] Winning the Battle Against Inflation (July 1978), Section 5.
[120] ONS (31 January 2014).

Table 2.2 Real wage growths from 1974-78

	1974	1975	1976	1977	1978
Quarter 1	-1.06	12.64	-2.15	-5.47	1.76
Quarter 2	-0.52	6.81	3.49	-7.47	5.20
Quarter 3	3.73	1.68	0.47	-8.32	7.39
Quarter 4	7.99	-1.72	-1.16	-4.38	6.71

The tensions are evident in the TUG scheduled list of meetings from 2 May 1978 until 3 May 1979 just prior to the General Election accessed by the author. Of the eleven scheduled meetings, ten were cancelled either due to 'low attendance', individuals unable to be present or key votes in parliament. Divisions within the trade union movement, however, boosted the Labour Government's 5 per cent pay gamble as NALGO, GMWU, Union of Post Office Workers, Iron and Steel Trades Confederation (ISTC) and the National Union of Railwaymen were in favour of accepting the pay policy while the National Union of Mineworkers, TGWU and NUPE opposed.[121] The Labour Government hoped that the unions could be persuaded to accept one more year of guidance on the premise of economic recovery but many sympathetic union leaderships' were angered by the government's refusal to concede a 35-hour week as part of this bargain due to lobbying by the Confederation of British Industry (CBI).[122]

Accordingly, the TUC Congress of September 1978 was described as an "*exercise in political brinkmanship*" (A. Taylor 1987: 101). Trade union leaders were determined to make it clear that the government's 5 per cent pay policy was impossible. The tensions were exacerbated before the end of TUC Congress on 7 September 1978 where, "*to the obvious surprise and indignation of most union leaders*", Prime Minister Callaghan went on television to announce that he intended stay on for another parliamentary session thus deferring a General Election.[123] Lord Lea in interview expands upon this episode and the informal 'understandings' surrounding it:

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[121] R. Taylor (1980: 145).
[122] A. Taylor (1987: 100).
[123] R. Taylor (1980: 144).

I remember a dinner with Jim Callaghan in June of 1978 which had just a few of us there it included Moss Evans, who had replaced Jack [Jones], Scanlon and so on and there was an understanding that they would produce their five per cent White paper in July and there would be an election in October.

Jim never said well that's it then, we agree, but there was an understanding in our view. It would be very difficult if he approved that it could be as in the previous year but the difference being the understanding.

Lord Lea added:

So, for all the four-letter words that get thrown at us of course it was something that Jim bless him miscalculated because he was the most pro-trade union Prime Minister ever, but it was a tragedy and I can't understand what got into him. We thought we would have won in the October (1978).

The final moments of the Social Contract came at the Labour Party Conference in the autumn of 1978 as a number of motions were moved championing a return to free collective bargaining (Dorfman 1983). Moss Evans, the new General Secretary of the TGWU following Jack Jones' retirement, argued that while the labour movement was 'united' behind curtailing inflation he 'disputed' the Labour Government's strategy that it was the "*only battle to be won*". The position was supported by the GMWU while Alan Fisher, General Secretary of NUPE, rejected the government's contention that the pay policy had benefited the low paid stating, "*100 per cent of nothing is bugger all*". In a forewarning of the imminent public sector unrest, Fisher added the union would 'willingly' break the 5 per cent policy. The Liverpool Wavertree determining motion on 2 October 1978 stated the following:[124]

Conference demands that the government immediately cease intervening in wage negotiations and recognise the right of trade unions to negotiate freely on behalf of their members. Conference further declares that it will only support the planning of wages

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[124] Previous quotes and motion at the Labour Party Conference Report 1978 (Pages 212 and 209) cited in A. Taylor (1980: 102-3).

when prices, profits and investment are planned within the framework of a socialist planned economy.[125]

R. Taylor (1980: 144-5) stated that, "*amazingly, the major unions decided to throw their considerable weight behind this shrill resolution*". However, the frustrations of the trade union movement despite Taylor's assertion were widely publicised and conveyed privately to Labour Government ministers. An explanatory factor identified with the unravelling of the Social Contract came with the retirement of Hugh Scanlon of the AEU and Jack Jones of the TGWU as key proponents of the Social Contract and the Liaison Committee process. Marsh (1992: 41) highlighted that in tandem with the deteriorating macro-economic situation the role of the Liaison Committee was declining, "*probably accelerated by the retirement of the leaders of the two largest unions*". Lord Lea supported this analysis:

> These policies which axiomatically were dependent on buy-in by the union leaders and endless conferences and so on. Of course, Jack [Jones] was in his heyday. You didn't conspire against Jack and expect to have your head on the next day at that time. He had this tacit understanding I think with the Communist Party until the point of his retirement at the Isle of Man in 1978. It held together because I'm talking about the special role of the T&G from my perspective as a TUC official.

Lord Monks complemented these points in interview adding that Jack Jones' defeat at the TGWU Biennial Conference and subsequent retirement was significant in the Social Contrast's demise:

> Jones had just retired and lost the BDC vote in the Isle of Man and he had gone. Moss Evans came in and was religiously faithful to the BDC decision although not everyone in the T&G was, people like George Wright in Wales who by then was running the Welsh TUC was saying we could have done a deal around 8 per cent but the Left had ambushed Jack. There wasn't really a Right who he could mobilise as that was not his natural constituency.

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[125] The Wavertree resolution was passed by 4,017,000 votes to 1,924,000, despite an appeal from Employment Minister Michael Foot for a remittance of the motion.

In this context, Geoffrey Goodman emphasised the importance of the strategic choices of trade union leaders as critical to the sustenance of the Social Contract but that the defeat of Jack Jones was a Rubicon moment. In essence, it publicly fired the gun on the transition to oppose voluntary wage restraint, he stated:

> I have no doubt at all when Jack Jones lost that vote, it was a crucial watershed. Ok it was predictable at the time as there was tremendous unrest on the shop floor. A lot of trade union opposition came from the leadership as well, people like Moss Evans who succeeded Jack, was opposed to the Contract. It was a period of immense upheaval and change.

As the incomes component unravelled and as key union leaders retired, disappointing progress was made on the outstanding element of industrial democracy. The TUC would have favoured imminent legislation or a White Paper rather than have the intervening stages of the Bullock Committee, which produced a divided report in January 1977 (R. Taylor, 1980: 167; Thomson 1979: 52).[126] Due to the outright opposition by employers and other political parties along with divisions in the TUC based on union sectionalism, the Labour Government's White Paper emerged on 23 May 1978 fifteen months after the publication of the Bullock majority report (Kessler and Bayliss 1995: 33; Howell 2005: 118). Towers (1999: 91) noted when unions are, "*strong they are often suspicious of supportive legislation or find it unnecessary, as in the opposition of the TUC and its affiliates to the Bullock Committee's proposals supporting workers on the board which they saw as diluting the 'single channel' representation form of collective bargaining*".[127]

R. Taylor (1980: 167) returned to the point of trade union leadership as a principal factor in the lack of progress stating, "*The often tedious saga of industrial democracy*

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[126] The majority came down in favour of equal representation for trade union and shareholders on the boards of Britain's top 735 companies with over 2,000 workers on their payrolls. The Committee majority also favoured co-opted directors from outside the company which would be mutually agreed upon by the rest of the board and constitute no more than a third of the entire board. This was called the 2X + Y formula, which would have given Britain a potentially more radical system of worker representation in private industry than Scandinavia if implemented.

[127] In its evidence to the Bullock Committee in 1976, the EETPU argued it was impossible to separate boardroom consultation from negotiating with an employer citing the creation of 'irreconcilable split loyalties' among worker directors themselves. The GMWU also voiced concerns regarding a law to require all employers to negotiate on strategic issues like corporate planning, closures and mergers as well as mass redundancies. The AEU also appeared to reject worker representation on the boards of private companies by advocating 'the unrestricted extension of collective bargaining'. Cited in R. Taylor (1980: 167).

never really sparked off a serious 'great debate'. The issue failed to find much enthusiasm among the unions: it was a complete bore. With Jack Jones's retirement in February 1978, life seemed to go out of the subject". The factor of union leadership, union ideology and the deteriorating economic situation in conjunction with the government possessing a marginal majority and limited parliamentary time ultimately prevented progress into legislation (Thomson 1979; 44; Whiteley, 1981: 168).

In addition, the August 1974 White Paper, '*The Regeneration of British Industry'*, proposed the creation of a state holding company, the National Enterprise Board (NEB), and the introduction of planning agreements through jointly worked-out plans for the future of a company between management and unions. The White Paper stated that the government envisaged a 'major development' in the industrial democracy agenda with the NEB designed to, "*play its part in ensuring that enterprises under its control provide for the full involvement of employees in decision-making at all levels*".[128] The TUC welcomed the Industry Bill (November 1975), specifically its proposals to establish the NEB with an initial fund of £700 million that would foster the creation of voluntary planning agreements and information about the plans of the manufacturing industry to both government and unions.

However, the government refused to make the disclosure of company information mandatory alas the new Industry Act (1975) was "*far less radical and far-reaching than the TUC had wished for*" (R. Taylor, 1980: 159). The 'biggest failure' was over planning agreements where it was envisaged that all strategic decisions of larger companies should be a matter of joint control. With the exception of a planning agreement with Chrysler, which "*quickly proved worthless*" due to its deal with Peugeot-Citroen in 1978, there were no private sector agreements that emerged.[129] Coates and Topham (1980: 43) described this aspect of the Act as a, "*dead letter from the date of its inception*". In contrast, progress was made through the Aircraft and Shipbuilding Industries Act 1977, which nationalised large parts of the

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[128] The Regeneration of British Industry – August 1974 White Paper. Page 7.
[129] Ibid.

aerospace and shipbuilding industries and established two corporations, British Aerospace and British Shipbuilders.

In November 1978, the incomes component of the Social Contract formally ended in a meeting described by Dorfman (1983: 70) as a "*watershed in the long history of incomes policies*". At the TUC General Council meeting the vote to commit the TUC to a 5 per cent policy was defeated on the casting vote of the Chairman, Tom Jackson, on a 14-14 tie (TUC Report 1979: 272). Lord Whitty outlined the fracturing of support in the wider trade union movement as the powerful influence of union ideology and the economic realities had profound impacts on actors and decision-making mechanisms, irrespective of personal loyalties to the Labour Government. Whitty said:

> The breakdown in the relationship in the last stages of the incomes policy came effectively in 1978. At that time, the G&M continued to support the policy but the five per cent offer was defeated by one vote, Tom Jackson of the UPW [Union of Post Office Workers] who would normally have voted the other way.

> This exposed some serious inadequacies in the party itself with the leadership of the party becoming very hostile to the trade unions and the NEC fell out with the parliamentary leadership in a substantial way. It was bitter, bitter, times with the party up and down the country tearing itself apart.

The Ford motor plant strike would act as the catalyst that paved the way to the industrial unrest in the winter of 1978/9.[130] Ford management broke the stalemate by offering talks outside the 5 per cent guideline as the unions recommended acceptance of a 16.5 per cent offer after certain disciplinary clauses were removed on 20 November. Work resumed on 24 November after a nine-week strike but the government announced on 28 November 1978 that sanctions would be imposed on Ford, along with 220 other companies, for breach of the pay policy (A. Taylor 1987, Minkin 1992).[131]

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[130] On 24 August 1978 the Ford unions submitted a clam for a £20 per week increase and a 35 hour week – 25 per cent overall – but the company offered 5 per cent. On 22 September 15,000 took direct action and on the 26th the AEU recognised the strike and the TGWU followed.

The announcement produced a protest from the CBI as the employer body said that it would challenge the legality of sanctions while the Conservatives put down a motion in the House of Commons to revoke the sanctions, which on 13 December passed by 285 to 283 votes. Prime Minister Callaghan responded by putting down a motion of confidence for the next day, which the government won by 10 votes (300 to 290) but accepted sanctions would not be invoked thus depriving the government of any means of enforcing the 5 per cent policy.

Table 2.3   Largest TUC Affiliated Unions 1977 and 1979

TUC Affiliated Unions	1977		1979
TGWU	1,929,834	TGWU	2,072,818
AEU	1,412,076	AEU	1,199,465
GMWU	916,438	GMWU	964,836
NALGO	683,011	NALGO	729,405
NUPE	650,530	NUPE	712,392
EETPU	420,000	ASTMS	471,000
Top 6 % of Total	**52.2%**		**50.7%**
Total Unions	**115**		**112**
Total Membership	**11,515,920** [132]		**12,128,078** [133]

The final nail in the coffin of the Social Contract came with the onset of industrial action in the transport and public sectors, which would for decades come to shape the public image of trade unions in the *Winter of Discontent*. In January 1979, 20,000 railwaymen held four one-day strikes exacerbated by unofficial action by petrol tanker drivers and road haulage drivers with the former settling for 15 per cent and the haulage drivers for 15-20 per cent. On 22 January, 1,250,000 local authority workers engaged in a massive one-day national strike followed by widespread disruption. Local authority workers were offered 9 per cent (plus comparability) on 16 February with the offer being accepted a month later by the TGWU, GMWU and COHSE while NUPE called off its 'contentious action' in the NHS (A. Taylor, 1987: 105).

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[132] Membership Statistics as reported in TUC Annual Report of 1977.
[133] Membership Statistics as reported in TUC Annual Report of 1979.

In the aftermath of the industrial unrest in February 1979, Prime Minister Callaghan and TUC General Secretary Len Murray presented a joint government and TUC statement, '*The Economy, the Government and Trade Union Responsibilities'*. Rodgers (1979: 430) commented that the document was, "*spatchcocked together when the awfulness of the winter's events became plain*". Union leaders refused to accept the efforts of Labour ministers to insist that the document should form the basis for future wage bargaining in annual pay rounds. There was no longer any political will to make the Social Contract work (Dorfman, 1983; Pilmott and Cook, 1991; Taylor 1987).

Table 2.4 Key Statistics 1970-1979

Year	Total Union Membership (000s)[134]	Union Density (%)[135]	Unemployment[136] (%)	Aggregate number of days lost (000s)[137]
1970	11179	44.8	2.7	10980
1971	11128	45.2	3.5	13551
1972	11350	46.1	3.8	23909
1973	11444	45.4	2.7	7197
1974	11044	46.4	2.6	14750
1975	11656	43.7	4.2	6012
1976	12133	46.5	5.7	3284
1977	12719	48.3	6.2	10142
1978	13054	50.2	6.1	9405
1979	13212	50.7	5.7	29474

4.6   Evaluation and Reflections from Actors

It is critical to emphasise that the economic crisis epitomised by the IMF loan in 1976 occurred in a background of incomes policies by previous Labour and Conservative governments. It was at a juncture when trade union membership was approaching its peak in 1979 (See Table 2.4). Rodgers (1979: 427) reinforces the analysis that

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[134] The Guardian (8 April 2013).
[135] Visser (2015).
[136] Denman, J., and McDonald, P. (January 1996).
[137] The Guardian (8 April 2013).

economic structural factors and trade union ideology, specifically the dominance of free collective bargaining, were significant explanatory factors in the Social Contract's demise stating that, "*there is no evidence that, over a period, free collective bargaining is compatible with a successful policy to restrain inflation*". Trade unions with high industrial density could attain higher wage demands through industrial power hence setting negotiation benchmarks for the private and public sectors above any governmental target. This is exactly what occurred when the Conservative Government brought forward in 1962 a wages and salaries target within a 2.5 per cent figure in industries such as electricity and transport (Hutt 1975: 211; Fraser 1999, 207).[138]

A general policy of wage restraint could not be enforced in the reality of the bargaining environment by unions at the workplace level. The latter point is crystallised by the largest trade union in the country – the TGWU – consistently railing against the statutory incomes policies of the 1960's. In fact, workplace productivity bargaining was lauded by Jack Jones during this period as a 'secret weapon' to get around Labour's incomes policies contained in the Prices and Incomes Act (1966) (Richter 1973: 235).[139] The effects of economic decentralisation meant that irrespective of the strategic choices of trade union leaders, and the power resources mobilised to support policy positions, trade unions centrally would be unable to control wage demands by the shopfloor. This spectacularly came to fruition within the TGWU in 1977 despite Jack Jones' support for the Social Contract. Therefore, the Winter of Discontent was a direct manifestation of structural economic tensions despite the attempts by actors to constrain them within a wider Social Contract process. Howell (June 2000: 227) expands upon these points:

> The project sought simultaneously to centralise wage regulation through incomes policies and decentralise bargaining institutions and trade union structures. Decentralisation made it impossible for union leaders to deliver wage restraint, while near-continuous incomes policies overwhelmed efforts to create stable bargaining structures inside the firm. In seeking to use the industrial relations system to manage macroeconomic crisis, the British state doomed its reform project.

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[138] The 'pay norm' figure was changed to 3.5 per cent as the 1964 General Election approached (Kessler and Bayliss, 1995: 4).
[139] See footnote 24.

Undy et al (1981) and Marsh (1992) complement Howell contending that irrespective of the strength of the union-party link and personal relationships between trade union and Labour Government leaders it could not override the effects of economic decentralisation. A. Taylor (1987: 93) added that while bargaining decentralisation was portrayed as a significant advance in industrial democracy from a governmental perspective it was 'profoundly destabilising'. As such, the success of a political exchange process, as outlined by Pizzorno (1978), is reliant upon the extent of corporatist and coordination mechanisms for the governance of market relations. In the absence of such coordinating mechanisms and the concomitant ideological dominance of free collective bargaining, the strength of these factors of influence would ultimately prevail, in contrast with the embedded corporatist approach found in NMEs, CMEs and EDEs.

As a result of structural weaknesses, the opportunity for trade union leaders to act in greater coordination was also limited deriving from what Frege and Kelly (2003: 14) have termed as an 'individualist leadership structure'. After the departures of both Jack Jones and Hugh Scanlon, the power resources of their respective unions to maintain the voluntary incomes component unravelled. The centrality of the strategic choices of union leaders is supported by Dorfman (1983: 71: 73) who described the TUC General Council as missing its, "*two great leaders of the previous decade*". Both new leaders of the country's largest unions, Terry Duffy (AEU) and Moss Evans (TGWU), were described as, "*hardly being on speaking terms*". [140] The consequences of which led to a '*considerable vacuum'* in the trade union leadership at precisely the juncture when it arguably needed the greatest cohesion.

Critics of the Social Contract would contend that the alliance was, "*built on flimsy, contradictory foundations"* (R. Taylor, 1976: 398), and "*collapse was inevitable"* (A. Taylor, 1989: 122). The demise of the process would become associated with the structural weaknesses of trade unionism and an inability of union leaderships to restrain their respective memberships (Dorfman, 1983: 60-1). Hay (2009: 547) emphasises, "*Indeed if anything the story of the Winter of Discontent is a story of union weakness rather than strength.*" However, the Liaison Committee did optimise the opportunities for more favourable employment relations outcomes as actors

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[140] Ibid.

identify, in particular, the inclusivity of the TUC was identified as central to the successes of the process. The key protagonist from the perspective of trade unions, that being Jack Jones, expands in interview when asked if the Liaison Committee facilitated progress:

> I believe it did. From the basic point, that if anything strengthens the link between the party and the unions can only be a good thing. We got to know more about each other. The Labour Party people who were prominent who joined the party without being a member or having any connection with a trade union thought of us as something different. However, I always believed that the two were vital associates of each other.

It is critical to re-emphasise that the purpose of the Liaison Committee, as Jones and other actors explain, were two-fold: (1) to create a climate of mutuality involving non and Labour Party affiliated unions through the TUC, and, (2) through this design more favourable employment relations outcomes could be attained. Lord Monks supported the purpose of the Liaison Committee, as he emphasised the following points:

> It was a process of joint problem solving, the country's in a hell of mess and what we going to do about it. Quite a team spirit developed apart from Mikardo and a few others. So, Jones and Scanlon felt very responsible for a Labour Government and wanted to help it. Jack Jones, I am not sure if he remembers this but one year he designated a year of the beaver – work like hell - I think to pay to the IMF back so probably 1976-77. In a way both Jones and Scanlon ended as absolute stalwarts of the government.

As such, the industrial struggles of 1978-9 and subsequent election defeat of Labour according to Coates (1980: 260), "*should not distract our attention from the remarkable degree of working class industrial restraint that ministers managed to orchestrate prior (to the Winter of Discontent)".* Rather, the 'orchestration', as this chapter evidences, was achieved primarily through the strategic choices of trade union leaders, in particular the largest and most powerful unions to sustain the Social Contract from its inception. These efforts are substantiated by the TGWU in the

1977-78 wages round as the country's largest union did not exceed the 10 per cent target, despite Jack Jones' conference defeat, outside "*one or two justifiable exceptions*" (Jones 1986: 323).

Geoffrey Goodman also stated the coordination delivered through the strategic choices of union leaders despite structural and ideological factors was, *"on a level that you have probably never had before".* The fruits of the Social Contract process are evidenced by TULRA (1974), the Health and Safety at Work Act (1974), Employment Protection Act (1975), Industry Act (1975), the Aircraft and Shipbuilding Industries Act 1977, and, right through to the collapse of the incomes policies (Phase Four) in November 1978. A sense of shared objectives prevailed, as evidenced in the Liaison Committee statements, TUC documents, the wider literature and actors interviewed during the 1970-78 period.

Therefore, the successes of the Liaison Committee process can be considered on two fronts. Firstly, the prevention of the Labour Government falling with its minimal majority at an earlier juncture in the context of economic turmoil, as it was judged to be in the 'interests' of the labour movement. The pay restraint exercised by trade unions and the requisite power resources mobilised to support the process for as long as possible was an essential component in this strategy. Secondly, the legislative outcomes would not have been as favourable without a less formalised process in the form of the Liaison Committee being created because of the strategic choices of trade union leaders. Critically, as stated, the process engaged non and affiliated Labour Party unions through the TUC as the centre.

These observations are substantiated by interviewees despite there also being an acknowledgement of the damaging effects of the industrial strife in the Winter of Discontent following the collapse of Phase Four of the incomes policy. Thomson (1979: 41) echoes Goodman's previous comments, going as far as to suggest the Social Contract in the UK represented, "*probably the high watermark of the exercise of power by any union movement anywhere in the Western World*".

Accordingly, the 'inevitability' of the Social Contract's demise as a process can be critiqued on several fronts. In particular, the concordat was initiated at a period of

severe economic turbulence epitomised by the 1976 IMF loan and associated public expenditure cuts, periodic high inflation and unemployment. The industrial relations environment was exacerbated from the perspective of key trade union leaders by unrealistic wage guidelines, in particular the government's 5 per cent target in 1978. The Labour Government's incomes approach was also backed up by the threat of legislation regarding inflation targets. A contributory factor was the failure to hold an anticipated General Election in the autumn of 1978, which was identified by actors and the literature. Key trade unionists contend that this was the juncture to optimise the chances of a Labour victory in order to contain the brewing industrial unrest. The latter point, however, should not be confused with an assertion that Labour was assured an election victory.

Lord Monks, in an important contribution, supports these previous assertions in a critical appraisal of the Social Contract as he contended that, "*the process worked but so did the outcomes*". However, Monks simultaneously highlighted internal and intra-union dynamics as key contributors to disintegration. As industrial unrest exploded, the significant achievements of the wider Social Contract would be drowned out by the winter of 1978/9. Monks said:

> We were defeated in a way – and I was passionate about the Social Contract – we were defeated by a combination of things. One was inter-union competition; two, was Bert Ramelson and the Communist Party who were very influential who got stronger as the grievances went on. Thirdly, probably by Denis Healey who saw off Callaghan on the 78-9 deal, as he would not give anything over 5 per cent because of wage drift and so on. In retrospect, this was a big mistake. Then you can argue about whether Callaghan's timing of the election was right or wrong.

> But the terrible thing in the 79 Winter of Discontent was that the GMB at that moment had decided that never again, as NUPE was getting so big at their expense, never again would they settle first and be accused of selling out. Supposedly, NUPE General Secretary Alan Fisher who was not particularly Left-wing was ready to sign the deal but was over turned by Rodney Bickerstaffe and a guy called Bernard Dix both were two young officers. This prolonged it by another month, with piles of rubbish, the unburied etc.

> So, it's something we have never lived down, and if David Lea was here he would say

'ah no no, it was very successful we brought inflation down etc etc' but what happened in 1978-9, particularly 1979, swamped the recollections of many in the public mind. It became a disaster. This ended large trade union influence on the government.

The trade union movement would be roundly blamed for the loss of Labour at the 1979 General Election, which provided powerful ideological ammunition for the Conservative Party regarding the dangers allegedly associated with a special interest group 'out of control' (A. Taylor, 1987, Minkin 1992, A. Taylor 1989, Hayter 2005, Pilmott and Cook 1991, R. Taylor 1980, Undy 2002).

The following chapter will evaluate the context to the NMW (1998) and ERA (1999) in light of the substantial economic and political shifts that were to occur in the UK. Trade union economic and political power would be severely curtailed driven by the decollectivist, privatisation and deregulatory approach by successive Conservative Governments post-1979 as a new employment relations model was fashioned.

5   Employment Relations Reform under New Labour: Context, Continuity and Change

5.1   Introduction

The following employment relations evaluation will take two legislative cases that essentially occurred in tandem i.e. NMW (1998) and ERA (1999). It is necessary to provide context to these cases in light of the substantial economic, industrial and political shifts that significantly affected the ability of trade unions to influence the cases under evaluation. The chapter will evaluate the shifts in the strategic choices of trade union leaders and union ideology, which were influenced by the liberal market economic and political reforms of successive Conservative Governments (1979-97).

In this context, the generative mechanisms, which were utilised to advance the employment relations aims of trade unions in the Labour Party including the TUG and the 'Contact Group' will be discussed in tandem with the dilution of mechanisms, principally the Liaison Committee and Labour Party Conference. These shifts reflected the progressive centralisation of power in the Labour leadership and the increasing importance of informal mechanisms in contrast with the Social Contract era.

The chapter will also assess the role of the Trade Union and Labour Party Liaison Organisation's (TULOs) antecedents (i.e. Trade Unions for a Labour Victory (TULV) and Trade Unions for Labour (TUFL)), which co-ordinated trade union electoral support for the Labour Party. It is vital to outline the role of these organisations as part of an embryonic development towards a new generative mechanism (i.e. TULO), which arose from institutional reconfiguration. TULO would subsequently develop a strategising and strategic role for trade union political action while Labour was in government, particularly from 2001 to 2010, at variance with Labour leadership objectives. The reform of TULO was designed to address perceived imbalances of power from a trade union perspective – again in contrast with the Social Contract era.

5.2   Conservative Liberal Market Reforms

The economic and political factors infusing the liberal market economy are widely discussed within the literature review. Neoliberal dynamics operating within this framework necessitate structural reforms and an enabling institutional architecture, particularly in the sphere of employment relations, with a central objective being the weakening of trade union power. As the statistics in Table 1.1 crystallise, there are a set of specific of factors in operation in classic liberal market economies, which have contributed to sharp decreases in trade union density and collective bargaining coverage. The pace of institutional reform in the UK was accelerated by the specific configuration of employment relations and political institutions, which avoided the need for consensus through social-pacts prevalent across the continent of Europe (Frege and Kelly, 2003, Hamann and Kelly 2004, and Boxall, 2008).

Conservative reform, therefore, was made easier in the absence of the type of economic coordinating mechanisms as experienced in NMEs CMEs and EDEs. This was partly a result of the historical ideological dominance in the UK for free collective bargaining within a collective laissez-faire regime. Industry agreements, for example, were not legally binding and trade unions rather than enjoying enshrined legal rights periodically campaigned for the restoration of legal immunities (i.e. reactive). These weaknesses would be brutally exposed by the Conservatives. The political institutional configuration in the UK (i.e. first past the post) also enabled greater opportunities for the state in partnership with employers to deconstruct and reconfigure employment relations frameworks in opposition and to the exclusion of trade unions (McIlroy, 2009; McIlroy and Daniels, 2009; Smith and Morton, 2009).

In a critically important contribution, Undy (2002: 638) stated that 1979 represented an, 'important watershed' moment that would lead to, "*…a radical reappraisal of the relationship between the political and industrial wings of the labour movement"*. The Conservative election victory would mark a Rubicon moment in the UK industrial and political landscape heralding the dramatic weakening of trade unions through structural changes in the economy and the employment relations arena by the time

Labour returned to power in 1997.[141] All of the reasons for industrial decline are outside the parameters of the thesis; however, the reform project initiated by the Conservative Government under the premiership of Margaret Thatcher was directed towards decentralisation, decollectivism, privatisation and the individualisation of employment relations.

Neoliberal dynamics alternatively phrased in a UK context - Thatcherism - immediately initiated measures to curtail trade union power (Wilkinson, 2007). Unemployment would significantly rise and remain higher throughout this period as the Conservatives would abandon the post-war policy consensus of full employment. The yearly unemployment average peaked at 13 per cent under the Conservatives between 1980-1994 compared with the average of 6.2 per cent under the previous Labour Government (1974-9). [142] Instead, the Conservatives sought to reduce unemployment by supply-side policies that would be epitomised by a low-wage, low-skill and flexible economy.

The Conservative Governments pursued an aggressive policy of privatisation in public industries and corporations, which would have significant implications for all trade unions. The first part of a two-pronged strategy resulted in a list of major privatised industries, which included gas, electricity, water, nuclear energy, steel, telecommunications, coal, and railways. [143] The delivery of public services was decentralised to local authorities with an opt-out of local government control of education and health services permitted in conjunction with compulsory tendering. The decentralisation of public services in the 1980's mirrored that of the private sector to the firm level during the 1960's and 1970's, it was epitomised by Pay Review Bodies in the former sphere. Howell (1998: 297) stated that the cumulative effect of the Conservative Governments' exclusionary measures, "*served to create a demonstration effect to employers of the acceptability of doing without trade unions*".

The second central policy agenda was to reduce union power through a series of legislative measures. The start of the process of legislative transformation curtailing

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[141] The Conservative Party won the General Election on 3 May 1979 with 43.9 per cent of the vote and 339 seats in contrast with Labour's 36.9 per cent and 269 seats.
[142] Denman and McDonald (January 1996).
[143] In total, the number of people working in the public sector fell by 2.2 million from 7.45 million in 1979 to 5.23 million in 1995. The vast majority of the decline (1.7 million) resulted from privatisation as the workforce of the nationalised industries and public corporations fell by 83 per cent, from 2.1 million to 0.36 million.

the power of trade unions can be identified in the Employment Act of 1980. The Act contained measures to restrict the closed-shop, limit picketing and reduce dismissal costs for employers. The latter component was viewed as an essential part of empowering employer prerogative and framing employment protection as 'burdens on business', which were argued to act as a 'deterrent' to employment (Rueda 2006: 391). The 1980 Employment Act also removed the burden of proof from employers, and reduced maternity rights regarding reinstatement. The 1980 Act was soon followed by the 1982 Employment Act, which "*moved further in the anti-union direction*" by restricting the definition of lawful union action and introduced further limitations to the closed-shop.[144]

The power of trade unions was further attacked and reduced through the 1984 Trade Union Act and the 1988 Employment Act in particular the post-entry closed-shop was made illegal and the rights of trade unions to discipline members for crossing a picket line during a lawful strike were abolished. The Conservative Government also used the 1989 Employment Act to reduce the administrative costs of dismissals by making it unnecessary for employers to provide a reason for dismissals unless the employee had been continuously employed for two years when it had previously been six months (Rueda 2006: 392). The 1993 Trade Union Reform and Employment Rights Act (TURERA) abolished all remaining wage councils so that the only statutory collective wage fixing bodies remaining in operation in 1994 were the Agricultural Wages Boards of England and Wales, and Scotland. A further remnant of the pre-1979 corporatist approach by both Conservative and Labour governments was removed as the NEDC was formally abolished in 1994.

These legislative moves implemented in tandem with a series of liberalising employment relations reforms would dramatically change the character and form of trade unions, and, the wider economy. The intent of the aforementioned legislation and privatisation policies were partly designed to curtail the influence of trade unions and damage the Labour Party itself as approximately three-quarters of the Party's income came from trade unions in 1984 (Brown 1991: 278).

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[144] Ibid.

5.3   Political Action: New Mechanisms

In the lead-up to the General Election of 1979, an important development by Labour Party affiliated trade unions was the creation of Trade Unions for a Labour Victory (TULV) in 1978. The development was initiated by a number of senior trade union leaders in particular the General Secretary of the GMB, Dave Basnett, the third largest trade union in the country (Golding 2003: 60). [145] The newly created mechanism was partly attributable to a 'bad conscience' over the Winter of Discontent but "*more substantially union leaders were concerned at the growing separation of the unions and the party which could not be remedied by the Liaison Committee*" (A. Taylor, 1987: 124).

TULV co-ordinated union support through the mobilisation of power resources in marginal seats and advanced the case for Labour specifically among trade unionists (Marsh 1992). While the organisational efforts of trade unions to support the Labour Party at elections is not the primary purpose of the thesis, it is, however, essential to outline the trajectory of trade union initiated mechanisms inside the Labour Party's structures designed to attain employment relations outcomes. This is central to the research objectives because TULV's successor has evolved into a coordinating mechanism inclusive of policy-making for affiliated Labour Party trade unions in a liberal market economy (see Appendix A). Lord Whitty, former General Secretary of the Labour Party, said of the creation of TULV, the following:

> The key to this was we got the T&G and G&M close together but also NUPE who would normally be sniping at both of them on the barricades, Alan Fisher who was the greatest orator I think we have had in the trade union movement, who would normally not join. But, there were a lot of antagonisms actually buried by focusing on organisation.

John Spellar, previously National Political Officer for the EETPU, who is identified as a key trade union actor facilitating power being progressively shifted towards the Labour leadership, complements Whitty. Spellar added on the creation of TULV:

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[145] National Union of General and Municipal Workers (NUGMW) from (1924–74) and from 1974–82 the union was called the General and Municipal Workers' Union (GMWU). For the purposes of consistency in this chapter and the remainder of the thesis, the union will be referred to as the GMB (General, Municipal, Boilermakers and Allied Trade Union) which it has been called since 1989 following a merger with the Association of Professional, Executive, Clerical and Computer Staff (APEX).

Trade Unions for a Labour Victory very early on essentially moved into a mechanism for trade union engagement at a General Secretary level because they by definition were on the General Council of the TUC, which was inconsistent with being a member of the NEC under rules in the party. This, therefore, meant engagement with General Secretaries with the party so they could ensure the sort of Labour Party they wanted in broad terms.

A brief constitution was endorsed in September 1980 following the 1979 General Election defeat. Thirty-seven unions affiliated constituting ninety per cent of the affiliated membership. Norman Atkinson, the Labour Party Treasurer, noted at the time the existence of "*an embryonic political institution*".[146] Minkin (1992: 498) also alluded to the potential of TULV performing a counter-weight to the TUC due to its formal role inside the structures of the Labour Party. Minkin's assertion was prescient as it pointed towards the potential of TULV - and its successors - to develop a bureaucratic and policy-making machinery to supplant if not replace the role of the TUC in negotiations with the Labour leadership. In contrast, when TULV's successor TULO reformed post-2001, as the thesis will evaluate in the Warwick Agreement, it would not be premised on 'more right-wing unions' seeking an adjustment in support of the Labour Party in the 1980's. Rather, it would be based on more left-wing unions challenging the party leadership.

The Conservative Government would return to a tried tactic, as illustrated by the Trade Disputes and Trade Unions 1927 Act, as it re-introduced opting-in for the payment of the political levy for union members. This move was designed to suppress the strength of the Labour Party. As Harrison (1960: 36) highlighted by simply reversing the contracting-in process to opt-out through the Trade Disputes and Trade Unions Act 1946, this facilitated the number contributing to political funds to rise by 3,800,000 between 1945 and 1947.

The Conservative Government introduced the Trade Union Act of 1982, which stipulated that unions must ballot their members over maintenance of a closed shop. The Act deemed it unlawful to sack a worker for not being a trade union member in a closed-shop where those arrangements had not been approved in the previous five years by 80 per cent of workers or 85% of workers voting in secret ballots. The

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[146] Norman Atkinson, 'Ends and Means', Labour Weekly, 26/6/81 cited in Minkin (1992: 507), Footnote 23.

legislation also restricted the ability to strike through outlawing political strikes by limiting immunity to trade disputes.

The Trade Union Act 1984 followed which required all trade unions with political funds to ballot their members on whether they wished to maintain the fund and all trade unions to hold a secret ballot before calling a strike. The 1984 Act also required trade unions to ensure that all voting members of union executive committees to be directly elected by secret ballots at least once every five years. The continuance of trade union political funds required approval on ten-yearly basis through ballots. Moreover, the definition of 'political objects' with a new clause which required a political fund for unions to campaign for or against a political party or candidate (Minkin, 1992: 563).

Public sector unions, in particular, believed that their ability to campaign against government policy, which was also de facto a party-political policy, could be constrained without a political fund. Marsh (1992: 154-5) identifies that trade union leaders in response to the legislation met in November 1983 to discuss how the political fund ballot campaigns might be conducted. Trade union leaders were attributed to be unsure as to the level of sympathy towards political funds and the Labour Party as a result of the growing union-party detachment.[147] Consequently, trade unions responded to the emerging structural economic and legislative attacks through the creation of another new mechanism. Grant and Lockwood (1999: 79) asserted the following:

> Such was the importance attached to the outcome of the ballots that, rather than leaving it to individual unions to run their campaigns separately, unions organised a centrally coordinated campaign that was administered by a small team of experts. The campaign was overseen by the Trade Union Coordinating Committee (TUCC) and represented an unprecedented level of coordination within the trade union movement.

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[147] This is illustrated by Labour's support among manual trade unionists falling by a substantial 25 per cent between 1964 and 1987, while it fell by 7 per cent among manual non-unionists (Marsh 1992: 145).

The TUCC was established in October 1984 following a meeting between the Labour Party NEC and trade union leaders. The TUCC's strategy would be one based, "*upon playing down the Labour link but emphasising that unions need to take political action to defend their members' interests*" (Marsh 1992: 155). This is supported by a notice sent to the TUG of MPs on 12 December 1984 accessed by the author which states that forty-three trade unions were affiliated to the TUCC and the political fund campaign was, "*first and foremost a Trades Union campaign*".[148]

Thirty-seven TUC affiliated unions were balloted between May 1985 and March 1986 with only TSSA and ACTT failing to achieve a 'yes' vote of over 70 per cent. Twenty-one unions produced 'yes' votes of over 80 per cent and six managed a 'yes' vote of over 90 per cent. The average 'yes' vote was 84 per cent with a range of 59-93 per cent (Minkin, 1992; Leopold, 1997; R. Taylor, 1987). The political fund results indicated substantial support, "*for the continuation of trade union political funds with turnout varying markedly between postal and workplace ballots*" (Leopold, 1997: 25).[149] As Brown (1991: 278) also states, "*contrary to all predictions*", the first round of ballots revealed a high level of support for trade union political funds with fifty-three unions who had balloted voting yes.[150]

As a result of the collaborative meetings between TUCC and TULV, Trade Unions for Labour (TUFL) was formed in February 1986. TUFL would perform no role in policy-making with its explicit aim to improve the links between unions and the Labour Party in order to help achieve a General Election victory (Basset 1991: 313). The overwhelming success of the political fund ballots had halted the Conservative Government's strategy. However, R. Taylor (1987: 428) stressed that the success was attributable to the trade union movement campaigning on the specific basis of whether trade unions should possess a general political fund or not. This was a different question from a specific affirmation of links between trade unions and the Labour Party.

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[148] Trade Union Coordinating Committee letter by Bill Keys, SOGAT, Chairman, 12 December 1984.

[149] In 1985/86, the average turnout for workplace ballots was 69 per cent but for postal ballots, it was 39 per cent (Leopold 1986 cited in Leopold, 1997: 29).

[150] A further seventeen trade unions held political fund ballots for the first time and secured substantial majorities in favour (Grant and Lockwood 1999, Leopold, 1997). In only one instance - the First Division Association – a union of civil servants voted against. Approximately 80 per cent of union members were in unions with approved political funds by the end of the 1980's.

5.4   Ideological Disunity, Space and Convergence: Opposition Years

It is obvious but important to state the primary function of the research is to address the research objectives.   Therefore, the Left-Right political factionalism inside the Labour Party during the 1980's and 1990's is beyond the remit of the thesis. There are a number of notable important contributions to the literature on this facet such as Minkin (1992), Golding (2003) Hayter (2005), A. Taylor (1987) and Undy (2002). However, it is important to outline the contours of this turbulent period in order to illuminate the reasons for the diminishing degrees of institutional leverage trade unions would possess by the time Labour came to power in 1997 inside the party's structures.

In the aftermath of 1979, Labour MPs elected Michael Foot leader in November 1980 following James Callaghan's resignation, which acted as a catalyst for the factionalism inside the Labour Party.[151] The policies formally endorsed by the Liaison Committee, encompassed within '*Labour's Programme 1982*', informed '*The New Hope for Britain*' manifesto in 1983. The manifesto was infamously given the epitaph as the 'longest suicide note in history'.[152] Neil Kinnock replaced Michael Foot in the aftermath of Labour's defeat in the first use of the new Electoral College to choose the party leader where the unions would wield 40 per cent of the votes.[153] During this period the NEC would become a key battleground for controlling institutional power in the Labour Party as Kinnock's leadership accelerated a process of expelling left-wing Militant members within CLPs in 1984/5 as symbolic of the internal factionalism (Hayter 2005: 31).

In this context, a parallel process of policy space was initiated by the TUC due to the growing ideological splits inside the Labour Party (Minkin 1992: 134). The shift was also partly a response to the Conservative's public expenditure cuts and attempts by the TUC to open a dialogue with the government. A. Taylor (1989: 52-3) reinforces

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[151] Three of Labour's most prominent figures - former government ministers David Owen, William Rogers and Shirley Williams – stated they could not remain in a party that championed Mr Foot's left-wing policies leading to a split known as the 'Gang of Four' which also included Roy Jenkins. The Gang of Four announced the new Social Democratic Party in 1981, after outlining their policies in what became known as the Limehouse Declaration on 25 January 1981.

[152] The manifesto called for unilateral nuclear disarmament, withdrawal from the European Economic Community, abolition of the House of Lords, and return to public ownership of recently privatised industries including British Telecom and British Aerospace.

[153] The Conservatives won 397 seats (65 additional seats from 1979) on 42.4 per cent of the vote with Labour losing 60 seats to a total of 209 on 27.6 per cent of the vote. In 1979, Labour had 36.9 per cent of the General Election vote. The Social Democratic Party gained 25.4 per cent of the vote.

these points identifying that the TUC had "*periodically asserted its independence*" because many trade unions and their memberships were not Labour Party affiliates, hence the TUC had to "*attempt to influence all governments*".[154]

Therefore, in the liberal market terrain of post-1979, a new trade union strategy emerged that shifted the focus onto legal rights for individual workers mirroring the decentralisation of employment relations. The reappraisal would be reflected in policy-making as the TUC refocused its strategy towards a new framework of statutory employment rights. Howell (2005: 117) characterises this political reorientation as trade unions being prepared to concede to the "*greater juridification of labour law*". The strategic change was also informed by the fluctuating balance of power inside the trade union movement itself away from the industrial craft and general unions who traditionally supported free collective bargaining (Howell, 1998: 306).

Table 3.1   Largest TUC Affiliated Unions 1983 – 1987

TUC Affiliated Unions	1983		1987
TGWU	1,632,952	TGWU	1,377,944
AEU	1,001,000	AEU	857,559
GMB	940,312	GMB	814,084
NALGO	784,297	NALGO	750,430
NUPE	702,152	NUPE	657,633[155]
USDAW	417,241	USDAW	381,984
Top 6 % of Total	52.1%		52.4%
Total Unions	102		87
Total Membership	**10,510,157**[156]		**9,243,297** [157]

The statistics above illuminate part of the basis for the ideological shifts, which arose from the growing representation of non-Labour Party affiliated unions, the

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[154] The extent of TUC distancing would be illustrated by Lord Monks' address to the TUG on 13 April 1994 as the notes of the meeting confirm the following: "*He (John Monks) made the point that the TUC was now looking outwards towards other political parties apart from the Labour Party albeit aware that this was attracting some predictable criticism*".
[155] NUPE in 1987 of 657,633 a 438,422 were female members (i.e. 67 per cent).
[156] Membership Statistics as reported in TUC Annual Report of 1983.
[157] Membership Statistics as reported in TUC Annual Report of 1987.

feminisation of the labour market and growth of public sector unions. For example, the non-Labour Party affiliated NALGO was the fourth largest union in the country with 750,430 members in 1987. [158] A correlated structural factor to strategic reorientation was the growing incidence of trade union mergers in the liberal market terrain. The number of affiliated TUC unions was 87 in 1987 in contrast with 193 in 1923, 186 in 1950, 160 in 1968, and 112 in 1979. As highlighted in the literature review, structural reorganisation has been central to shifts in the strategic choices of union leaders in the UK. The merger process reflected an endeavour to exercise greater political and industrial leverage during a period of intense economic transformation.[159]

5.5   Progressive Centralisation

The 1986 policy document, '*People at Work'*, prior to the 1987 election defeat highlighted that the Labour Party was still officially committed to "*repeal the legislation enacted since 1979*" (Labour Party, 1986: 45). However, several key industrial issues emerged in the late 1980's of importance to the objectives of the thesis. This principally coalesced around the Labour leadership's agreement to retain elements of the Conservative's employment relations legislation while endorsing a statutory minimum wage despite initial opposition from two of the four largest affiliates - the TGWU and AEU (Minkin, 1992).   The latter trade unions had historically opposed the regulation of market affairs by the state based on inherited path-dependencies and an ideological belief in a free collective bargaining.

The reappraisal by the Labour leadership was emboldened by the dramatic drop in the TUC affiliated membership from 12,128,078 members (1979) to 9,243,297 (1987) members in the space of eight years: a loss of nearly 3 million members.[160] However, Undy (2002: 638) states both Kinnock and John Smith, who succeeded the former as Labour Leader, would in fact be 'reliant' upon trade union support to implement reform on policy items such as defence, Europe and employment

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[158] Due to the growing role of the white-collar and public sector unions the TUC in 1982 reformed to reflect these economic structural changes so that automatic representation to the TUC General Council was secured for unions with 100,000 or more members leading to greater representation for white collar and public sector unions.

[159] This is illustrated by the creation of UNISON in 1993 resulted from COHSE (201,993 members), NALGO (759,735 members) and NUPE (551,165 members), which created Britain's largest union with an initial total membership of 1,512,893.

[160] Membership Statistics as reported in TUC Annual Report of 1979 and Membership Statistics as reported in TUC Annual Report of 1987.

relations. McIlroy (1998: 552) adds the following in a powerful contribution noting the impact of economic and political structural changes, which induced trade union support for internal Labour Party reform: *"Desperate in the face of decline, union leaders perceived a Labour Government as necessary, if insufficient, for union recovery. To deal with their predicament, they moved in the same direction as Labour – though difference remained. Accommodation to reform was selected as the best response to a hostile environment"*.

The 1987 Labour Party Conference accordingly approved a new process following the election defeat strengthening the centralisation of policy-making in the Labour leadership's hands. Marsh (1992: 158) emphasises that the 'impetus' behind the creation of the Policy Review came from within the trade union movement. Tom Sawyer, Deputy General Secretary of NUPE, presented in September 1987 a paper to the Home Policy Committee of the NEC titled, '*An Approach to Policy Making'*. The paper provided the foundations for the Policy Review Process (PRP) and its impact would be profound as encapsulated in the following contribution by Bodah, Ludlam and Coates (2003: 55-6), "*The 1987 defeat also led to the Policy Review, which laid the theoretical framework for the birth of New Labour in the early 1990's*". The new approach involved the Shadow Cabinet and PLP as partners with the NEC of the Labour Party.[161] John Edmonds, former General Secretary of the GMB, added the process was an essential shift away from annual Labour Party Conference:

> The Policy Review group process and with the economic issues being led by John Smith and Gordon Brown I thought was extraordinarily important. Before that we had Phillip Gould. The forming of Economic Policy, therefore, I thought was of great importance because this idea where you put policy together a few weeks before an election, writing a manifesto and going out to campaign on it is a very stupid way of doing things.

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[161] There were seven Policy Review Groups entitled 'A Productive and Competitive Economy'; 'People at Work'; 'Economic Equality'; 'Consumers and the Community'; 'Britain in the World'; and 'Physical and Social Environment'. The 'People at Work' group dealt with industrial relations. Each group had seven to ten members chaired jointly by a member of the Shadow Cabinet and representative from the NEC. (Marsh 1992: 159)

In the publication of the PRP report in 1989 titled, '*Meet the Challenge – Make the Change*', followed by '*Looking to the Future*' in 1990, the Labour Party critically committed to retaining the Conservatives pre-strike ballots, ballots for the election of union leaderships, and, ruled out the restoration of the closed-shop. However, a set of 'positive rights' were formally advanced which included a legal right to recognition through a new Industrial Court if sufficient support existed for recognition in the workplace. This would be an important signal for the future trajectory of the Labour Government's approach to employment relations.[162]

By 1991, four PRP reports were agreed forming the basis of the 1992 General Election manifesto. According to Hayter (2005: 192), the new process had, "*completely repositioned the party's stance on the market and working with industry, high taxation and uncontrolled public expenditure, trade union responsibilities and – vitally – defence*". The policy shifts were illustrative of the ideological break by the Labour leadership with the collective laissez-faireism of pre-1979 (Marsh, 1992; Bodah, Ludlam and Coates, 2003; Howell, 1998). In an era of greater union-party detachment, informal processes were pivotal to this ideological reorientation as they progressively replaced the influence of hitherto historically important mechanisms such as the Liaison Committee, NEC, Labour Party Conference and TUG as the next section will evaluate.[163]

5.6   Formal to Informal Processes

At the juncture of when Neil Kinnock took over the Leadership in 1983, Basset (1991: 315) asserts that "*most of the principal mechanisms of the party*", in particular the NEC, were opposed to the leadership line. However, by the end of the 1980's this process was reversed whereby, "*…most issues – even the most contentious ones – were rolling through the executive with only two votes (Dennis Skinner and Tony Benn) consistently against the leadership…Much of the leverage for that*

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[162] Moreover, in relation to the contentious area of picketing in industrial disputes it was agreed that there would be a right to picket but only 'peacefully, in limited numbers, in accordance with a statutory code of practice (Marsh, 1992: 160).
[163] For example, the TUG according to recorded minutes accessed by the author highlights periods of inactivity such as the note on 7/8 February 1990 which stated: "*The Parliamentary Labour Party Trade Union Group, which comprises all sponsored Labour MP's, has been re-established following a period of inactivity*".

change came through the trade union votes on the NEC; the core of Kinnock's loyalists lay there".[164]

Minkin (1992: 142) asserted ideological reorientation generated a close informal working relationship between the General Secretaries of the largest trade unions and the Labour leadership. Trade union leadership changes at two of the four largest trade unions in the country aided the process as John Edmonds replaced Dave Basnett at the GMB in 1986, and Ron Todd replaced Moss Evans at the TGWU (R. Taylor, 1987: 427-8). The new strategy would involve key trade union leaders choosing to increase their involvement in the Labour Party's political activities during a period of increasing factionalism. Concomitant with this point, TUFL for the Labour Leader Neil Kinnock was described as a, *"protective Praetorian Guard in struggles with the hard Left*".[165] Consequently, the Liaison Committee and other historically important mechanisms such as the NEC and Labour Party Conference post-1987 would perform a receding role as power became increasingly centralised in the hands of successive Labour leaders.

Lord Whitty in interview contributes towards the reasoning behind the demise of the Liaison Committee following his appointment by the NEC as Labour Party General Secretary in 1985. In doing so, Whitty draws attention to the policy space initiated by the internal Labour Party ideological divisions as being a central reason:

> By this time, the Liaison Committee had almost dropped out of sight. The TUC stopped being enthusiastic about it largely because at the time the party was taking very left positions and the TUC didn't want to take them. The TUC were part of the body politic not the revolutionary Left. So, that focus for policymaking had almost gone by 1987, it was in existence strictly speaking but it very rarely met and did so only for a couple of years thereafter.

Minkin (1992: 142) also highlights the shift from formal to informal processes by identifying that the Liaison Committee meetings were replaced in emphasis with 'regular private meetings' of leading members of the Shadow Cabinet, the Labour

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[164] Ibid.
[165] Ibid.

Party and representatives from the TUC General Council and senior officials. The more informal arrangements were renamed the 'Contact Group' and were in operation when the Liaison Committee reports ceased to feature in the TUC Annual Reports (1989). Lord Monks reemphasised that the Contact Group process was established in an era where institutions and mechanisms of the Labour Party were undermining the Labour leaderships' policy preferences; hence, an alternative vehicle was created informally to nurture common ground.

> Let me just say the Contact Group was a device that was set up to get rid of the NEC when the NEC was not under Kinnock's control. The second thing was that there was a feeling that the process – and everyone remembered the Winter of Discontent and the thing had failed. No Labour Government, no Labour person once Kinnock got a bit of confidence was going to let the TUC be seen running the government or even be accused of that as that was castrating the leader of the Labour Party.

The Contact Group discussions became more 'organised' with both sides now regarding it as a more 'business-like arrangement' where understandings, discussions and accommodations could be arrived at which would be transmitted into the PRP (Minkin, 1992: 469).[166] Lord Morris, former General Secretary of the TGWU, reinforced the more informal nature of the Contact Group in the following contribution. In doing so, Morris illustrates the transition in processes:

> The Contact Group was never a regular event like every second Wednesday it was informal when I decided to ask for a discussion when we had big issues such as the minimum wage for example….Every political issues of great importance, I think the title defines, it was Contact, nothing was ever cast in stone, it didn't make policy, and it was always a two-way flow of opinions and ideas. What was the trade union thinking on a particular issue, and it was helpful to know what the Leader or Prime Minister was thinking on a particular issue?

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[166] A manifestation of these discussions was the assistance in developing 'common agreement' on public ownership whereby in successive TUC and Labour Party Conferences (1987, 1988 and 1989) it was affirmed that a future Labour Government would not be committed to renationalisation - Minkin (1992: 469).

Specifically, with respect to the differences between the Liaison Committee and the Contact Group, John Edmonds illuminates the rationale behind the shift contributing the following remarks:

> I thought it was very much from a different perspective in my view and from a different parentage. The Liaison Committee was very much of its time, much more formal, much more tied to particular mechanistic ways in reaching a decision. The Contact Group was much more informal and productive; it focused less on communiqué and much more on an element of trust. It was a different sort of animal.

Additionally, Lord Sawyer highlighted the importance of informal processes and personal relationships during the post-1987 reform period between trade unions, and in turn with the Labour leadership. Sawyer said:

> I don't know what it's like today but that's where the business was really done when I was around. The reason being if it's not done there it's done in front of the Tories and the press and our enemies. So, the best way to do it is informally.

As Alderman and Carter (1994: 328) emphasise, it was support and the accommodation from the 'sectional interests' of trade unions in support of the internal party reform programme, which ensured it was brought to fruition. This complements the interview extracts from actors and areas of the literature such as Undy (2002), Gennard and Hayward (2008) and Minkin (1992). Specifically, in relation to the closed-shop, which was a critical aspect of employment relations reform, Lord Monks in interview emphasises the increasing importance of informal processes for the purposes of facilitating formal policy change. The support for reform by some of the largest unions drew them into conflict with sister trade unions, Monks states:

> When Blair had become the Employment spokesperson, he was giving some pro-social Europe speech and this was in the years just after Jacques Delors had been to the TUC.

In 1988, the TUC was pro-Europe; the Labour Party shifted its position in 1989. Blair was saying we need the same social rights as European workers and Michael Howard who was then his counter-part said 'hold on wait a minute, the European Social Chapter says everyone has got the right to be or not to be a union member. How do you square that with your commitment to reintroduce the closed-shop which had been abolished'?

Blair flannelled and the Tories called a debate on the whole issue of the closed-shop in ten days' time to really skewer Blair. Now what he did was he went round, two or three times, key union leaders and I steered him round who he needed to talk to…after that he said we are not going to restore the closed-shop we are going to go for the Social European agenda.

With the exception of the GPMU [Graphical, Paper and Media Union], which was then the NGA, he got the support of Bill Morris, John Edmonds and so on – and it was all done informally…Now none of that was done with the Contact Group, it was all done informally with the encouragement of Kinnock and Charles Clarke, who was a very important fellow at the time, and when it became clear that a choice had to be made between the social Europe agenda and the closed-shop I remember Bill Morris saying quizzically 'how many black people got in through the closed-shop in the print industry? Or the docks?'

Former General Secretary of the NGA union, Tony Dubbins, also highlighted the differences in approach by trade unions from his institutional vantage point, as he recounted the same episode:

We had the involvement of a number of academics including John Gennard and Paul O'Higgins. This was after Blair had made the announcement, without consulting us, who had more members working under a closed-shop than the rest of the movement put together at that time, mostly a pre-entry closed-shop. We got Blair up to see us the day after he made the announcement and we had quite an exchange.

We went to see Kinnock afterwards with those industrial relations professors and they were saying there was nothing contradictory about the imposition of restoring the closed-shop and at the same time introducing the Social Chapter. They weren't contradictory. But of course, the damage was already done by the approaches Blair had already made to a number of trade union general secretaries.

The above contributions illustrate the collective action and coordination problems in the labour movement due to the influence of factors principally union ideology informed by industrial composition and the strategic choices of union leaders, which were framed through the lens of the economic and political transformation of the Conservative era. Hence, the closed-shop episode highlights that the power of trade unions within the Labour Party was 'progressively diminished' to the extent that it was the Labour leadership, not the trade unions, who would now, "*determine the party's industrial relations policy*" (Ludlam and Taylor 2003: 729).

After the 1992 election defeat, John Smith and Margaret Beckett were elected respectively to the positions of Leader and Deputy, following the resignations of Neil Kinnock and Roy Hattersley.[167] John Smith further modified the internal voting procedures by introducing the principle of 'One Member One Vote' redirecting more institutional power away from trade unions for future leadership contests at the 1990 Labour Party Conference.[168] The continuation of internal reform would ultimately result in the union vote at the Labour Conference being reduced to 50 per cent in 1995, the level at which it remains (Bodah, Ludlam and Coates, 2003; Freeden, 1999). John Edmonds, former General Secretary of the GMB, alluded to the significant procedural and relational changes, which arose during the transitions of leaders following the death of John Smith.[169] Edmonds noted:

[167] Labour lost the 1992, which it was predicted to win by many commentators, by 34.4 per cent (271 seats) to 41.9 per cent (336 seats). The Liberals gained 17.8 per cent of the vote and 20 seats.

[168] Trade unions and CLPs were also required to ballot members individually with results being allocated proportionately in leadership elections. The weighting of votes in the Electoral College was changed to give each section (PLP, CLP and trade unions) a third of the share of votes. Moreover, the role of trade unions was reduced (and socialist societies) to 70 per cent of the vote (from 90 per cent) and the CLPs 30 per cent following the 1992 General Election (i.e. 1993). Trade unions and CLPs were also required to ballot members individually with results being allocated proportionately in leadership elections. The weighting of votes in the Electoral College was changed to give each section (PLP, CLP and trade unions) a third of the share of votes.

[169] Tony Blair was elected following the death of John Smith who led the Labour Party between 18 July 1992 to 12 May 1994. Source: House of Commons Library. Leadership Elections: Labour Party, (October 6, 2010) by Kelly, Lester and Durkin.

July 21, 1994.				
Candidate	CLP	PLP	TU	Total
Tony Blair	60.5	58.2	52.3	57
John Prescott	19.6	24.4	28.4	24.1
Margaret Beckett	19.9	17.4	19.3	18.9

Of course, with John Smith we managed to get an agreement on a schedule of legal changes, which he was committed to – he was a God-awful difficult person to convince of anything – but the great thing was if you managed it, he stuck there.

He put us through hoops on union recognition even on the minimum wage although he was much softer on his support for that in the sense of it was much easier to convince him on this. On those specific issues, that was the centrepiece for the discussions in the Contact Group.

Lord Monks also draws attention to the shifts in the informal processes, which arose when Blair became party leader, he said:

Smith was a bit different, I think Smith was a bit more – I think in a way he believed in the Liaison Committee type of joint approach. He was confident enough not to be told the unions were running the country…The coup de grace was the election of Tony Blair. His approach – I'm running it, I'm saying what's happening.

The interview extracts above support Basset's (1991: 309) assertion, in relation to 'informal contact', that personal relationships built up between key figures in the trade unions and the Labour Party are: *"…traditionally, though privately, the most effective method by which either side brings its demands and wishes to bear on the other".* However, the contributions from actors draw particular attention to the role of personal relationships as being integral to the success of a political exchange process, particularly in informal settings.

The personal relationship dynamic would undergo significant shifts during Tony Blair's leadership, which diluted the inclusive role of informal processes under the Kinnock and Smith tenures. The shift in the Blair era would signal the progressive marginalisation of trade union leaders in conjunction with the absence of powerful formal mechanisms that could effectively constrain the leadership of the Labour Party in opposition - and crucially in government.

The internal party reforms in tandem with New Labour's gradual acceptance of the general thrust of the Conservative's employment relations reforms significantly reduced trade union leverage in the Labour Party and the wider macro-economy (Bodah, Ludlam and Coates, 2003; Freeden, M, 1999). As such, trade unions in a liberal market environment increasingly emphasised the need for retaining political funds in order to launch campaigns irrespective of the political party at the helm of government because expecting the Labour Party to reverse Tory anti-union laws was no longer 'viable or credible' (Leopold, 1997: 34).

5.7   1993/7 Political Ballots

The TUCC was re-established in 1992 in preparation for the second round of political fund ballots and in tandem with the Trade Union and Labour Relations (Consolidation) Act 1992.[170] Further changes to the 1988 Employment Act, as amended by the Trade Union Reform and Employment Rights Act 1993, also stipulated that postal ballots would now determine the continuation or introduction of political funds. This was in contrast with the political funds ballots in 1985/6 whereby trade unions were given the option to choose between postal or workplace ballots. New elements in legislation also required the conduct of the ballot and operation of the fund to be approved by the Certification Officer for Trade Unions and Employers' Associations, in addition to the decadal ballots on the maintenance of funds.[171]

Leopold (1997: 37) emphasises that the Labour Party would again perform no role in the TUCC campaign with the content of union campaign material focusing on the need for trade union campaigning on political issues and the need to influence politicians of every political persuasion. The average number of votes in favour of retaining political funds remained relatively static over the two periods: for the 1985/6 ballots it stood at 78 per cent and in the 1993/7 ballots it was 82 per cent.[172] As a

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[170] In 1984, the definition of political activity covered by the legislation was extended to include: "*the production, publication or distribution of any literature, document, film, sound recording or advertisement the main purpose of which is to persuade people to vote for a political party or candidate or to persuade them not to vote for a party or candidate*" [Trade Union and Labour Relations (Consolidation) Act 1992 (section 72(1) (f))]. In the 1987 general election period, NALGO ran a 'Make People Matter' campaign, which was judged to be in breach of the 1984 Act because the material urged members to vote against the Conservatives even if it did not state vote Labour.

[171] The 1993 Act covers independent scrutineers and counting officers. To assist unions with the complexity of the law in this area, the Certification Officer produced a set of model rules.

[172] Leopold (1997: 28-29) presents slightly different statistics based on a more representative weighted average of all votes but it doesn't change the fundamental dynamics which is that 80 per cent of members voted 'yes' in 1994/6 compared with 82 per cent in 1985/6. Turnout was at 38 per cent in 1994/6 which was lower than the 'adjusted 1986' average of 63 per cent for these

result of the successful campaigns in the first and second rounds of the political fund ballot, trade unions affiliated to the Labour Party were able to continue exercising political action inside the structures of the Labour Party.

As such, Grant and Lockwood (1999: 77-8) reaffirmed that political funds were vital to trade unions: "*Without them, unions could not finance any of their political activities or campaigns. More specifically they would not be able to affiliate or donate to political organisations*". However, in conjunction with the successive reductions in the trade union block vote at Labour Party Conference, there was a concomitant effort to decrease the Labour Party's economic reliance on the trade unions. Rueda (2006: 393) highlighted that the union share of Labour Party financing decreased from the ninety per cent averaged in the early 1980's to around fifty per cent at junctures under Blair's leadership.

In a further development during the political fund ballots (1994/6), another new mechanism arose as TUFL was reconfigured into the National Trade Union and Labour Party Committee (TULO) in 1994.[173] TULO was perceived as a necessary development in light of the formalised structures and informal processes receding in influence under successive Labour leaders. However, the parameters of the mechanism were emphatically articulated, "*the committee will not have a formal role in the party's decision-making procedures'* (Labour Party 1994: 1)".[174] TULO's creation also illuminated the progressive focus of Labour Party affiliated unions through internal Party mechanisms thus illustrating the emergent sidelining of the TUC and associated mechanisms. Lord Morris on this facet stated the following:

> The fact that we then had to establish TULO is a manifestation that the Liaison Committee was no longer judged on results or delivering because if it were then we would have stuck with it. So, there are different constraints. One, was Labour Party affiliates, the other was all TUC affiliates. That's the dilemma and I don't have an answer as to how you bridge that gap because all things are political.

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unions. The author attributes this to the change in the law permitting only postal ballots in the second round whereas in 1985/6 unions could choose either postal or workplace ballots.
[173] It consisted of the General Secretaries of all the affiliates, the Leader and Deputy Leader, the NEC Chair, the Treasurer and the chairs of all NEC committees.
[174] Labour Party (1994: 1). NEC Report Supplementary report. The Union-Labour Party Link. London: Labour Party cited in McIlroy (1998: 546).

> I think also it's making a statement on the effectiveness of the TUC itself because if the TUC was meeting the aspirations of the affiliates robustly whether it was on the critical questions of public expenditure, taxation, job migration or outsourcing then the public service unions would have been happy and the non-public service unions also would have been.

Former Prime Minister, Gordon Brown, echoes the progressive focus on internal party mechanisms by trade unions as he cites the divergent interests of the TUC due to its membership not having the interests of the Labour Party as a constitutional objective. He said:

> Well, you have got to remember that there are two channels; one is the direct affiliation of certain trade unions to the Labour Party so we have TULO for this relationship as these unions are officially affiliated and this is the mechanism for representing these interests as well as the National Executive Committee and the National Policy Forum.

> The TUC is not officially linked to the Labour Party and it does represent a number of unions who are not affiliated. Indeed, the TUC can represent unions that are hostile to the Labour Party in some cases. Therefore, the relationship will not be exactly the same so you have to have a mechanism whereby the unions that are represented under the TUC if you like and the Labour Party as a government can meet.

5.8   New Policy-Making Processes

'Labour into Power: A Framework for Partnership' (1997) transferred further policy-making power away from trade unions through the creation of the NPF. The process initially produced an outcome that gave the affiliated trade unions 17 per cent of the voting power (i.e. 30 seats of 175 in 1992 then reduced to 30 seats out of 186 in 2014 or 16 per cent) (Kelly, 2001; Ludlam and Taylor, 2003; Laffin and Shaw, 2007; Wickham-Jones, 2014).

Tony Blair (2010: 102) stated that the '*Party into Power'* document was designed to centralise power away from trade unions into his office. Indicative of the Blair approach, the Labour leader perceived constitutional mechanisms such as the NEC and Labour Party Conference as the "*equivalent of the government's moral*

inquisitor, trying to keep it straight and narrow". The former Prime Minister was contemptuous of internal party processes writing in his autobiography the following:

> …the Party Conference became the focal point for dissension and a battleground for resolutions that usually asked the government to something electorally suicidal. The 'Party into Power' document effectively altered the rules so as to ensure that the routine resolutions didn't happen just by tabling a motion, but instead grew out of a managed process that required long debate and discussion in policy groups, and the NEC powers were sharply curtailed. We had to get the unions on board for the changes, and it was here that Tom Sawyer was invaluable as a former trade unionist.

McIlroy (1998: 545-6) commented that '*Partnership in Power*' was targeted at "…*enhancing leadership control, diluting the authority of the executive and the union's voice on it, diminishing Conference as a decision-making forum and weakening the impact of trade unionists on policy*".[175] Rodney Bickerstaffe, former General Secretary of UNISON, also offered the following perspective on the new policy-making process illuminating his concerns about the procedural management by the Labour leadership: "*Well I was never happy with the process, Robin Cook who I liked very much did Chair it for quite a bit, I never ever went to a meeting. I didn't think it was a good idea and I thought we would be corralled*". John Edmonds added the following remarks, which highlight his attempts to exert greater control from a GMB perspective, on the aforementioned NEC in response to the progressive centralisation of power in the Labour leadership:

> We, the GMB, exercised what some I am sure would say is a Stalinist approach. The two representatives during my period always reported to each Executive Council of the union and they were cross-questioned on what happened and at every stage they were required to vote for union policy. Other unions did not have anything like that and they regarded it as legitimate for the person who sat on the Labour Party NEC to take a different position. We didn't do anything like that.

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[175] A Joint Policy Committee (JPC) was established with representatives of the Shadow Cabinet and the NEC, to be chaired by the Party Leader. The JPC was a new executive body overseeing a new process of party policy-making. Policy would be created through a two-year rolling programme with the areas of policy to be addressed by the party as determined by the JPC. The JPC would also decide the policy areas and thereafter would consult with the National Policy Forum. The NPF would then establish policy commissions to assess the specified policy areas. CLPs, trade unions and members were entitled to make submissions, proposals and amendments to the policy commissions who in turn would produce reports on the policies under review. The process would then entitle the JPC to discuss these reports with the Policy Forum and to be debated by Labour Party Conference. In the second year, amendments would be considered by the JPC and the Forum. The JPC and the NEC would then publish final reports however voting at conference would be restricted to three policy motions.

Lord Sawyer, as General Secretary of the Labour Party at this juncture, complements Edmonds' remarks by identifying the attempts by various union leaderships to exert greater degrees of control in response to the centralisation of power under Tony Blair. Sawyer said:

> Also, the General Secretaries of the unions during the Blair regime they had to pull as much power back into the centre as they could because Blair was riding roughshod over things. So, they couldn't really afford to delegate power to the NEC and they had to pull it back to themselves. In the end, it is all about power really. Now they exercise that power more directly and don't allow the NEC to do the things it used to in the past.

The previous contributions from actors intimately involved in the transition of processes and Labour leaders all emphasise that the internal mechanisms of the party were under the control of the Labour leadership. Interestingly, the contributions also highlight the emergent strategy by trade union leaders to regain institutional leverage. However, the opportunities to exert trade union influence on the key institutional mechanisms in order to constrain the Labour leaderships' desires were significantly constrained during Blair's leadership.

The shift in power was further entrenched as the Labour Party in the summer of 1996 ended direct trade union sponsorship of individual MPs by replacing it with the funding of CLPs. The move was designed to prevent curbs on sponsored MPs initiating any parliamentary activity linked to their trade unions as required by the Nolan Committee. [176] Consequently, the cumulative effect of these institutional internal reforms in conjunction with liberal market reforms enacted by successive Conservative Governments confirmed that in a historical context there was now an "*unprecedented degree of freedom*" for Labour leaders and the (Shadow) Cabinet (Quinn, 2004: 346).

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[176] In December 1983 there were 95 union sponsored MPs (45 per cent) and in 1992 a record 152 (56 per cent) (Alderman and Carter (1994: 336).

5.9   Agency and Diminishing Trust

An important dynamic that comes across strongly in numerous transcripts, implicitly if not explicitly implied by actors, is the importance of personal relationships particularly in informal spaces. This is a critical sub-component of the strategic choices of union leaders as a factor of influence. The dynamic has been shaped by political and economic institutional factors, and, the strategies of employers, political parties or the state. In an era of greater centralisation in the Labour leadership in sync with the dilution of formal internal party mechanisms, informal processes become progressively more important as certain institutional routes are closed-off. Lord Monks emphasises the aforementioned shifts in personal relationships under different Labour Party leaderships by illustrating the modus operandi of Tony Blair, he said:

> He said 'Look I will always talk to you but you aren't getting any co-decision making and don't get any ideas. My door is always open' and so and so on. It still continued right up until the 1997 election. David Lea pressing for meetings, 'we have got to have a joint approach and we will fall apart if we don't' etc etc. John Edmonds too but John Edmonds looking to deal on a party basis as well which could bring Blair and Brown to account. He was having a major row with Brown in particular over economic policy since the early 1990's, a bit less so with Blair.
>
> Once Smith had his heart attack and Brown took over and then became Shadow Chancellor, the relationship – talking about prudence and other things – relations all round were pretty bad. I mean I had good relations with nearly everyone in this game and I became a bit of a hub for contacts, relationships and sorting out and so on. It staggered on until 97 with meetings and the Contact Group.

Sir Brendan Barber, Deputy General Secretary of the TUC during the period of 1993-2003, also identified the greater union-party detachment strategy pursued by Blair and its knock-on consequentials:

So, he [Blair] wanted to create that distance in way that John Smith, you know, John Smith was comfortable with the union relationship and not worried in the same way that Tony proved to be. So, that undoubtedly influenced the atmospherics of the relationship.

The unions felt this, they perceived here was a new leader of the Labour Party who unlike most of his predecessors really wanted to keep them rather at arm's length, and that produced a human reaction on their part of some resentment and frustration and feeling that they were being unfairly excluded from proper influence on the way the party's thinking was developing on the key policy issues at the time.

In this environment, Lord Sawyer highlighted that the pursuit of political and industrial objectives by UNISON also 'unravelled' under Blair's leadership as Labour approached government.

I can't recall the exact figures but in principle, health and education were our two biggest blocks of membership. We put a paper to the NEC which was basically two sides of paper on everything we wanted and we would get through what we could in the NEC.

Thereafter, we would turn these commitments into a leaflet and send it out to members saying that this was party policy and this is what you will get if you vote Labour…but in the Blair years all this began to unravel and it was really up until John Smith when we had a leadership who were willing to agree to really solid policies for us and to get those commitments.

John Edmonds expands upon his relationship with the Labour leader, Tony Blair, and the relational and organisational detachment that arose:

My job was not to deliver a position for the Labour Party that my union did not like. Tony Blair didn't understand this and he doesn't understand union representatives. I tried to explain, and I'm sure others did also many times, I said: 'You ask me to deliver something and I tell you I can't get this through my union and sometimes I don't want to get this through my union'. But, he regarded this as a nonsensical excuse and that if I tried hard I could get whatever I wanted through the union Executive.

Blair also believed that none of us had any views and principles of our own worth defending so it was a question of doing his bidding. So, like many others, I went through a process with Tony Blair where I started off as his great pal. I went to his house and had meals and so on until the first point when I said, 'sorry Tony I can't do that' or 'I don't agree with you Tony' and from that point, I went from being a friend to being an obstacle. That's the way the man is.

The drift between the leaderships of the major trade unions and the Labour Party under Blair can be further illustrated in Alastair Campbell's Diaries '*The Blair Years'* (2007: 58):

(1 May 1995) Rodney Bickerstaffe (General Secretary of UNISON) came round for another general whinge. He said TB (Tony Blair - author's insertion) had to realise he would need the unions at a later stage. I reported back to TB who said they can just fuck off.

Charlie Whelan, former Spokesperson for Gordon Brown as Chancellor and former Political Director of UNITE, complemented this assessment of the prevailing climate. Whelan confirmed that a 'ruthless' attitude prevailed in key sections of the New Labour leadership towards trade unions, he stated:

It's fair to say that Gordon Brown was very focused on having a policy developed by himself and Tony [Blair], which was coherent and in some ways looking back on it in fact pandered more to the City than what some of the trade unions were looking for. They had become at the time pretty ruthless in just ignoring the demands of some trade unions.

The extent of the power dilution of trade unions inside the Labour Party in conjunction with fraying personal relationships in a liberal market set the scene for the unfolding negotiations on the national minimum wage and framework of employment rights as the Labour Party entered power in 1997. In this context, the next section of this chapter will evaluate the former legislative event.

5.10 Case Event 2 - The National Minimum Wage (1998)

5.11 Introduction

Trade unions lost nearly half of their members from 13.2 million in 1979 to 7.8 million in 1998 as density in the workforce fell below thirty per cent (29.9 per cent in 1998). Recognition fell even faster than union membership. Within the private sector, recognition more than halved falling to 19.5 per cent in 1998.[177] Collective bargaining witnessed a dramatic decline as coverage fell from an estimated 69 per cent of employees covered by all agreements in 1980 to 35.4 per cent (1998) when Labour came to power in 1997.[178] As part of the strategy to curtail trade union power by successive Conservative Governments, the incidence of industrial action also witnessed a substantial decline. The number of days not worked due to an industrial dispute reduced from 29,474,000 days in 1979 to 761,000 days in 1991 and then to 234,700 days in 1997 as Labour entered government. This was symptomatic of the trend in other classic liberal market economies.[179]

In this context, Howell (2004: 12) contends that the Labour Party's approach as it entered government continued to embed the individualisation of employment relations albeit through state regulation rather than to empower trade unions through re-building collective bargaining frameworks. The governmental approach was partly motivated, as Rueda (2006: 393) contends, by the desire to develop a positive relationship with the business community as the, *"…party envisioned by Blair was based on a closer relationship with business and a more arms-length one with unions".*

Smith and Morton (2001: 120) went further by stating that New Labour's objectives in fact required, "*the marginalisation of trade unionism as an autonomous force"*. As evaluated in the previous section, Labour would not repeal the fundamental tenets of the Conservative economic reforms nor return privatised industries to public ownership. The Labour Government elected in 1997, therefore, complemented rather than conflicted with the Thatcherite liberal market reforms (Baccaro and

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[177] Statistical Bulletin (May 2013).
[178] Trade Union Membership Statistics 2012. Statistical Bulletin (May 2013). Department for Business, Innovation and Skills.
[179] In the USA, number of days lost in 1979 was 20,409,200 compared with 4,497,100 in 1997. Source: ILO Laboursta Internet

Howell, 2011: Smith, 2009; Daniels and McIlroy, 2009; Smith and Morton, 2009; Kelly 2013, Wilkinson, 2007).

However, New Labour's political and economic reforms albeit an accommodation with the liberal market economy were also distinctive in comparison with the Labour Government of (1974-79) and Conservative Governments (1979-97) (Heffernan 2011: 166, Howell 2004: 7). The ideational expression of this differentiated approach was advanced through the notion of *social partnership*, which focused on supply-side initiatives such as skills, training and flexibility in the labour market. Social partnership was premised on the notion that firms are most successful when employers, managers and employees work together, which should be supported by the state. The approach would feature a more inclusive approach by the state towards trade unions in policy-making after the long period of hostility and exclusion under the Conservatives. McIlroy (1998: 544) emphasised that through the notion of social partnership Blair's Leadership, "*replaced the piecemeal approach of his predecessors with a new coherence*".

Social partnership with employers, trade unions and the state became the central feature of the Labour Government's approach to employment relations. Undy (2002: 640) stated that the approach was, "*seen as compatible both with New Labour, which had clearly rejected any return to the militant unionism of the 1970's, and in line with survey findings of union members' and employees' interests*". The approach also found ideological compatibility with the TUC's '*New Unionism*' agenda, which was supported to varying degrees by key trade unions such as the AEU, the TGWU and GMB – three of the four largest affiliates all with significant private sector membership compositions (McIlroy 1998: 549; Smith and Morton 2001: 133; Maass 2001: 741; Ludlam and Taylor, 2003: 737). Lord Monks in this context asserted that unions would not urge, "…*an inside track in dealing with a Labour Government. Corporatism did not work: We will never make that dreadful mistake again*" (Financial Times, 6 June 1995, Monks 1995).[180]

Heery (2005: 3) also identifies that the Labour Government's supporters perceived the social partnership approach as a "*key break in public policy*"; while Metcalf

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[180] Cited in McIlroy (1998: 546).

(2005: 27) stated the approach illustrated a shift from 'hostile forces' to an enabling environment for trade unionism. As McIlroy (2000b: 5) observed, "*the nearest they [trade unions] got to formal social partnership was the Low Pay Commission and 'social dialogue' with the CBI over union recognition, suggested by the Prime Minster.*" Hence, the importance in assessing the NMW (1998) and the ERA (1999).

5.12   The Development of the NMW

Historically, it is important to outline the development of the minimum wage as it was one of the most contentious policy issues and vociferously opposed by powerful sections in the trade union movement. A 'powerful alliance' of left-wing unions including the TGWU and right-wing unions principally the AEEU and the EETPU, historically 'blocked' the minimum wage policy on the TUC General Council where its strongest supporter was the public sector union NUPE.[181] For example, when the Independent Labour Party in 1926 launched its concept of the Living Wage it provoked the 'hostility' of Ernest Bevin, TGWU General Secretary, and other powerful union leaders who, "*gave notice of the problems which would eventually be in store for a Labour Government if it attempted to intervene in 'a very intricate and involved wage system'*".[182]

The resistance to the concept was also evident in the post-war period in 1945 as proponents of the concept in the Labour Party advocated a relaxation of wartime economic controls including consideration of a minimum wage. However, this suggestion was opposed by the TUC.[183] Marsh (1992), Richter (1973) and Coulter (2009) reemphasise that a minimum wage was contrary to the principles of industrial and private sector unions based on their aversion to state interference. The ideological underpinnings of this position are contained in Webb and Webb (1913: 296), which propagated that instead of looking to the state for protection trade unions instead: "…*fiercely resented any attempt to interfere with their struggle with employers, on the issue of which, they were told, their wages must depend*". Hence, a collective laissez-faire approach to market relations prevailed. However, this

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[181] Minkin (1992: 429). In 1992, the AEU merged with the EETPU. The new union took the name Amalgamated Engineering and Electrical Union (AEEU). For the purposes of consistency, the AEEU will be used.
[182] Ernest Bevin, Labour Party Annual Conference Report, 1929, page 161 cited in Minkin (1992: 13).
[183] Vehicle Builders union resolution in 1946 called for a statutory minimum wage, which received 2,657,000 votes while its opponents cast 3,522,000 – TUC Congress Report 1946. Panitch (1976: 17-18).

should not to be confused with an aversion by *all* trade unions to the state developing an enabling supportive institutional architecture for trade unions to freely bargain with employers in.

Tony Dubbins, former General Secretary of the NGA and GPMU, also substantiates the validity of the previous points as he highlighted the challenges in attaining trade union policy coordination, principally due to the higher volume of trade unions in the pre-1979 period.[184] Dubbins said, *"…what you have also got to factor in is that there were many more trade unions also. There were a lot of different policies and different views; it is fair to say a lot of different interests as well who were reasonably secure in their pay scales and who had already achieved significant movement on pay and holidays".* Lord Sawyer also contributed an organisational perspective relating to the factor of union ideology in this period when he was Deputy General Secretary of NUPE. In particular, Sawyer noted the prevailing dominance of free collective bargaining influencing union attitudes towards the minimum wage, he said:

> So, as a union we really focussed on what we really wanted and the minimum wage was a massive policy issue for us. I don't know if Bill Morris would agree with this but Rodney [Bickerstaffe] by any fair account led on the minimum wage while a union like the T&G was opposed to it as it interfered with free collective bargaining. Most of the unions would go to the rostrum and oppose Rodney forcefully. They liked Rodney but would say to him you are wrong on this and we don't want state interference.

The Labour leadership in 1986 had succeeded in adopting the minimum wage policy within the 'path-breaking', '*Low Pay: Policies and Priorities'* document, which 'broke' with traditional TUC policy.[185] Nonetheless, due to its contentiousness the policy did not feature prominently in the General Election of 1987 despite the promise that it would start at fifty per cent of men's median earnings to be upgraded gradually to two-thirds (Coates 2005: 88). As Marsh (1992: 34) asserts, the lack of prominence

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[184] The National Graphical Association merged with the Society of Graphical and Allied Trades in 1990 to form the Graphical, Paper and Media Union.

[185] Minkin (1992: 412).

of the minimum wage highlighted the trade union heterogeneity over the concept, which ultimately, "*affected its strategy and weakened its influence*".

However, the manifest differences were also diminishing as trade unions centralised and merged partly in response to liberalising market reforms. These structural changes theoretically increased the opportunity to attain greater coordination. The number of affiliated TUC unions was 87 in 1987 in contrast with 160 in 1968 and 112 in 1979. Undy (1999) highlights that from 1978 to 1994 there were a total of 143 mergers involving TUC unions. Consequently, the minimum wage increased in prominence as key union leaders engaged more in the Labour Party's structures to promote the policy in conjunction with a greater concentration of trade union power through amalgamations.

The increasing prominence of the minimum wage post-1979, therefore, was an illustration of the shift in the trade union strategy in response to the deteriorating economic-political conditions and the concomitant structural changes within the trade union movement through mergers. Ludlam et al (December 2003: 611) state the new approach was illustrative of a 'weaker' labour movement where trade unions, "*sought refuge in more subordinate roles under the banner of 'social partnership', and in the pursuit of statute-based protection for individual workers*".

Rodney Bickerstaffe, former General Secretary of NUPE and UNISON, described in an interview his participation in the Labour Party's Economic Policy Review Group Subcommittee in 1989. Bickerstaffe illuminated the centrality of informal discussions, which were used to advance the union's policy objective of a national minimum wage inside the formal structures of the Labour Party. As the largest affiliate to the Labour Party, after the creation of UNISON, the union became the most powerful advocate of the minimum wage. Bickerstaffe would be described as the 'midwife' of the policy (Metcalf 1999: 13). The former General Secretary of UNISON commented:

> Well I was almost press-ganged and it had to be seen that I was involved. Tom Sawyer said to me that I had to be involved and John Edmonds was involved because the economy was his specialist subject. However, this was all about power play at the end of the day. You didn't need too much knowledge.

I wouldn't have naturally gone on to it and I can't recall the number of times I actually attended, which is something you would have to check. It's not that I think the Labour Party is not important but I never thought it was my baby. It was an area where you could very easily compromise and it's important that these compromises are made.

In 1991, I went to Oxford University at Magdalene College and spent an evening there with John Smith, Tony Blair, my researcher and Derek Robinson from Oxford. The five of us were trying hammer out an understanding on the minimum wage. If I had an issue, I would much prefer to meet on this and conduct talks like this. The broader issues, which are important, need to be discussed although not necessarily by me.

Furthermore, Lord Sawyer contributes insightful remarks on the informal discussions inside NUPE and then UNISON with Rodney Bickerstaffe, specifically on the issue of the minimum wage. In doing so, Sawyer draws attention to the differences in public statements and internal institutional positions. Sawyer said:

I could say to him [Bickerstaffe] I know you might not be very happy about this but we do have to think about this issue. He would quite often say right this is the union policy so for example on the minimum wage it was five pounds an hour but I recommended that we agree to three pounds fifty as that's the best we can get.

So, Rodney would say 'let's support this and then campaign for more as that's what Tom is arguing for with the leadership [Labour] because that's the best we can get just now'. So, on that basis I would argue with the leadership and say well the union policy is this and Rodney will argue for this. So, we played quite a good double act

The prior contribution importantly reflects the discussions in the Methodology chapter, which refers to organisational strategic positions and the 'underlying preferences' of organisations (Dür 2008: 568). The consequences of the above informal processes led the Labour Party's Manifesto for the 1992 Election promising to deliver the following if elected, "*We will end the scandal of poverty pay and bring Britain into line with the rest of Europe by introducing a statutory minimum wage of £3.40 an hour. This is a major but long overdue reform which will benefit around four*

million low paid people, 80% of whom are women."[186] The policy was evidently framed around a set of statutory minimum standards but also the individualisation of employment relations (Hyman, 2007, Baccaro and Howell, 2011; Howell, 2006; Hamann and Kelly, 2008; Frege and Kelly, 2013; Howell and Kolins Given, 2011).

In the aftermath of the 1992 General Election defeat John Smith remained worried about the policy's impact on the wider electorate. Smith, in fact, informed the Labour Party's NEC that the electorate 'remained to be convinced' on the issue. [187] According to press reports, Smith was alleged to have told senior colleagues that the Labour Party was potentially 'vulnerable' to arguments by the Conservative Government that a statutory national minimum wage would create unemployment.[188]

A key research objective is to evaluate and analyse the follow-through in legislated outcomes arising from 'agreements' in informal processes. This was in an era whereby the Labour Party leadership in opposition was increasingly concerned with the party's negatively perceived relationship with the business community. In this context, Bickerstaffe responded directly to the outcomes associated with the informal processes designed to influence formal policy-making arising from the previously referred to Oxford University discussions. In doing so, the former General Secretary of UNISON identifies the facet of 'vague promises', which often manifest from informal spaces that can render any 'agreements' as hollow, particularly in the transition of leaders. Bickersatffe added.

> It was a compromise on this by the way because we had a line, a TUC line and a Party-Conference line. We wanted a two-thirds minimum income target but at the end of the meeting, I had to accept that John Smith was not going to go forward with this.
>
> The understanding reached and what we tried to use as a compromise on the minimum wage was that over time, this would rise to two-thirds of average earnings but of course, John died, and then Tony Blair changed things. This was despite Tony being at the meeting with John where we agreed a 50 per cent minimum rising to two thirds over time.

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[186] 'Opportunity Britain. Labour's better way for the 1990's' (1991) cited in Lourie, J (17 January, 1995: 6). The figure was based on Labour's commitment to introduce the national minimum wage starting at the fifty per cent of median men's earnings calculated at £3.40 an hour in (1991/2) which would rise as referred to two-thirds of the median male hourly rate 'over time'.
[187] The Independent, 10 May 1994.
[188] Ibid.

The increasing 'tension' arising from the 'fairness not favours' approach towards trade unions by the Labour leadership in the transition to Blair's leadership was directly reflected in the minimum wage debates (Leopold 1997: 35; Undy 2002: 645). At a private meeting in July 1994 of the 'Contact Group', the TUC leadership was described as extracting a commitment from Blair that the minimum wage would be a central policy for the next election. However, the price for this commitment was dropping the half-male median earnings formula. (Coulter, 2009: 10). This position was reflected at the annual conference of the Manufacturing Science Finance (MSF) union on May 9 1994 as John Prescott MP, Employment Spokesperson, said the following:

> It is right for this movement to support the introduction of a national minimum wage. There will come a time when we have to set the rate, but let us argue about the principle first. Let us win the argument instead of going up the by-ways with a row about how much that minimum rate should be.[189]

The new position brought the TUC leadership into conflict with public sector unions, in particular UNISON and left-wing unions including the FBU and Union of Construction, Allied Trades and Technicians (UCATT), who pressed the TUC to formally adopt a figure significantly over £4 an hour through the half-male median earnings formula. It was a position now supported by the TGWU.[190] Lord Morris, General Secretary of the TGWU, as one of the Labour Party's biggest affiliates, argued in 1994 that the Labour leadership should commit itself to a rate of £4.05 an hour. However, sectional divisions persisted as Bill Jordan, President of the AEEU, contended that it would be 'wrong to place demands' on the Labour Party ahead of the 1997 General Election.[191] At the 1995 Labour Party Conference, it was therefore agreed to remit a motion, which specified a minimum wage level at £4.15 in favour of the figure being set by a Low Pay Commission (LPC) involving trade unions and businesses post-election (Leopold 1997; 35).

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[189] The Independent (10 May 1994).
[190] In April 1994 half-median male earnings was £4.15 an hour and two-thirds amounted to £5.53.
[191] Clement, B (9 May, 1999).

Table 4.1 Labour Party Affiliated Unions Voting Strength - 1996 Conference

Labour Party Affiliation	1996	% Of Trade Union Affiliations
TGWU	700,000	19.4%
GMB	700,000	19.4%
UNISON	700,000	19.4%
AEEU	400,000	11.1%
Top 4 % of Total	**2,500,000**[192]	**69.3%**

Source: Labour Party press office (1996): Voting strength and delegation size at Labour Party Conference

The divisions persisted at the September 1996 TUC Conference as a UNISON and NUM motion proposing a minimum wage level of half male median earning set at £4.26 an hour faced 'strong opposition' from the General Council.[193] John Edmonds, General Secretary of the GMB, asserted that support for a £4.26 minimum wage level could negatively affect the Labour Party's election prospects. Rodney Bickerstaffe responded with the following comments illustrating the ongoing tensions, "*We are not in the pockets of the Labour Party*".[194]

Therefore, while unions such as the TGWU, GMB and UNISON, as three of the four largest affiliates to the Labour Party and the TUC, to varying degrees, had concerns about the level at which the minimum wage would be established the position was further complicated by the AEEU who remained lukewarm. The latter's position was based on the potential negative impact on wage differentials and union ideology (See Table 4.1 and 4.2). Rodney Bickerstaffe emphasises the divisions between trade unions based on sectoral lines informed by ideology and institutional path-dependences through the following contribution: "*Each group, for example, the public sector unions would take a particular line, the private sector another and there wasn't always agreement between the unions obviously. The AEU and NUPE did not have a meeting on minds on a lot of areas.*"

During the 1997 General Election campaign, the sectional differences inevitably spilled over with UNISON, UCATT and the FBU - all party affiliates - calling for a rate of £4.42 an hour.[195] Whereas in the 1997 election campaign document, '*Partners in*

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[192] Twenty-six unions were represented at the 1996 Labour Party Conference.
[193] McIlroy (December 1998: 548).
[194] Cited in McIlroy (December 1998: 549).
[195] Coulter (2009: 10, Footnote 7).

Progress', the TUC affirmed its commitment to social partnership rather than detailing a specific rate, stating: "*The TUC recognises that the minimum wage will need to be set following discussions with the social partners and in line with the economic conditions at the time. The TUC looks forward to the discussions in the Low Pay Commission*" (TUC 1997: 20).[196] However, the TUC would eventually set out a wage target in the negotiations for all workers by the end of 1997 over the age of 18 premised on over £4 per hour being a 'practical proposition'.[197]

Therefore, there remained sharp differences over the minimum wage even if they were receding due to fewer unions and greater cohesion around the principle. The aforementioned points in relation to the minimum wage re-emphasises the factor cited in the Social Contract chapter, which was the wrongful assumption that the trade union movement was 'monolithic' and that there were 'clear-cut' policies was in fact 'almost laughable' (Thomson 1979: 51).

Table 4.2   Largest TUC and Labour Party Affiliated Unions 1997

TUC Affiliation	1997	Labour Party Affiliation	1997
UNISON	1,374,583	UNISON	700,000
TGWU	884,669	GMB	700,000
AEEU	725,097	TGWU	500,000
GMB	718,139	AEEU	400,000
MSF	425,103	USDAW	260,159
USDAW	290,170	Communication Workers Union	224,888
Top 6 % of Total	52.1%	Top 6 % of Total	85%
Total Unions	75	Total Unions	23
Total Affiliated Membership	6,756,544[198]	Total Affiliated Membership	3,286,133[199]

In advance of the General Election, the CBI exploited these emergent fault lines among unions as the business group argued, "…*that even a low minimum wage would reduce job opportunities and create major problems for wage structures in a*

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[196] TUC (1997), 'Partners for Progress: Next Steps for the New Unionism'.
[197] The TUC General Council report to Congress (1998: 45).
[198] Membership Statistics as reported in TUC Annual Report of 1997.
[199] Affiliated Membership Statistics as reported to Certification Officer, Annual Report 1998. Cited on Table 5.1 of McIlroy (2009: 168).

wide range of companies".[200] In contrast with the 1992 manifesto, Labour would now pledge to introduce new machinery through a commission to set the minimum wage but this would be, "*decided not on the basis of a rigid formula but according to the economic circumstances of the time and with the advice of an independent low pay commission*".[201]

Sir Ian McCartney was in charge of Labour's preparatory work for the national minimum wage in advance of the 1997 General Election. Thereafter, McCartney became the Government Minister responsible at the Department of Trade and Industry (DTI) for policy implementation. Two groups were established to develop the proposals between 1994-7, the first of these groups met weekly to work on implementation issues. The second group looked at the policy mechanics such as coverage and compliance. McCartney contributed the following on the process in interview:

> On the employment side, this was an area where a number of us were given different tasks by Tony Blair and to be honest with you the politics of this was to outflank some of my colleagues and get the unions into a position where we could have an engagement. In the run up to the 1997 election, we had a common agreement not to get into the situation of having a long list of union demands and a long list of Labour promises.
>
> What we had to do was concentrate on a range of very important policy areas and to put a coherent political strategy together – a coherent legislative programme in advance of the General Election. So we had a whole range of groups, which I established to work on a weekly basis but were linked to the party – they had to be accountable. Those groups included one, which looked at the European deficit and not implementing European legislation, which referred to employment rights and a whole range of court cases working through the system such as the Working Time Directive. We had a group on that alongside the policy development and planning for the implementation of the European Directives. We also thought through how we would use these issues as campaigning tools among trade unions but workers in general.
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> Secondly the most effective campaigning we have run in the last fifty years nearly was the 'Fat Cats' campaign, which was at the front edge of the campaign for the national minimum wage. With the unions we established one. A body which met on a weekly

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[200] David Metcalf (1999: 2).
[201] Labour Party General Election Manifesto (1997).

basis to think through the first 72 hours of a Labour Government to present to the Cabinet basically a draft Bill because I felt if we had not done this it would be a year or more wasted on just trying to draft a Bill.

Do the thing now we have waited 100 years we don't want to wait 100 days. That work was ongoing and I had to coordinate and develop it. Alongside that was the most enjoyable campaign the 'Fat Cats' one which was designed to get round the fact that the Labour movement had been very poor at campaigning for a minimum wage.

Moreover, McCartney contributed the following comments on the process engaging social partners in advance of the 1997 General Election. In doing so, he emphasises the Labour Government's inclusionary approach towards trade unions in contrast with hostile successive Conservative Governments:

We also in the run up to the election created a body, not a shadow Low Pay Commission but it was a Group of people from the trade union movement, the co-operative movement and from academia and social affairs who had an interest in low pay. We brought them all together. We did the final work on what the national minimum wage Bill would look like and that was important.

Sir Brendan Barber, Deputy General Secretary of the TUC at this juncture, contributed the following on the preparatory work for the minimum wage and the emergent employment relations framework, complementing the remarks of McCartney:

So, that period between '93 and '97 there was a lot of joint working with the Labour leadership to try and collaborate exactly how could these two flagship initiatives be shaped. What was the best basis on which legislation could be framed and I had a lot of contact with people around the Labour leadership. A lot of people in the TUC were involved in this work, not just John as General Secretary and myself as Deputy General Secretary.

Some other colleagues were particularly working on the minimum wage issue for example and some of the arguments that had to be addressed about that. What would

the impact be on the labour market and on jobs and so on and so forth. Doing the backup research and intellectual work to support the position. And we worked closely with people like Ian McCartney who was particularly tasked on the minimum wage for example to kind of chair a working group to flesh out the proposals.

So, there was a lot of work to actually do the kind of serious thinking, like exactly what would the legislation look like, exactly how might it work. So, it wasn't just a headline commitment there was some serious underpinning planning work that was done throughout that period so that when Labour came into office in '97 they were actually in a position to say to the officials in their department 'this is how we want to do it, we know what we're going to do and this is exactly how we want to do it and we've thought through the issues to a sufficient level of detail to be confident we've got a solid basis for proceeding'.

Furthermore, former Prime Minister, Gordon Brown, offered the following remarks on the preparatory work from his perspective while Labour was in opposition with respect to the minimum wage:

I recall prior to 1997 that the T&G was not in favour of the minimum wage and it took some time for the union movement to agree with the NUPE and then the UNISON position on the national minimum wage. This then moved on to become part of our manifesto. When we moved into government we moved with massive speed and the Minimum Wage Act came in very quickly.

It moved on to the details of the minimum wage and now issues such as tips which had been left out have got to be dealt with and are being dealt with. This all showed, however, the process of consultation when being in opposition that when we moved into Government these issues were being dealt with very quickly with a result that two million people had their wages raised when that legislation was in use.

The introduction of a minimum wage was exalted as being designed to end 'the scandal of poverty pay' and it would lift the earnings of an estimated 1.9 million workers as referred to by Gordon Brown.[202] Sir Ian McCartney stated that coupled with the scale of the workers who were projected to benefit from a minimum wage

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[202] Before the introduction of the minimum wage, about 1.9m people - or 8.3 per cent of the UK workforce - were earning less than the new mandatory pay levels (BBC, 31 March 1999).

the policy would also assist businesses facing competition from 'cowboys'. The policy, it was argued, would protect quality producers from being undercut on the basis of lower wages and terms and conditions (Coates 2005: 87).[203] In light of the concerns expressed by sections of the Labour leadership, Coats (2007: 24) highlights that Tony Blair was "*determined to neutralise the NMW as a hallmark of Labour's economic irresponsibility and turn the policy to the party's advantage*", on the basis of these aforementioned points.

5.13   The Low Pay Commission

The LPC would be the embodiment of the social partnership model of employment relations, which the Labour Party was attempting to foster. As previously highlighted the approach found ideological accommodation with the TUC's '*New Unionism*' strategy (Ludlam and Taylor, 2003; Undy, 2002; McIlroy, 2000). The LPC's remit was designed to take into account the minimum wage's impact on the economy, competitiveness, low paying sectors, the youth labour market and small firms. The government chose the members of the LPC and set its terms of reference establishing, "*almost complete freedom of action for the government*".[204]

The membership of the LPC would consist of equal numbers of trade unionists, employers and academics (as independent members) – three of each. The composition was on the basis it would, "*avoid polarisation of the social partners*" (Brown 2011: 7). As would materialise, however, "*the task of fixing, and annually updating, the level of the minimum wage did polarise the Commissioners*".[205] The uprating of the minimum wage would remain firmly under the government's control as the Blair Government explicitly, "*rejected automatic uprating of the national minimum wage*" (Gennard 2002: 584). In this context, Coats (2007: 24) asserted the LPC appeared to be, "*nothing more than a short-term tactical manoeuvre and a device to abandon the rather unhelpful 'half male median' formula*".

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[203] This logic followed on from the Wages Boards established at the turn of the 20th century, which were designed to provide a legally enforceable bottom-floor particularly in areas of the economy where trade unionism was weaker (Howell, 2005: 69).
[204] LRD (April 2000). How Europe Raises its Minimum.
[205] Ibid.

However, Sir Ian McCartney explained the rationale underpinning the LPC's design and the benefits of the social partnership approach from his perspective, he said:

> So, the creation of a Low Pay Commission was really very important. One, it got unions off the hook in having a percentage figure and that was the campaign and on to an approach on engagement with employers in advance of the election to campaign for a business case for the minimum wage because employers were wanting to treat their employees in the labour market fairly got undermined by employers who didn't.
>
> So, it was important we had a social and economic case for the minimum wage – so the 'Fat Cats' campaign became the popular bandwagon for that to happen – in the end people were too scared to campaign against because they would be called 'Fat Cats' and the unions played that role.

Dave Prentis, General Secretary of UNISON, also contributed to the key reasons for the government's approach as deriving from the aforementioned differences inside the Labour Party. Prentis added:

> One of the first things that the new Labour Government did was to commit to bringing in the minimum wage, so it was a major victory for UNISON. The challenges were well one for a number of years before we got it a number of trade unions were against they were worried about the effects on differentials. The Labour leaders were worried about the cost and that's why we finished it with the Low Pay Commission, which had academics, employers as well as trade unions.

Tom Watson, Political Officer for the AEEU during the first-term Labour Government, addresses the influence of factors, specifically the strategic choices of union leaders and union ideology in relation to the minimum wage. Watson highlights the AEEU's strong support for the social partnership approach, which by definition resulted in a dilution of trade union demands. The position illustrated the lack of coordination identified between the largest unions in advance of any rate being set, Watson said:

I should say though where the union [AEEU] was very strong was in a belief in the tripartite approach to all matters. You know, so the principal of employer, trade unions and government sharing institutions to resolve differences or to debate the future was a very strongly held belief by a lot of people in the union.

So, though there was a slight weariness about what the impacts of the minimum wage would be in the labour market chain, there was certainly space for the institution to resolve what the rate should be was the right way that the employers and unions should sit around a table with the government to resolve it. Of course, which was different to a lot of the other unions who were very concerned that the employers would try and water down or someway undermine the rate.

Howell (2004: 7) reinforces these prior points while describing the minimum wage as the 'most significant pay innovation' of Labour's tenure, the author simultaneously identifies that the LPC's social partnership design, "*guaranteed that the level would be set well below what trade unions were asking for*". As a result, the 'extreme caution' by which the government approached the elements of the rate and extent of cover would transpire as negotiations developed over the details of the minimum wage (Towers, 1999: 83).

5.14   NMW: policy contestation and division

The 1997 Labour manifesto stated, "*Introduced sensibly, the minimum wage will remove the worst excesses of low pay (and be of particular benefit to women), while cutting some of the massive £4 billion benefits bill by which the taxpayer subsidises companies that pay very low wages*" (New Labour, 'Because Britain Deserves Better' (1997)). However, while lauding its benefits Brown (2011: 5) asserts that within 'days' of Labour's election victory Tony Blair had "*mobilised the social partners*" due to the leadership's concerns over the impact of the pledge. The concern, in particular, focused on the Labour Government's relationship with the business community. There emerged a view in key sections of the government that the Labour Party had been 'bounced' into the policy by previous Labour Party Conference commitments (ibid).[206]

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[206] Labour secured a landslide victory achieving 43.2 per cent of the vote and 418 seats (up 145 from 1992), the Conservative secured 30.7 per cent of the vote with 165 seats and the Liberals on 16.8 per cent of the vote with 46 seats won.

Flowing from this perspective, Peter Mandelson MP, Trade and Industry Secretary, the governmental department responsible for the minimum wage's implementation, was reported to have launched an, "*extensively reported behind-the-scenes campaign for a variegated national minimum wage: one sensitive to the differing needs of firms of different size, region and sector*" (Coates, 2005: 89). Cabinet papers leaked to the Guardian in November 1997 substantiated this as Margaret Beckett MP, President of the Board of Trade, was revealed to have 'clashed' with Mandelson over the proposal that ministers should have the flexibility to introduce wide-ranging exemptions.[207]

In a successful outcome for trade unions, the efforts by Mandelson that were designed to influence the LPC's forthcoming recommendations, specifically to enact a proposal to vary the rate according to region, sector, occupation or company size, were ruled out. The latter was seen as a 'clear victory' for Sir Ian McCartney, Industry Minister, over Mandelson as the internal debates played out inside the government and across the wider labour movement (Taylor 1998: 298). [208] Nonetheless, further manoeuvres to dilute the scope of the minimum wage persisted. In October 1997, Lord Monks, then TUC General Secretary, described attempts to apply a lower national minimum wage to under-25s as 'dynamite'.[209] The comments were in response to Monks sharing a platform with Mandelson at a Labour Party Conference fringe meeting with the latter stating that a different statutory minimum 'will' apply to young workers. Mandelson added that the Labour Government's policy could provide a 'disincentive' for young people to stay on in education and training, and, curtail employment.[210]

Frank Doran in interview noted the utilisation of the TUG as a key mechanism in conjunction with informal processes in this contested context. These processes were essential to exercising political pressure on elements of the Labour leadership who sought to dilute the scope of the minimum wage. Doran made the following remarks:

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[207] Milne, S. (1997).
[208] The pay arrangements of service personnel and reservists were excluded and were to be covered by the Armed Forces Pay Review Body.
[209] The comment was in response to Margaret Beckett sending a memorandum to the LPC requesting that it 'consider' a lower rate for those under the age of 25 (Milne 1997).
[210] Clement, B (2 October, 1997).

There was a process, which had been agreed, which was to set up the Low Pay Commission and there were issues regarding the appointments to the Commission and who was the Chair. So, they were getting to set the rate and that helped take the issue out of the debate to a certain extent. Then there was the mechanism, once legislation is drafted and published, there is a huge process of feedback and regular meetings were held with the unions.

Most of these meetings were formal but there were informal processes that we used as well. To be fair most of the battles we had were not with the unions but they were with our own people. There were ministers who had been briefed by their officials that such and such a section of the legislation could damage a particular part of their brief and they were obliged to present these views. There was a lot of toing and froing with Downing Street and a lot of the time Ian and myself – sometimes with officials and sometimes without them – would be locked in a room with one of the emissaries from Downing Street and we would argue these issues through.

We did set up a form of informal processes with the Trade Union Group of Labour MPs and Gerry Sutcliffe was the Chair at the time and either Ian or I would talk to Gerry if we had a particular issue with Downing Street. We would arrange to have a meeting with the Trade Union Group and key people would be invited.

We always had John Monks who was the main contact in the trade union side on this and of course there were individual unions with their own area of interest on this but I got the impression that the unions were relatively relaxed about the process which we had put in place. As I said the main issue was going to be the level. We had these meetings when there was any difficulty and I think we had six of them and these were on areas when we had difficulty in getting our point across let me put it that way.

Tom Watson offered the following perspective with respect to his role in the minimum wage negotiations as political officer of the AEEU. Watson commented, *"I ended up doing a lot of the, how I would describe it is – shuttle diplomacy between the General Secretary and the part of the party that need communicated into the union"*. Watson outlined the behind the scenes conversations on the emerging employment relations framework from the AEEU perspective, and in doing so, cited the lack of engagement on the issue of the minimum wage:

In fact, there was a series of bilateral conversations that took place mainly between senior figures in the political office at Number 10, and the political officers of unions. All the kind of anointed representatives of General Secretaries. So, there was a whole sort of series of conversations that took place bilaterally where positions were teased out and of course that was used quite adroitly in political management terms by Number 10 who controlled the flow of information.

And on the national minimum wage, I can't recall attending any meetings to discuss it. It could well be, in my early days of my time in the union, I didn't go to all the TULO meetings, but I certainly know, I mean I started there in early '98 so the very early days of the government and was sort of talking to them before '98. What I do know is that we wouldn't have done a lot on the national minimum wage so we would have gone along with the TULO position

Tony Dubbins, former General Secretary of the GPMU at the juncture of 1997, in interview complements Watson's points. Dubbins identified the lack of organisational emphasis placed on the minimum wage by his union. In doing so, the contribution illuminates the nuances in positions, which elements of the Labour leadership sought to exploit. This is not to suggest the minimum wage was not an important policy issue but that it was not a policy priority for the GPMU in the same way as it was for UNISON. Dubbins said:

Frankly, as far as the GPMU was concerned, the national minimum wage was neither here nor there for us, although it latterly became very important when we started to face the issue of agency and temporary workers. That was not to say it was not important to the trade union movement as a whole, it was vital and fundamental to it but for us it was not priority issue. We certainly put more emphasis on legislative changes to protect the industrial base than setting up the national minimum wage.

In June 1998, the first report of the LPC recommended a minimum rate of £3.70 per hour to be introduced in June 2000 with an interim rate of £3.60 from April 1999.[211] The LPC also proposed for those aged 18-20 a development rate of £3.20 per hour

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[211] The Commission launched a wide-ranging inquiry into low pay, which involved over 600 pieces of written evidence. The Commission visited different parts of Britain to examine the practicalities of the minimum wage for those involved in its implementation and enforcement, (R. Taylor 1998: 298).

from April 1999 increasing to £3.30 in June 2000.[212] The development rate was to apply for a period of up to six months for those aged 21 and over who were on a certified training course. All those aged 16 and 17 together with those on apprenticeships it was proposed should be exempt. As feared by the TUC leadership and key trade unions such as UNISON and the TGWU, the attempts to apply a lower minimum wage to the under-25s proved successful.

The LPC inclusive of lower-ranking trade unionists agreed to recommend the interim rates of £3.60 an hour and £3.20 for 18-21 year olds in order to, "*secure government acceptance through an accepted front*" (McIlroy 2000: 7).[213] Lord Monks described the minimum wage proposals as "*a milestone in twentieth century industrial relations*" further suggesting that without consensus the interim rate would have been less than £3.60 an hour (Financial Times, 16 September 1998).[214] George Bain, Chair of the LPC, who served on the Bullock Committee on industrial representation as part of the Social Contract, stated a number of critical differences existed between the two processes.

In contrast with the Bullock Committee, Bain highlighted the LPC produced a unanimous report signed by all its members, and, unlike Bullock, it also received a comparatively favourable reception from the media, business and the trade unions.[215] A further factor identified by Bain as a tactic by the government was that fewer of the commissioners were leaders of their organisation, in particular the trade union side. Therefore, the LPC's composition diluted the potential for rigid lines.[216]

Margaret Beckett MP, in response to the LPC's recommendations, stated in the House of Commons on 18 June 1998 the following:

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[212] BBC (28 May, 1998).
[213] Initial composition of the Low Pay Commission (1) Professor George Bain (Chairman) President and Vice-Chancellor, The Queen's University of Belfast (2) Professor William Brown Professor of Industrial Relations, University of Cambridge (3) Bill Callaghan, Chief Economist at TUC (4) John Cridland Director of Human Resources Policy, Confederation of British Industry (5) Lawrie Dewar, M.B.E. Chief Executive, Scottish Grocers' Federation (6) Rita Donaghy, UNISON Executive Council (7) Paul Gates, General Secretary, National Union of Knitwear, Footwear and Apparel Trades (8) Professor David Metcalf Professor of Industrial Relations, London School of Economics (9) Stephanie Monk Director of Human Resources, Granada Group plc.
[214] Cited in Metcalf (1999: 13) and highlighted in TUC General Council Report to Congress (1998: 47).
[215] Sir George Bain Speech (29 November 2001).
[216] Ibid.

As we made clear in our evidence to the Low Pay Commission, the Government were particularly concerned to ensure that our national minimum wage should be set at a level that avoided the risk of adverse effects on employment, inflation and the PSBR. We have been particularly mindful of the need to protect the position of young people. It is, in our view, essential that we avoid reducing the relative attractiveness to young people of staying on in education and training, and avoid discouraging employers from providing training for those in work.[217]

Consequently, Beckett outlined a number of changes from the LPC's recommendations. This entailed a minimum wage for those aged 22 and over at £3.60 per hour, and, a development rate, for 18-21 year olds at £3.00 per hour. The government also proposed a £3.20 per hour rate for accredited trainees. The basis for the defence in introducing a lower rate for 18 to 20 year olds than recommended by the LPC was as follows, "*We are however at a critical point in the economic cycle. The Government is determined to proceed with all due caution with the introduction of that rate, especially for the crucial group of those aged 18-21".[218]* As such, for the aforementioned group of workers, the rate was to be phased in over two stages with an initial transitional rate of £3.00 from April 1999, which was to increase to £3.20 in June 2000. Based on these terms the National Minimum Wage Act was passed in July 1998.

Ludlam and Taylor (2003: 737) cited the "*sharp disagreements*" that persisted over the minimum wage with the Labour Government following its implementation. As illustrated by Lord Monks' 'dynamite' comments, the most contentious element of the national minimum wage's introduction was the youth rate. The government's decision to implement the development rate of £3.00 an hour was condemned by union leaders as 'scandalous' and 'an endorsement of workplace poverty' (Guardian 28 May 1998).[219] The TUC General Council Report at the 1998 Congress underlined its disappointment with the extent and scope of the Act stating that, "*the rates agreed by the Commission fall short of what we believe the economy can afford as well as*

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[217] Beckett, M (18 June 1998).
[218] Beckett (18 June 1998).
[219] Cited in McIlroy (2000: 7).

what the low paid deserve. And the Government's modifications to the rates for young people were very disappointing".[220]

George Bain, as Chair of the LPC, addressed the TUC Congress in September 1998 as a number of unions rejected the LPC's explanations for the minimum wage being set at £3.60 an hour. The TGWU launched a '£5 now' campaign as its General Secretary, Lord Morris, declared, "*Thank you for the principle, shame about the rate*", before adding that taxpayers *"will continue to subsidise bad employers, while the low-paid sink deeper and deeper into the poverty trap*". [221] UNISON leader, Rodney Bickerstaffe, noted that more than 40 per cent of the union's members earned less than £4.42 while identifying governmental pressure put on the LPC to dilute the extent of the minimum wage, he said: "*The Commission has had unparalleled pressure put on them by the government to ensure it's a low figure. I hope it doesn't take as long to get a decent level as it took to get the minimum wage established in the first place*".[222] Accordingly, the TUC unanimously agreed a £4.61 target figure in September 1998 (Metcalf June 1999).

5.15   Evaluation and Reflections from Actors

Evidently the recommendations of the LPC were "*closer to the original stated position of business*" with a low initial level for the minimum wage, an exemption of young people 16-17 years old, an 18 to 21 year old rate, and, a lower development rate for new hires (Howell 2004: 7). Howell further noted that the implementation of the minimum wage "*indicated the close attention that government was paying to the concerns of business*". Bewley (2006: 358-9) added that the government's rejection of the LPC's recommendation to reduce the age at which the adult minimum wage was applicable from 22 to 21, "*implied that addressing discrimination against the young was not a priority".* This was also attributable to, *"a willingness to respond to the concerns of private sector employers over business competitiveness".*

Further key concerns with the strength of the NMW Act were in relation to the fines for non-compliance being set at a low level and a lack of inspectors for enforcement purposes (Smith 2009: 342). Metcalf (1999: 16) cited that while enforcement officers

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[220] The TUC General Council Report to Congress (1998: 4).
[221] People Management Editorial (1 October 1998).
[222] BBC (28 May 1998).

had the power to prosecute six criminal offences this was constrained by the maximum fine for each offence being set at £5,000. Hence, "*the fines do not seem excessive when compared, for example, with penalties imposed on those defrauding social security*".[223] The latter aspect was identified by a TUC submission to the LPC six months after the introduction of the minimum wage, which highlighted illegal employment practices, insufficient enforcement and a climate of fear among low-paid workers. According to the TUC report, the resultant effects of these concerns were thousands of young workers not being in receipt of the minimum hourly rate of between £3 and £3.60.[224]

Moreover, Howell (2004: 7) cited the regulations introduced to 'prevent' the need for employers to keep special records or to provide details of the minimum wage on employee pay slips, which made it, "*less likely that employees would be aware of their rights*". The LPC complemented these emergent failings citing a 'significant number' of workers who had been dismissed due to demanding the relevant rate while 23 per cent of callers to its advice line said they either had been denied the rate, or, had some reduction in terms and conditions due to receiving £3 to £3.60 per hour.[225] These concerns were evidenced by the NMW helpline statistics, which had taken over 200,000 calls since it opened in January 1999 by November 2000 with 5,500 registered complaints of underpayment. According to the published annual report (1999-2000), hairdressing and hotels (16 per cent) and catering and other services (14 per cent each) accounted for the largest proportion of complaints.[226]

As Smith and Morton (2001: 123) argue these aforementioned figures gave legitimacy to the assertion that the minimum wage was by design a 'minimalist approach' to employment relations. The Office of National Statistics reported 300,000 jobs were paid less than the minimum wage rates in April 2000 compared with 580,000 in 1999, and, 1.5 million in 1998. As such, the figures indicated the 'considerable scope' for increasing the statutory minimum wage above its introductory level and that concerns on youth unemployment were misplaced.[227]

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[223] The offences were as follows: refusal or wilful neglect to pay the NMW; failing to keep NMW records; keeping false records; producing false records; intentionally obstructing an enforcement officer; and refusing to give information to an enforcement officer. Equally, a third party who commissioned any refusal to pay the NMW or a failure to keep records was guilty of an offence.
[224] Ibid.
[225] Kelso, P. (2 October, 1999).
[226] LRD (November 2000). Ups and Downs of national minimum wage.
[227] Ibid.

In addition, the impact on prices arising from implementation was negligible as the annual rate of inflation in the UK fell to 1.8 per cent in February 2001. This was the lowest level since the current system of measuring consumer prices began in 1976.[228] The LPC (2000) further noted that, "*employment effects were reported in only a small minority of firms*" as it drew attention to the fact that in some of the sectors most affected by the minimum wage - retail, hospitality and business services - employment actually grew in the year to June 1999.[229] Consequently, the TUC raised its minimum wage target to £5 per hour as concerns grew within the trade union movement regarding the NMW being allowed to 'wither on the vine' in light of there being no established and automatic uprating process (Coates 2005: 89-90).[230]

The situation in the UK mirrored another classic LME – the United States – where there was also no automatic system of adjustment. In the United States, there were long periods such as between January 1981 and April 1990 when the minimum wage was not increased.[231] The position in another LME - Canada - was similar in that there was no indexation or automatic updating. These aforementioned points indicated that, "*movements in the minimum wage maybe more susceptible to the composition of government than otherwise*" (Metcalf June 1999: 187). However, it is important to state the position in the UK contrasted 'strongly' with most other European states at the juncture of implementation where there were established rules and guidelines governing the uprating process (*See Appendix B European Minimum Wages in April 2000).*

In this context, the TUC General Council Report to Congress (2000: 45) reiterated its, "*strong disappointment that the initial rate was set so low*". These concerns were fuelled by the government's subsequent failure to uprate the minimum wage in line with inflation in contrast with European counterparts. For example, in October 2000 the minimum wage increased by 2.78 per cent, which was the equivalent to an annual increase of 1.85 per cent. The figure was below the level of price increases

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[228] BBC (13 February, 2001).
[229] LRD (April 2000). Minimum Wage fears unfounded.
[230] Also noted in TUC General Council report to Congress (1999: 21).
[231] The US minimum wage in real terms in 2000 was worth only four-fifths of what it was worth in 1979.

(2.0 per cent January 2000) and below increases in overall earnings (6.2 per cent December 1999).[232]

The Labour Government raised the hourly rate in October 2000 by 10p, which provoked an angry response from trade unions. The resultant effect was in October 2001 an increase by 40p to £4.10 but only after trade union lobbying in the run-up to the 2001 election as part of the Exeter Labour Party NPF process, as the Warwick Agreement chapter will discuss (Smith and Morton, 2001: 123; Coates 2005: 93-4). As a result, it was further agreed that any subsequent movement would be tied to that of average earnings.[233]

The TUC General Secretary John Monks described the 40p increase as "*another significant step towards a decent minimum wage*"; yet reemphasised that the adult rate should be extended to over-18s. The AEEU 'welcomed' the decision to update the minimum wage, a position slightly at variance with other major trade unions, as UNISON warned – correctly as it would materialise - that the rise to £4.10 would be achieved at the expense of future rises. The 40p rise in the main rate from October 2001 was followed by a post-election 10p rise in October 2002.[234] The adult rate rose to £4.85 per hour for adults by October 2004 and to £4.10 for 18-21 year old workers. A new £3.00 an hour rate had also been introduced for 16-17 year olds while the coverage was extended to homeworkers.[235]

Dave Prentis of UNISON in interview reflected on the minimum wage's introduction and impact. Prentis viewed the NMW as a qualified success but lamented the level at which it was originally set, he said:

> So, although we achieved the minimum wage and it's statutory, it applies to everybody
> which is a big achievement, it was set at a level which was too low. The argument was
> that jobs would go. The truth is that jobs increased in the years after the minimum wage,
> it was a false argument. It meant that the minimum wage was set at a low level and it

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[232] LRD (April 2000). How Europe Raises its Minimum.
[233] In October 2000, the adult rate was raised to £3.70 and the development and youth rate to £3.20. The 10p rise on the adult rate represented an increase of just 1.8 per cent over the eighteen months since its introduction.
In October 2001, the adult rate was increased to £4.10, and the development rate and youth rate to £3.50. At these rates, the minimum wage is equivalent to 40 per cent and 33 per cent of male median earnings.
In October 2002, the adult rate was further increased to £4.20, and the development rate and youth rate to £3.60.
[234] LRD April 2001, Unions mixed on minimum wage.
[235] From 1 October 2010, the adult NMW rate was finally extended to workers aged 21 and over (minimum rate per hour) at £5.93 p/h.

also didn't really account for the cost of living in London compared with somewhere else which was a major issue for us.

But, the reality was we achieved an objective, but the level was not what it should have been and ever since then we've campaigned for the living wage. So, UNISON started the campaign for a living wage and then it's taken up gradually, we started it in 1999/2000, and gradually it's getting some traction now. But, we wouldn't have had to have the campaign for the living wage if the minimum wage had have been set at the right level.

Prentis added the following comments citing the concerns of the Labour leadership and its relationship with the business community as being central to the lower than desired for minimum wage rates:

So, near towards the end the unions had come on board, whether or not we put enough pressure on the Labour Government to put it high enough I don't think unions argued against it being at a high level, it was more the Labour leadership who didn't want to upset big business.

John Edmonds of the GMB identified Tony Blair's resistance to widening the scope and extent of the policy due to its perceived negative impact on the interests of business, *"He [Blair] was so reluctant to introduce the minimum wage but it didn't stop him boasting about it afterwards when belatedly he realised it was popular".* Jon Cruddas echoed these sentiments with respect to the actions of Labour ministerial colleagues seeking to dilute the terms due to the influence of the business lobby, he said:

Some elements within Downing Street, the CBI and Treasury wanted to wreck the Low Pay Commission but we had people in there to keep it together and to keep a united position. All of those things which are the product of normal negotiations. Strategically I think we did alright and to be honest I think it was the high watermark of union influence on the Labour Government in terms of delivering durable policy outcomes.

The aforementioned contribution from Cruddas as an active participant in the negotiations complements the previous points made by Sir Ian McCartney, who remarked that in the negotiations he had to 'outflank' some of his ministerial colleagues in the internal debates. Frank Doran, on this theme also asserted that, "*most of the battles we had were not with the unions but they were with our own people*". Lord Morris also reflected upon the policy friction in interview between the Labour leadership and the TGWU during his tenure citing the NMW (1998) as one of those contentious policy issues. Morris outlined the organisational attitude of the TGWU towards the Labour leadership despite these differences:

> But, we did have our disagreements on policy issues but luckily they were few and far between and they were sincerely held views like the minimum wage, the voucher system and issues like that. I wasn't the first General Secretary to take issue and defend the policies of the union against the policies that the Labour Party felt that should be carried through in the interests of coming to power or staying on government.

Furthermore, Jon Cruddas identified the role of the TUG, TULO and informal processes as key levers of pressure on the Labour leadership, which counteracted further policy dilution, he said:

> From time to time, and this has been tacitly accepted by the TUC irrespective of whether they would say so or not, but it has been used to put the pressure on when needs must within the institutions of the party particularly around the emerging Employment Relations Act in 1999 and the national minimum wage.
>
> So, from time to time, to put it bluntly, there was a need for the Trade Union Group in Parliament and the TULO processes as well to put the pressure up. So, there was a series of informal and formal mechanisms, customs and networks. How this actually works is a very interesting and elusive thing but it does work through protocol but also informal processes and lateral relationships. The hidden hard wiring of it all, personalities and how people perceive their own role.

In light of Cruddas' previous remarks, it is worthwhile remembering the comments made by Mack (1956: 72) who stated, "*the biggest obstacle to the student of trade unionism is the elusiveness of the animal, the difficulty of catching the real process of trade union government in the net of conceptual formulation. A very great deal...depends on personalities, on tradition, and on informal arrangements and contacts*".

In addition, in response to an interview question, Gerry Sutcliffe, supported the contention that if the TUG process was not in situ in concert with a series of pressure levers including informal processes, then there would have been greater opportunities for those wishing to dilute the minimum wage's scope in terms of cover and rates. Sutcliffe stated that formal and informal pressure ultimately influenced the Prime Minister's approach:

> Yes, we were able to influence the Prime Minister's thinking on employment issues such as the national minimum wage, Family Friendly policies, and there were a whole raft of policy areas that Labour did in principle want to introduce but the Trade Union Group ensured that we were able to push harder for those successes.

The previous contributions by actors importantly illustrate the centrality of informal processes and forms of group coordination, which shaped the employment relations outcomes of the Labour Government. Nonetheless, Simpson (1999: 30) concluded the minimum wage's was a "*reflection of the industrial weakness of trade unions*", before adding that it would be 'perverse' to see the policy as a "*reflection of some degree of political influence*" by trade unions. Coates and Hay (2001: 451) also reinforce this perception remarking that the low level of the minimum wage, failure to uprate in line with inflation, and, the different age rates confirmed social partnership was in fact "*far from evident*".

Howell and Kolins Givan (2011: 247) also contribute to the choir of academic disappointment regarding the outcomes associated with the minimum wage adding that the government still 'imposed' a rate albeit following advice from the LPC. As such the minimum wage, "*perfectly exemplifies the replacement of a collective*

institution with an individualised one, one focused on protecting the floor rather than negotiating a higher ceiling".[236] Professor Keith Ewing, a key academic advisor to trade unions on employment law, in interview added: *"The minimum wage in my view and all due respect to Rodney Bickerstaffe, but its effect is greatly exaggerated. I say that because the national minimum wage is a monument to the failure of organised labour"*.

As the thesis has presented the introduction of minimum standards enshrined in statute is illustrative of the trajectory across advanced industrialised countries, particularly in LMEs where policies such as the minimum wage perform a more central role in the governance of market relations in contrast with NMEs and CMEs (Kelly and Hamann, 2008: 30). However, despite the previous cogent academic critiques, it also cannot be refuted that partial re-regulation is to be found in the minimum wage with its statutory component.

As such, the NMW is viewed as a qualified success by trade union actors in the context of a liberal market economy despite the contestation over its extent and scope. In fact, Ewing (2005: 15) perceptively stated the minimum wage highlighted the role of collective bargaining as a regulatory process performed by the state as it was, "*…a function which in the past was performed in part by national bargaining and wage councils*". As such, regulation by the state via political action in the structures of Labour Party can be considered critical to trade unions in their endeavours to attain favoured employment relations outcomes in a liberal market economy.

The presentation of the NMW (1998) case event has provided empirical evidence and insightful perspectives from actors intimately involved in the negotiations. These perspectives support the assertion that the terms of the NMW framework could have been weaker and at a lower level than legislated for without pressure by trade unions through formal and informal settings. Concomitant with this contention is the disappointment with the extent of the gains by actors. The principal factors of influence identified in the literature, documentation and through interviews with

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[236] Ibid.

actors as shaping the development of the minimum wage were trade union ideology, the strategic choices of union leaders and the strategy of the state.

These aforementioned factors of influence must be viewed through the prism of the Labour Government's endeavours to cultivate a strong relationship with the business community advanced through the social partnership approach (Undy 1999; Coulter 2009; Howell 2004; Ludlam and Taylor 2003; Grant and Lockwood, 1999; Smith and Morton, 2001; Rueda 2006). The cumulative effects of these factors were collective action problems prevailing among trade unions in conjunction with an absence of coordination mechanisms, which contributed towards a weaker framework.

The thesis in the next chapter will now assess the ERA (1999) in order to illuminate potential patterns in the ability or otherwise of trade unions seeking to influence the legislative outcomes of the Labour Government.

6   Case Event 3 - Employment Relations Act (1999)

6.1   Introduction

The employment relations approach of New Labour in opposition and government, as the NMW (1998) illustrated, was 'distinctive' from its Conservative (1979-97) and Labour (1974-79) predecessors in government.[237] The ERA (1999) would prove to be more contentious and divisive than the NMW, as this chapter will evaluate. Labour's business paper prior to the General Election of 1997, '*Building Prosperity – Flexibility, Efficiency and Fairness at Work*', contained a commitment to union recognition, however, no firm details (Coates 2005: 82).

In this context, Lord Monks in interview identified that while the majority of unions in the TUC and Labour Party were broadly 'cohesive' around the closed-shop ending in relation to statutory recognition there were a number of differences. Monks said, "*I mean we were pretty cohesive about that [closed-shop] but what we were not cohesive about was that Blair said I am going to give you trade union recognition, which we hadn't agreed that we really wanted*". Monks added that these concerns were shared by Lord Morris of the TGWU as he drew attention to recognition being a subject both individuals were neither "*particularly enthusiastic about*". The reason for this ambiguity was on the following basis: "*We didn't think that after a while it would work because after the initial boost it would get buggered up by the company lawyers and the union busters and so on*".

John Edmonds, former GMB General Secretary, stated the only area of major concern from his perspective was on secondary action during a dispute regarding the emergent employment relations framework pre-election in 1997. Edmonds stated, "*Secondary industrial action, which by and large I supported, was getting close to an issue which could have a big effect on a General Election not because of the policy itself but because it would be a substantial platform for the Tories to argue that this is 'giving the trade unions back their power' and so on*". The prior remarks from actors are illustrative of the nuances and divisions that would beset the negotiations surrounding the legislative proposals as Labour entered government.

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[237] Howell (2004: 19).

6.2   Fairness at Work (May 1998)

Sir Ian McCartney outlined the DTI approach to '*Fairness at Work*' (May 1998), in advance of the employment relations proposals being published. McCartney said the work was "*mainly done with the TUC but individual unions as well*", as he stated:

> What I did between 1986 and 1987 with the TUC, John Monks and his people, individual General Secretaries, and the Labour Party looked at the areas and gaps in employment law, which we could put together in a coordinated way to find a new type of agenda.   A lot of creative thinking went into that, some of the areas people recognised and other areas such as the Partnership Fund with for the first time the state investing in unions and employers to work together in an effective way.

> This was about developing the skills and knowledge of those who represent the unions on the front line and that then of course went on into the learning fund with David Blunkett, which was a really successful strategy. We had worked out in advance the potential for what would be in a White Paper for Fairness at Work and then eventually the Employment Relations Bill. That was all done by some groups coordinated by the TUC and myself.

Frank Doran supports the prior comments in reference to McCartney's critical role, he stated the following in interview, "*Prior to the 1997 General Election back to around 1994 there had been a dialogue with the unions and Ian [McCartney] was a key part of that. The talks in opposition were based on getting an agreement on what an agenda should be for a Labour Government in employment relations. A lot of this was carried through the TUC and it was extremely successful*".[238] In this context, Jon Cruddas outlined his role as negotiations developed, as the trade union liaison contact in Downing Street, he said:

> I saw my role as representing labour in those negotiations. We had another guy there at the time called Geoff Norris and his role was basically to do the equivalent job for the CBI with the business community. Blair to his credit, and this is often underestimated, he

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[238] Doran is cited in the TUC General Council report (1999: 15) as engaging with trade unions on 10 February 1999 on the Bill to corroborate his intimate involvement.

would assume that everybody went and fought the issues out.[239]

So, it was not as if the whole of Downing Street was against the unions. There was in fact a whole multitude of interests and contributions. My role was to help build an entry point into Downing Street and build it into the forums of union representation. This took the form of formal meetings with the TUC and the trade union liaison forums within the party.

Illustrative of the 'forums' of representation identified by Cruddas, Tom Watson drew attention to a complementary process involving representatives from the four largest affiliates to the Labour Party (TGWU, AEEU, GMB and UNISON), thus reinforcing the focus of the thesis on the largest unions. Watson said:

So, TULO was a formal structure by which the Labour Party and the unions held discussions but when in government it was more, you know there was obviously a government machinery of formal consultation and then there is always these informal relationships and what became apparent, very early on, was there needed to be a sort of medium order level –my level - a degree of candour with our colleagues in the other unions about what was achievable and what wasn't within the negotiations.

So, actually there was a small group convened, an informal group convened by the T&G that had the big unions just meeting informally. So, I went on behalf of the AEEU with representatives from unions including the GMB and UNISON. It got nicknamed the 'Sushi Club' because the T&G office was near a sushi bar at that time, we'd have takeaway sushi. And, it was an informal meeting where we could talk about where each General Secretary was coming from within the negotiations and where the bottom lines were.

Really, it was useful for us because it gave us a much greater clarity on where the fault lines in government were so you know who in the administration was more positive about the legislation and who was less supportive and very often in those negotiations, Jon Cruddas would often say things like 'if you want X, you can't push Y' and so what he gave us was a candid view of how far we could push on some things and we would give him a candid view of what we could swallow within the framework.

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[239] Geoff Norris was the Prime Minister's liaison with the business community. In May 1997, Norris was appointed Blair's Special Adviser responsible for Trade, Industry, Energy, Employment, and Planning.

John O'Regan, Political Officer of the GPMU at this juncture, however, expanded upon emerging fault lines in the wider labour movement, specifically over statutory recognition proposals, which would lead to trade union division:

> Our argument was that if we could prove we had the support of over fifty per cent of the employees then there should be no need for a ballot. There should be automatic recognition but the government didn't want that because they had been talking to the employers and they didn't want recognition full stop. That was one of the big issues. We had some success along these lines but not as we would have wanted it.
>
> The other area which affected us greatly was the workplaces where statutory recognition would apply to and the government I think started off at workplaces of fifty where it wouldn't apply to. Our argument was it should apply to any workplace, any workplace of three employees, that was the difference between us. The arguments went on and we went to Conference [Labour Party in 1997].[240]
>
> This is one of the issues which didn't affect quite a few unions, and I remember the T&G saying this isn't a problem for us, as we don't organise in workplaces less than fifty. Now the GPMU on the other hand in ninety-one per cent of workplaces we organised in they were small workplaces under fifty. It was something like eighty per cent under twenty-one employees.[241]

As such, it is the contention of the thesis that there has been a lack of evaluation of the strategic choices of union leaders through informal processes and the fluctuating level of influence of these processes on outcomes. Therefore, the prior contributions from actors are particularly illuminating as they identify the multi-forum negotiations involving trade unions through the TUC, in groups (e.g. four largest unions) and on an individual basis. The lack of coordination would prove significant for the framework of the legislation.

Lord Monks wrote to the Prime Minster as the trade union movement was informed that the latter was influencing the forthcoming White Paper proposals in line with the CBI's views. In this context, Monks stated the TUC *"could not support decisions*

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[240] Labour Party Conference. 29 September-3 October 1997.

along these lines and if they were introduced would campaign against them".[242] Monks requested that any public announcement be 'deferred' until the General Council of the TUC had met to discuss the proposals.[243] Reflective of the policy contestation between stakeholders, the TUC General Council Report to Congress (1998: 4) reported that in, "*the months leading up the White Paper Fairness at Work were ones in which the complexities of dealing with Government were all too apparent*". The report further added that the "*process leading to the White Paper was one of intensive activity*". Coates (2005: 83) complements these assertions arguing the government's proposals were not published until May 1998 precisely because, "…*its agenda was so contested by the relevant social partners, and because its consequences in terms of its new industrial relations framework were so hard to settle between 'old' and 'new' Labour elements in Tony Blair's first Cabinet*".

As part of the process of 'trying to move matters forward', the TUC in conjunction with the CBI and government agreed in principle that there 'could be a case' for a minimum 'yes' vote to ensure there was a 'basis for sustainable collective bargaining'. Importantly, the TUC in relation to the recognition ballot stated that it 'might not be appropriate in the smallest of firms, say those with fewer than 10 employees'.[244] The flexible nature of these pronouncements reflected the intense behind the scenes negotiations. However, the TUC's formal position over recognition bargaining units remained that the process should be presided over by a new agency, there should be no exclusion of small firms, and, recognition should be automatic where more than 50 per cent of the externally defined bargaining unit agree.[245]

The union recognition proposals were formally set out in the White Paper '*Fairness at Work*' (DTI, 1998: 2), based around a framework of new individual and collective statutory rights. The Labour Government justified the approach on the basis it was consistent with a flexible and efficient labour market. A central facet of the approach was to create a climate that would reduce industrial conflict by establishing forums inclusive of trade unions and business such as the LPC, as illustrated in the NMW

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[242] McIllroy (2000b: 7).
[243] The TUC General Council Report to Congress (1998: 9).
[244] The TUC General Council Report to Congress (1998: 9).
[245] The TUC General Council Report to Congress (1998: 9).

(1998). A key objective was to facilitate an employment relations 'settlement' not only for the 1997-2001 parliament but also for a generation. In a much-cited Foreword (1998: 2) to the White Paper, the Prime Minster stated the intent of the legislation.

> There will be no going back. The days of strikes without ballots, mass picketing, closed-shops and secondary action are over. Even after the changes we propose, Britain will have the most lightly regulated labour market of any leading economy in the world.

In '*Fairness at Work',* the draft recognition procedures were more complex than the automatic right to recognition assumed to be agreed in principle in the run-up to the 1997 General Election. This was reflective of the policy contestation. Several controversial escape-routes would be inserted into the draft legislation principally a majority of those voting and at least 40 per cent of those eligible had to vote in favour of trade union recognition, and, 5 million plus workers in small firms under-21 employees were excluded. Further restrictions limited the right of workers to be accompanied into disciplinary meetings by a trade union official of their choosing, and, employers were able to dismiss workers involved in lawful disputes if they could show they had acted 'reasonably'. Sir Ian McCartney outlined his perspective on the White Paper, which drew him into 'frank' negotiations with trade unions.

> I was quite concerned in establishing the right to representation and recognition rights. Part of that recognition right in some instances was a recognition right to a ballot. One of the big problems you have got is trade unions competing against each other in the workplace and therefore I had to write to the TUC to explain why I was including in the employment relation strategy for recognition a structure which made it, if unions wanted to compete with each other then they would not be able to use the legislation in an effective way.

> I wanted to try and ensure we didn't get competition between unions trying to bar each other from the workplace or gain access to the workplace at the expense of another union. It was important that this didn't happen. The background to this was not just history but there was indeed a range of disputes at that time 98-99 where there was trade unions competing against each other and I got the senior leaders in and spoke to them frankly, put it that way, about how they were doing down the legislation by this

continuing dispute between themselves about who represented the workplace - that should be a right for the workforce to decide.

I was going to ensure that built into the process for them a disadvantage – not an advantage to the employer – but a disadvantage so it would ensure that they worked cooperatively in gaining access to workplaces. I think that was important so although a friend of the unions I had to stand back from them. I wasn't their tool, not that they expected that of me. We had very good working relationships and great respect between us all. So, we had to work in a way to get this very complex and large agenda off the ground.

The social partnership underpinnings of *'Fairness at Work'* (1998: 18) lead to a firm focus on supply-side initiatives such as training, skills and a flexible workforce. There were a series of family-friendly proposals introduced in the legislation as part of the approach. However, this is not the primary focus of the chapter, which has chosen to focus on the employment relations management elements of the legislation, principally collective bargaining, recognition, unfair dismissal and disputes procedures.

The White Paper proposals emphasised that in the liberal market economic environment trade union growth would be dependent on the ability of unions to, "*convince employers and employees of their value - how much help they can bring to the success of an enterprise for employers, and how much active support they can offer employees*" (Section 4.11). Smith and Morton (2001: 122) supplement these extracts stating that the purpose of the proposals was, "*not to promote trade unions as autonomous workers' organizations, but to remould them*". Accordingly, Howell (2004: 19) argued that collective bargaining, union recognition and statutory rights at work would be, "*justified by their contribution to the construction of partnership in the workplace in the quest for global competitiveness*".

However, the trade union movement was perceived to secure a qualified success in the draft proposals as the threshold of firms with twenty employees eligible for union recognition was significantly lower than the CBI's target of fifty. Moreover, a demand that firms themselves should define the bargaining unit by key sections of the business community was rejected in favour of the Central Arbitration Committee,

which would adjudicate on this matter.[246] Tom Watson identified the role of the AEEU, specifically in regards to the exemption for union recognition in small firms. In doing so, Watson highlights the fractious nature of negotiations and divisions between trade unions arising from the strategic choices of union leaders.

> There was actually quite a lot of hostility internally to the union's [AEEU] position on that in particular the GPMU who were very very vexed about 'twenty plus one' they said it would rule out a lot of potential representation for you know, small printers. And, this is the bit that I think you may find interesting in terms of a journalist would call it "colour" in trying to hold…Downing Street itself did not have a common position and what you have is Jon Cruddas who was in the sort of gearbox between Downing Street and the union who was also involved in internal negotiations with people in the Blair Administration and trying to improve the outcome of the legislation into the benefit of the union. And, it came to a head over the bargaining unit where behind the scene negotiations nearly broke down when the GPMU got all the other unions to refuse to accept the position.
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> I was authorised to negotiate on behalf of the union on this, so informally negotiate, but what actually happened was when they realised that I was holding the line on behalf of the union or feeding it in somebody and I don't know who it is, reached Ken Jackson [AEEU General Secretary] directly and Ken conceded the position which essentially meant the unions' negotiated hand was weakened and ultimately we ended up with the twenty plus one.
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> So, there were, I mean in terms of, I think what I'm really saying is there was not a common position in the unions and we were easily outmanoeuvred in the negotiations and that's partly because there was very little respect paid to the TUC in its role and these bilateral negotiations that built up.[247]

Tom Watson identified the key role of corporate lobbyists and business organisations as part of a complex pluralist matrix of interests shaping the terms of the employment relations framework in advance of its publication.

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[246] Lourie (1998: 38).

[247] Sir Ken Jackson was the General Secretary of the AEEU from 1995 until its merger with the MSF union to form AMICUS in 2001. Jackson subsequently became one of the Joint General Secretaries of AMICUS.

The second point on that is and of course, this is of interest to me personally, there was an extraordinary amount of time spent on the bits of the legislation that would allow Rupert Murdoch the ability not to agree to unions at Wapping.

So, whenever there had been progress behind the scenes between unions and Downing Street there was never sign-offs until News International had sort of got their line in and in the end when we got the legislation that did subsequently, you know the legislation allowed for News International to organise its affairs such that the unions could not go for a recognition ballot.

The TUC gained some 'concessions' on individual rights relating to union representation at disciplinary hearings and unfair dismissals (Coulter 2009: 15).[248] Schedule 4.22 of the White Paper, for example, proposed employees dismissed for taking part in lawfully organised official industrial action should have the right to complain of unfair dismissal to a tribunal. The caveat was any tribunal should not get involved with, "*looking at the merits of the dispute; its role would be to decide whether the employer had acted fairly and reasonably taking into account all the circumstances of the case*". The trade union movement was described as being particularly 'incensed' by Tony Blair's refusal to honour John Smith's 1992 commitment to extend protection from unfair dismissal to workers from the first day of their employment (Coates 2005: 92).

The response from sections of the business community was equally scathing as the Institute of Directors attacked the White Paper as representing, *"..a significant swing towards the employee". [249]* In contrast, McIlroy (2000b: 7) described the CBI as having shifted their position from outright opposition to one of engaging and contesting key clauses of the proposals. Specifically, the CBI focused on the element that to gain recognition 40 per cent of the workforce must say 'yes', there should also be procedures for derecognition, and, prohibitions on industrial action to secure recognition. These policy positions were reflected in the published White Paper a testament to the pressure the business community brought to bear on the emergent

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[248] The right to claim unfair dismissal was introduced by the Industrial Relations Act (1971). At that time, the qualifying period was two years. This was reduced to one year in 1974 and to six months in 1975 by the Trade Union and Labour Relations Act (1974). It was increased again to one year in 1979 by the *Unfair Dismissal (Variation of Qualifying Period) Order 1979 SI No 959* and to two years for employees in firms with fewer than 21 employees in 1980 under the *Employment Act 1980*. It was raised to two years in all cases in 1985 by the *Unfair Dismissal (Variation of Qualifying Period) Order 1985 SI No 782*.
[249] Lourie (1998: 15).

framework.

Lord Monks, on behalf of the TUC, responded to the proposals expressing that while it represented a 'big improvement' for trade unions key concerns remained in particular over the 40 per cent threshold, which he described as being 'too stiff'.[250] Additionally, Monks vented disappointment at the exclusion of a minimum 5 million employees in small firms from recognition rights; whereas John Edmonds, GMB General Secretary, pronounced the proposals as a 'flawed jewel' due to the government listening to the 'siren voices' of the CBI. Edmonds pledged that the GMB union would campaign to change the 40 per cent threshold, which '*Fairness at Work*' stated would be 'reviewed' in the future (See Appendix C for more details on the Bargaining and Recognition Procedures). [251] Overall, the framework of rights, according to Howell (2004: 9), were 'fairly limited' in nature while the family-friendly rights were 'heavily influenced' by existing or proposed EU legislation. In essence, the areas the Labour Government had freedom of manoeuvre over with respect to employment and trade union rights could be viewed as even more minimalist in this context.

Table 5.1   Largest TUC Affiliated Unions 1997 to 2001

TUC Affiliated Membership	1979	2001	% Change
TGWU	2,086,281	858,804	-59
AEEU	1,661,381	728,211	-56
UNISON[252]	1,657,926	1,272,470	-23
GMB	1,096,865	683,680	-38
MSF	701,000	350,974	-50
USDAW	470,017	310,222	-34

Actors involved in the '*Fairness at Work*' process at the highest level attribute the trade union disappointment over the extent of the proposals as deriving from a number of factors. This principally entailed competing organisational priorities in relation to specific elements in the emergent employment relations framework (e.g. recognition thresholds) and a lack of trade union coordination. The latter was a manifestation of the simultaneous multilateral and bilateral informal processes

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[250] The Guardian, 22 May 1998.
[251] Ibid.
[252] Consisting of NALGO, NUPE and COHSE in 1979.

involving the TUC, the four largest trade unions, and, specifically the actions of one key trade union actor in particular, the AEEU General Secretary. These factors cumulatively contributed to the publication of a White Paper beneath the expectations of the trade union movement. The divisions and lack of coordination would sow the seeds for further dilution in the transition from the White Paper to the Bill. John O'Regan, in response to a question on the scale of the challenge in trying to achieve coordination in the trade union movement, stated the following:

> There were such big differences between the union leaders. The AEEU on employment issues would literally go along with what the Labour Party wanted but every union had its own objectives. As much as we tried to get one union agenda, I don't think we succeeded in those early days. There was not one union agenda.

> The public sector unions, UNISON in particular, they didn't have the same problems on recognition and at that time on the issue of strikes so that wasn't the big issues for them it was better conditions for public sector workers and now they had a Labour Government who they could work with to get things done much more readily than they could with the Tories. That was their agenda; the AEEU agenda was strange to say the least.

The previous contribution reinforces the minimal extent of coordination between trade unions in the first-term, principally due to the differences in the strategic choices of union leaders and union ideological accommodation with elements of the government's social partnership approach. In an important contribution, Dave Prentis, then Deputy General Secretary of UNISON in 1999, directly contributes to the divergence of organisational importance placed on policy items. As such, the '*Fairness at Work'* proposals were not viewed as an organisational priority, in contrast with the minimum wage for UNISON. It is important to emphasise this should not be confused with not appreciating the importance of the proposed legislation for other trade unions. The policy emphasis would be, to an extent, a mirror image of the GPMU and AEEU position in relation to the NMW (1998) not being considered an organisational priority. Prentis said:

I mean, probably we didn't put as much emphasis on this as we did the minimum wage and a lot of the things that were being talked about, they weren't directly relevant to us because we did have recognition throughout public services and because we had national agreements we had recognition even when our density was low.

So, I mean there's not just UNISON, UNITE (TGWU and AMICUS), GMB, all the unions that organise in the public sector, we did have recognition. So, it was more of an issue for private sector employers that they um, I mean we weren't going to turn it down.[253]

The contributions from Prentis and O'Regan draw attention to the nuances that ministers opposed to elements of the legislation sought to expose through private bilateral negotiations with individual trade union leaders. These contributions illustrate critical areas of my research, principally the lack of coordination among trade unions - explicitly or implicitly - and the informal nature by which negotiations were conducted which in this case event diminished the opportunity for favoured outcomes to be obtained.

These aforementioned points lend credence to the contention in the literature that in the UK the opportunity for trade union leaders to act in greater coordination was limited deriving from what Frege and Kelly (2003: 14) contend is an 'individualist leadership structure' akin to a CEO in a LME. As such, the strategic choices of trade union leaders can perform a more discretionary institutional role than counter-parts in NMEs, CMEs and EDEs. This is augmented by the corollary point, which is that the British and American trade union confederations were 'relatively weak' in comparison with their national affiliates.[254]

6.3   Employment Relations Bill (1999)

At the 1998 TUC Congress, following the publication of the White Paper, the delegates accepted the General Council's view that there were "*gains and they had to be built on*", as the discussions continued over the employment relations framework (McIlroy 2000: 8). On 4 November 1998, Peter Mandelson MP, Trade and

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[253] AMICUS became the second-largest trade union, and the largest private sector union, formed by the merger of Manufacturing Science and Finance and the AEEU (Amalgamated Engineering and Electrical Union) in 2001, and two smaller unions, UNIFI and the GPMU thereafter joined in 2004.
[254] Ibid.

Industry Secretary, 'signalled' at an appearance before the Trade and Industry Committee that he planned to abolish the £12,000 limit on compensation for unfair dismissal. The CBI had urged Mandelson to raise the limit from £12,000 to £40,000 and that a cap on awards should remain.[255] Trade union concerns over the proposal to allow automatic union recognition where '50 per cent plus one' of the workforce were already union members were also heightened. The implication being that the government could dilute the original proposals by applying the threshold to every site of a company rather than across the firm as a whole. Mandelson's use of the words "*in the place of work*" added to these concerns.[256]

Consequently, senior trade union leaders met with the Prime Minister and Mandelson on 17 November 1998, to discuss the details of the proposed legislation as the White Paper moved into the Bill stage. Coates (2005: 86) states that Tony Blair was reportedly more concerned about the impact the new regulations could have on the government's pro-business agenda highlighting, *"that at his [Blair] key meeting with the TUC General Secretary, John Monks, when the controversy was at its peak, he apparently spent most of the 45 minutes promoting the CBI case to Monks"*. In the aftermath of the meeting, the TUC Executive felt compelled to publically state:

> …its strong concern at reports that the Government is giving sympathetic consideration to employer lobbying aimed at sabotaging clear principles set out in the White Paper. The employer agenda is not concerned with mere detail but persuading the government to water down the White Paper and destroy the careful balance it established.[257]

Despite the public protestations from trade unions, the government gave notice on 17 December 1998, in a letter by Mandelson to Lord Monks and Adair Turner, Director General of the CBI, that there would be a number of changes following the results of the consultative process, thus substantiating Mandelson's public statements.[258] The letter obtained from the House of Commons Library, set out the

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[255] BBC (24 November 1998).
[256] Assinder, N (4 November 1998).
[257] TUC to step up Fairness at Work campaign (18 November 1998).
[258] The DTI received more than 470 responses from employers, individuals, lawyers, trade unions and employer organisations.

forthcoming 'main decisions', which diluted the initial strength of the proposed framework. The government confirmed that it had in principle agreed to a £50,000 limit on unfair dismissal compensation and the qualifying period for unfair dismissal would be reduced from two years to one. The dismissal of people taking legal industrial action would be judged unfair for the first eight weeks of a dispute, while no measures would be taken on 'zero hours contracts'.

Furthermore, trade unions would have to show 10 per cent membership in the bargaining unit to trigger a recognition ballot, and, an employer or a group of employees would be able to apply to the CAC for derecognition after three years. The CAC could order a (de)recognition ballot and it had 'sole discretion' to the automatic route, if it believed that recognition was 'not in the interest of good industrial relations'. This conclusion could be arrived at if the CAC judged union members did not want the union to collectively bargain on their behalf, if it was satisfied that the applicant is more than likely to win, and, if union membership was judged to have fallen below 50 per cent (Gennard 2002: 584-5; Lourie (1999: 12 and 43). All these aforementioned elements would feature in the published Bill.

The trade union frustrations deriving from the changes to the Bill from the White Paper in order to accommodate employers' concerns spilled over publicly. Lord Morris, General Secretary of the TGWU, in a New Statesman interview on 22 January 1999, a week before the official publication of the Bill, stated, "*We were promised, before the election, fairness not favours. Well, we haven't had the fairness, but the employers have certainly had the favours*".[259] Morris added the 50 per cent 'yes' threshold requirement, which must amount to at least 40 per cent of the total workforce (rather than a simple majority), was "*a threshold level that is unique to any democratic institution and it can't be fair*". Tony Dubbins, former General Secretary of the GPMU, in interview reflected on the dilution of the proposals from the White Paper:

> Again and again, it was quite clear that the CBI and employer groups were watering
> down the type of legislation and its content that we thought had been agreed in the

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[259] Wilby, P. (22 January 1999).

manifesto. So, there were various stages to this and various outcomes some of which we agreed with, and some quite frankly we were disappointed with. Much to our concern there was a great deal of influence by the CBI and the people who were around in the DTI at time.

Mandelson certainly had some influence and so did Blair particularly because he was not of any trade union origin or background, nor indeed did he understand trade unions. He had never dealt with the power struggle between workers and employers that goes on every single day and he was very much looking, in my judgement anyway, to put two things in place. One, legislation which would be broadly acceptable to employers, and, secondly, legislation that would withstand the test of time. Now, once he got into the politics of that we saw the limitations contained within the New Labour proposals, and this caused a lot of concern and dismay in certain parts of the trade union movement.

Tom Watson complements Dubbins' analysis, as he reflected on the nature of the negotiating processes relating to such a significant piece of employment legislation. Watson describes it in the following terms:

Looking back on it now, it was pretty ad-hoc given the significance of the negotiation, there was no, you know, it was almost deliberately opaque and made it much harder to get a decent deal really for the unions I would say.

In the aftermath of the Bill's publication, evident of the fault lines which emerged between trade unions, Ken Jackson, General Secretary of the AEEU, in contrast to other key leaders said, *"The Employment Relations Bill is a major step forward for social partnership. It is an opportunity for trade unions to demonstrate that partnership is the right way forward. It is now time to put the debate to one side and get on with the real job of making the Bill work*".[260] The public affirmation by the AEEU, in particular its General Secretary, reinforced its ideological accommodation with the government's social partnership approach. Watson responded in interview specifically on the significance of the strategic choices of trade union leaders with respect to the ERA (1999) negotiations, he said:

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[260] LRD (February 1999).

> So, I think obviously there were great improvements to the industrial framework where the landscape of Britain was in the Bill, a lot of trade unions would say it didn't go far enough because it didn't give an automatic right to access to workers which is really what everyone was after. But, from the public face of the AEEU, Ken Jackson expressed satisfaction and it didn't really matter what anyone else said.

The Employment Relations Bill was published on 27 January 1999. As stated, it constrained the ability for trade unions to seek and retain recognition from the original proposals. The three routes to recognition were voluntary, by ballot and automatic. For example, the White Paper did not mention a specific figure as evidence of a reasonable level of support while the CBI had proposed a threshold of 20 per cent membership over the preceding 12 months.[261] Trade unions, as discussed, would now have to show 10 per cent union membership in the bargaining unit to trigger a ballot. If there were disagreements about the bargaining unit, this would be resolved by the CAC, which would be given the job of implementing the recognition section. The Bill also permitted employers and employees to reach individual contracts even when a union was recognised in the bargaining unit, while simultaneously protecting employees from being forced to do so.

The industrial action ballot provisions would remain but there were a number of changes that were designed to protect the privacy of union members, simplify ballot procedures, and, allow negotiations to continue beyond the 28 day 'expiry date' on industrial action ballots when both sides agreed. In relation to the dismissal of those involved in industrial action, the White Paper remained silent on this issue other than indicating support for remedial procedures in principle.

In contrast, the Bill stated that the government intended to make the dismissal of people taking legal industrial action unfair for the first eight weeks of a dispute thus confirming Mandelson's letter on 17 December 1998. However, this position was an advancement of the ability of employers to dismiss anyone taking action. After eight weeks the dismissal would only be unfair if the employer had not taken all procedural

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[261] The Employment Relations Bill retained the family-friendly component of the White Paper principally due to the incorporation into UK law of European obligations under the Social Chapter and the implementation of the EC Directive on Parental Leave. The Directive gave all parents (men and women, including those who adopt a child) the right to three months' parental leave and introduced a right to time off for urgent family reasons.

steps as would have been 'reasonable' to settle the dispute. Lord Morris complained about the prior aspect in the Bill highlighting employers would have an incentive to sit out a strike.[262]

Moreover, the cap on unfair dismissal awards would be raised from £12,000 to £50,000 whereas the White Paper said it would abolish the limit.[263] The qualifying period for unfair dismissal was reduced from two years to one, which would be achieved by using an existing Order-making power to vary this period.[264] Employers were prohibited from making employees sign away rights to protection against unfair dismissal in contracts of employment and it was further proposed that union members would be protected against discrimination by blacklisting when applying for jobs.

In relation to employees being eligible for trade union representation in disciplinary hearings and serious grievances involving potential breaches of statutory, contractual or common law, the TUC raised concerns that the remit for inclusion was 'drawn too narrowly'. The TUC also contended that the Bill did not appear to cover discrimination on grounds of age and that there was no clear obligation on employers to have grievance procedures.[265] As indicated in Mandelson's letter, the government officially confirmed that it had decided against measures to regulate the use of 'zero hours' contracts, an issue it raised in the White Paper.[266] As the full proposals were published the official response to the Bill by Lord Monks on behalf of the TUC, was as follows:

> Of course, the Bill does not go as far as we would like. And we are worried that concessions given to employer lobbying may lead to unnecessary legal action and openings for US-style union busting consultants. But these disappointments should not distract from the historic gain for people at work that this Bill represents.[267]

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[262] Wilby (22 January 1999).
[263] Fairness at Work (1998: Schedule 3.5).
[264] Employment Rights Act 1996, section 209 (1) (c) and (5)
[265] TUC (January 26 1999).
[266] Schedule 3.4 of the White Paper stated, "*These contracts do not specify particular hours: the person may be required at any or at specified times. These contracts maximise flexibility for employers and suit some people who want occasional earnings. Many employers ensure the contracts are used sensibly, but they have the potential to be abused*".
[267] TUC (January 26 1999).

Sir Ian McCartney, who revealed his own efforts to 'outflank' ministerial colleagues on employment relations matters, adopted a different perspective to trade union leaders. McCartney in interview cited the challenges of government that required engagement and the widest consensus possible with all social partners in a pluralist policy environment, he said:

I found it very difficult in that if we were going to do five things the trade unions would say what about the other five or in trying to implement policy there was very rarely any thought put in by the trade union movement into their part of the bargain. What I mean by this is that my job was to get in place as an ongoing programme of effective legislative change and to negotiate this across Whitehall and Number 10 and the Treasury, with the Prime Minster personally and with his team.

We had to deal with it in a way which was sustained – and I think this is important – because the TUC could have relationships with the CBI but I also had to have a relationship with them it can't be an inclusive relationship because I have got to manage this relationship. It was important I thought to implement as much of the strategy with an engagement with employers that was positive.

In the past previous Labour Governments looking over the history of this when they have implemented things has usually been in the teeth of opposition from employers and not always effectively done, some were but not always, and, therefore I thought it was very important knowing what I was going to do in the end anyway was to engage with the employers and the trade union movement.

What I mean by the trade union side of the bargain was if we were to give people new rights and opportunities then the unions need to find a way for campaigning, speaking up and speaking out, reforming internally themselves and their structures, and being able to cooperate in the emerging labour market to get areas of union membership which was either weak, low and non-existent. Legislation was designed to have a right, and able to claim that right and redress if your right was not given to you. So, it was all thought through logically.

In an environment of greater union-party detachment and economic structural changes, which severely weakened the trade union movement, the rationale of McCartney's comments from a governmental perspective have validity. In a pluralist

policy context, trade unions are only one albeit 'major socioeconomic interest' (Marsh 1992: 172-3). Therefore, as Howell (2004: 13) articulates, the social partnership approach alternatively described as the 'Third Way' model can be viewed as an, "*alternative discourse, suggesting inclusiveness, social solidarity and fairness, in contrast to the atomism, individualism and exclusive concern with profitability allegedly characterizing Thatcherism*".

Nevertheless, the significant changes included in the Bill from the White Paper must be on balance viewed as, "*a victory for employers' lobbying efforts*" (Lourie 1999: 8). As McIlroy (2000b: 8) cogently articulates, from a trade union perspective, the "*already modest proposals were circumscribed*". Tom Watson also concluded that the results of the negotiations should be viewed as a policy success for Downing Street. Watson identified that this outcome was partly attributable to a lack of trade union coordination, he said:

> Ok, so what I would say is we [AEEU] were obviously publicly and actually in principal in favour of the Act though the devil was in the detail and where I would say that Downing Street absolutely won on this as there was not a unified position across the unions on key points within the Bill.

6.4   ERA (1999)

The Labour Government's employment relations legislation reflected the influential impact of employers' organisations, as the ERA's union recognition procedure grew from eighty-eight paragraphs in six parts in the Bill to one hundred and seventy-two paragraphs in nine parts in the final Act. The ERA did not reinstate the promotion of collective bargaining within the terms of reference of ACAS, as removed by the TURERA 1993.

Given the threshold levels required for statutory recognition, this maintained the 'dominant position' of employers in the employer-employee relationship according to

Smith and Morton (2001: 126). [268] The mechanical weakness contained in the legislation in relation to union recognition was further impaired by those instances where there was an absence of any trade unionism in a workplace, which gave employers "*an inestimable advantage*".[269]

However, Howell (2004: 10) identified positive aspects of the legislation in relation to the statutory right to union recognition claiming that both, "*business and unions could claim some success for their positions*". Howell emphasises that the 'biggest surprise' was recognition would be automatic where a union could demonstrate a majority of a firm's employees were members of the union.[270] Baccaro and Howell (2011: 538) also offer a positive perspective on the legislation also identifying statutory recognition as the "*one major collective innovation*" of the Labour Government, particularly in the context of a liberal market economy. Brown (2011: 5) agreed that the, "*main innovation in terms of trade union aspirations was the introduction of a statutory recognition procedure*". In addition, Ewing (2005: 8-9) concurred that a 'collective dimension' was to be found in the statutory recognition procedure.

As such, employers were compelled to cooperate with a recognition ballot and to provide the relevant trade union with access to the workforce during the period of a ballot. If an employer failed to do so, the CAC in these circumstances could issue a declaration stating that a union can be recognised to conduct collective bargaining on behalf of the bargaining unit (para. 27(2)). However, in a significant qualification, the access proscribed to trade unions would be restricted to the period of the ballot. In contrast, there were no restrictions on employers in the period prior to the ballot thus raising the spectre of union-busting tactics cited in particular by Lord Monks.

In a further contribution, Undy (2002: 653) importantly draws attention to the positive signals of the Labour Government's discourse on employment relations. In doing so, Undy contends the conditions set out in the legislation enabled trade union growth through recognition:

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[268]A ballot must be supported by a majority of all workers voting who must constitute 40 per cent of the bargaining unit.
[269] Ibid.
[270] Ibid.

But even if provided reluctantly, and subsequently trimmed by 10 Downing Street to appease the CBI, statutory union recognition, government funding for union learning representatives and support for union proposals for partnership at work all helped produce tangible union gains and produce a benign rather than malign political environment. Such a change in the political environment also made employers think twice about emulating the aggressively anti-union behaviour of some large and influential employers in the 1980's and early 1990's.

The assertion by Undy reflects the 'demonstrative effect' in reverse, as identified by Howell (1998: 297), in relation to the cumulative effect of the Conservative Governments exclusionary and hostile measures from 1979-97. The 'benign' atmosphere created by the Labour Government can be empirically located in trade union density and membership statistics, which remained relatively static – a significant outcome in light of the trend over the previous eighteen years. Trade union membership, in fact, rose in 1998 for the first time in twenty years as total membership increased by 50,581 to 7.8 million.[271] The Labour Research Department (LRD) (2000) reported that unions secured seventy-five new recognition deals covering 21,366 workers in ten months.[272]

Nonetheless, the design flaws associated with the statutory recognition procedures are illustrated by the following statistics as trade unions signed 166 recognition deals in 2003, which was around half the 307 signed in 2002 and around a third of the 470 signed in 2001. The latter year was the first year in which the new statutory right to recognition started to have an effect. More than four out of five of the recognition agreements (137 out of 166) in 2003 were voluntary with twenty-nine being the result of rulings by the CAC. The TUC suggested that one reason for the slowdown was that some companies were using 'union busting tactics' as predicted by trade union actors.[273]

Moore (2004: 29) substantiated the negative influence deriving from the various escape-clauses inbuilt within the legislation for employers by identifying the, "*adoption by employers of anti-union tactics is related to the outcome of ballots*". As

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[271] LRD (July 2000).
[272] Ibid.
[273] LRD (April 2004).

such, Howell (2004: 17) concluded that the Labour Government appeared *"willing to accept collective representation where it can be voluntarily negotiated between employer and employees",* but that it was *"loath to impose it through legislation"*. Simpson (2000: 222) echoes these points by drawing attention to the "*absence of any state commitment to collective bargaining as a process*".

Table 5.2 Trade Union Density Post ERA (1999)

Year	Union membership in total employment (1,000s)	UK Employment (1,000s),	Percentage of workforce who are Union members
2000	7418	27484	28.30
2001	7349	27710	27.97
2002	7300	27922	27.71
2003	7447	28188	26.82
2004	7353	28488	26.23
2005	7371	28779	26.42

Source: Labour Force Survey and Office of National Statistics

However, the threat of the statutory route is cited as a positive factor in trade unions attaining voluntary agreements. According to the LRD, in 32 per cent of cases, trade unions considered that the right to statutory recognition was influential in securing a voluntary deal. It is also worth noting that the TUC reported an upward trend in recognition agreements with the anticipation of the Labour Government's legislation in the period from July 1997 to February 1998. Recognition deals outpaced derecognitions in terms of numbers of employees affected by forty-five to one.[274] Therefore, while one cannot contest the fact that statutory recognition performed a diminishing role in relation to recognition, simultaneously the 'shadow of the law' stimulated an increase in voluntary agreements (Moore 2004: 11).

Smith and Morton (2001: 125) further highlight the restrictions on union applications for recognition as the Act stipulates that an application from a union(s) is inadmissible unless unions demonstrate that "*they will co-operate with each other in a manner likely to secure and maintain stable and effective collective bargaining arrangements*" (para. 37(2)). The aforementioned authors add that this position signified that the "*existing structure of collective representation is protected*", thus

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[274] Lourie (1998: 32).

acting as a constraint.[275] Additionally, the CAC could not accept an application from a union if there is a collective agreement in existence; hence, the in-situ trade union remained entitled to bargain on behalf of any workers in the bargaining unit (para. 35(1)). As such, the maintenance and establishment of so-called 'sweetheart' deals (non-independent unions), according to Gall and McKay (2001: 103) would "*not seem to be completely debarred*". Heery and Simms (2008: 34) complement these points by identifying the multiple escape-routes for employers inbuilt within the ERA (1999):

> …the scope for employers to use sweetheart or company unions to block recognition, contest bargaining units to make it harder to secure majority support, delay decisions by the CAC to demoralise workers, limit organiser access to workplaces, and mount counter-organising campaigns…so its problematic aspects as a framework for unionisation have become more apparent.

The White Paper proposed that there would be a 'broadly similar' procedure available for derecognition as for recognition "*after the date on which a previous application was determined*".[276] The Act would stipulate that an employer or a group of employees could apply to the CAC for derecognition after three years. In these circumstances, the CAC was enabled to order a ballot if it was satisfied that the applicant was more than likely to win and at least 10 per cent of the workers constituting the bargaining unit favoured an end of the bargaining arrangements (para. 110 (a & b)). The TUC perceived this outcome as a success in that the moratorium period was no less than the recognition procedure in the Act. The judgement was in the context of the progressive shift towards employer prerogative through the successive phases of the emergent framework.[277]

However, the 'concessions' to the trade union movement, if the previous element can even be viewed as such, were exceeded by the escape-routes inserted post-White Paper.[278] For example, inserted into the Act was the ability of employers to offer financial inducements to workers to opt-out of collective agreements, so-called 'sweeteners'. The clause was described by Wedderburn (2000: 10-11) as "*one of the*

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[275] Smith and Morton (2001: 125).
[276] Fairness at Work (1998). Schedule 4.18.
[277] TUC General Council Report (1999: 17-18).
Howell and Kolins (2011) and Baccaro and Howell (2011) both use the phrase 'escape-routes' but in particular for employers to bypass institutions.

more disturbing parts of the Act", which was tantamount to "*leaving the door open to a variety of discriminatory derecognition moves by employers*". [279] Moreover, collective bargaining was narrowly defined as `negotiations relating to pay, hours and holidays' (Schedule A1 para. 3.3). This was in contrast to the wider definition that embraced the whole pay-effort, thus the legislation restricted "*the scope of collective bargaining to market (economic) relations, to the exclusion of managerial relations*".[280] In another example of the dilution strategy enacted by the government, there was an absence of the three-year moratorium for an application by employers to change the bargaining unit. As such, the CAC could at any juncture decide that the 'original unit is no longer appropriate' (Schedule A1 para 66 (1)).

The victory for employers was most obvious and damaging to the interests of trade unions in relation to the 'twenty plus one' rule, in particular for smaller craft based unions. The clause excluded an estimated 31 per cent of the workforce omitting as high as up to 8.1 million workers in Schedule A1 of the Act (Simpson 2000: 196). Howell (2004: 10) concluded that this critical element of the Act "*indicated the employers won most of the battles for the application of the statutory right*". The exemption was viewed as 'controversial' but a 'balanced proposal' in light of the social partners being unable to agree on the details of key provisions as discussed (Simpson 2000: 196). In interview, Gerry Sutcliffe expands upon the 'twenty plus one rule' logic framed around the social partnership agenda, he said:

> Well, it was very difficult and we did counter balance in other pieces of legislation that helped on recognition. But, you are right because at the end of the day when you are a government minister, you have to respond to the collective principle of being in government and I didn't win the argument when I put the case for recognition for under twenty employees. So, then I was caught with the collective position in which we were in and I knew the union's aspirations because they were my own aspirations when I was a full time official.
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> These are the battles which you have to deal with but I always think that I wouldn't be where I am today if it wasn't for the trade union movement. As an Employment Minister

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[279] The preamble to the Trade Union Recognition (Method of Collective Bargaining) Order (2000: 2) expressly states even if the CAC has imposed a collective method it, "*does not prevent or limit the rights of individual workers to discuss, negotiate or agree with their employer terms of their contract of employment, which differ from the terms of any collective agreement into which the employer and the union may enter as a result of collective bargaining conducted by this method*".

[280] Smith and Morton (2001: 125).

in government, I believe I have done as much as I could to change the lives of working people for the better but it is a dilemma when you can't deliver the agenda that your union colleagues want you to.

A final component of the Act worth examination pertains to workers participating in lawful strikes. As outlined in the Bill, workers would be protected from dismissal for the first eight weeks of a dispute but the fundamental tenets in relation to industrial action introduced by successive Conservative Governments were retained (McIlroy 2000b: 24). The only 'significant' changes made to this aspect of the framework were that strike ballots became 'more anonymous', while it was made illegal for employers to discriminate against strikers (Brown 2011: 5).[281]

Moreover, an additional caveat was inserted into the *Notice of Industrial Action Section 11* of the Act. This stipulated that the union proposing industrial action must provide, "*such information in the union's possession as would help the employer to make plans and bring information to the attention of those of his employees*". Wedderburn (2000: 130-1) concluded that the inequity of this aspect meant that there was, *"no complementary duty on the employer to tell the union how he aims to win the dispute (perhaps by recruiting another workforce which is regulated in many other countries)"*.

6.5   Evaluation and Reflections from Actors

In the transition from the preparatory discussions in advance of the White paper's publication through to the Act, McIlroy (2000b: 9) judges the TUC as having "*failed to achieve justified goals*". Howell (2004: 10) also deems the collective rights in the legislation as being, "*fairly limited, particularly in the context of eighteen years of legislation*". The weaknesses associated with the ERA outcomes from the trade union perspective, as evidenced by the literature and actor interviews, in particular the size of the bargaining unit eligible for recognition and the protection from unfair dismissal can be traced to the emergent fault lines prior to the 1997 General Election.

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[281] ERA (1999), Schedule Three: Paras. 3(3), 11(2-3)) states the explicit preservation of workers' personal anonymity in notices to employers given prior to industrial action (as required by the TURERA 1993).

In conjunction with the absence of effective coordination mechanisms in the economy and internally within the structures of the Labour Party, the cumulative effects of these structural weaknesses contributed to gradual policy dilution and division between trade unions. The Labour leadership accordingly exploited this situation. The ERA explicitly did not seek to strengthen trade unions collectively; rather the focus of the legislation was through statutory rights for individual workers. This reemphasises the minimalist regulatory approach by the Labour Government, therefore, lending support to the view that the new framework was, "*more akin to the shifting front of a war than to seeds of future partnership"* (Howell 2004: 19).

Smith and Morton (2001: 134-5), in a stinging criticism of the Act, contest its effect along with the prevailing *"extensive body of restrictive and regulatory legislation on trade unions",* constituted an outcome, *"comparable to, and in some areas worse than, the Industrial Relations Act 1971*". However, it is perhaps more appropriate to draw attention to the contribution from Marsh (1992: 190) who perceptively identified in a pluralistic policy framework the limitations of trade union power through political action in a liberal market economy context:

> As participants, unions are subject to the 'rules of the game', which encourage the acceptance of sub-optimal outcomes in return for continued participation. Access to the policy process often comes at the end of a long period of bitter struggle and there is a tendency for a group to misinterpret securing access as elite acceptance of the integration of their interests as full equal to those of hitherto dominant groups. The state is not, however, neutral.

Rather than the contextually inappropriate comparison with the IRA (1971), the more critical issue to assess from the trade union perspective should be framed on the following basis. One, was the ERA (1999) illustrative of the state having removed hostility and exclusionary measures on trade unionism. Two, flowing from the previous proposition, did the legislation provide and create an enabling institutional platform to ameliorate the hitherto damaging structural conditions in the economy in order to support trade union growth.

However, without fundamental structural reform in the employment relations arena, the social partnership approach was perceived as being 'incoherent' as described by Howell (2004: 19). The assertion should be taken in conjunction with two central factors those being: the government retaining key elements of the employment relations reforms enacted by successive Conservative Governments, and, an emphasis by Labour that in a liberal market economy trade union growth would be dependent on the ability of unions to *"convince employers and employees of their value"*.[282]

Nonetheless, the employment relations regime enacted through the ERA must be viewed in the context of a liberal market economy. The approach by the Labour Government was also broadly comparable to other advanced economies including more coordinated market economies who have also latterly enacted a decollectivist and individualist trajectory to the employment relations arena, as the literature review has discussed (Baccaro and Howell, 2011; Svensson, 2013; Howell and Kolins Givan, 2011). As such, the thesis uses the label of *regulated individualism* to more accurately describe the shift in the Labour Government's approach to employment relations despite the language of social partnership. As a result, it is the first proposition identified that should be considered the strategic framing preference of the Labour leadership (i.e. removing state hostility towards unions through statutory rights rather than the emphasis being on creating an enabling institutional architecture for union growth).

Therefore, due to the absence of structural reforms, a vigorously contested pluralist policy context, coordination difficulties prevailing among trade unions - principally due to the strategic choices of key trade union leaders, and the centralisation of power in the Labour leadership, these factors cumulatively produced sub-optimal outcomes in the ERA (1999). Lord Collins, former General Secretary of the Labour Party and TGWU Assistant General Secretary, lamented the attitude of the Labour leadership with particular reference to the ERA, he said:

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[282] White Paper (Section 4.11).

The missed opportunities for me, and if I was to criticise the party leadership pre and post 1997, it was that there prevailed a culture, which thought trade unions were illegitimate. Trade unions were seen as a negative force whereas if you go to the United States even right-wing Republicans see the legitimacy of trade unions in a way that many politicians don't see it here. I think the Labour leadership mood music was too negative. It was a missed opportunity to promote a much more modern response in the economic life of the country and the role of trade unions.

A critical issue to address for the thesis is whether informal and formal processes inside the Labour Party's structures had not been utilised would the terms of the framework have been worse than the enacted legislation. The actors interviewed collectively assert that if political action processes designed to apply leverage were not in situ through the Labour Party then there would have been further dilution in the *Fairness at Work* proposals and the ERA itself. The contention is despite the noted actions of trade union actors illustrated in this chapter who undermined the efforts to maintain a cohesive policy front.

Jon Cruddas, in particular, illuminates the pivotal role of informal discussions and processes engaging actors in the transition from the White Paper to the Bill. In addition, Cruddas validates that mechanisms, specifically the TUG, were utilised by trade unions to prevent further dilution of the proposals in favour of employers' organisations, he said:

At that time, Gerry Sutcliffe was Secretary of the Trade Union Group and basically we had informal arrangements whereby we made sure meetings would take place to apply pressure when agendas were emerging. The agendas and the priorities were fairly seamlessly interlinked to the internal negotiations that were occurring. Similarly, I worked very closely with Ian McCartney and others worked very closely with other relevant ministers.

So, there was this parallel other operation and it's fair to say there were a number of outcomes that we weren't unhappy with and our priorities which we really focussed on such as the bargaining unit and automatic recognition – although we never put these things up in lights and tried to downplay the significance of those things – but the final shakedown meant that we had proximity and access. I think the general agreement was

that this was a fairly good agreement.

Firstly, this was all consolidated into a major juggernaut piece of legislation rather than a series of discreet initiatives, which some wanted and second, in terms of the architecture of the recognition procedure there was less damage to it than there might have been. I think the unions' strategy throughout was very creative because it was very much above the line and below it such as the regular meetings between McCartney and Sutcliffe. It was quite a tight operation.

Tony Dubbins, former GPMU General Secretary, supports the importance of reinvigorating the TUG as part of a political action strategy designed to exert pressure on the Labour leadership. In an era of centralised political power, Dubbins identified the TUG as one of few levers open to trade unions in an environment characterised by a dilution of formal processes.

Gerry Sutcliffe who was one of our MPs chaired the Trade Union Group at that time. I think at that time we had about only three MPs linked to the GPMU and we decided to increase this, which we did to thirteen.

In discussion with Gerry and other colleagues in the House of Commons, we looked at the Trade Union Group being a possible forum in the event of a Labour Government, which could apply pressure on the government on trade union issues. This was primarily, it was fair to say, on trade union legislation, although there were a number of other issues which would come in to the arena over a period of time.

So, a decision was taken to increase the Trade Union Group from the GPMU perspective, to maintain our support for Gerry Sutcliffe, to widen the membership of the group and to make it effective again. It had fallen totally and utterly into disrepute, no one in the House of Commons was sure who was in the Group and of course, unions at that time were just doing their own thing individually as far as policy was concerned.

Frege and Kelly (2004: 18) support these prior contributions contending that the ERA (1999) would represent a concession to trade unions on the part of the Labour

Government.[283] The ERA did decelerate the decline in trade union membership and density. As such, according to the aforementioned authors, the legislation should be considered as an example of the "*combination of political action and organising*" by trade unions in a liberal market economy. To crystallise the dilemma for trade unions: what other viable strategic options, other than political action, could have effectively promoted trade union interests in a liberal market in the absence of effective industrial strategies.

Therefore, through an effective channel of influence in the form of the Labour Party political mechanism, trade unions did achieve a shift in a liberal market economy through influencing the details of the government's *regulated individualism* employment relations model. The framework should be considered a qualified success, despite the valid disappointment over the various escape-route clauses inserted into the legislation arising from business community and ministerial pressure, as various trade union actors have acknowledged.[284] However, as the first-term of the Labour Government (1997-2001) progressed, it was accompanied with increasing dissatisfaction at the limited extent of the framework. This factor would emerge to become a defining issue for the future trajectory of relations between the Labour leadership and key trade unions affiliated to the Labour Party – and crucially inside individual trade unions.

The Labour Party's Exeter NPF (2000) in advance of the 2001 General Election would be a turning point for many leaders of the affiliated unions to the Labour Party. This stemmed from the sub-optimal policy outcomes arising from the NMW and ERA, as the following chapter will evaluate (Kelly 2001; Gennard and Hayward, 2008; Laffin and Shaw, 2007). Howell (2004: 11) identifies the crystallisation of the trade union disappointment as manifesting from the consultation process reviewing the ERA in mid-2002. The promise of a future review in 1999 led to the TUC and trade unions such as the GMB giving qualified support to the ERA on the basis that a campaign could go forward seeking amendments to 'unsatisfactory aspects' of the

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[283] The Act received Royal Assent on 27 July 1999.
[284] For example, the Institute of Directors opposed statutory recognition outright and the CBI had originally contended that a union recognition claim should be accompanied by a demonstration of 30 per cent – the latter's position would shift to 20 per cent - support. The law ultimately finished on the basis of demonstrating 10 per cent membership in the bargaining unit to trigger a ballot.

legislation.[285]

In a twist of fate, the review of the ERA encompassed within the 'G*overnment Response to the Public Consultation'* (December 2003) was signed-off by Gerry Sutcliffe, who had been at the forefront of campaigning in the government to enact a stronger framework of trade union rights.[286] Wood and Moore (2003: Abstract) highlight the review specifically concluded that the "*union [recognition] procedure was broadly working and confirmed that the Government would not be changing the procedure's basic features*". Hence, the government rejected the prospect of strengthening the legislation while simultaneously reinforcing the dependence of trade unions on the state.

The review left trade unions "*deeply disappointed by the results of that process, as the Government proposed no significant changes to the recognition legislation*" (Howell 2004: 11).[287] The outcome fuelled 'mounting frustration' in the trade union movement over the extent of the employment relations framework (Waddington, 2003: 354). Sir Brendan Barber in the following interview extract supported the perspective on the restricted scope and 'loopholes' of the ERA as fermenting trade union dissent:

> Well, there's no doubt that there were aspects of the legislation, the Employment Relations Act in particular, less so the minimum wage I think, that did not go as far as many people in the union movement would have liked and some of the provisions within the recognition legislation for example, which it left a loophole for sweetheart unions to be recognised by employers and so on.
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> Some of the hurdles which unions had to get across to qualify for the legal entitlement were regarded by many people as too onerous and unnecessarily so, too protective of employers who were going to be opposing unions in some of the battles to come maybe.

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[285] TUC General Council Report to Congress (1999: 19). These aspects specifically included the recognition procedures, exemptions for small firms, action on zero hours contracts, picketing and gaining employment rights from day one.

[286] Gerry Sutcliffe at this juncture was the Parliamentary Under Secretary of State for Employment Relations, Competition and Consumers.

[287] The only significant changes were that the government proposed 'greater scope' for unions to exclude or expel individuals from membership whose offensive political conduct was protected by trade union law. In Schedule 3.37, the government reaffirmed its intention to leave the basic period of protection at eight weeks. However, the government proposed to legislate to ensure that lockout days are disregarded in calculating the end of the eight-week period as outlined in Schedule 3.38. The period would end only when 56 days have passed since the action began on which no lockout occurred. This was to ensure that employers did not try to sit out the eight weeks by using the lockout tactic (Schedule 3.39). This issue arose in the Friction Dynamics case where the employer participated minimally in conciliation.

So, of course there were those grievances and they were important but in a broader way, there was some satisfaction that that incoming Labour Government did have a programme with some key progressive features from a union perspective.

Dave Prentis, UNISON General Secretary, contributed to the sense of disappointment over the scope of the ERA, in particular the failures to reform industrial ballots:

No it didn't go far enough there were quite a number of issues that could have been dealt with. I mean we wanted to reverse many of the anti-trade union legislation and it didn't. The line that came from the Labour leadership was that, it was up to the unions to recruit, it wasn't up to the government to legislate for it, they would remain fairly neutral, that they'd deal with some of the anomalies.

But, for us the biggest problem that we had was balloting for industrial action, where it's virtually impossible to run a legal ballot and none of this was ever dealt with under Blair, he'd talk about individual rights, workers' rights and not trade union rights and this was probably the minimum that they could do.

Prentis with Liz Snape, Assistant General Secretary of UNISON, in joint interview reemphasised the sense of disappointment with specific reference to the lack of movement on the political fund ballots, which are an essential component of trade union political action. In the following revelatory comments, both interviewees stated:

Dave Prentis: I don't know if anybody's mentioned it but every ten years we've got to ballot our member to keep the political fund and this money that comes out of the political fund. So, we believe that Labour, I'm not saying that McCartney said it, but we believed that Labour would get rid of this ten year rule because it would have meant there was more money to spend on political activity but they didn't, and that was a major weakness.

Liz Snape: We even said to them at the time if you get rid of this, the money we save, you can have and even that wasn't enough.

Dave Prentis: So, you can see the restricted nature of the legislation they wanted to bring in, it was through gritted teeth.

The previous contributions confirm the extent of the union-party detachment, which had emerged. This context set the scene for a series of key leadership changes in the largest affiliated trade unions to the Labour Party, principally during Labour's second term (2001-2005). The leadership changes would be viewed partly as a rebuke of the trade union accommodation with the government's social partnership approach, and, the "*close working relations with New Labour*".[288]

It is to the final case event of the Warwick Agreement (2004), which the thesis will now turn to by evaluating the significance of emerging trade union leadership strategies as a means to attaining favoured outcomes in a liberal market economy. Agency changes in the largest trade unions – UNISON, TGWU, AEEU and GMB - would act as a catalyst for concerted political action inside the structures of the Labour Party. These endeavours would be actioned through greater degrees of coordination, institutional reconfiguration facilitated by informal and formal processes, and a sidelining of the historical role performed by the TUC in favour of affiliated Labour Party unions.

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[288] Waddington (2003: 354).

7 Case Event 4 - The Warwick Agreement (2004)

7.1 Introduction

The final case event is the Warwick Agreement (2004). The primary reason for selection is the significance of the strategic choices of new trade union leaders and associated processes designed to attain favoured outcomes in a liberal market economy.

As discussed, the Blair Premiership accelerated the 'arms-length' approach towards trade unions as the latter developed a sense of 'frustration' regarding the extent of the Labour Government's employment relations framework (Waddington, 2003; Ludlam and Taylor, 2003; Frege and Kelly, 2004).

The chapter will evaluate the significance of leadership changes in the largest trade unions – UNISON, TGWU, AMICUS and GMB – which acted as a catalyst for concerted political action inside the structures of the Labour Party. [289] These endeavours would be operationalised through greater degrees of coordination, institutional reconfiguration facilitated by informal and formal processes. The process is also characterised by the sidelining of the historical role performed by the TUC in policy-making in favour of affiliated Labour Party unions (Ludlam and Taylor, 2003; Charlwood, 2004; Gennard and Hayward, 2008).

The two-strand strategy focused on maximising trade union institutional influence through reforming TULO involving all trade unions affiliated to the Labour Party after the 2001 General Election in conjunction with a complementary process involving the leaders of the largest four trade unions: the 'Big Four'. While the thesis does not contest that the Warwick Agreement is one framed in a liberal market economy, it does, however, assert that through state legislation via an effective channel of influence - the Labour Party political mechanism - trade unions can achieve shifts in the employment relations framework.

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[289] See footnote 253.

7.2   Exeter Policy Forum (2000)

Ludlam and Taylor (2003: 734) highlighted, "*access to government and party policy-making processes remained crucial to union leaders*". Such proximity was arguably more important in a context where Labour, "*refused to reconstruct tripartite macroeconomic policymaking institutions or processes*". While the TUC was the collective voice of trade unions, there existed the 'additional option' of the Labour Party for those unions affiliated to the party (Undy 2002: 642-3). However, as discussed in previous chapters, the opportunity to attain favoured outcomes through the party's mechanisms was constrained by the progressive centralisation of institutional power in the Labour leadership (Laffin and Shaw, 2007; McIlroy, 1998; Ludlam and Taylor, 2003; Quinn, 2004; Hayter 2005; Blair, 2010).[290]

The underlying institutional tensions manifested at the Labour Party's Exeter NPF in July 2000 in the run-up to the General Election of 2001. This event is identified as a critical juncture in interviews with actors but its importance is insufficiently discussed in the literature with the exceptions of Kelly (2001), Ludlam and Taylor (2003), Gennard and Hayward (2008: 215) and Minkin (2014: 322-30). The NPF meeting at Exeter debated a number of 'contentious' issues including electoral reform and the minimum wage with the party leadership allegedly being "*forced into concessions*" (Kelly 2001: 331-2). This was illustrated by the abandonment of proportional representation for local government.

In relation to the employment relations framework, minimal progress was made at Exeter. Minkin (2014: 324), for example, draws attention to a tentative agreement made by the GPMU, GMB and Stephen Byres, Secretary of State of Trade and Industry, on extending union recognition to firms with fewer than twenty-one employees only to be allegedly overruled by Downing Street. Ludlam and Taylor (2003: 732) highlight that restoring the link between earnings to pensions was the "*only one case*" within the party's first-term in office when major unions effectively confronted the party leadership at the annual Labour Party Conference in September

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[290]   The process has eventually left the affiliated trade unions with 17 per cent of the voting power in the policy forum (i.e. 30 seats of 175 in 1997 now reduced to 30 seats out of 186 in 2014 or 16 per cent. The number of seats filled by the unions fell from 17 out of 30 to 12 out of 33 on the NEC also in 1998.

2000 in the aftermath of Exeter.[291] The Chancellor, Gordon Brown, while pledging to raise the basic minimum state pension, however, refused to restore the earnings link (White, 2000).

Nonetheless, the pension example illustrated not only in theory but in practice that there was the potentiality to gain "*real influence*" through the NPF process in conjunction with "*set-piece policy votes*" at the Labour Party Conference (Taylor and Cruddas 1998: 2). Unions retained a significant voice in policy forums, the NEC (12 seats out of 32) and collectively 50 per cent of the votes at conference (Seyd and Whiteley, 2001: 74). Ludlam and Taylor (2003: 735) support this assertion arguing unions could attain favoured outcomes, in particular through the NPF process due to their collective "*superior resources*".

However, trade union coordination, as the outcomes illustrate, was not evident in Exeter. Lord Morris, Chair of TULO at this juncture, emphasised the organisation's prevailing modus operandi not to discuss policy. In doing so, Morris also alludes to the absence of effective coordination mechanisms, he said:

> As I said we never saw TULO as a policy-making body. Policies should be made at the conference [Labour Party] where you can bring all the partners together, the constituency parties, the socialist societies, the NEC and other affiliates. It's really conference that should make policy that's not to say trade unions should not articulate and get together and decide a common approach the things that they want to achieve.

In an analysis of the institutional perspective of the GPMU, Gennard and Hayward (2008: 215) state that the 2001 manifesto deriving from Exeter was a "*bitter disappointment*". As a result of trade union divisions, the aforementioned authors assert, "*Instead of a common trade union position being adopted, the unions were 'picked off', one by one, as they did individual deals with the Labour Government in return for their continued support*". Undy (2002: 652) supports this contention stating the government "*choose to deal more directly with more amendable individual union leaders of the mega union(s)*". Tony Dubbins, General Secretary of the GPMU,

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[291] The unions defeated the government by a conference vote of 60.21 per cent to 39.79 per cent with the TGWU, the GMB and UNISON uniting while the AEEU supported the Labour leadership.

reinforces these academic assertions citing individualistic approaches and the absence of an effective coordination mechanism as the source of sub-optimal outcomes. Dubbins said:

> The government was quite confident about winning the election and I think this made it more difficult for the unions in the sense that the government would probably have won the election with or without trade union support at that stage. So, no one was unaware of the pressures and the opportunities that were there.
>
> I think there were more limited opportunities in 2001 than at any other time. So, that very fact in itself made it even more important that the unions tried to get some common ground and to identify some common issues to get them into the manifesto. That was not done. It was not touched upon.

From a governmental perspective, Sir Ian McCartney added the following complementary analysis on the individualistic and relational dynamics while drawing attention to the evolving nature of the policy-making process as contributory factors to trade union dissatisfaction.

> At Exeter, it was still evolving [policy forum]. One, it was really important to the leadership that it didn't all fall apart and it being seen as the party being split on policy. On the unions side, it was still very much at that time big individuals at the TUC but in particular at the head of each of the individual unions all with their own union agenda - all their own style of working.
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> It hadn't caught on to many of them was that the National Policy Forum was about them having to engage with party members as well as union members and although a lot of party members are union members they are there as party activists. They do not want to go about riding over roughshod but this process is more a partnership. The old style of coming and banging a table or the smoke filled rooms jars with people and it does so with members of the National Policy Forum. It was very unfortunate in those regards.
>
> Nobody's fault but we hadn't done quite enough work at the National Policy Forum to where we have got to in later years. Obviously, a negotiation and arm-wrestle conducted between myself, the government and the General Secretaries of all the unions. I don't

think I went to bed for three days and outside of course were all the meetings taking place.

Quite a lot of business wasn't agreed such as transport and local government. A lot of animosity and feelings that while I was having meetings with all these General Secretaries the other members were hanging about outside waiting to see what would happen. I decided never again would I be associated with a process like that.

A number of trade union actors identified the Exeter NPF as constituting a Rubicon moment in terms of the necessity of enacting strategic steps to address the lack of coordination and concomitant sub-optimal policy outcomes. Tony Dubbins expanded upon individual union approaches to negotiating with the government at Exeter as inducing a strategic response from a number of trade unions:

…a number of unions made representations to various government ministers and perhaps the Prime Minister himself on particular issues. There were nods in certain directions that undoubtedly led them to believe that Labour ministers would take on board their particular issue. When we got to Exeter then meetings became collective union meetings not with individual ministers, although some unions did go off and do this, but the party itself arranged structures that the unions accepted would be on a collective union basis.

Now the irony of this is that Bill Morris did not even turn up at Exeter and that is the Chair of TULO who doesn't even bother coming. He sent two or three people. What became apparent in a very short period of time was that deals had already been done. Done by the CWU [Communication Workers Union] on the privatisation of the Post Office and that it would not happen which was a separate deal. UNISON got guarantees on the two-tier work force and the T&G had another priority.

When it got to the voting the GMB were pretty much sidelined, the GPMU was sidelined, as was Jimmy Knapp at the RMT [Rail Maritime and Transport Union} who was trying to get a deal on rail renationalisation. The voting worked on a basis that a number of unions because they had already got agreements with the government on their own particular areas voted in support of the government.

Therefore, we could not get the necessary votes to make even minority issues appear on the Labour Party Conference. I made up my mind that if TULO was going to succeed in

the future then identifying core trade union issues and gaining agreement across all unions was essential.

John Edmonds also confirmed that Exeter acted as a 'catalyst' for a number of key trade unions to achieve greater coordination, he said:

This was really the catalyst for ensuring that we had a trade union caucus because some of us were not going to go through the Exeter experience ever again. We were in our meeting room having a trade union caucus meeting before the policy forum, strange things had happened. Brendan Barber then Deputy General Secretary of the TUC turned up which was absolutely unheard of in the Labour Party policy-making. I mean the TUC would always keep hands off.

Edmonds added:

Then we had the discussion on employment rights issues and everybody was in favour of the trade union position well of course they were as they formed it but there was then a very exciting variety of thoughts and suggestions about how we might not press some of these things to a vote or if we did vote it may go the other way or to seek some things withdrawn just in case we upset the party leadership, maybe the timing isn't right and so on.

This was three years after the last election which meant we were only one away from the next and so on – and we are moving into an electoral period allegedly. This was at a time when the Labour Party was so far ahead in the polls that you couldn't even see the Tories.

The meeting went on and on and on and on, and we never reached an acceptable conclusion because as I said it was divided every way. People kept leaving the room I assume to talk on the phones to people close to the Labour leader and so on. It was like a little puppet theatre.

Tom Watson contributes to this individualistic approach – organisational and agency - which induced tensions between the largest and dominant trade unions:

…the relationship between the General Secretaries, remember at that time you've got Morris, Ken [Jackson], and you've still got John Edmonds and their personal relationship was not warm, not warm at all and so the idea that the unions would collaborate…I mean there was a position on PR [proportional representation] at one point, where Edmonds condemned the AEEU for not forcing a resolution at a party conference to the vote on first past the post.

Watson expands upon the AEEU's approach at Exeter thus confirming the lack of trade union coordination:

However, you know we [AEEU] weren't really wed into much of it. There were no red lines and you know essentially things would just get crunched through at the last minute and it was administratively chaotic. So, you would actually not notice whether things went through or not, points of detail, but there was also no collective position amongst the unions.

John Edmonds also partly attributes the divisions between key trade unions as deriving from the strategic choices of union leaders:

Really central to all this was the position of the AEU and the position of MSF. To some extent USDAW, but particularly those two. We couldn't get a unified position and frankly, until the people who represented those unions moved on, a unified position was just not possible.

Jack Dromey, former Deputy General Secretary of the TGWU, supports Edmonds' and Dubbins' comments on the management control by the Labour leadership at Exeter.

You are right in your assertion that the Exeter process was highly controlled. Now I don't take a silly view of this because I remember the 1980's…so, I remember how bitter those years were and the pure theatre of Party Conference, and, to be frank, the poor way in

which we made policy. I understood why the party had to change including the policy-making process. However, I think the balance shifted far too far in the opposite direction. So, we ended up with a Labour Party and a policy-making process run from Number 10. This was fundamentally unhealthy. So post-Exeter the unions realised that we had to get our act together.

Furthermore, General Secretary of UNISON Dave Prentis and Assistant General Secretary, Liz Snape, support the previous assertions of fellow trade union actors. It is valuable to present the following interview extract to illuminate Exeter being considered a seminal moment in relation to the outcomes cost associated with a lack of coordination deriving from the strategic choices of union leaders.

Liz Snape: Absolutely, people picked off, people in side rooms.

Dave Prentis: We did get some commitments didn't we?

Liz Snape: On the two-tier workforce.[292]

Dave Prentis: On the two-tier workforce commitment but we had to negotiate it afterwards, there was no detail.[293]

Liz Snape: Yeah, it was so different to Warwick 1 and 2.

Interviewer: So, at that stage would you describe UNISON's engagement with the Labour Government and leadership at that time as being singular, negotiating with the Labour leaders rather than in consort with other trade union leaders?

Dave Prentis: Yeah.

Liz Snape: Yeah, totally.

However, Jon Cruddas, working in the Prime Minister's office at the juncture, offered an alternative perspective on the Exeter process, which is important to present.

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[292] The ending of the 'two-tier workforce' identified above related to the practice of private-sector companies taking over parts of the public sector and paying new workers a lower wage than the transferred workers whose pay and conditions are protected under Transfer of Undertakings Regulations (TUPE) regulations (1981).
[293] A survey by UNISON of its members in privatised local government services in 2001 had revealed that pay levels for new starters were worse than those of transferred staff in more than 90 per cent of cases (LRD, September 2002, Combatting the two-tier workforce).

Cruddas suggests that Exeter should be viewed through the lens of it being the 'high point' for union influence in the backdrop of the NMW (1998) and ERA (1999) being enacted during Labour's first-term (1997-2001). As such, Cruddas said:

> If I recall at the Exeter meeting John Edmonds was leading a lot on labour law and about the review of the Employment Relations Act. The Post Office again was a key issue with Hodgson at the CWU and the unions were operating in quite a disciplined way by then but not as tight as they were with the Big Four which was subsequently to come. This put a bit of a canyon between unions and constituencies which incidentally still has to be resolved but I was there more informally to act as a back channel.[294]

> At that stage, Geoff Norris was taking quite a proactive role because he felt under threat because of the Employment Relations Act, the national minimum wage and the Regulation of Working Time, irrespective of the opt-out. But, due to the general shape of all this because it was quite a substantial first-term agenda. The question then was is it a foothold into a durable second term agenda? But, it never really occurred. Why it didn't occur is a very interesting question.

The previous contribution does allude to the point raised in the literature and by actors that the NMW and ERA were perceived to represent the cornerstone elements of the Labour's employment relations framework for the duration of its term in office not just its first-term. Hence, the minimal extent of follow through at Exeter should be viewed in this context.

In the run-up to the 2001 General Election, the Labour manifesto did agree to a series of commitments including a rise in the minimum wage (adult hourly rate rose from £3.70 to £4.10 on October 2001), statutory backing for union learning representatives, and, further support for the Union Learning Fund. The manifesto also pledged to end the two-tier workforce in the public sector and to review TUPE regulations (Labour Manifesto 2001: 34). [295] More generally, Labour had also committed the party in its prospective second term to increase spending on public services. Gordon Brown, Chancellor, subsequently announced the first increase in

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[294] Derek Hodgson, General Secretary of the CWU (1997-2001).
[295] Union Learning Fund was established in 1998 with its primary aim being to develop the capacity of trade unions and with learning representatives to work with employers, employees and learning providers to encourage greater take up of learning in the workplace.

direct taxation in 2002 with a 1p in the pound rise in National Insurance contributions to pay for the investment.

To the chagrin of trade unions, Labour also committed itself to 'fundamental reform' of the public sector principally through privatisation with Tony Blair arguing that: "*There should be no barriers, no dogma, no vested interest that stands in the way of delivering the best services for our people*".[296] The main thrust of Labour's manifesto (2001: 11), therefore, reinforced the minimalist regulatory approach as it acclaimed the following: "*In the labour market, minimum standards for people at work offer dignity and self-esteem. Regulation should be introduced, where it is necessary, in a light-touch way*". As such, Ludlam and Taylor (2003: 745) concluded that the Labour Government's approach, as it entered its second term, continued to embody the "*Anglo-Saxon model of capitalism*".

In the aftermath of Labour's election victory, as it gained 40.7 per cent of the vote and a majority of 166 seats, Dave Prentis of UNISON contended that there should be a 'marginal' role for private companies in public services (LRD, August 2001). The comments arose from the increasing concern of trade unions in relation to the "*heavy emphasis on privatisation in Labour's election campaign*" (Wintour 2001). The hostility to the privatisation strategy, alternatively phrased by Blair as 'reform', was attributed to the GMB withholding £2 million of its political fund from the Labour Party. The union declared it would spend the money on an advertising campaign against the Privative Finance Initiative strategy in 2001.[297] Ludlam (2003: 163) argued that in this one example, "*we can see compelling evidence of the need to study union leaders as independent political actors*".

Key divisions persisted between the largest trade unions on PFI as the support of the AEEU section of AMICUS for the approach was described as being reflective of "*the contours of the sectoral divisions that were so significant in the 1970's*" (Ludlam, 2003: 151). In this fractious post-election environment, certain trade unions leaders accepted concessions from Labour ministers in return for delaying until 2002 a

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[296] Cited in Coates (2005: 93-4).
[297] Central Government directly funds infrastructure works such as schools or hospitals through Private Finance Initiative (PFI). PFI entails a consortium of private sector banks and construction firms who finance, own, operate and lease them back to the UK taxpayer, over a period of 30-35 years. PFI deals have been criticised as not being value for taxpayers as the initiative is 'significantly more expensive' than government funded projects with the cost of borrowing at least two times higher than government financed works according to a 2011 HM Treasury Report. Benjamin (17 November 2014).

review over the privatisation of public services to avoid open conflict. [298] The Department of Transport, Local Government and the Regions promised to 'tighten up' the application of TUPE transfer regulations. This would be achieved through the introduction of a code which would require contractors to employ new starters on, "*fair and reasonable terms and conditions, which are, overall, broadly comparable to those of transferred employees*".[299] However, a row erupted fuelled by 'union anger' at the failure of Labour ministers to stick to the 'no surprises' policy designed to forewarn unions over plans to extend the role of the private sector in the NHS. A TUC paper in December 2001 complained that compliance with this agreement had "*been patchy at best*" (Wintour, 2001).[300]

Nonetheless, degrees of progress from Exeter were made with a series of provisions being implemented in the Employment Act (July 2002) concerning 'family-friendly' working, the resolution of individual disputes at the workplace, and equal treatment for fixed-term employees (See Appendix D). Howell (2005: 182) highlighted the limited nature of the Act, contending that the, "*core of the legislation was aimed at a reform of the employment relations system, with the goal of reducing the number of cases handled by the tribunal system*". There was an increase in tribunal system cases from 36,000 cases in 1990 to 104,000 in 1999-2000.[301]

McIlroy and Croucher (2009: 298) add that the statutory right for paid time off for union learning representatives stemming from Exeter in the Act was critically restricted because unions could not negotiate and bargain as the government, "*…conceded the key aspects of the CBI case"*. The new rights only applied to workplaces with union recognition and employers were under no obligation to even consult over training. These individualistic aspects of the legislation underpinned by statue illustrate the appropriateness of the government's approach to employment relations being termed as *regulated individualism*.

The increasing concerns of trade union leaders over the lack of progress in relation to employment relations and public services appeared justified when the Prime

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[298] Maguire, K., Perkins, A., Wintour, P. (2 October 2001).
[299] LRD (June 2002). Unions wait for details of two-tier workforce code.
[300] It was announced without any warning on December 4 2001 that the private health firm BUPA's was awarded the contract to run a new NHS treatment centre in Surrey.
[301] Ibid.

Minister at the Labour Party's Welsh Conference in spring 2002 used the word 'wreckers' to describe those opposed to public sector reforms (Ludlam and Taylor 2003: 743). Coates (2005: 94) argued there could be no doubt that the comments were aimed at newly elected left-wing union leaders in key trade unions. The emergent policy effects of these new leaders manifested at the October 2002 Labour Party Conference, as UNISON successfully tabled a motion calling for a moratorium and review of PFI deals.[302] However, in a naked example of the centralisation of power in the party, Charles Clarke MP, Labour Party Chairman, said: "*The policy of the Labour Party is not the same thing as a resolution passed by the Labour Party conference*".[303]

7.3   Leadership Dynamics

In a round of successive internal trade union elections, candidates opposed to the New Labour project won the top leadership positions (Waddington 2003: 354, Ludlam and Taylor, 2003: 738). This included the General Secretarial positions at the CWU, RMT, AMICUS and the Deputy position in the TGWU (2002) won by Tony Woodley who went on to win the General Secretary position in 2003. Derek Simpson was elected General Secretary of the AEEU section of AMICUS in June 2002 beating Tony Blair's 'favourite trade unionist' Sir Ken Jackson.[304] In the election in 2003 to succeed John Edmonds in the GMB, the winner Kevin Curran would re-affirm the union's scathing analysis on a number of government policies particularly on privatisation.[305]

The aforementioned elections followed Dave Prentis in 2001 succeeding Rodney Bickerstaffe as General Secretary of UNISON. [306] The leadership changes particularly in the four largest affiliates to the Labour Party and the TUC over the course of three years – UNISON, GMB, TGWU and AMICUS – in conjunction with

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[302] Maguire, K. (1 October 2002). The PFI motion was backed by 67.19 per cent to 32.81 per cent and a statement by Labour's NEC supportive of PFI was overturned by 53.62 per cent to 45.38 per cent.

[303] Grice, A. and Clement, B. (2 October 2002).

[304] BBC (18 July 2002). The 'favourite' tag associated with Sir Ken Jackson can be substantiated in the ERA (1999) negotiations.

[305] LRD (May 2003). Curran to review links with Party.

[306] Dave Prentis secured 125,584 votes (55.9%) in the UNISON election in February 2000.Tony Woodley was elected with 66,958 votes (44%) in May 2003 in a contest of four candidates including future Deputy Jack Dromey. Kevin Curran was elected with 60,590 votes (65%) in April 2003; however, due to allegations of vote rigging he would resign in April 2005. Derek Simpson was declared the winner after a fourth count in July 2002 when he polled 89,521 votes to Sir Ken Jackson's 89,115.

the retirement of TUC General Secretary, John Monks, in March 2002 would facilitate a process of greater cohesion among trade unions: *ideologically, personally* and *organisationally*.

The union leadership changes as stated signified an ideological shift to a more radical ideational discourse in conflict with the Labour Government's language of social partnership. The emergent strategy developed by the largest and dominant trade unions was framed around 'reclaiming' the Labour Party. However, disaffiliation would be adopted by several smaller unions principally the RMT (February 2004) and the FBU (June 2004) following a bitter nine-month industrial dispute in the case of the latter (Charlwood 2004: 391-2). To illustrate the approach, Tony Woodley stated he would convene a meeting of like-minded General Secretaries to consider how to put the "*Labour back into the party*".[307]

A number of key policy areas including the privatisation of public services are identified as fuelling intra-union dynamics, as respective memberships' hostility to the New Labour project increased. The attitudes were informed by an interpretation of acquiescence and accommodation to the Labour leadership by union leaders or an inability to effectively challenge the social partnership policy agenda, which was deemed to be delivering minimal results (Ludlam and Taylor, 2003: 742). Trade union actors corroborate this analysis as Derek Simpson offered the following contribution:

> This is in 2002 to 2003 after 1997. Labour in this period had been returned with three million less votes and there was a general dissent and general feeling that there wasn't enough being done. Maybe this manifested among union members so the type of rhetoric was appealing. For example, my rhetoric was that Ken Jackson was Tony Blair's favourite union leader and his stances on issues like pensions were because Tony Blair wanted him to do this as they didn't want to restore the link any more than they did to reverse the anti-trade union laws.

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[307] LRD (July 2003). Two new union leaders join independent squad.

Kevin Curran of the GMB identified the Labour Government's strategy at the helm of the state as directly influencing the trajectory of the internal politics and ideological discourse of trade unions, he said:

> Absolutely, I think that people were looking for a more radical understanding in what our purpose was and that's why a lot of organised workers being dissatisfied and disappointed with the Labour Government because they could see that there was things that could be done to improve power and accountability at work and nothing was being done. In effect, the opposite was happening.

The Labour leadership continued to provide channels for union access although it was firmly through the lens of social partnership focused on supply-side initiatives (Ludlam and Taylor, 2003, Ewing, 2005, Howell, 2005). Speaking at his first TGWU Conference as General Secretary-elect, Tony Woodley (July 2003), summed up the attitude of the new trade union leadership of the largest unions. Woodley said the, "*second term agenda of the Government on employment rights could be fitted on the back of a postage stamp*" (Financial Times, 1 July 2003).[308] Curran complemented this perspective in interview, adding, *"So it was a lot of 'why are we in this relationship'. So, clearly the Left in the trade union movement reasserted themselves".*

7.4 The Big Four

From a strategising perspective, the creation of the Big Four process involving the TGWU, UNISON, AMICUS and GMB is a fascinating development. The process substantiates the academic literature, which contests trade union behaviour is not exclusively determined by environment (Boxall and Haynes, 1997). As Randall (2003: 19) argues, a critical realist lens is necessary if we are to understand how strategic choices derive from the relationship between structure, discourse and agency. The previous author notes, "*Structures are viewed as imposing objective constraints on and opportunities for political action. Yet these constraints and opportunities are also mediated by discourse, shaping political agents' interpretation*

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[308] Cited in Ludlam and Taylor (2003: 745).

of their social and structural and discursive environment".

It is critical to endeavour to illuminate the strategising processes of trade union leaders in particular how they interpret the constraints and opportunities available (Morgan and Smircich, 1980; Heery and Simms, 2008; Boxall, 2008; Frege and Kelly, 2003; Hansen and Kupper, 2009). A key part of the interpretation and strategising process is informed by the below statistics in Table 6.1, which illustrate the progressive centralisation of power resources in the trade union movement partly in response to the liberal market economy. In 1983, there were 102 affiliated TUC unions and by 2006, the process of consolidation would accelerate to the Big Four unions constituting 60 per cent of the membership out of a total of 63 unions. The concentration of resources, accordingly, facilitated an interpretation of what could be possible if consensus between the largest and dominant unions could be arrived at.

As a result of the strategic choices of union leaders, the Big Four began a number of meetings over the summer of 2003 with the aim of adopting coordinated positions to maximise influence. Wintour and Maguire (2003) add that the strategising process would focus on two meetings of the Labour Party's policy forum in the spring and summer of 2004 at Warwick. These meetings would determine policies for the annual Labour Party Conference in the autumn (27 Sept- 1 Oct), which would, thereafter, form the basis of the election manifesto.

Dave Prentis of UNISON stated that an alternative strategic response was necessary if the Labour Government's control of the policy agenda was to be effectively challenged:

> When I became General Secretary about that time, we began to realise that the only way in which we were going to achieve anything was by working together. So UNITE was still separate, it was still the T&G and AMICUS and then we had the GMB who we've got close relationships with and we decided that the only way in which we could play a full part in the Labour Party Conference and stop the manipulation was if we worked together and voted together and we met a number of times. We met very, very frequently, Liz (Snape) was one of the organisers of it, and it was really, when we did meet, it was about our political activity, not our industrial activity.

And, we decided that each union would take a lead on certain issues and obviously our lead was on public services, the other unions took a lead on the different aspects. Each union was responsible then for putting in a motion and voting for the other motions as well and that changed the dynamics within the Labour Party Conference and it stopped individual unions being picked off and many times in the second term especially where we disagreed with Labour policy, it might be foundation hospitals, PFI and pensions and the unions would be able to vote together and we did have a bigger influence on conference.

Table 6.1   Largest TUC Affiliated Unions 2004-2006

TUC Affiliated Membership	2004[309]	2005[310]	2006[311]
UNISON	1,301,000	1,310,000	1,317,000
AMICUS	935,321	1,200,000	1,200,000
TGWU	816,986	806,938	777,325
GMB	600,106	571,690	575,105
Top 4 % of total	3,653,413 (57%)	3,888,628 (60%)	3,869,430 (60%)
Total Unions	70	66	63
Total Membership	6,423,694	6,452,179	6,463,159

The critical difference from the past, as Prentis' comments above confirm, was the largest Labour-affiliated unions as a result of greater degrees of coordination were now attaining, "*some successes, although these were victories against the Party leadership, not a shared historical project against the employers*" (Ludlam and Taylor 2003: 744). Derek Simpson in interview also identified the ideological convergence and shared interpretation of opportunities available among the leaders of the four largest unions, he said:

The first thing was to bring the four unions together and make it into the Big Four and then to discuss common motions where we could agree and to discuss what motions each union would like to push and then to in turn share it to see if any of us had problems with it so we could all support the motions. So, at TUC and Labour Party

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[309] TUC Annual Report of 2004.
[310] TUC Annual Report of 2005. The figures for AMICUS and the TGWU take account of mergers in 2004 (GPMU print and media and UNIFI finance unions with AMICUS and NULMW lock and metalworkers with TGWU. LRD (September 2005), Unions see modest rise in membership.
[311] TUC Annual Report of 2006.

Conference I don't think we have lost a vote. This in short is how the unions came together. Now whether this would have been possible if we didn't have common leaderships in honesty it would have been difficult.

In addition, Kevin Curran confirmed that the process was informal in origin and identified the dynamic of warm personal relationships as being central to delivering greater coordination, in contrast with the past. Curran said:

> What happened, which in my view was second best, we, as in me and a couple other General Secretaries came together to articulate the reality that the four of us together could actually make a difference inside the TUC and inside the Labour Party….to make that work initially was personality based because, as in any walk of life, if you want to get people working together you have to be able to develop good relationships with them and so that wasn't always the case with General Secretaries.
>
> A lot of General Secretaries had different ambitions; egos were always an issue, all those things I thought countermanded what we needed to, which was to get together. And as history chanced it, I was elected, then Tony [Woodley] was elected to the T&G, Tony and Derek [Simpson] working closely together already. Dave [Prentis] in UNISON, as you probably know is an amenable guy, so we started talking basically and getting together. It was literally like this, the four of us having a coffee somewhere.

Dave Prentis reiterated the origins of the Big Four process were, "*only informal*". As a testament to the trade union dissatisfaction of the prevailing employment relations' framework, the Big Four process would not involve the respective leaderships of the Labour Party and the TUC as was the custom and practice of the past. Sir Brendan Barber, former General Secretary of TUC, noted the development of the Big Four was partly attributable to the 'absence' of coordinating mechanisms. Barber offers the following observations:

> So, in the absence of something like the TUC/Labour Party Liaison Committee, in the absence of any kind of real appropriate collective mechanism, increasingly unions looked to the Labour Party Conference as the one opportunity each year to potentially really try and force a policy line through. So, that was one factor but the other factor was this

emergent, in particular of the idea of the 'Big Four', amongst the unions.

However, despite Barber believing the Big Four development was an understandable reaction to the Labour Government's policies he also highlighted the limitations of the strategy from his perspective. In particular, Barber stated the new approach had the potential to exclude other prospective partners in the trade union movement as supportive levers.

> I understood the frustrations and both John (Monks), during his period as General Secretary and I during mine, had in different ways and at different times repeatedly tried to persuade Blair then indeed Brown later on, that there needed to be a different basis for the conversation rather than this punch up at the Party Conference every year which was just mutually hugely unsatisfying because even on those occasions where the unions kind of won the conference vote, the leadership just immediately made it clear that they had absolutely no intention at all of doing anything as a consequence so what's the bloody satisfaction in that kind of thing.
>
> So, I certainly tried to persuade Blair to do something different and set up some kind of different basis for a conversation and not succeeded. So, I understood the union kind of frustrations but I was uneasy too. In part because it didn't look to me like it held a great deal of promise for actually genuinely building influence which I've always thought is based on trying to develop some kind of mutually supportive, respectful relationships that try to build some genuine consensus and understanding of different perspectives, to try to build towards some conclusions but that was the way you ought to be trying to make policy, not you know, by brute force on a 6/5 vote or something.
>
> So, I was not confident that it would actually be effective and I was certainly concerned that the dynamics of the Big Four being at the head of this process, excluded an awful lot of other people in the wider trade union movement.

The issue of encompassing a wider section of the trade union movement to garner support in situ with the Big Four was a key part of the strategy towards the reform of TULO. Byron Taylor, Secretary of TULO, stated that while the Big Four could act as the vanguard, those unions also required wider support if favoured outcomes were to be attained, he said:

In that sense, Tony Dubbins was the link between the Big Four and the other unions. What the Big Four wanted they usually got. However, the problem was that the Big Four on their own did not have the power to force the issues through Labour Party Conference or the National Policy Forum. These forums relied upon smaller unions to sustain that unity.

However, the emergent strategy as described above still sidelined the TUC. The following section will now outline the second principal dimension of the trade union strategy to attain favoured outcomes, which focused on reforming TULO to act as a policy coordination mechanism for all trade unions affiliated to the Labour Party. The reorientation would entail a substantial shift in the forum's historical modus operandi, which had solely concentrated on fundraising, organising and campaigning among trade unions to support the Labour Party, particularly although not exclusively around elections.

7.5   Institutional Reconfiguration: TULO

The opportunity for maximising leverage on the Labour leadership through TULO became greater as the trade union financial contributions became proportionately more important as Labour entered its second term in office.[312] In addition, as Labour's electoral support diminished from 43.2 per cent of the popular vote in 1997 to 35.2 per cent in 2005, the role of TULO became progressively more important in persuading union members to support Labour (Ludlam, Taylor and Allender, 2002).[313]

It was in this context that reforming TULO to develop a policy-making dimension in conjunction with the Big Four and a reconstituted TUG presented the greatest strategic opportunity to maximise union influence since Tony Blair's election to the leadership in 1994.[314] Undy (2002: 644) previously described a twin-track strategy of

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[312] 1999 Labour fought four sets of elections (Scotland, Wales, Europe, and local authorities) and operated at a loss as seven large unions made additional donations totalling £6 million, on top of their affiliation fees, to assist with these elections (*Financial Times*, 7 December 2000) cited in Ludlam and Taylor (2003: 733).

[313] For example, evidence on turnout and voting suggested that the efforts unions made to encourage trade union members to vote Labour did have an impact in 2001 as trade union members were as much as 10 per cent more likely to vote than voters did in general, and were far more likely than non-trade unionists to vote Labour.

[314] In Labour's first-term over 350 MPs belonged to individual unions' parliamentary groups. The TUG regularly met with the national TULO committee, which included the General Secretaries of all affiliated unions and as such "*provided unions with a lever in parliament to exercise influence*" (Ludlam and Taylor 2003: 735). This was evidenced in the NMW (1998) and ERA (1999).

the TUC and the 'fall back route' of the Labour Party structures that were available to trade unions. However, this would now reverse with the latter route becoming the primary-track for exerting influence on the Labour Government for the affiliated Labour unions. John Edmonds, former General Secretary of the GMB, outlined the genesis of the steps to reform TULO after the 2001 General Election initially through informal processes, he said:

> It was in no sense just my initiative it was the initiative of the people who I talked about Bill [Morris], Tony [Dubbins], Jimmy Knapp [RMT General Secretary] and myself. Pent up frustration at the fact that we couldn't manage to punch our weight in the various Labour Party decision-making bodies because of the process I was talking about. So, more and more the move was towards discussing policy issues and discussing approaches towards the policy forums.

> It was more successful than having nothing but it was not successful as it might have been because the processes that were leading to these problems were still there. But, it was clearly necessary to have a forum where affiliated unions could form policy and it was even more important once the Labour Party Conference diluted the trade union vote and where the policy-making role of the conference was diluted. So, it became even more important that the trade unions had a collective position.

Dave Prentis also emphasised the importance of the reform of TULO and the centrality of the Big Four to its reconfiguration, he said:

> I mean, well we [Big Four] drove the agenda. So, I mean we wanted to, we realised only the affiliated unions could operate within Labour Party democracy. The TUC could talk to ministers and, well there were ministers at the time, but if you wanted to change Labour Party policy you had to do it through the internal mechanisms and there was an issue as well for us, that in developing this idea of the 'Big Four' being united, there was quite a number of other unions affiliated and we didn't want to leave them out.

> You know we wanted everybody to be within the fold. So, this idea of coordination we developed it with the other unions and so we decided as well that we had to do more work through TULO, principally because we were going in a different direction to some of the Blairite policies.

The end of Lord Morris' tenure as Chair of TULO in September 2003 provided the opportunity for institutional reform. John Edmonds highlighted there was some 'resistance' from key sections of the labour movement to reforming TULO but that it was necessary in order to foster greater cohesion in an environment of centralised power in the Labour leadership. Edmonds said: "*There was some opposition there but the trend was pretty clear that you had to do this otherwise some of the nonsense where you couldn't even get the trade union votes to vote for trade union policy*". Tony Dubbins complements the analysis by identifying the 'lukewarm' support from union leaders and outlines the informal steps taken to reform TULO as the body's new Chair from September 2003, he said:

> I did see every single General Secretary at the time and did talk it through and made it pretty clear what I wanted to do with TULO. So, no one could suggest or say that they were under any doubt about what I wanted to do when I took over as Chair of TULO.

> While it is true to say there was no public resistance to it some of it was a bit lukewarm and some of it was left in the air with questionable degrees of support. So, it was going to be tested in that sense, and the first test came along at the very next conference [Labour Party] because of course you have to get a TULO agenda at conference also, because it was not only an agenda for the National Policy Forum. [315]

John O'Regan supports the contribution by Dubbins in relation to the strategic steps taken through informal processes to facilitate institutional reconfiguration, he said:

> A constitution was drawn up which I had a major part in with Tony Dubbins. I think by that time Byron Taylor had been appointed by Bill Morris at that time as the TULO National Officer. So, we worked with Byron and some of the other General Secretaries and I can remember Tony Dubbins held an individual meeting with every General Secretary and I went with him to all these meetings.

> Some meetings there were other people with the General Secretaries and sometimes it was just them. We met every single one to talk through this paper and there was nobody who wasn't on board. It came to be and we had an official trade union side TULO

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[315] During this period the GPMU's merged with AMICUS in 2004, and Dubbins became Deputy General Secretary. AMICUS. Dubbins was Chairman of the TULO from 2003 until 2008.

meeting and the paper was officially adopted, and, the party was informed that this would be.

Furthermore, Byron Taylor expands upon the steps undertaken to facilitate the institutional reconfiguration of TULO as outlined above.

> In preparation for Tony Dubbins coming into the Chair of TULO, I wrote a series of documents entitled, 'Structures, Campaigning, Policy and Finance'. Each of those had a clear direction of where I thought TULO could go. On structures, I highlighted the fact that there was no Executive function and attendances at TULO meetings were poor. Decisions at TULO subsequently carried very little weight.

> I made a proposal in light of this for an Executive and Tony Dubbins thought that was too formal and reduced this to the Contact Group, which was a much more informal body but in essence was the same thing. This was the General Secretary of the eight largest unions meetings on an ad hoc basis out with the regular TULO meetings designed to discuss issues of importance and to meet with the government.

These aforementioned steps were designed to minimise heterogeneity among unions on policy issues in order to maximise cohesion, Taylor added:

> The crucial factor in all of this was if the unions acted together in the National Policy Forum and in Labour Party Conference then they could force the policy agenda in the way that they wished to. The document which would emerge from that policy forum would in turn be the basis for the manifesto. The trade unions could then be in an extremely powerful position to control that document and set the terms for the next manifesto.

However, the reform of TULO received a mixed response from those Labour ministers dealing directly with trade unions on employment relations matters. Gerry Sutcliffe claimed that through his direct involvement with TULO the policy negotiations subsequently became more 'professional', he said:

Well it was quite odd really because as Employment Minister I used to meet the TUC on a regular basis, such as our quarterly meetings which would involve usually the same people. Then we would go to TULO which involved only affiliated unions to the party. So, it was quite odd that we had these separate meetings. The TUC meetings were very formal way much the same as with the CBI.

However, within the TULO framework, we used to meet on a monthly basis and in addition to policy, there were also wider discussions about what was going on in the party, constituencies and in the unions. I think TULO fostered a far more professional relationship, and, Ian [McCartney] and I particularly were keen to participate in this and give it a go.

Tom Watson also reinforced the contention that the reform of TULO induced a more 'professional' approach. Watson affirmed that the central dynamic in this approach was attributable to the personal relationships in the Big Four unions being 'healed', he noted:

I think what Tony [Dubbins] did was demand a discipline from the unions in the way they processed their own policy-making but it didn't necessarily become the cohesive group until there was change at the top of the unions and the reason I think TULO is far more effective now is essentially because the leaders of UNITE [TGWU and AMICUS], the GMB and UNISON have worked very, very hard to achieve common positions with each other, and where they can't get common positions, certainly not undermine each other's positions.

And so, Tony certainly used the TULO mechanism to professionalise the way union research departments submitted content, the way the public positions of unions was made and was given to the press and the negotiation position they took. But he didn't really have the authority to do it. TULO didn't really have the authority to negotiate with strength until the relationship with the General Secretaries was healed.

In contrast, Sir Ian McCartney commented on the reform of TULO from the perspective as its Joint Chair. McCartney articulated the strategy should have been through the TUC in a social partnership approach with the government, he said:

I think it is fundamentally flawed [TULO reform]. I was joint Chair of TULO. TULO was designed for a different purpose. TULO was designed to develop the campaigning strategy and tools for the unions and the party to campaign in elections. It was also for to campaign on issues and quite rightly so. There are other bodies where the dialogue on policies should take place, which are accountable and wider.

The relationship with the TUC is very important because in the end policy with the TUC is about affiliated and non-affiliated unions. It can't be just inclusive of affiliates. The problem is that they aren't actually part of the party but party machinery has to engage on policy, which is accountable. This has been ongoing during the period when I was Joint Chair.

There was increasing pressure to take issues, which were in the domain of the TUC quite frankly as the social partner and put into TULO. TULO is made up of large and small unions, and the large unions just dominated the discussion and the rest had to go along with it.

Former TGWU Assistant General Secretary and Labour General Secretary (2008-11), Lord Collins, added a similar critique on the basis that the reform limited the scope of policy discussions:

I would argue that TULO very strongly should not be involved in policy-making not because I don't think trade unions should not have a right to be heard it's because if this sort of position is adopted then you actually deny unions the opportunity to put forward their own particular perspective to it. I think this is what has happened; the range of trade union issues and trade union voices has been diminished because TULO if you like has become the lobbying group.

However, trade union actors involved in the process of TULO's reform, reiterate that the forum was the most effective vehicle to advance trade union outcomes. John Edmonds in response to the critique, which advocates that TULO should have retained its historical modus operandi stated, *"That is an argument which has been invented; by and large the Labour Party leadership does not want trade unions to make common cause on policy issues and they will attack any process by which that is done".* In addition, in response to a question on why the TUC leadership was not

integral to the emergent strategy as part of the critique of TULO reform, the leadership of UNISON offered the following explanation.

> **Dave Prentis:** I think it was just an arrangement that we knew each other and we were working well together and we had…there was an organisation around us that led us to do it through that forum. But, I don't think it; other people may think differently, but I don't think we sat down and said we're going to exclude the TUC.

> **Liz Snape:** No, I think it happened by default. We had all suffered or were suffering attacks within our unions, all unions, regarding disaffiliation and we really hadn't shown affiliation brought us influence, brought us access and policy changes and opportunities. So, we had a debate the year before [2003].[316]

> **Dave Prentis:** Yes a major debate the year before.

> **Liz Snape:** A major debate trying to disaffiliate us from the party. GMB had two goes at it, T&G probably hadn't or AMICUS most definitely hadn't, but there was a feeling that as the Left was growing in unions, questioning the value particularly of New Labour as it was on the ascendency by this point. So, we just had to go hell for leather and showing what us all chipping in millions every year, blank cheques as they were called, that there was a bit of return because the TUC didn't put a penny in so, we needed to differentiate ourselves.

The factor of finances was important in the context of a number of trade unions reducing financial contributions to the Labour Party due to policy disagreements in conjunction with decadal political fund ballots (2003-5) arising from the Trade Union Act (1984). In the balloting round there would again be a resounding 'yes' vote with the average being 78 per cent slightly lower than previous two rounds. However, the turnout was 28 per cent significantly lower than the 38 per cent achieved in the 1994-96 round (Leopold 2006: 197).[317]

Therefore, the sidelining of the TUC should be considered through the lens of union

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[316] LRD (May 2003) UNISON's national executive council approved recommendations of a two-year review of the union's political funds, which included rejecting a fund for alternative political parties ahead of its June 2003 Conference. The review was originally approved by the 2001 Conference "*on a tide of hostility towards the government*".
[317] In 1985/86, the average turnout for workplace ballots was 69 per cent but for postal ballots, it was 39 per cent (Leopold 1986 cited in Leopold, 1997: 29).

leaderships taking strategic steps to substantiate the continuance of the party-union relationship, in particular financial contributions, in order to offset criticisms of affiliation. This assertion is supported in the literature as an explanatory factor (Ludlam and Taylor, 2003: 740; Seifert and Silbey, 2010: 16; and Leopold, 2006: 196). Kevin Curran of the GMB also confirmed that marginalising the TUC leadership was not a deliberate strategy but one forged in the circumstances of Labour's tenure in office as outlined above, he said:

> I don't think it was conscious; it was just the way it evolved. No one sat down and planned the Big Four. It just made complete sense at the time so there was no strategy worked out like do we include this person, do we exclude that person, there was none of that, it was almost evolutionary, it just had to happen.

Curran, however, identified there was a perception the TUC strategy was 'too slow' which in the context of mounting internal-frustrations required a more assertive response, he said:

> Unfortunately at the time, Brendan (Barber) got some flak for it because there was so much impatience and anger in what wasn't happening and some General Secretaries previously of the TUC have been too leaden, too slow, not dynamic enough if you like, and some of that criticism was fair, some was unfair.

Lord Morris complements the previous points contending one channel for focusing policy efforts was strategically more advantageous than a fragmented process. In doing so, Morris identified that the TUC had also failed to 'grasp' the outsourcing and privatisation of public services, which in effect contributed to reservations over its effectiveness with the government, he said:

> There was a universality of interest in that debate which the TUC has never been able to grasp at all. Hence, you get different structures as alternatives. I don't think you can make a distinction by saying some issues in this forum and some others you don't

because this fragments the process because some people are at both meetings and some people at only one. So you have to choose, it's a choice you have to make.

Table 6.2   Labour Party Affiliated Unions 1998 and 2004

Labour Party Affiliates	1998	2004
AEEU / AMICUS	400,000	571,600
ASLEF	15,260	15,500
BFAWU	20,100	5,100
BECTU	12,000	8,000
CATU / UNITY	22,335	4,625
CWU	224,888	210,000
FBU	20,000	N/A
GULO	200	218
GMB	700,000	400,000
GPMU	70,000	49,500
ISTC / COMMUNITY	48,000	50,173
MSF	135,100	N/A
MU	10,500	10,500
NACODS	1,000	450
NUDAGO	590	600
NUKFAT	41,000	2,537
NUM	5,001	5,100
RMT	50,000	N/A
TGWU	500,000	400,000
TSSA	30,000	27,338
UCATT	20,000	51,000
USDAW	260,159	314,143
UNISON	700,000	570,000
TOTALS	**3,286,133**	**2,696,384**

Source: Figures provided by TULO (See Appendix E)

The following section will outline the manifestation of the strategic choices enacted by more assertive trade union leaders at the Warwick NPF in 2004 in an endeavour to attain favoured outcomes.

7.6 The Agreement

The new coordinated approach facilitated by the strategic choices of union leaders through formal (e.g. TULO) and informal process (e.g. Big Four) was illustrated in May 2004, two months before the Warwick NPF. The Big Four held a conference titled '*Working Together for a Radical Third Term*'. According to Leopold (2006: 198), this was, "*evidence of a regrouping to reassert the link but demand something in return for it*". Stronger employment relations laws and protections would form the central policy platform for trade unions at the NPF in July 2004.

Byron Taylor outlines the tactics adopted by TULO and the efforts to present the most cohesive policy front as discussions over the forthcoming manifesto developed:

> So, what we did was try to strike agreement on a number of core issues because we had did so badly at Exeter…There was a surprising level of determination by senior trade union officials. The changes in General Secretaries had facilitated that process…I asked all the trade unions to submit to me all the issues they would like to see and what they would consider to be their primary and secondary policies. This was done over a period of two months or so.
>
> Then it was the responsibility of TULO to log, categorise, clarify and then to assemble them into a coherent document. Once, we had this coherent document of primary and secondary issues it was then our responsibility – and literally we spent hours – with all the political officers together working through the issues one by one and seeking to find where there were conflicts between trade unions. The rule was that wherever there was a conflict it was expelled from the document. In actual fact there were only two issues, which came up where we couldn't reach agreement with all the unions. So, it was quite a straightforward thing to go to Warwick with a full agenda.

John O'Regan complements the prior remarks by Taylor in relation to the intensive efforts in contrast with the pre-2001 period:

> The first thing we done within TULO and I worked with Byron and others on this. It was to develop an agenda and it was very difficult because we felt that it shouldn't be one big

shopping list of sixty or seventy items but it should be a focused list but one which could take forward all the major issues the unions were concerned with. This is what we attempted to do and working with all the other political officers and Byron at TULO, we drew up an agenda, which was then circulated around all the General Secretaries.

Derek Simpson, former General Secretary of AMICUS, contributed the following remarks in relation to the Big Four approach in the run-up to Warwick. Simpson emphasised the need to develop commonality by removing divisive policy items from the negotiations as integral to this process, he said:

> For example, why would we want to push motions on nuclear weapons when thousands of our members work in the defence industry when we know that UNISON who is pushing a green agenda will oppose it? Why then would UNISON want to push a motion on anti-nuclear weapons when they know we would oppose it for the opposite reason? Therefore, let's concentrate on the positive things we want and can agree on and leave out the contradictory ones and where we have differences.

Kevin Curran reemphasised the cohesive trade union approach, which emerged in relation to the Warwick negotiations stating, "*I can't recollect the detail of any major disagreement*". The Contact Group of TULO, which was essentially the Executive Committee of the forum, also acted as a lever of influence in a complementary process with Labour ministers. O'Regan complements the previous contributions by stating that policy issues were left off the negotiating table to prevent division:

> The Contact Group was in place and the planning began for Warwick with that trade union agenda. All our amendments would be centred on that trade union agenda and we would all support all the motions put forward on the basis of this agenda.
>
> There were a few issues by the way which were left off of that agenda because what we said was that unless all the unions could agree then that union could still put it on but we didn't want anything that we couldn't all get behind. There wasn't many issues just one or two such as the renationalisation of the railways but there wasn't many. We then had meetings with the government and Ian McCartney was the minister at the time and Gerry Sutcliffe was involved because he was also a minster at the DTI.

In this context, Byron Taylor suggests that arising from discussions with Labour ministers in advance of Warwick and during the policy forum weekend, a series of fault lines emerged between Labour ministers. To an extent, this would signify a reversal from the trade union divisions, which prevailed during the NMW (1998) and ERA (1999), and, Exeter NPF (2001) negotiations. Taylor noted:

> In terms of the Parliamentary Labour Party, it became obvious very early on that there were divisions over the trade unions. This point takes me back to when I referred to the divisions and the negotiating tactics. We had Ian McCartney and Gerry Sutcliffe offering the government perspective and who were very keen to strike a deal with the trade unions and very favourable towards the unions although aware their room for commitment and manoeuvre was limited.
>
> Often agreements could be struck with them and then taken off the table. Geoff Norris, Patricia Hewitt and Pat McFadden I think were the key people from the government side – occasionally other ministers would be brought in. I remember having quiet conversations with Gerry Sutcliffe in the Warwick Conference Centre trying to find out how far they could be pushed.
>
> I can't stress the fact, however, that the Contact Group was almost in continual session and there was not much opportunity for side room negotiations and dialogue. Most of the discussion was face to face. Matt Carter was also in there from the Labour Party I should say. The sessions lasted from eleven in the morning right thought to three and four in the morning.[318] The divisions in the Labour Parliamentary Party were extremely useful to us in identifying where we could and couldn't go.

Jack Dromey of the TGWU, as a participant in the negotiations, also identified the importance of trade unions building alliances within the wider Labour Party, principally key CLP representatives to increase support for union objectives. Dromey added:

> So, in the run up to 2004 at Warwick, the unions were much more effective and coherent. They acted collectively and I was part of the negotiating team. There were eight on the

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[318] Matt Carter was General Secretary of the Labour Party from 2004–2005.

union side, two from the T&G that was Tony Woodley and myself. It was a model process and by the way a process that wasn't repeated as effectively in 2008.

In 2004, for months before Warwick, there was discussion around a trade union agenda. Inevitably, there was a shopping list or a wish list. I think it started with fifty-eight in inverted commas – demands – but then we progressively focused on key issues. What was good about this is that we were not just going to leave it to the forum itself.

Two things happened, firstly, we had detailed discussions with various government departments. For example, I met various people on the issue of pensions and some of the issues around workers' rights. So, we would have these detailed discussions and then report back. Therefore, the ground was very effectively laid with government.

The second thing we did was we met with the CLPs. So, I met with both the Ann's, Ann Black of the Grassroots Alliance and the minority group of CLPs, and, Anne Snelgrove for the majority group of the CLPs on the National Policy Forum...We had an effective network, which was able to build support for our agenda. Therefore, when we came to Warwick we were very successful.

Gennard and Hayward (2008: 218) add that the professionalization of TULO, as previously highlighted by Watson, Sutcliffe and Dromey, during the Warwick NPF weekend assisted the objectives of trade unions as the negotiations unfolded. The authors contend that at Warwick due to greater coordination, TULO was "…*better organised and resourced than the government's side*". As such, this lends credence to the assertion by Ludlam and Taylor (2003) that if coordination could be achieved unions possessed 'superior resources' to the Labour leadership. Kevin Curran offered his perspective on the Warwick negotiations, reinforcing these academic assertions:

There was always unity amongst the Big Four. The Labour Party knew they couldn't grab one General Secretary's shoulder, down the corridor and saying 'by the way Kevin, do you think you could do this or do that'. That was the agreement's effect because they knew that we were together and that there was no way there was going to be any personality issues, again back down to relationship management. Relationship management was very important. We were really confident that we were negotiating with

the support of trade unions and that TULO were our right hand if you like and doing it very well.

Gerry Sutcliffe added the following in agreement with the centrality of TULO reform to the Warwick Agreement, he said, *"I think this [reform] has actually helped trade union and government relations because we knew what the common list was going to be. When we got to Warwick we reached an agreement based on the TULO representatives coming together in a common aim which in years gone by never happened".*

The details, which emerged from the Warwick NPF on 25 July 2004, would provide the basis for the Labour manifesto in 2005 (see Appendix F for full details). Dave Prentis heralded the Agreement as, "*the most comprehensive and far-reaching ever agreed between the trade unions and the party of Government".[319]* McIlroy and Daniels (2009: 159) further noted the Agreement confirmed that the Big Four were, "*willing at times to go it alone and approach government through the Labour Party link rather than through the TUC*".

However, as the details emerged, Labour ministers and advisers simultaneously briefed that, "*many of the commitments are a promise only to review issues*".[320] The Labour Party and the trade unions each produced documents setting out their different perspectives on what had actually been agreed to in the official policy document of the Labour Party titled, '*Britain is Working'*, (September 2004).

The next section will examine the key element of the Agreement, which according to McIlroy (2009: 185) would ultimately define its success, that being its *"timetable for implementation".[321]*

7.7   Implementation

The Employment Relations Act reached the UK statute book in September 2004 with

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[319] LRD (September 2004). Labour soothes unions with policy promise.
[320] Wintour (7 August 2004).
[321] McIlroy (2009).

a cluster of its provisions brought into force in October with other aspects in April 2005. The provisions constituting part of the Warwick Agreement included the extension of protection against unfair dismissal from eight to twelve weeks. The Act enhanced a number of employment rights as workers gained statutory protection against being offered inducements by their employer to be or not to be a trade union member, and, having their terms and conditions determined by a collective agreement.[322] Union members were also protected against dismissal or detriment for making use of their trade union or for refusing to accept any inducements.

A union official allowed to accompany a worker at disciplinary or grievance hearings was expanded to include responding on the worker's behalf to any view expressed at the hearing. In addition, the Act simplified the legal requirements concerning industrial action ballots and notices to employers. A major focus of the Act, however, were the series of measures designed to 'fine-tune' the statutory trade union recognition procedure introduced by the ERA (1999).[323] The amendments included prohibiting improper campaigning activity by employers and unions during recognition and derecognition ballots, and, clarifying the access unions can have to workers in the relevant bargaining unit. This now permitted unions to communicate with workers covered by recognition claims at an earlier stage in the process.[324]

The Act also sanctioned the government to add pensions-related issues to the topics for collective bargaining under a statutory recognition award (pay, hours and holidays). According to the TUC, the ERA (2004) contained 'significant union victories' with TUC General Secretary Sir Brendan Barber stating, "*Trade unions will be able to recruit members in an environment free of underhand, US-style union-busting activities*".[325] Nonetheless, the legislation on 'lists and figures' in sections 22 and 25 of the Act specifically instructed trade unions to provide employers with a list of members (by category and workplace), and, the figures involved (total, number in each category and the number in each workplace). Simpson (2005: 333) remarked these amendments continued to, "*underline the function of the law…in assisting employers to limit the impact of any industrial action*".

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[322] Smith and Morton (2009: 215). ASDA because of this clause was forced to pay 340 members of the GMB £2,500 each at a total cost of £850,000 in light of the company offering an inducement to remove collective bargaining.
[323] EurWork, European Observatory of Working Life (7 November 2004).
[324] The ERA (1999) in contrast stated employers must provide the relevant trade union with access to the workforce during the period of the ballot.
[325] EurWork, European Observatory of Working Life (7 November 2004).

Progress was made in March 2005 as the Prime Minister confirmed regulation to end the two-tier workforce in local government would be extended across the public sector as part of Warwick.[326] The announcement was part of pre-election steps to minimise tensions as trade unions announced a strike ballot of hundreds of thousands of public sector workers in February 2005 over an imminent rise in the retirement age for local government employees.[327]

Sir Ian McCartney, as Labour Party Chair, sought to reassure unions that the government was adhering to Warwick citing the protection against dismissal being extended before concluding: "*Warwick will be implemented - but only if Labour wins the historic third term we all cherish*".[328] Labour was returned to government in May 2005 with a reduced share of the vote with 35.2 per cent (40.7 per cent in 2001) compared with 32.4 per cent for the Conservatives, which represented a reduction of total votes of 3,965,731 from 1997.[329] The election spending illustrated the progressive financial influence of trade unions during successive Labour Governments (1997-2010) despite the efforts of the Labour leadership to reduce the reliance on trade union financial contributions.[330]

Accordingly, in November 2005 the Trade and Industry Secretary, Alan Johnson, in the aftermath of the election victory argued that the influence on Labour Party policy should be further curtailed stating the unions were now, "*abusing their power by voting together and commanding policy*" (Buckley 2005).[331] The proposals were outlined in the Labour Party document, '*A 21st century party*', in the context of a proposed mega-merger of AMICUS, the TGWU and GMB. In conjunction with UNISON, the four unions controlled over a third of the total voting strength at the Labour Party Conference.[332] The internal party manoeuvres increased trade union concerns in relation to implementation of the Agreement. Derek Simpson speaking in

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[326] LRD (April 2005). Blair confirms extension of two-tier rule.
[327] The retirement age for local government workers was to be raised on April 1 2005, from 60 to 65, to reduce public sector pension costs. The strike was scheduled to go ahead on March 23, just weeks before the General Election. The strike action was called off following the Deputy Prime Minister, John Prescott's, decision to withdraw amended regulation to introduce pension changes.
[328] Wintour (12 January, 2005).
[329] Gordon Brown succeeded Blair as Labour Leader on 24 June 2007 and as Prime Minister on 27 June 2007.
[330] LRD (May 2005). Unions stump up most of Labour cash. The Electoral Commission between July 2001 and December 2004 highlighted that the Labour Party centrally received a total of £41.1 million in donations and affiliation fees with affiliated trade unions accounting for £26.4 million of that figure.
[331] Johnson proposed that unions' voting strength at Annual Conference should be reduced from 50 per cent to the proportion at the NPF (i.e. around 16 per cent) (Buckley 2005).
[332] The GMB would decide not to merge with the TGWU and AMICUS to create UNITE in 2007.

May 2006 noted, "*Some aspects of Warwick have been delivered ... [but] the more contentious - and more important - issues have only partly been dealt with or not dealt with at all. In fact it seems almost as if there is an attempt to renege on Warwick*".[333]

The below Box 2.1 highlights that by the autumn of 2006 significant progress was made on issues such maternity leave being further extended in the Work and Families Act (2006) alongside TUPE protection for pensions affected by company mergers. In relation to the latter, two public bodies were created possessing powers in relation to private pension plans: the Pensions Regulator and the Pension Protection Fund (PPF).[334] Trade unions frustrations, however, persisted over the pace of implementation McIlroy (2009: 197) stated that, *"…even with a seemingly straightforward commitment such as the exclusion of bank holidays from employees' statutory leave entitlement it took 2½ years before the Government announced that the measure would be phased in from October 2007"*.

Following the creation UNITE, which established the UK's largest union, a review of the Warwick Agreement was published in July 2008. The report was framed around a 'traffic light' system to indicate degrees of progress.[335] The report supported the wider concerns about the slow progress made in relation to 'contentious issues' cited by Simpson. Items considered 'Red' included support for a pilot in union recruitment in small firms and making pensions a bargaining issue for recognition proposes. Items considered 'Yellow' included progress on the Low Pay Commission examining differential pay rates for 18-21 year olds and progress over implementation of EU Agency Workers Directive. Nonetheless, the report overall conveyed that the Warwick Agreement represented a qualified success by the juncture of publication as it deemed that of 108 policy pledges agreed to at Warwick 70 (65 per cent) were classified as 'Green', 25 (23 per cent) 'Yellow' and 13 (12 per cent) as 'Red' (see Appendix G for extracts of the progress report).

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[333] Davies (17 May 2006).

[334] Sections 257 and 258 of the Pensions Act 2004 provide pension protection for certain employees involved in a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply. The protection applies to employees who, before the transfer, had rights in an occupational pension scheme, or a right (including a future right) to join an occupational pension scheme.

[335] Green - Pledges implemented or current progress to completion satisfactory to government and the affiliated trade unions; Yellow: Areas of substantial concern amongst affiliated regarding the implementation or delivery of that pledge and Red; Those policies and priorities where there is a disagreement between affiliates and the government over interpretation or delivery.

Box 2.1   Progress on the Warwick Agreement (2006)

- Protection from dismissal for strikers from 8 weeks to 12 weeks;

- TUPE-style protection for pensions affected by a company transfer or merger;

- Pensions for same sex partners;

- Pensions White Paper proposing restoration of the link between the basic state pension and average earnings and 3% compulsory employer contributions;

- Increasing statutory maternity leave from six to nine months in April 2007;

- Follow-up the proposals from the Women and Work Commission on equality reps;

- Corporate Manslaughter Bill, but without director's liability;

- Manufacturing - fostering an expansion of apprenticeships and an increase in the number of union learning reps;

- The government also implemented a Manufacturing Forum, similar to the existing Public Service Forum, in December 2004.

- Training for pension trustees;

- NHS cleaning contracts based on tests of cleanliness and not allocated on basis of price; and

- Rolling out of two-tier workforce protection in local government across the public services.

Source: LRD (October 2006): The unions take stock of Warwick.

Ewing (2005: 21) draws specific attention to one of the issues categorised as 'Red' by UNITE, namely the issue of sector forums. Ewing considered this aspect of the Agreement as its "*most important aspect".* The assertion was on the basis that forums "…*could become a new institutional form in which employer representatives and trade unions come together to develop common standards*". Perhaps, due to these potential implications, the Labour Government would never roll out sector forums.

It would also take trade unions from the NMW (1998) until 1 October 2010 to succeed in the adult rate being extended to workers aged 21 at £5.93 (minimum rate per hour) and an apprentice minimum wage rate was set at £2.50 an hour. In addition, at Warwick the government had agreed to uprate redundancy pay incorporating the commitment under section 14 of the Work and Families Act 2006 to make a one-off increase. However, in a further illustration of delays in implementation, the increase from £350 to £380 did not take effect until October

2009.

Furthermore, in November 2007 the UNITE-TGWU section presented a motion to the Labour Party's Prosperity and Work policy commission, which "*stressed that the agency workers issue was the single biggest issue facing Britain today*".[336] The success of the motion through the NPF facilitated an agreement in June 2008 between the government, TUC and CBI. The deal entitled equal treatment of agency workers after 12 weeks in a job.

Nonetheless, it would take the European Union Agency Workers Regulations (2010) until 1 October 2011 to come into force seven years after the Warwick Agreement (2004), as the directive was itself undermined by the Swedish Derogation.[337] Labour by the point of the directive's implementation was no longer in office. The party lost the General Election in 2010 in the aftermath of the global financial recession, which consumed the government's activities and focus. The Labour vote collapsed to 29 per cent (8,609,527 total votes) from 43.2 per cent in 1997 (13,518,167 total votes) a loss of 4.9 million votes over its tenure in government.

7.8   Evaluation and Reflections from Actors

The substantive evidence as presented in this chapter illustrates that trade unions affiliated to the Labour Party have, with varying degrees of success, attained favoured outcomes via formalised processes (i.e. NPF, Labour Party Conference, TULO, TUG). The manifestations in these formalised processes were often arrived at flowing from informal processes such as the Big Four in the post-2001 period. These processes were operationalised through the strategic choices of a new generation of trade union leaders.

Dave Prentis and Liz Snape of UNISON state that the Warwick Agreement resulted in a 'large number of commitments' by the Labour Government. In particular, both drew attention to two-tierism in the public sector being addressed and the halting of

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[336] Labour Party, National Policy Forum report to Annual Conference (2-14 September, 2008: 235).
[337] ACAS website states the following: "*This is when a Temporary Work Agency can offer an agency worker a permanent contract of employment and pay the agency worker between assignments. It would mean that after 12 weeks with a hirer the agency worker will not be entitled to the same pay as if they had been recruited directly. The agency worker who is covered by this exemption will still be entitled to other new provisions under the regulations, for example annual leave after 12 weeks, rest breaks etc*".

privatisation in the health services. John Reid, as Health Secretary, had in fact given a commitment to limit private sector involvement with the maximum private share of NHS work being no more than 15 per cent 'in my lifetime' due to trade union pressure.[338] Dave Prentis concluded, "*...so at least we held the line on the health service, and in fact it was only about 5 per cent in that second term*". From the organisational perspective of UNISON, the Warwick Agreement, therefore, was considered a qualified success. Dave Prentis added, *"Yes it was more successful than we expected"*.

Prentis importantly identified the run-in to the General Election in 2005 and also alluded to the timing of General Secretary contests acting as constraints on trade union demands. For example, Tony Woodley took office in June 2003 as General Secretary of the TGWU. Prentis said:

> We could have always got more. What happens is in the year before an election, pressure is put on you not to rock the boat. So, probably if we'd have started a little bit earlier we could have had far more pressure, or we could have put far more pressure on the party. But, this is just the reality of political life. In the run up to an election you don't want to make public your disagreements because the electorate won't vote for you and we all recognise that and perhaps we did accept things.
>
> I think on employment rights we should have pushed harder and again on foundation hospitals, we were probably within a few votes of stopping foundation hospitals happening and we just failed and it was the trade union vote that stopped us. So, there were issues were you think, you know, we opposed ideologically privatisation but we also oppose it because the user of the service gets a poorer service and it's not value for money.
>
> If we'd had our way, it would have stopped the privatisation and fragmentation that took place in the second term or the third term. I mean when we were formed as a union in 1993 we probably dealt with 2,000 employers at the most. We now deal with 22,000 employers directly because of the Blairite years in fragmenting public services. So, you've got to keep the success in perspective.

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[338] Carvel, J (13 May 2005).

Kevin Curran of the GMB specifically cited "*proper holidays and part-time workers with few rights*" as successes, but also agreed with the reflections of Prentis on the extent of the outcomes, "*We did achieve a fair amount. Nowhere near enough as we could have achieved but you know the reality was that there was only so far we could go*". Sir Ian McCartney, in a more positive outlook, viewed Warwick as a success for trade unions and the government. McCartney outlines his reasons for this conclusion:

> Most of the Warwick Agreement was in fact a workplace agreement and that's what the unions focus on still. So, the Warwick Agreement became what it became. It became a tool which the unions did use for campaigning purposes for the election but I believe that they should have taken it on to become a campaign tool for membership.
>
> After the election, it then just became a tick sheet exercise. For example, in two months we did that and that. It was more than that and it would have been implemented. The issue is how do you go and sell the unions as relevant now, why do you keep telling people in the workplace that you never win anything, why would you join the union if you tell them time and time again you don't win anything. When in fact you [unions] did a fantastic job here [Warwick].

McCartney, in essence, validates the trade union strategy at Warwick despite previously identifying his concerns with the reform of TULO and its strategy thereafter. The strategic steps enacted by union leaders in particular the reform of TULO and the creation of the Big Four, was critical to the implementation of key elements of the Agreement. Derek Simpson complements these points by adding that the Big Four was pivotal in terms of shifting the trade union policy agenda forward as the process, "*moved the line-up*". If the aforementioned steps had not been taken, Tony Dubbins concludes the Warwick Agreement would not have been as successful for trade unions, he said:

> So, I think the party came to a conclusion very quickly that as a result of changes in leadership and the success we had already demonstrated at two or three party conferences that they were not going to divide the unions and therefore it would be better

to try and agree an agenda. I think it succeeded pretty well and Warwick would never have happened without those changes.

Jack Dromey corroborates the assessment by Dubbins', as he also identifies the dominant influence of the largest unions as being the key ingredient to the successes at Warwick, he states:

> I don't want to overstate this but coming up to Warwick 2004 it tended to be the Big Four rather than TULO but having said that the Big Four were very influential in TULO. Actually, TULO was very effective in bringing together the Big Four agenda and the agenda of others so there was unity of purpose at Warwick. Now, was it right that TULO was used to achieve that kind of unity and for the development of a coherent agenda? Yes, it was right.

The prior contribution is supported by Professor Keith Ewing who in interview contributed the following, "*If you go back to 2005 General Election and the Warwick agreement the year before then was it TULO, which had a role, or more to the point was it a number of senior trade unionists that had a powerful voice independent of their role in TULO. I would argue it was the latter*". In contrast, Jon Cruddas identifies the limitations of the 'reorientation' strategy from his perspective. Specifically, this was because it sidelined the TUC thus complementing Barber's previous remarks. Nonetheless, Cruddas ascribes the shortcomings of the strategy as being a 'symptom' of the centralised Labour leadership:

> Well I understand the reorientation of the strategy. It is a symptom of our failure to build upon the first-term because that is the failure of Blair and Brown. What they should have done is welcome the Monks strategy and to help him. Monks leaving the TUC was also symptomatic of this and he was the best possible General Secretary for a New Labour Government. Partly as a result of the frustration of the leadership not to build a strong single channel through the TUC and everything moved into the institutions of the party, understandably, but this track failed too.

As such, Cruddas questioned the level of success in the Warwick Agreement, he stated, *"Whilst there was a tighter union agenda it being translated into definable and discernible outcomes I am much less sure about".* Lord Monks also questioned the overall impact on the employment relations framework deriving from Warwick complementing the perspective of Cruddas, he said:

> …the CBI hated the Warwick Agreement not because very much came out of it, arguably, nothing came out of it by the way. The work had been made to be so imprecise that nobody is clear exactly what they have agreed to when they leave, like on the Working Time over here [Brussels] as there is all different types of interpretations of what was done. The unions were frustrated, as was I – I mean why am I over here [Brussels] and not over there [UK] – with dealing with Blair and others and getting nowhere.[339]

Sir Brendan Barber reemphasised his previous comments on the shift away from the TUC as being detrimental to the interests of the whole trade union movement and ultimately the Warwick outcomes, he said:

> So, the hugely important issue of education never got a look in. You know the affiliated unions had a particular catalogue of kind of issues partly arising from their own sectorial concerns and so on, that they wanted a highlight button. Hang on a minute there are whole huge areas of policy on which apparently we had nothing to say or had no view at all.

Sir Brendan concurred with ambiguous evaluation over some of the Warwick pledges leading to a 'mixed' outcome for trade unions:

> Well, there was some issues that were highlighted there where clearly the government moved to take the steps that were envisaged and implement the issues that were identified and there were some others though it seemed as if perhaps some of the points in the documentation were rather more aspirational and less worked through, where it

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[339] Lord Monks left the TUC to take up the position of General Secretary of the European Trade Union Confederation based in Brussels from 2003 to 2011.

was hard to subsequently say well what actually happened as a result of those few sentences, or the section of the document on this particular point or that point and so on. So, it was mixed, it was mixed, there were clearly some issues where I think from a union perspective, progress was made.

As actors and the literature contend, there are varying interpretations over the progress made from the Warwick Agreement. However, there were significant impacts as this chapter has discussed on the employment relations framework as even those critical of the Agreement's economic functionality (supply-side policies) and speed of implementation have conceded (Heery, 2005; Bewley, 2006; Ewing, 2005; Leopold, 2006; Howell and Kolins-Givan, 2011; Coats, 2007). As such, Brown (2011: 9) would recognise the qualified successes despite Warwick being "*far from the 'corporatist' collaboration with union leaders so characteristic of the 1960's and 1970's*".

Accordingly, the thesis contends the Warwick Agreement should be viewed through the prism of a comparative political exchange process in a liberal market economy (Howell, 2005; Ludlam and Taylor, 2003). Heery (2005: 11) supports this contention:

> A driving force behind the negotiation of social pacts in other countries has been the need for governments to secure union consent to and cooperation with the restructuring of public services and social provision (principally pensions). These themes are strongly present in the Warwick Agreement, suggesting that it should be seen as a similar type of development

Consequently, Warwick, in some senses, can be considered contextually a greater success than the NMW (1998) and ERA (1999) from a trade union perspective taking cognisance of both the process and outcomes. This is particularly the case as the contours of the latter two pieces of employment relations legislation, if not the details, were agreed to while Labour was in opposition. The assertion can be

presented despite the Labour Party failing to deliver the Warwick Agreement 'in full' as the manifesto stated and the frustrations over the speed of implementation.[340]

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[340] Labour Party Manifesto (2005: 27). "*The Labour Party has agreed a set of policies for the workplace (the Warwick Agreement) and we will deliver them in full*".

8 Discussion

8.1 Introduction

While accepting structural factors, principally the UK's domestic collective bargaining framework, influence trade union behaviour, the thesis has demonstrated that this is clearly insufficient in explaining trade union decision-making. The thesis, through the data and the literature, has used the following four factors of influence that significantly shape trade union decision-making: (1) economic and political institutions (2) union ideology, (3) employer, political party or state strategies, and, (4) strategic choices of union leaders. These factors place broad structural, agency and ideational explanations at the centre of understanding and explaining trade union strategising.

A key purpose of the discussion chapter is to identify – in the context of the research questions – any patterns over a forty-year period and explanations behind the active or latent effects of these four factors of influence. In doing so, the chapter will illuminate the constraints and opportunities for trade unions to attain favoured legislative outcomes when the Labour Party is in power. To compare trade union 'outcomes' during the Labour Governments under analysis - 1974-79 and 1997-2010 – as equivalents is admittedly problematic. Instead, the thesis has sought to present the perceptions of the relative success of the 'outcomes' attained in the context of two structurally different environments, principally from the perspective of trade union actors.

The remainder of the chapter will therefore seek to provide a conceptually clearer – if far from complete – understanding and deeper appreciation of the changing nature of the endeavours of UK trade unions to attain favoured outcomes when the Labour Party is in government. The approach will focus on the outcomes in each legislative event and the role of the four factors of influence either positively or negatively influencing the attainability of trade union objectives. The chapter will conclude by critically reflecting on the central themes and theories raised in the literature review and methodology.

8.2   Research Questions

The questions in the form of propositions were as follows:

1. Trade unions confront greater obstacles in securing favoured employment relations outcomes in the selected successive employment relations events due to economic and political institutional constraints.
2. Coordinated trade union leadership inside the Labour Party to offset environmental constraints has positively impacted on favoured employment relations outcomes being attained
3. Informal processes have largely displaced formalised ones as a means to achieve favoured employment relations outcomes by affiliated Labour Party trade unions.

The thesis postulated that through an analysis of the employment relations events - the Social Contract (1974-79), the NMW (1998), the ERA (1999) and the Warwick Agreement (2004) – trade unions would find it progressively more difficult to attain favoured outcomes due to the factor of greater economic and political institutional constraints in a liberal market economy. Flowing from this first proposition, the research then set out to explore the reasoning behind trade union attempts to achieve greater degrees of coordination through the case events and the factors of influence, which positively or negatively affected this process.

Accordingly, the second research question is designed to identify any patterns and disconnects influencing trade union coordination. The proposition was based on the premise that if the largest and dominant unions could achieve greater degrees of coordination then the opportunities for optimising favourable outcomes are increased.

During the 1997-2010 Labour Governments, it was assumed that coordination among the key trade unions would be easier to achieve due to the political and economic constraints in a liberal market economy, in contrast with a collective laissez-faire environment. First, this position would be arrived at in the liberal economy because of amalgamations and there being fewer trade unions. Therefore,

it was assumed that this process would foster greater ideological cohesion in a low union density and low collective bargaining environment. Consequently, it was also assumed that there would emerge a shared understanding of the strategic choices available in liberal market economy among the largest trade unions.

The final research proposition set out to evaluate in the transition from each successive employment relations case, whether informal processes performed an increasingly more important role for trade unions in favoured outcomes being attained or equally not being attained. Due to the dilution of power in the historically strong formal policy-making mechanisms such as the annual Labour Party Conference and NEC, the proposition was designed to ascertain whether this dilution induced a greater role for informal processes. The proposition was informed by the industrial arena being progressively characterised by greater degrees of individualisation, fragmentation and decentralisation, in conjunction with the centralisation of political power in the Labour leadership in the UK.

We will now look at each research question in turn, seeking to "*critically examine findings in the light of the previous state of the subject*" (Evans, Gruba and Zobel 2014: 2) as outlined in the literature review.

8.3   Research Question 1

Trade unions inhabited a dramatically different structural context – politically and economically – during the Social Contract (1974-79) from the employment relations cases analysed in the post-1997 period. The collective laissez-faire environment was characterised by a free collective bargaining system, which was ideologically embraced by the largest and most dominant unions in the UK.

These dominant unions, principally in the private sector with large industrial and manufacturing bases (as identified in Table 2.3), were reflective of the UK economic structure. For example, the share of UK manufacturing has fallen from 36 per cent of the economy in 1948 to around 10 per cent in 2013. Additionally, only 8 per cent of UK jobs in 2013 were in manufacturing compared with 25 per cent in 1978, which was a juncture of high unionisation (i.e. overall union density at 50 per cent in 1978

and 1979).[341] The industrial landscape was also characterised by an enabling institutional architecture and broad bi-partisan acceptance of trade union inclusion in aspects of the governance of the UK economy.

The inclusion of trade unions in UK market relations was characterised by the expansion of collective bargaining in the form of national agreements and statutory machinery (Wage Boards, Trade Boards). However, Howell (2005: 94) suggests that during the 1950's and 1960's there was an "*acceleration in the process of industrial restructuring*". This was illustrated by a shift to newer industries such as vehicle assembly, light engineering, and oil refining. Due to these structural shifts, the post-war consensus gradually came under strain as large employers and employers' associations increasingly questioned the value and relevance of industry-wide bargaining.

Furthermore, collective agreements were not legally binding and trade unions, rather than enjoying enshrined legal rights, campaigned historically for the restoration of legal immunities. The position partially arose from the ideological dominance of free collective bargaining shared by trade unions, employers and the state. This was informed by the central ideological concept in the relationship between trade unions and the Labour Party, in particular the division of labour. Consequently, Kelly (2013: 181) stated collective bargaining agreements and associated structures had 'shallow roots' in the UK.

A critical factor contributing to the disintegration of the centrally designed incomes policy component of the Social Contract was the decentralisation arising from these fundamental structural changes in the economy (Howell, 2000). The structural changes were embedded by key sections of the union movement including the country's largest union, the TGWU, who supported work-site productivity bargaining as a strategic response to government incomes policies during the 1960's (Gospel 1992). Undy et al (1981) also argued that irrespective of the strength of the union-party link, it could not override the detrimental structural effects of the decentralisation agenda and the fragmented bargaining system.

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[341] ONS (22 October 2014).

A further structural factor identified in the Social Contract's collapse was that power resided more with individual unions in contrast with trade union confederations in Italy, Spain and Germany. Frege and Kelly (2003: 18) state that in these continental countries, trade unions possessed 'sufficient authority' over members to ensure more coordinated strategies because of their structural configuration (Turner, 1962; Richter, 1972; Taylor, 1987; R. Taylor, 1980; Minkin, 1992; May, 1975; Fatchett, 1987, Frege, Kelly and McGovern, 2011). Therefore, despite the creation of new political processes designed to foster greater cohesion (i.e. Liaison committee) as part of the political exchange process between trade unions and the Labour Government, the process is widely depicted in the literature as failing.

Nonetheless, the industrial struggles of 1978-9 and the subsequent election defeat of Labour should not detract from the significant legislative achievements and the industrial restraint orchestrated principally through the strategic choices of union leaders. Trade union informants contend that the efforts through the Social Contract and its principal vehicle (i.e. the Liaison Committee), arguably, prevented a collapse of the Labour Government at an earlier stage with its minimal majority. The contention must be considered in the context of profound structural changes in the economy and significant internal and external economic pressures, which culminated in the IMF loan in 1976. For example, Tony Dubbins stated in relation to the Liaison Committee, "*…without that step having been taken different developments within the party and maybe even bigger splits would have happened*".

From the perspective of the key proponent of the Social Contract, Jack Jones in interview complemented Dubbins' assessment saying that the Liaison Committee was critical to maintaining 'unity' for as long as possible in light of the economic challenges. Lord Whitty added that as the TUC involved non-Labour Party affiliated unions it helped to provide a 'solid centre'. This was in contrast to a process exclusively involving the trade unions affiliated to the Labour Party who were in the words of Whitty, "*becoming increasingly polarised*".

A balanced and nuanced reappraisal, as presented by Lord Lea, Jack Jones, Geoffrey Goodman and Lord Monks, therefore, should view the Social Contract as a political exchange process with significant successes. Lord Monks importantly said

that, "*the process worked but so did the outcomes*". The conclusion from a trade union perspective is at variance with the dominant academic and political discourse, which perceived the Social Contract as a failure due to the collapse of the incomes policy. Indeed, this view received credence by Monks who conceded that the industrial unrest "*became a disaster. This ended large trade union influence on the government*". Yet, the dominant discourse, which 'blamed' the trade union movement for the Winter of Discontent, does obscure the wider achievements in the Social Contract process from its genesis in 1971 to the autumn of 1978.

The significant legislative achievements achieved through the Social Contract, taken in cognisance with the strategic miscalculations by the Labour Government, principally the rigidity on the 5 per cent pay policy advanced for 1978-79, should result in a reframing of perceptions that the Social Contract's demise was 'inevitable'. The favourable outcomes should be viewed through the lens of a wider Social Contract rather than the incomes policies component, which was having the desired deflationary impact until the collapse of Phase Four in November 1978. The rate of inflation had reduced from 28.1 per cent in the second quarter of 1975 to 8 per cent in 1978 prior to the Winter of Discontent (Wilkinson, 2007).

As such, the legislative successes and voluntary pay restraint must be considered in the context of significant economic structural tensions (internal and external), the ideological dominance of collective laissez-fairism, greater degrees of heterogeneity in the trade union movement and an absence of market coordination mechanisms at the height of trade union power.

In the UK during the period of economic reconstruction post-1979, there was a combination of endogenous and external shocks exercising influence on the trajectory of the economy. Arguably, the most powerful factor of influence was the actions of successive Conservative Governments. These shocks ended collective laissez-faireism with its supportive employment relations architecture enabled by the state via both Labour and Conservative governments for over eighty years. In essence, the opportunities open to trade unions were significantly constrained by the Thatcherite revolution (Howell, 2000).

The pace of economic and political reform in the UK was accelerated by the specific configuration of employment relations institutions and electoral system (i.e. first past the post), which avoided the need for consensus through social-pacts prevalent across the continent of Europe (Frege and Kelly, 2003; Hamann and Kelly, 2004, Boxall, 2008). Hence, structural and legislative reforms enabled greater opportunities for the state in partnership with employers to deconstruct and reconfigure employment relations regimes to the exclusion of trade unions (McIlroy, 2009; McIlroy and Daniels, 2009; Smith and Morton, 2009).

In the liberal market context, the Labour leaderships' encroachment into the division of labour, which had largely governed the relationship between organised and political Labour pre-1979, was profound. The emergent ideological reappraisal by the Labour leadership was emboldened by the dramatic drop in the TUC affiliated membership from 12,128,078 members (1979) to 9,243,297 (1987) members.[342] The internal party reform process, however, was also facilitated by leading trade unionists and trade unions who supported the 'modernisation' programme initiated by Neil Kinnock as Labour leader.

Gennard and Hayward (2008: 201) state that by the time of the 1987 General Election, which saw the return of a Conservative Government for the third consecutive term, trade unions were prepared to accede to internal Labour Party reform due to the detrimental economic restructuring and hostile legislation. The central political challenge presented to trade unions as an electoral 'reality' was that they had to reduce their institutional role in the Labour Party due to its perceived negative impact on the party's electoral prospects. Alternatively, retaining the status quo would harm Labour's electoral appeal.

The Labour leaderships' reforms post-1987, therefore, would not have been possible or at least would have been more powerfully resisted if it were not for the institutional concessions from key sections of the affiliated unions. The policy reforms focused on items such as defence, Europe and employment relations. John Edmonds of the GMB identified the support of his union for policy reform on the pretext of making the party 'electable' to help offset environmental constraints. In the following contribution,

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[342] Membership Statistics as reported in TUC Annual Report of 1979 and 1987.

Edmonds identified the address by Jacques Delors, former European Commission President, to the TUC Conference in 1988 as a key juncture:

> The attitude towards the European Union was rather different, it was rather more successfully achieved and it was mainly a trade union change where we got Delors to come to the Bournemouth Conference where he was cheered to the rafters.

> But of course, Ron Todd [TGWU General Secretary] who was as sceptical about the European Union as anyone could be, he effectively accepted a change in TUC policy in the wake of Delors intervention and three weeks later that became the policy of the Labour Party. The trade unions effectively constructed a coup and from that moment on the Labour Party was a pro-European Party.

Trade union leaders accommodating or facilitating policy change as a factor of influence in Labour, on the premise that it enhanced the fortunes of both, is reinforced by Lord Sawyer: "*The biggest thing I ever did was helping to revamp the party's defence policy. The history of this was I became personally convinced of the case for it by Gerald Kaufman and Neil Kinnock that we needed to switch our policy…at the time we believed by switching our policy we could help win an election on it*".

Sir Ian McCartney also stated that in the context of the prevailing political and economic constraints a new electoral strategy was necessary. This reinforces the literature and data, which claims internal Labour Party reform was perceived as pivotal to electoral success. In addition, McCartney outlines the economic structural changes during the 1980's and 1990's, which significantly altered the industrial and manufacturing base of the UK; and in turn the power of trade unions. From the perspective of a Labour minister, the following contribution is a valuable articulation of the factor of economic and political institutional constraint:

> If Thatcher had never been elected much of those industrial pressures would still have happened. The world was changing; the whole nature of the economy, globalisation, the changing nature of the power base; the base of engineering, and, how things were built

was changing. The emergence of new nations and their skill levels and what Thatcher did in what was a very difficult period for the unions was to try and kill us off by making legislative changes and using the state against the unions.

This led also to a long period in opposition and the party had to change. A new style of leadership, a genuine change of leadership, a new type of breed of politician coming forward, who came through the union movement but weren't of the union movement, or, even if they were of the union movement they recognised if we are going to succeed and be in power for a period never known in the Labour Party then the relationship with the unions and how we decided policy had to change.

The impact of the Conservative's liberal market agenda was devastating for trade unions in the UK. Unions lost nearly half of the total membership: 13.2 million in 1979 to 7.8 million in 1998. In this context, Labour adjusted to and complemented rather than conflicted with the Thatcherite reforms as it prepared its legislative agenda for government in 1997. The liberalising market model in the post-1979 period was based upon a set of minimum standards and the individualisation of employment relations.

Moreover, Leopold (1997: 35) asserts that New Labour perceived the 'loosening of the ties' with trade unions as being central to its electoral popularity, which meant a recalibration of the party's negatively perceived image with businesses. Due to the strength of these prevailing economic, political and ideational factors, this contributed to leading figures in the trade union movement acquiescing and accommodating the objectives of the Labour leadership in both the unfolding NMW and ERA negotiations. As a result, key aspects of both items of legislation were diluted to the dissatisfaction of the leadership of key trade unions and the TUC.

In an important contribution, Undy (2002: 653) supports a shift in the employment relations model during Labour's period in government away from the continuation of neoliberal market reforms. The author argued that the impact of the Labour Government's discourse on employment relations in 1997 created a more 'benign' environment, which could facilitate trade union growth through recognition. The Labour Government's discourse mirrors the reverse of the 'demonstrative effect'

identified by Howell (1998: 297), in relation to the cumulative effects of the Conservative Governments' exclusionary measures.

The employment relations reforms of Labour modified the existing institutions and practices of market relations such as ACAS and Employment Tribunals, while it also created new mechanisms such as the Low Pay Commission. The new approach was inclusive of trade unions and consisted of partial re-regulation in the NMW and the ERA with its statutory components, albeit individually rather than collectively focused. The 'benign' atmosphere is evidenced as trade union density and membership remained relatively static – a significant outcome in light of the trend over the previous eighteen years. In fact, trade union membership rose in 1998 for the first time in twenty years as total membership increased by 50,581 around 0.6 per cent to 7.8 million.[343]

Therefore, the *regulated individualism* employment relations model did represent a significant shift and yielded results despite the approach being aptly described as institutionally 'inchoate' by Howell (2004: 13). Baccaro and Howell (2011: 538) complement this by stating: "*The distinctiveness of New Labour's approach to industrial relations lay, rather, in the government's emphasis on the creation of individual rights at work, rather than support (legislative or otherwise) for collective regulation*".

As the first-term of the Labour Government (1997-2001) progressed, it was accompanied by rising levels of dissatisfaction at the extent of the employment and trade union rights framework. The attitude was informed by the mixed results emerging from the NMW and ERA. A number of key policy areas including pensions and the privatisation of public services correspondingly fuelled intra-union trajectories with unions becoming progressively hostile to the New Labour employment relations project advanced through the concept of social partnership.

Informants including Derek Simpson of AMICUS, Dave Prentis of UNISON and Kevin Curran of the GMB all support the contention that a significant factor in the leadership changes of the largest unions partially derived from the frustrations over

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[343] LRD (July 2000).

the lack of progress on employment relations policies and the increased role of privatisation in public services. Curran added: "*…I think that people were looking for a more radical understanding in what our purpose was and that's why a lot of organised workers being dissatisfied and disappointed with the Labour Government because they could see that there was things that could be done to improve power and accountability at work and nothing was being done*".

Accordingly, an alternative strategic response by trade union leaders was considered necessary if the government's control of the employment relations agenda was to be shifted towards the interests of trade unions. Simpson in interview stated; "*Now whether this would have been possible if we didn't have common leaderships in honesty it would have been difficult*". A structural factor, which helped the ideational convergence process, was trade union consolidation. By 2006, the Big Four unions constituted 60 per cent of membership out of 63 unions affiliated to the TUC.

The new strategy developed and operationalised through the strategic choices of union leaders contributed to legislative success, as evidenced in the literature and the data in the Warwick Agreement chapter. The Warwick political exchange process contained most notably the following: the Employment Relations Act 2004, the extension of two-tier workforce protection in local government to public services, the Pensions Act 2004, the Transfer of Undertakings (Protection of Employment) Regulations 2006, holiday entitlement increasing from 20 to 28 days in 2009 as part of the Working Time (Amendment) Regulations 2007, and, the implementation of the European Union Agency Workers Regulations 2010. As Coulter (2014) stated to 'downplay' the employment relations outcomes as exemplified in the Warwick Agreement was, "*surely to overestimate the room for manoeuvre for centre-left parties and their trade union allies in market-oriented economies with weakly institutionalised trade unions, such as the UK*".

Trade unions significantly influenced the shift to a *regulated individualism* employment relations model away from the continuation of the Conservative's neoliberal policies. The favourable outcomes achieved by trade unions were also in the context of the global financial recession of 2008, which acted as a significant political and economic constraint. As such, this should lead to a reappraisal of the

perceptions of success associated with Warwick. The outcomes must be viewed through a wider political and economic lens. In doing so, it lends credence to the argument that contextually the Warwick Agreement from a trade union perspective can in some respects be judged as a greater success than the NMW or ERA in terms of process and outcomes.

However, the successes must be kept in perspective because despite the significant deceleration in trade union density, there was no 'trend break' by the end of Labour's tenure in government. The proportion of employees who were union members continued to decrease. This was a reflection of the minimalist nature of Labour's employment relations model, which focused on individual rather than collective rights, and, an absence of proactive governmental support to enable trade union growth. Trade union density fell to 27 per cent in 2010 at the end of Labour's tenure in government from 30.8 per cent in 1998. In the private sector, those workers covered by collective bargaining agreements as a proportion of all wage and salary earners in employment declined from 21.7 per cent in 1998 to 16.9 per cent in 2010. In addition, collective bargaining witnessed a decline as coverage fell from 35.4 per cent (1998) and finally to 30.9 per cent of all employees in 2010 (Visser 2015).

8.4   Research Question 2

Trade unions, historically and culturally, had developed a deep mistrust towards legal 'interference' by the state. This set the contours to the principle of the division of labour between the industrial and political spheres (Flanders, 1969; Webb and Webb 1913). The division was greatly influenced by the factors of union ideology and the strategic choices of union leaders, which resulted in unions 'rarely' moving towards coordinated political action (Richter, 1973). The overriding ideology of organised labour, as influenced by the largest affiliates to the Labour Party and the TUC, was support of free collective bargaining in the power dynamics between employers and trade unions as part of a 'collective laissez-faire' employment relations system (Howell, 2000, 2004, 2005 and Wedderburn, 2000).

'*In Place of Strife* (1969)' represented the first major advance by the Labour leadership into 'closed' areas (i.e. industrial sphere). While the proposed legislation

produced a negative reaction, it also acted as a catalyst for a new group of trade union leaders to propose a proactive strategic response after the 1970 election defeat. The Liaison Committee was the structural manifestation of the trade union strategic response. A. Taylor (1987: 10) described the Liaison Committee as a 'major step forward' for trade unions because the process presented, "*a coordinated view-point for the movement as a whole*". This is critically important for the research question because it identifies that through the implementation of the strategic choices of union leaders, the industrial and political wings of the labour movement negotiated employment relations outcomes in a coordinated fashion as part of a political exchange process.

The most influential factor in the creation of the Liaison Committee was the strategic choices of trade union leaders as evaluated in the Social Contract chapter. Jack Jones, leader of the country's largest union, advocated a process of greater 'liaison' that would 'work out a clear programme'. Crucially, the Liaison Committee would incorporate the TUC rather than Labour Party affiliated unions exclusively to maximise coordination. The inclusion of the growing size of non-Labour Party affiliated unions with a significant presence in the TUC's structures was considered a strategic necessity to the success of any pact, as informants such as Lord Whitty, Lord Monks, Geoffrey Goodman and Lord Lea confirm.

The underlying factor of personal relationships has significantly shaped the strategic choices of union leaders in conjunction with a shared interpretation of the opportunities available. This has directly influenced the extent and the particular form of trade union coordination. Dorfman (1983: 71-73) supports the centrality of personal relations in the strategic choices of union leaders and thereafter the adopted organisational positions. The author described the TUC General Council as missing its "*two great leaders of the previous decade*" as both new leaders of the largest unions in 1978 – Terry Duffy (AEU) and Moss Evans (TGWU) – were described as "*hardly being on speaking terms*". Hence, after the departures of both Jack Jones and Hugh Scanlon, as leaders of the two largest unions in the country, cohesion disintegrated.

It should be noted that the aforementioned point is not to be confused with

suggesting that the voluntary incomes component in Phase Four of 1978 would not have broken down. The weight of factors such as union ideology, structural weaknesses, strategic miscalculations by the Labour Government and an improving inflationary position, all indicate that the incomes policy had probably reached its culmination. Rather, in one of the labour movement's greatest 'what if's', the literature and data does suggest that the subsequent unravelling could have been veered away from the scale of the Winter of Discontent through different strategic choices if there were not leadership changes occurring at the Social Contract's most critical juncture. For example, despite Jack Jones' TGWU Conference defeat which demanded an immediate return to free collective bargaining, in 1977-78 wages did not exceed the 10 per cent target outside 'one or two justifiable exceptions' (Jones 1986: 323).

The divisions between trade unions and in turn with the Labour Government (1974-79) due to union ideology is identified as a significant factor of influence contributing to the Social Contract's disintegration and incompletion in the literature (Fatchett, 1987; A. Taylor, 1987; R. Taylor, 1991; Marsh, 1992; May 1975). An illustration outside the incomes policy component of this heterogeneity is the lack of agreement over the Bullock Committee proposals in 1977 on industrial democracy. However, it is critical to re-emphasise, the purpose of the Liaison Committee as a process did achieve a series of objectives in terms of process and outcomes according to Jones, Lord Lea, Geoffrey Goodman and Lord Monks.

There were considerable coordination efforts operationalised through the strategic choices of union leaders to sustain the Social Contract from its inception. The outcomes of the coordinated process are evidenced by TULRA (1974), the Health and Safety at Work Act (1974), Employment Protection Act (1975), Industry Act (1975), the Aircraft and Shipbuilding Industries Act 1977 right through to the collapse of the incomes policies (Phase Four) in November 1978. The outcomes achieved through the Liaison Committee process should be viewed as even more significant in the context of structural weaknesses, ideational divisions and economic turmoil.

As discussed in the '*Employment Relations Reform under New Labour: Context, Continuity and Change*' section, in the aftermath of 1979, a new trade union strategy

emerged in the 1980's designed to offset environmental constraints. The approach focused on rights for individual workers mirroring the individualisation of employment relations (Howell, 2005). The shift in trade union strategy away from the ideological dominance of support for free collective bargaining can be partly located in the fluctuating balance of power inside the trade union movement. This was reflective of the changing industrial and manufacturing base and the growing influence of white-collar and public sector unions who were more predisposed to regulation (Howell 1998). There was also a simultaneous process of policy space initiated by the TUC due to the Labour Party's internal factionalism in the early 1980's. This was a strategic attempt by the TUC to open a dialogue with Conservative Governments in order to offset environmental constraints (A. Taylor, 1989).

A central difference between the Social Contract from the later employment relations events analysed in the thesis is the increasing focus through Labour Party affiliated unions. This approach has periodically resulted in shifts from unions acting in a coordinated and uncoordinated manner, dependent upon the strategic choices of union leaders. In Labour's first-term (1997-2001), ideational, agency and organisational differences prevailed among trade unions in relation to the NMW and ERA, as evidenced in the data. The extents of both pieces of legislation were diluted by the accommodation of individual trade union actors to the Labour leaderships' agendas.

Specifically, divisions undermined the outcome of the NMW negotiations over the rate and its application. Trade unions such as UNISON promoted a previously agreed to formula of half median male earnings rising to two-thirds. In contrast, AMICUS remained evasive on any pre-defined rate based on its ideological embracement of the Labour Government's social partnership approach. As the negotiations developed over the NMW, interviewees testify to the passivity of certain trade unions, which aided Labour ministers wishing to dilute its scope by identifying fault lines in trade unions positions. Consequently, as unions welcomed the NMW's introduction they simultaneously criticised the exemptions, tiered age rates and overall level.

Arguably, the most striking example of a lack of trade union coordination across the thesis was in relation to the ERA. The coordination problems associated with the ERA outcomes over the size of the bargaining unit eligible for recognition and protection from unfair dismissal to workers can be traced to the emerging fault lines in advance of the 1997 General Election. In conjunction with the absence of effective coordination mechanisms in the market economy and internally within the structures of the Labour Party, this contributed towards policy dilution and division between trade unions.

Simultaneously, in parallel with the NMW, informants contend that if there had not also been forms of coordination then the terms of the employment relations framework would have been worse. Tony Dubbins, Jon Cruddas, Sir Ian McCartney, Gerry Sutcliffe and Frank Doran assert that if political action through coordination processes were not in situ, principally through the TUG and the TUC, then there would have been further dilution in the '*Fairness at Work'* proposals and the ERA.

As Hamann and Kelly (2004), Howell (2004) and Undy (2002) argue, the ERA would represent a significant concession to trade unions on the part of the Labour Government. However, as the first-term (1997-2001) progressed, it was accompanied by rising dissatisfaction at the extent of the employment and trade union rights framework. The point is identified by various actors including Edmonds, Monks, Dubbins, Prentis, O'Regan, Simpson, and, Barber. In this context, the Exeter NPF in 2000 prior to the 2001 General Election would be a turning point for many leaders of the affiliated unions, as evaluated in the Warwick Agreement chapter. Informants repeatedly cited the lack of coordination and divisions as the largest unions acted on an individual basis through their respective leaderships.

Both Dave Prentis and Liz Snape of UNISON affirmed the individualistic approach in response to an interview question, whereas interviewees such as Tom Watson, Tony Dubbins, John Edmonds, John O'Regan and Sir Ian McCartney complemented this point, particularly in relation to the ERA and Exeter NPF. Consequently, due to the progressive centralisation of power in the Labour leadership, greater union-party detachment and an absence of coordination mechanisms, it was structurally easier for the Labour leadership to manipulate the policy-making process.

The catalyst for the Warwick Agreement (2004) from the trade union perspective was the leadership changes in the largest trade unions – UNISON, TGWU, AMICUS and GMB. Through the strategic choices of union leaders, proactive political action was advanced inside the structures of the Labour Party as means to attaining favoured outcomes. These endeavours would be operationalised through greater degrees of coordination, institutional reconfiguration facilitated by informal processes and the sidelining of the historical role performed by the TUC (Ludlam and Taylor, 2003; Charlwood, 2004; Gennard and Hayward, 2008).

A two-strand strategy principally focused on maximising trade union institutional influence through reforming TULO involving all trade unions affiliated to the Labour Party after the 2001 General Election. This development was in conjunction with a complementary process involving the new leaders of the largest four trade unions: the 'Big Four'. The successive leadership changes cumulatively "*confirmed the general trend to more radical leadership of the affiliated unions*" (Ludlam and Taylor 2003: 738). Dave Prentis of UNISON and Kevin Curran of the GMB identified policy divisions and a centralised Labour leadership as compelling greater trade union coordination in order to offset environmental constraints.

From a strategising perspective, the creation of the Big Four is a fascinating development. It supports the assertion in the academic literature, which contends that any given environment does not exclusively determine trade union behaviour, albeit more constrained in a liberal market context (Child 1972, 1997; Boxall and Haynes, 1997). Therefore, illuminating the strategising processes and how trade union actors interpret the opportunities available is evidently of significant research value, particularly if favoured outcomes can be attained (Morgan and Smircich, 1980; Heery and Simms, 2008; Boxall, 2008; Frege and Kelly, 2003; Hansen and Kupper, 2009).

Several interviewees including Lord Collins, Lord Whitty, Jon Cruddas, Dianne Hayter and Sir Ian McCartney commented on the coordinated approach through TULO and the Big Four. In particular, the marginalisation of the TUC as the trade union centre for policy-making is identified as a principal criticism. However, Sir

Brendan Barber, former General Secretary of TUC, noted that the development of the Big Four was partly attributable to the 'absence' of any 'appropriate collective mechanism'. The issue of encompassing a wider section of the trade union movement to garner greater support was a key part of the emergent strategy towards the institutional reform of TULO, particularly as it would involve smaller unions. The process, however, would only involve the affiliated unions to the Labour Party and not the TUC as the centre for activity. Hence, a different form of trade union coordination as experienced in the Social Contract, NMW and ERA.

The central objective of the research question is to ascertain whether greater degrees of trade union coordination positively affected employment relations outcomes. Interviewees such as Sir Brendan Barber, Jon Cruddas and Lord Monks in the relation to the Warwick chapter contested that the results were 'mixed'. Lord Collins added:

> I think people now who are arguing that TULO has achieved more are deliberately ignoring the facts because I think the policy-making process in the lead up to the 1997 manifesto was terrific and if you look at the record of that first Labour Government in terms of workers interests and issues they were incredibly positive and lot was achieved out of it. Then there is the second and third term. So, where is the evidence that TULO taking common positions has achieved more - I don't think so.

Other interviewees including Labour Government ministers such as Gerry Sutcliffe and Sir Ian McCartney in conjunction with trade union informants including Dave Prentis, Liz Snape, Jack Dromey, Tony Dubbins, and Kevin Curran assert the Warwick Agreement was a relatively successful outcome from the trade union perspective. As Derek Simpson stated in interview, "*The Big Four has had an impact if we take the Warwick Agreement as an example although not always delivered with any enthusiasm*".

Interestingly, the data suggests generational ideological and experiential fault lines between trade union leaders themselves and in turn with Labour Government ministers. The new set of trade union leaders post-2001, for example, were more

favourably disposed towards reforming institutions like TULO and to be more adversarial towards the Labour Government based on ideology. In the process, the approach marginalised the language of social partnership. In contrast, the data reveals a more cautious, accommodative and collaborative relationship between the leaders of the largest trade unions and the TUC in conjunction with Labour leaders prior to 2001. These generational leaders of the labour movement had previously developed close working relationships over a long period in opposition to reform the Labour Party in order to make it 'electable'.

Despite informants contesting the extent of progress made over the implementation of the Warwick Agreement, it undeniably produced favoured outcomes in an era of weaker trade unionism in terms of union density and collective bargaining coverage. The Warwick outcomes were attained at variance with the Labour Party leadership through the operationalisation of coordinated trade union leadership strategies initially developed in informal spaces, as the next section will expand upon.

8.5   Research Question 3

The final research proposition was designed in order to ascertain whether informal processes have progressively displaced formalised mechanisms as a means to achieving favourable employment relations outcomes. Importantly, for the purposes of the research, the thesis has focused on informal processes and spaces, which were designed to influence formal processes and outcomes. While Minkin (1992: 122) drew attention to informal processes, it was their absence in the pre-1970 period that was more revealing. The prior point is identified as a contributory factor to 'In Place of Strife' by Minkin who noted that there was "*awareness that the two leaderships had not talked enough in informal terms during the period after 1967*".

Jack Jones (1986: 204-05) also highlighted an unsuccessful conclusion to a private meeting at Chequers in May 1969 with fellow trade unionists Hugh Scanlon of the AEU and Victor Feather of the TUC on '*In Place of Strife'* with the Prime Minister and Minister, Barbara Castle. The lack of progress in these informal spaces was in contrast with the success of formal mechanisms utilised such as the TUC and the TUG in parliament during this episode. In interview, Jack Jones emphasised that he

felt the formal structures and existing processes in 1970 had not delivered unity or mutual understanding. As such, a semi-formal process was advanced (i.e. the Liaison Committee) through the TUC because of the strategic choices of union leaders. The liaison process represented a shift away from the annual Labour Party Conference and the NEC of the Labour Party into other spaces that were not formally within the constitutional structures of the party (May, 1975).

Lord Morris emphasised the value of the Liaison Committee process in contrast to the formal Labour Party structures: "*The feeling was that if there was a structure, not a constitutional structure, but a forum for ideas, debate and discussion then you could rationalise some of the discussions and attain as much common ground as possible".* The factor of 'commonality' fostered by a semi-formal process was considered a significant element in the continuation of the Social Contract by informants, arguably beyond expectations given the prevailing economic circumstances during 1974-79. The Liaison Committee process supported personal and organisational relations up until 1978 when the incomes policy component of the wider Social Contract collapsed. This is supported in the contributions made by Lord Monks, Lord Morris, Jack Jones, Lord Lea, Lord Whitty, Tony Dubbins, Rodney Bickerstaff and Geoffrey Goodman.

The 'less securely founded' status of the Liaison Committee, as described by A. Taylor (1987: 27), which stemmed from its non-constitutional position in the Labour Party's structures - a factor identified as a virtue of the process - would in fact accelerate its demise in the post-1979 period. Successive internal Labour Party reforms, particularly after the 1987 election defeat, fostered new processes designed to strengthen the centralisation of policy-making in the Labour leadership. For example, the PRP in 1987 represented a shift away from Labour Party Conference. The process was supported by the strategic choices of union leaders and union ideological reorientation in an attempt to offset environmental constraints. The by-product of these shifts was the increasing importance of informal processes in contrast with the Social Contract.

Lord Monks importantly noted that the creation of the informal 'Contact Group' in the 1980's had included the TUC leadership and the largest affiliate leaders. The

informal process was established in an era where the institutions and mechanisms of the Labour Party were undermining the leaderships' policy preferences. Hence, an alternative process was created to nurture common ground between union and Labour leaders. In this context, the informal 'Contact Group' meetings progressively replaced the Liaison Committee equivalents, as the latter forum ceased to effectively operate by 1989. Interestingly, the prominence of informal processes mirrors the shift towards a more individualised employment relations model. This was a dynamic identified by Regini (1995: 133) who noted that in periods of company restructuring that formal institutions of employment relations could diminish in significance, which leads to "*indirect and therefore less visible mechanisms*", consequently gaining in importance.

The accommodation from trade union leaders for the Labour leaderships' reforms facilitated policy reorientation on employment relations matters. This can be illustrated in the change in position on the closed-shop, as identified by Lord Monks and Tony Dubbins. The policy change was brought to fruition completely through informal processes even outside the Contact Group (Undy 2002; Gennard and Hayward, 2008; Hayter, 2005; Minkin, 1992). Hence, the closed-shop episode illustrated the increasing importance of informal processes to facilitating policy change. The support of the largest affiliates for reform drew them into conflict with trade unions often of smaller numerical size disproportionately affected by the policy shifts.

One of the most important underlying factors influencing the strategic choices of union leaders is the strength of personal relationships in an informal setting. This is implicitly if not explicitly articulated in numerous transcripts. In an era of greater centralisation in the Labour leadership, informal processes can become more important as certain institutional routes are closed-off. In the transition under successive Labour leaders, informal processes were of significant value to trade union and Labour leaders. Lord Morris, Lord Tom Sawyer, Lord Monks and John Edmonds all support the value of the informal Contact Group under the leaderships of Neil Kinnock and John Smith. Yet, these informal processes came under significant strain when Tony Blair became leader as identified by John Edmonds, Lord Monks and Lord Sawyer.

Interview data reveals that in the transition from Smith to Blair, previous agreements were progressively diluted as trade union objectives became more difficult to attain. The deterioration in personal relationships manifested in the private conversations, which developed over the minimum wage policy, as Labour prepared to enter office under the leadership of Blair. Rodney Bickerstaffe confirmed that the agreed level of the minimum wage was changed in favour to no set level, which would be determined by a newly established LPC after Blair's election as leader. Consequently, Bickerstaffe concluded that while informal processes on the minimum wage in advance of 1997 were useful at the same time they "*weren't about firm agreements between the union and the party*".

Further internal party reforms, in particular the creation of the National Policy Forum, yet again diluted the power of trade unions in the Labour Party's structures (Kelly, 2001; Ludlam and Taylor, 2003; Laffin and Shaw, 2007; Wickham-Jones, 2014). The reform was introduced in the context of weaker personal relations between the leaders of the largest affiliates to the Labour Party – and the TUC – and the Labour leadership. Lord Monks alluded to the underlying dynamics at work by using the word 'staggered' in relation to informal processes. Monks also draws attention to a central issue, which is if the principal actors are not politically converged nor have strong personal relationships, the opportunities to attain favoured outcomes through informal processes diminishes. Concomitant with this point was the absence of effective coordination mechanisms.

Lord Sawyer commented upon the absence of collective decision-making mechanisms in relation to internal Labour Party reform while he was General Secretary of the party under Blair. Sawyer noted: "*Members are not hostile to change but members want change explained, to listen and time to respond to what is being proposed but Blair was never interested in any of this*". Lord Collins also confirmed the dilution of informal processes as the Labour Party entered government by stating, "*I think that perhaps there wasn't enough of this after 1998*".

Furthermore, Sir Brendan Barber and Lord Monks both confirmed that despite their repeated efforts to open up regular informal dialogue with the Labour leadership,

they proved unsuccessful. Jon Cruddas reflected upon the reorientation strategy pursued by the largest affiliated unions' post-2001 as being a direct response to this lack of progress and dialogue with the Labour leadership. Cruddas said, "*It is a symptom of our failure to build upon the first-term because that is the failure of Blair and Brown. What they should have done is welcome the Monks strategy and to help him*".

Therefore, as negotiations unfolded over the details in the NMW and ERA, the leadership of specific trade unions and the TUC correspondingly shifted their strategy towards applying leverage upon the formal mechanisms that were available. Principally, this focused on the TUG, Labour Party and TUC Conferences, following informal strategising often in concert with Labour Government ministers and advisors sympathetic to trade union objectives. For example, in relation to the NMW, Gerry Sutcliffe and Frank Doran stated that the use of the TUG in parliament was central to exercising political pressure on elements of the Labour leadership.

The reconstitution of the TUG, which had remained dormant for many years in opposition, was central to assisting ministers such as Sir Ian McCartney in preventing further policy dilution in the eventual legislation. Jon Cruddas complemented this assessment, stating that the role of informal, semi-formal and formal mechanisms were simultaneously utilised to constrain the desires of the Labour leadership and were critical to preventing further dilution in key elements of both the NMW and ERA.

The emphasis towards more formal processes and spaces due to the diluted and fractured role of informal processes was attributed to partly be a by-product of the Labour Party being in government and the associated bureaucratic machinery accompanied with this process. However, this point should not to be confused with suggesting that informal processes did not perform a pivotal role. As the data illustrates, the role of private and bilateral discussions by the Labour leadership with specific union leaders were critical to the outcomes. Arguably, the most fascinating insight in relation to the negative role of informal processes on outcomes in the thesis pertains to the ERA negotiations.

The impact of informal processes being 'manipulated' by the Labour leadership was profound. Through these processes, the General Secretary of the AEEU section of AMICUS conceded an important element on the size of the bargaining unit at variance with the agreed TUC policy line. The decision rendered the established collective position ineffective, sowing the seeds of further policy dilution. Tom Watson advances this perspective in relation to private bilateral conversations by Sir Ken Jackson and non-identified government ministers relating to clauses in the proposed ERA legislation. This perspective is complemented by the reflections of John Edmonds and Tony Dubbins in relation to the role of other trade union leaders including MSF and USDAW.

Accordingly, John Edmonds described the Labour leadership management style in the following terms: "*The idea of collective discussions designed to reach a conclusion which everybody could agree with which was John Smith's style this was replaced by a pretty obvious attempt by the party leader to use which ever contacts were important for a particular issue in order to produce the outcome he wanted. It became essentially manipulative*".

Tony Blair was widely criticised for operating a 'sofa-style' government. Lord Butler who led the Review of Intelligence on Weapons of Mass Destruction in the aftermath of the Iraq invasion stated Blair's style excluded members of the government from the decision-making process. In a damning indictment of Blair's use of informal processes, Lord Butler's report concluded: "*The informality and circumscribed character of the government's procedures which we saw in the context of policy-making toward Iraq risks reducing the scope for informed political judgment*".[344] As demonstrated in the thesis, this observation should be equally applied to the trade union movement other than engaging individual union leaders in the ERA and to a lesser extent the NMW to deliver leadership objectives.

As discussed in the Warwick Agreement chapter, the minimal progress on employment relations matters at the Exeter NPF as well as dissatisfaction over the limited extent of the ERA and NMW lead to a series of informal discussions among trade union leaders. The strategising centred on the need to maximise pressure on

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[344] Cited in Wheeler (2004)

the Labour leadership, principally through the reform of TULO as a generative mechanism. The reform of TULO arose from private and informal conversations among trade unions leaders initially at variance with perspectives of other union actors. The most significant factor of influence in the institutional reconfiguration of TULO was the strategic choices of union leaders at the largest four unions. The Big Four leaders developed a shared interpretation of the opportunities available through the structures of the Labour Party in order to influence the employment relations framework in a liberal market economy.

The informal discussions among the Big Four resulted in the sidelining of the historical role performed by the TUC as the policy-making centre in favour of affiliated Labour Party unions. The leaders involved in the Big Four process, however, contend this outcome was not a deliberate exclusionary strategy. Rather, it emerged due to individual institutional objectives converging as identified by Kevin Curran, Dave Prentis and Derek Simpson. This principally focused on seeking to evidence outcomes deriving from affiliation to the Labour Party and the associated political levy contributions.

The emergent strategy post-2001 through the Big Four and TULO produced several policy victories at the Labour Party Conference. This included UNISON successfully tabling a motion calling for a moratorium and review of PFI deals at the October 2002 Party Conference. The result illustrated the converging organisational positions acting as a preamble to the Warwick NPF negotiations. Importantly, Kevin Curran of the GMB and Dave Prentis of UNISON confirmed that the initiation of the Big Four was informal in origin. Curran identified the influence of warm personal relationships as being central to delivering greater coordination and trust. This was a factor missing between the largest unions during the 1997-2001 period, as identified by interviewees including Edmonds, Watson, Bickerstaffe, O'Regan, and McCartney. The usage of informal processes to develop and promote employment policy objectives has therefore been contingent on the personalities involved and the ideological convergence or divergence between the largest unions. This is evident in each employment relations case event.

It is also important to state that several interviewees identified that informal processes outside employment relations matters continued to perform a wider role with the Labour leadership such as Gordon Brown, Sir Ian McCartney and Lord Morris. However, the key point from the perspective of the thesis is the relevant employment relations outcomes deriving from informal processes. The crux of the issue as Sir Ian McCartney succinctly concluded is as follows: *"There is a lot of informal discussion, which takes place with government. The issue is in the discussions, which take place, do you get any outcomes from it that's important as you need to get outcomes"*.

The evidence supports that informal outcomes performed a detrimental role to the collective trade union position in the NMW and ERA to varying degrees. Informal processes had deliberately displaced formalised processes, which were correspondingly manipulated by the Labour leadership to facilitate accommodation by trade union leaders through bilateral communications. As part of a complex matrix of interests, trade union leaders, Labour ministers and a Prime Ministerial advisor simultaneously reveal an alliance through informal and formal processes, which prevented further policy dilution. The alliance involved government actors more sympathetic to trade union objectives as they made efforts to 'outflank' (McCartney) other ministerial colleagues in the internal debates over the NMW and ERA.

Formal mechanisms, principally the NPF and Party Conference, are constitutionally required to enshrine policy positions in the Labour Party manifesto. However, the Warwick Agreement outcomes as the data reveals were achieved through an initial focus on informal processes. These processes were operationalised by the strategic choices of union leaders arising from a shared interpretation of the opportunities and threats in a marketised economy. Ewing perceptively noted in interview, *"In this all the formal processes are in reality laid to rest. The formal structures are used to give validation and legitimacy to agreements that are made elsewhere as the result of often fairly brutal disputes between the political and the industrial sides"*.

As such, informal processes designed to influence formal processes can be judged to have largely displaced formal processes to the extent they provided the positive foundation of the Warwick Agreement outcomes for trade unions. Informal processes

underpinned by warm personal relationships between trade union leaders directly lead to the creation of the Big Four and the institutional reconfiguration of formal processes, principally TULO. The strategic choices of union leaders facilitated the policy convergence at successive annual Labour Party Conferences and crucially at the Warwick NPF. Hence, the positive role of informal processes for the purposes of maximising union outcomes was critical to the preparatory work for Warwick; and to hold the government to account thereafter. This is in contrast with the NMW and ERA.

8.6   Concluding Observations

The implications for trade unions in the transition from a collective laissez-faire framework to a decentralised, deregulatory and decollectivised liberal market have been profound. Ideological framing processes in the transition from a peak to low union density and collective bargaining coverage environment have correspondingly re-shaped attitudes towards the 'regulative principle'.

Trade unions were progressively denied the opportunity to challenge perceived imbalances of power through collective bargaining and market relations (Ewing, 2005; Gennard, 2002; Ludlam and Taylor, 2003; Brown, 2011; Seifert, and Silbey, 2010). Ewing (2005: 15) perceptively identifies the increasing prominence of political action to attain favoured employment relations outcomes as a strategic response to these economic and political constraints. Ewing noted that, *"…the trade union regulatory function has become political as much as industrial with regulatory ambitions to be secured by political campaigning and by legislation rather than by collective bargaining".*

As a result, the data and literature support the research question framed as a proposition that trade unions have confronted greater obstacles to securing favoured employment relations outcomes. These constraints principally focus on economic marketisation measures, which have significantly altered the structure of the UK economy, and, the marginalisation of trade unions in market relations by the state. These factors embedded and emboldened the centralisation of political power in the

Labour leadership, which in parallel reduced the institutional power of trade unions inside the party's structures.

The implicit assumption that trade union coordination would be more difficult to attain in the Social Contract case event (1974-79) in contrast with the NMW and ERA is problematic. In fact, the thesis presents evidence that suggests stronger degrees of coordination arose in the Social Contract case event. This is despite the collective laissez-faire environment being characterised by sharper ideological and sectional differences between trade unions, and, a higher volume of unions. Nonetheless, through utilising the four factors identified by Hamann and Kelly as influencing trade union decision-making, the thesis contends that union coordination has become increasingly important as a means to offsetting environmental constraints through an analysis of the case events.

As the data illuminates and Table 7.1 illustrates, the specific form of trade union coordination has been influenced by political and economic institutional factors, and, the ideational accommodation or divergence of the largest trade unions to the agenda of Labour Governments. Ideational accommodation is positively associated with the Social Contract process through a *collective cooperative* approach by trade unions with the Labour Government. The approach was coordinated by the TUC through the Liaison Committee due to the strategic leadership choices of union leaders. Alternatively, individual trade union ideational accommodation with the Labour Government's social partnership approach has negative associations with the ERA and NMW. This observation derives from Labour ministers using informal and bi-lateral processes to dilute the extent of key aspects in both aforementioned items of legislation.

Conversely, as a by-product of the weakness and lack of coordination mechanisms, there was the law of unintended consequences deriving from informality, which equally applied constraints on the Labour leaderships' desires. As such, upwards pressure was applied upon the NMW and ERA emergent frameworks through an alliance of trade union leaders, Labour ministers and advisors. The group orchestrated leverage on the available formal mechanisms such as the TUG in parliament, principally through the TUC. This form of *group contestation* was a result

of strategising in informal spaces in order to offset environmental constraints. However, the aforementioned group coordination manifested in sync with a parallel coalition of trade union leaders, Labour ministers and business organisations who exerted downwards pressure on the emergent frameworks.

In relation to the Warwick Agreement, the strategic choices of union leaders and union ideology would mutually reinforce each other to strengthen trade union coordination in order to maximise the potential for favourable outcomes. Again, union leaders operationalised this process initially through strategising in informal spaces. Union leaders of all the major unions, the Big Four, were compelled to develop a *collective adversarial* towards the Labour Government based on a shared assessment of the viable escape-routes available in a liberal market economy in the aftermath of Labour's first-term. The reappraisal was initiated after the Exeter NPF (2000) whereby policy divisions and weak coordination among trade unions was exploited through informal and bilateral processes by the Labour leadership in order to constrain trade union demands. Tony Dubbins stated, "*The unions went to that policy forum without any policy forum agreement. Not even on basic trade union issues*".

At various junctures, informal processes have included or excluded the TUC and Labour Party leaderships in conjunction with the leaders of the largest individual unions. The forms of these processes have been framed by political factors, principally as a strategic response to the degrees of centralised power in the Labour leadership and the corresponding policy distance that ensued. In addition, in the absence of strong coordinating mechanisms, the increasing prominence of informal processes for strategising purposes has reflected trade union responses to a more hostile political and economic climate. In fact, both these factors are closely interlinked.

The role of informal processes is identified in contemporary literature particularly in relation to the TUC moving from 'outsider' status under the Conservative Governments from 1979-97 to 'insider' status under the new Labour Government in 1997 through regular informal meetings with relevant government ministers and civil servants (McIlroy, 2000). Moreover, in interview Dianne Hayter referred to the role of

informal chats, 'mostly in bars', between trade union General Secretaries prior to TUC meetings known as the St Ermins Group. Nonetheless, Hayter noted in relation to her own research, resulting in the book 'Fightback' (2005), "*I found no evidence that they discussed policy at all through the St Ermin's Group*".

However, the thesis has identified a key component in the emergent strategies of trade union leaders has been a progressive reliance on informal processes in the post-1979 period as a means to attain favoured outcomes. This conclusion is subject to the caveat that trade union objectives have also been achieved by individual unions through informal processes in negotiation with the Labour leadership rather than in a more coordinated fashion. The latter position was the case in the 1997-2001 first-term, whereby pivotal unions such as the AEEU section of AMICUS individually accommodated the Labour leaderships' objectives at variance with other unions and the TUC leadership.

Table 7.1   Degrees and Forms of Trade Union Policy Influence during Labour Governance[345]

	Social Contract (1974-79)	NMW (1998)	ERA (1999)	Warwick (2004)
Employment Relations Regime	Collective Laissez-Faireism/Corporatism	*Social partnership*/Regulated Individualism	*Social partnership*/Regulated Individualism	Regulated Individualism
Dominant Process	Formal	*Informal*/Formal	*Informal* /Formal	Informal
Trade Union Leadership Strategy[346]	Collective Cooperative	*Individualised Accommodative/* Group Contestation	*Individualised Accommodative/* Group Contestation	Collective Adversarial
Mechanism(s) for Policy Influence	Liaison Committee	*Individual Unions* and TUC	*Individual Unions* and TUC	Big Four/TULO
Form of Trade Union Policy Influence	TUC	*Labour leadership* and TUC Leadership	*Labour leadership* and TUC Leadership	Labour Party
Degree(s) of Policy Coordination between Trade Unions	Strong	Weak	Weak	Strong

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[345] Italicised words denote correlation between categories.
[346] The category is based on the principal strategic approaches by trade union leaders – collective, group (not inclusive of all major unions) and/or individually – in their negotiations with Labour Governments in the selected case events.

The impact of the four factors of influence at different junctures has been latent or active. Union ideology can be more or less influential based upon the strategic choices of union leaders as was experienced across all the case events. Hence, the hierarchy of the four factors has been dependent upon the context. For example, in relation to the NMW (1998) and ERA (1999), trade unions arguably faced their greatest structural, ideational and agency constraints, even in comparison with the Warwick Agreement (2004), despite the latter case event being five years after the ERA. The context of Labour's first-term was a marketised economy enabled by successive Conservative Governments, which marginalised trade unions in the governance of aspects of the UK economy. This facilitated ideological and institutional reform in the Labour Party, leading to the centralisation of power in the leadership, who prioritised positive relationships with the business community.

John Edmonds identifies the strong political factors, which exercised considerable constraint on the objectives of trade unions in Labour's first-term (1997-2001). The centralisation of power in the leadership in conjunction with the large majority of the Labour Government (i.e. 179 seats) and accommodation with social partnership by trade unions lead to a series of key policy concessions. Edmonds said, "*Exeter in many ways was the hay-day of all this, a relatively new Labour Government after many years in opposition and there were a lot of people who wanted to do Tony [Blair] favours. Once, we got to the Iraq War of course life changed quite substantially. The number of people who saw any advantage in doing Tony a favour diminished but during this period there was a substantial division within the trade unions*".

The influence of these aforementioned political and ideational factors reinforced each other to constrain the ability of trade unions to both effectively and collectively challenge the emergent NMW and ERA legislation; and thereafter to adapt to the regulated individualism approach to employment relations. Concomitant with these points was the noticeable absence of strong coordination mechanisms and the weakness of informal processes between trade unions and the Labour leadership, which were necessary to exercise constraint on the objectives of the latter.

Therefore, while it is problematic to identify which factor is the most important in each legislative event, the strength of the data can allow us to place the strategic choices of union leaders as, arguably, the most significant factor of influence. In particular, these choices become even more significant in terms of the extent of outcomes, which can be attained in a liberal market economy. However, the strategic choices of union leaders as a factor of influence is comparatively under researched, in contrast with the other three factors of influence identified at the outset of the thesis. It is critical, therefore, to have a deeper appreciation for the ability of trade unions to secure favoured outcomes by examining the strategic choices of union leaders.

The strategic choices of union leaders were the most important factor in the Social Contract's initiation and operation. Yet, it is also negatively associated with its demise in 1978, which coincided with key trade union leaders retiring (i.e. Jack Jones and Hugh Scanlon). In relation to Labour's first-term (1997-2001), while forms of group contestation is positively associated with constraining the Labour leaderships' legislative desires, the strategic choices of union leaders is ultimately associated with favoured outcomes not being attained and more minimalist outcomes in the NMW and ERA. In contrast, the collective adversarial approach arising from the strategic choices by union leaders contributed towards the successes in the Warwick Agreement as Tom Watson, Gerry Sutcliffe, Kevin Curran, Dave Prentis and Derek Simpson affirm in interview.

The strategic choices of union leaders were – and are – central to the form of trade union coordination (i.e. TUC or Labour Party channel). The Warwick Agreement process has parallels with the Social Contract, specifically whereby union ideology and trade union sectionalism was supressed as a result of trade union leaders utilising strong coordination mechanisms (i.e. Liaison Committee and TULO) to maximise the opportunity for favourable employment relations outcomes.

In conclusion, the attainment of trade union favoured outcomes has been correlated with the prevailing political and economic environment, the extent of trade union coordination and the utilisation of informal processes in order to offset environmental constraints. This supports the logic of the three propositional research questions.

Admittedly, as the conclusion will discuss in relation to the limitations associated with the thesis, the research has focused on junctures when the Labour Party is in government. The need to ensure stronger trade union coordination (agency, ideational and process) is arguably required when the Conservative Party is in government. This would theoretically increase the opportunities for the TUC to perform a more central role given that the TUC is officially politically neutral and includes non-Labour Party affiliated unions.

Boxall (2008) highlights that for trade unions what varies is the extent and expression of the strategic choices available. As such, the research findings raise the prospect that the political concentration and coordination, as a means to achieving shifts in a liberal market economy in the UK, may inform strategic reappraisal by trade unions in other advanced industrialised nations. As Hyman and Gumbrell-McCormick (2010: 327) add: "*hard times can often result in strategic paralysis, but can also be a stimulus for the framing of new objectives, levels of interaction and forms of action*". The potential for such strategic orientation would, however, be dependent upon the actions of the state as a significant factor of influence (Hyman, 2007; Howell and Kolins Givan, 2011; Hamann and Kelly, 2004; Frege, Kelly and McGovern, 2011).

The final chapter will draw out the implications of these findings and consider the implications for various actors but particularly for trade union practioners. The limits of the claims made within the thesis are reflected upon as well as future areas of research that need to be addressed and reflected upon.

9   Conclusion

9.1   The Core Argument

The thesis firstly postulated that through an analysis of the successive employment relations events - the Social Contract (1974-79), the NMW (1998), the ERA (1999) and the Warwick Agreement (2004) – trade unions would find it progressively more difficult to attain favoured outcomes due to greater economic and political constraints. The second research question was based on the assumption that if the largest and dominant unions could achieve stronger degrees of coordination then the opportunities for optimising outcomes were increased in any given structural environment. The final research question was premised on the dilution of power – and dissolution - of historically strong formal policy-making mechanisms in the Labour Party inducing a greater role for informal processes.

The research findings permit a series of concluding observations and reflections, which challenge aspects of the accepted narrative on the relative successes and disappointments associated with each case event under analysis. The discussion chapter underlined that a positive outlook associated with the NMW and ERA in relation to the extent of the frameworks can be challenged. The divisions (ideational and agency) between trade unions, the lack of strong coordination mechanisms and weak informal processes in both case events, nonetheless, illuminated the potential for different strategic choices in order to optimise the opportunity for the attainment of favoured outcomes. However, the NMW and ERA did illustrate a shift from the continuation of liberalising economic reforms through greater degrees of employment regulation despite the focus being on individualised rather than collective rights.

As discussed, strong coordination mechanisms and informal processes in order to offset environmental constraints were pivotal to facilitating the attainment of favoured outcomes in both the Social Contract and Warwick Agreement, principally through the strategic choices of union leaders. The factor of the strategic choices of union leaders was the most important in the creation and operation of the Social Contract coordinated through the Liaison Committee but also integral to the collapse of the incomes policy in 1978 in conjunction with the prevailing economic context and

ideological dominance of free collective bargaining. In addition, the strategic choices of union leaders limited the extent of the NMW and ERA leading to minimalist frameworks but in parallel with the Social Contract, it was the most significant factor in the strategic reorientation of trade unions post-2001 resulting in the Warwick Agreement.

Reality is more complicated and contested as the evidence presented in the thesis suggests. The research findings directly counter those asserting a more structurally determinist argument that underplay or dismiss strategic manoeuvres by trade unions in a liberal market economy. The extent of the Warwick Agreement for example cannot be disregarded as having minimum impact on the employment relations model in the UK and nor can the strategic reorientation by trade unions to focus on political action to attain these outcomes be considered in the same fashion. These observations raise the prospect that if union leaders can converge on a shared interpretation of the opportunities available through political action then favoured outcomes could be attained through strategic adaptation. The observations should equally lead to a reappraisal of the negative assessments regarding the ability of trade unions to influence the extent of employment relations outcomes when the Labour Party is in power.

9.2   Research Contribution

Framed as propositions, the questions enabled the thesis to present a conceptually clearer understanding and deeper appreciation of the changing endeavours of UK trade unions to attain favoured outcomes in the employment relations arena.

Utilising Hamann and Kelly's factors of influence, in particular the strategic choices of union leadership and union ideology, the thesis has demonstrated that the literature has insufficiently explored the significance of these factors and their interaction with each other. The research has shown the aforementioned factors can both constrain or optimise the opportunities for influence dependent upon the context. Moreover, how these factors are constrained or aided by economic and political institutions and employer, political party or state strategies as the thesis has evaluated is critical to assess.

An assessment on the extent and success of the outcomes goes to the heart of the thesis' objectives. It illuminates the pivotal role of the strategic choices of trade union leaders in harnessing and directing organisational power at different junctures – individually and collectively - through ideational convergence and divergence. The research, therefore, adds valuable insights on the framing processes of trade union leaders, and this in turn has shaped legislative outcomes – positively and negatively - in terms of the extent of the respective framework under analysis.

Ackers and Wilkinson (2005) note that part of the reason why informal processes have remained under-researched is that traditional industrial relations theory utilises an interpretative framework focused on rule-making or systems of regulation. A key contribution achieved through the research questions has been the excavation of the enhanced role of informal processes. Informal processes have directly facilitated the degrees and form of trade union coordination to offset environmental constraints while Labour was in opposition and in power.

Whilst there had been some limited recognition of informal processes in previous eras, there remained a lack of evaluation regarding the influence of informal processes that occur between the Labour Party leadership and trade union leaders - and between union leaders themselves. Moreover, how this has changed in the transition from collective laissez-faireism to a liberal market economy in periods of Labour governance was important to evaluate. The thesis has addressed some of these gaps by evaluating the role of informal strategic discussions and strategising – giving rise to stronger degrees of coordination between trade unions. The results of which lead to the creation or reform of institutions associated with this strategising (i.e. Liaison Committee and TULO).

The research adds value to the existing literature by also connecting the significance of the strategic choices of union leaders and ideational convergence, which facilitated stronger degrees of coordination in relation to the Warwick Agreement (2004) and the Social Contract (1974-79). Both aforementioned case events were a product of informal strategising and coordination underpinned by the centrality of close personal relationships. However, ultimately, in the Social Contract the process collapsed due to the re-emergence of the powerful influence of union ideology in

support of free collective bargaining, which in turn shaped different strategic choices by union leaders. These choices were directly correlated with the positions adopted by the Labour Government in relation to the voluntary incomes policy in 1978. Therefore, the thesis has addressed the limited detail on the outcomes and strategising value informal processes have performed for trade union leaders for legislative purposes as opposed to the industrial arena (Findlay et al, 2009). Consequently, this has sharpened our understandings of trade union strategising, and thereafter the operationalization of strategies.

Turning to methodology, an important element of the research is its distinctive approach to case events and sources of data. The approach adopted in the thesis has illuminated the effects of the four factors of influence and generative mechanisms in operation influencing the framing processes of trade union leaders – and the Labour leadership. As Kay (2003: 191) perceptively asserts, *"If we want to understand how actors behave, it is essential that we give due consideration to their understandings of the context in which they are situated and the means by which they formulate and revise such understandings".*

Importantly, the thesis' observations are anchored through in-depth interviews from the reflections of actors who strategically influenced the behaviour of trade unions or directly engaged trade union leaders in the legislative events. The central positioning of the actors interviewed permits the thesis to assess and evaluate how 'key informants' frame the opportunities and constraints from their organisational vantage point, and thereafter to strategically act (Eisenhardt, 2005: 541).

Admittedly, while 'bottom up' approaches act as constraints and facilitate opportunities for trade union leaderships to act strategically, ultimately the strategising is operationalised through the 'locus of leadership'. This role is principally expressed by General Secretaries who perform a more discretionary role in the UK deriving from the 'individualist leadership structure', in contrast with European counterparts (Frege and Kelly, 2003: 14). Accordingly, the thesis has added valuable insights by contributing to a deeper appreciation of the interpretative processes of trade union leaders in particular the opportunities they perceive as viable in order to offset environment constraints. As such, this allows the thesis to

make observations upon the relative success of trade union strategising and the strategic choices enacted by union leaders, and, the associated processes.

The thesis illustrated a two-strand strategy devised by trade union leaders focused firstly on maximising trade union institutional influence through reforming TULO, which involves all trade unions affiliated to the Labour Party after the 2001 General Election. Second, the thesis has examined the creation of a complementary process involving the leaders of the largest affiliated Labour Party trade unions: the 'Big Four'. The strategy and reform is consistent with Boxall's (2008) analysis, which postulates that new strategies can bring to fruition new structures mirroring wider economic and political institutional reconfiguration in order to adapt to a liberal market economy.

The strategy represented a shift from the corporatist functionality of the Liaison Committee during the 1970's spearheaded by TUC representation in cooperation with the Labour leadership i.e. a *reverse dynamic* (Ludlam and Taylor, 2003; Charlwood, 2004*;* Gennard and Hayward, 2008). The post-2001 strategy came to fruition directly due to the strategic choices of the new union leaders of the largest affiliated Labour Party trade unions, who partly succeeded due to articulating a lack of success associated with *regulated individualism* as a model of employment relations (Charlwood, 2004).

The new trade union leaders, as part of the 'politics of leadership', would also publicly threaten to withhold financial donations from the Labour Party in the run up to the 2005 General Election as an expression of dissatisfaction regarding the extent of the employment relations framework (McIlroy, 2009; Brown, 2011; Bewley, 2006). The resources of the Labour Party have always been heavily reliant upon the trade union input of affiliation fees based on membership of individual members in the political fund of trade unions, donations and grants although the degree of extent has varied (Ludlam and Taylor 2003, Charlwood, 2004; McIlroy, 2009).

The new strategic approach thus illustrated the different set of opportunities for political action in the UK due to the specific 'opportunity structure' in contrast with

European counterparts.[347] As such, through an analysis of the case events, the thesis lends credence to the proposition that there is *union dividend* arising from Labour Party affiliation in terms of outcomes. While the extent of favoured outcomes attained deriving from affiliation is contested, the thesis has illustrated through the strategic choices of union leaders and union ideational convergence, particularly in the Social Contract and Warwick Agreement, that outcomes were elevated in their given environments.

Flowing from these conclusions, the thesis presents a clearer conceptual understanding of how trade union strategising – individually and collectively – emerges and operates through 'less visible mechanisms', as described by Regini (1995), and thereafter its manifestations in the available formal mechanisms. Consequently, the thesis presents a deeper appreciation of the successes or otherwise that UK trade unions have achieved through political action as a mechanism for change.

The research illuminates how and why political action performed a progressively more important functional role in the UK – and crucially how this differs in certain respects from the 1974-79 period. Therefore, trade unions across advanced industrialised nations can potentially learn from, adapt to and undertake strategic reappraisals based on the thesis' findings as they are exposed to liberal market reforms, as the next section will expand upon.

9.3   Reflections, Limitations and Further Research

Despite the benefits deriving from the central positioning of the interviewees, it is worth noting that there may be a degree of optimism bias shared among such actors. In other words, a tendency to attribute outcomes to their own efforts and to have been more successful than can be empirically justified. Trade union leaders as the data highlights also criticised – implicitly and explicitly - the role of predecessors based on ideational and personal differences.

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[347] It is also important to state that a union affiliated to the Labour Party's political action activities extend further than candidate endorsement, candidate financial contributions, manpower or in-kind campaign contributions due to the institutional role in rule-making in the Labour Party (O'Brien, 1994: 324).

Nevertheless, the data does reveal that union leaders and Labour ministers critically reflect on their own roles. For example, Dave Prentis stated trade unions in relation to Warwick could have 'pushed harder' and successes had to be kept in 'perspective'. Sir Brendan Barber also highlighted that he 'repeatedly tried' without success to persuade both Tony Blair and Gordon Brown as Labour leaders – and Prime Ministers - to have a different process for engagement with the trade union movement.

The findings also demonstrated heterogeneity in views, interpretations and reflections. Key clusters emerged among actors based on organisational vantage points, but also along generational and experiential fault lines. For example, in relation to the development of the Big Four, the reform of TULO post-2001 and reflections on the Warwick Agreement (2004), there was an array of views clustered around former TUC General Secretaries and Labour Party General Secretaries having a more critical perspective than the 'Big Four' General (Deputy) Secretaries. The perspectives related to contestation over the positive extent of the employment relations framework deriving from Warwick Agreement and the processes by which it was achieved (i.e. reform of TULO and through the channel of the Labour Party rather than the TUC).

The interviewees in relation to the NMW and ERA reveal a complex matrix of labour movement interests epitomised by certain trade union leaders accommodating the Labour leadership's policy objectives in sync with other trade union actors and Labour ministers utilising processes to prevent further policy dilution of the emergent frameworks. Hence, the perspectives of actors ensured that bias was limited – not eradicated – through interviewing "*highly knowledgeable informants who view the focal phenomena from diverse perspectives*" (Eisenhardt and Graebner, 2007: 28). Moreover, the thesis utilised methodological triangulation to limit bias by consulting multiple sources of data in order to make balanced and informed judgments on the ability of trade unions to attain favoured outcomes as identified in the methodology chapter.

Informed by a critical realist approach, the thesis has been able to identify and evaluate the effects of mechanisms, constructs and relationships, in part through the

application of Hamann and Kelly's framework. The object of enquiry, that being *political action* by trade unions as a mechanism for delivering change to the employment relations framework, has been better understood from the perspective of strategic actors in each legislative event - and across them. This remains valid, despite the opportunity to interview actors in the Social Contract (1974-79) being curtailed in comparison with the post-1997 cases due to the historical nature of the case.

While the four factors of influence utilised in the thesis are central to trade union strategising and strategic choices, the outcomes identified may have temporal applicability hence are limited. This could include changes in formal political relationships (e.g. disaffiliation and/or (re) affiliation to the Labour Party), volume (e.g. implications of further mergers), and, potential changes to the electoral system and party political funding. Therefore, future analysis should focus on shorter timeframes of periods of Labour governance, if possible, in a liberal market framework in order to develop clearer understandings of patterns or disconnect.

A relevant methodological issue is the absence of interviews with leading individuals associated with business groups. Whilst this would have radically altered the focus of the thesis, it is important to recognise that with respect to the case events, such respondents would have brought insights relevant to understanding some of the factors of influence on issues such as the NMW. Consequently, future researchers may want to develop the factor of employer strategies in the legislative events evaluated in this particular thesis and/or in periods of future Labour governance to assess patterns or disconnect from the perspective of leaders in the 'business' community. Such an approach may also include how business leaders' perspectives correspond with trade union leaders' in the legislative events under analysis.

To address a further limitation associated with the research it may be beneficial – if possible – to participate in real-time observation of specific employment relations legislative events involving negotiations between trade unions and government. If access were possible, then the ability to assess the role of informal processes and the extent of coordination efforts involving trade union leaders as they endeavour to attain favoured outcomes in real-time would be invaluable.

In this context, it would also be fruitful to consider surveying actors on a quantitative basis to assess if it can enrich the data achieved through semi-structured interviews and/or real time observations. For example, the *attributed influence* method has a self-assessment approach to measurement whereby respondents are asked to assess the influence of other group members. Dür and De Bièvre (2007) analysed the activities of NGOs and their impact on trade policy processes and outcomes at the EU level through this approach. As such, a researcher can attempt to assess if preferences are reflected in outcomes specifically because of the activities of trade unions.

The legislative case events were selected in periods of Labour Party governance in order to evaluate if trade unions could exercise greater degrees of legislative influence through political action due to their specific institutional role inside the party's structures. Admittedly, the opportunity structure open to trade unions in the UK is not shared by the majority of trade unions across advanced industrialised economies. Therefore, it would be valuable for further research to examine the effectiveness of union strategies in order to influence the employment relations framework during periods of coalition and centre-right governments in the post global recession period in the UK and other countries. This concludes the chapter and the thesis.

List of Interviews Completed

1. Jack Jones – Former General Secretary of the TGWU (1968-78).

2. Geoffrey Goodman – is a former industrial editor, columnist and assistant editor of the Daily Mirror and was founding editor of the British Journalism Review. Goodman also headed the counter-inflationary unit for the Labour Government (July 1975-August 1976).

3. Lord John Monks – Former General Secretary of the TUC (1993-2003) and President of   ETUC (2003-2011).

4. Lord Larry Whitty – Former General Secretary of the Labour Party (1985-1994) and Labour Minister (1998-2001).

5. Sir Ian McCartney – Former Labour Minister, Party Chair and Joint Chair of TULO

6. Lord Bill Morris – Former General Secretary of TGWU (1992-2003)

7. John Edmonds – Former GMB General Secretary (1986-2003)

8. John O'Regan – Former Political Officer of GPMU, AMICUS and UNITE

9. Rodney Bickerstaffe – Former General Secretary of National Union of Public Employees (1982-1993) and UNISON (1996-2001).

10. Gerry Sutcliffe MP – Former Employment Minister and Secretary of Trade Union Group of MPs.

11. Frank Doran – Former Member of Parliament and Secretary of Trade Union Group of MPs

12. Jon Cruddas MP – Former Prime Ministerial advisor on trade unions

13. Tony Dubbins – Former General Secretary of the National Graphic Association (1984-1990), Graphical Paper and Media Union (1990-2004), and Deputy General Secretary of AMICUS (2004-2007) and Chair of TULO (2003-2008).

14. Dianne Hayter – Author of 'Fightback' and Former NEC Chair of the Labour Party

15. Byron Taylor – Secretary of TULO.

16. Charlie Whelan – Former Political Director of UNITE (2007-2010) and Spokesperson for Chancellor Gordon Brown MP (1992-1999).

17. Gordon Brown – Former Prime Minister, Chancellor of the Exchequer and Leader of the Labour Party

18. Derek Simpson – Former General Secretary of AEEU-AMICUS (2004-2007) and Joint General Secretary of UNITE (2007-2010).

19. Lord Ray Collins – General Secretary of the Labour Party (2008-2011) and former Assistant General Secretary of TGWU, and, UNITE (1999-2008).

20. Jack Dromey MP – Former Deputy General Secretary of TGWU (2003-2007) and UNITE (2007-10) and, Treasurer of the Labour Party

21. John Spellar MP – Former EETPU political officer official (1969-1992), former Minister of State for Armed Forces, Transport, and Government Whip (Elected in 1992).

22. Professor Keith Ewing – Public Law at King's College London and writer of academic papers on the trade union role in Labour Party

23. Lord Tom Sawyer – Former Deputy General Secretary of NUPE (1981-1994) and UNISON, and Labour Party General Secretary (1994-1998).

24. Lord Lea of Crondale – Former Assistant General Secretary of the TUC from 1978-99 and Joint Secretary of Liaison Committee.

25. Kevin Curran – Former General Secretary of the GMB (2003-2004)

26. Sir Brendan Barber – Former General Secretary of the TUC (2003-2012)

27. Joint Interview: Dave Prentis – General Secretary of UNISON (2001 to present) and Liz Snape – Assistant General Secretary at UNISON.

28. Tom Watson MP – Former Political Officer of the AEEU union, Government Minister and UK Deputy Leader.

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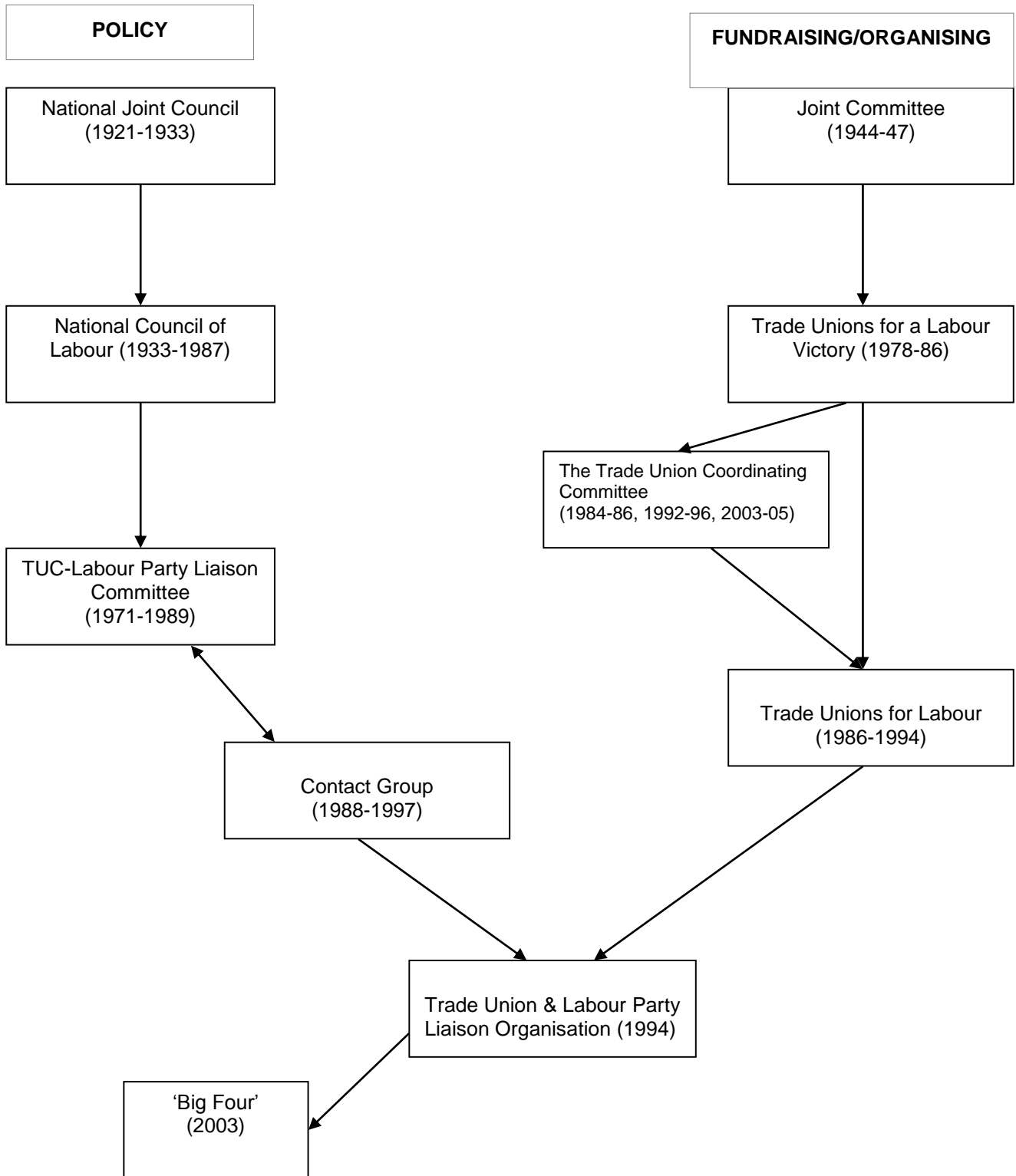**324.** TUC Annual Report of 1999. London: TUC.

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Appendix A

Trade Union Mechanisms inside the Labour Party excluding Conference and National Executive Committee.

POLICY	FUNDRAISING/ORGANISING

National Joint Council (1921-1933)

National Council of Labour (1933-1987)

TUC-Labour Party Liaison Committee (1971-1989)

Contact Group (1988-1997)

Joint Committee (1944-47)

Trade Unions for a Labour Victory (1978-86)

The Trade Union Coordinating Committee (1984-86, 1992-96, 2003-05)

Trade Unions for Labour (1986-1994)

Trade Union & Labour Party Liaison Organisation (1994)

'Big Four' (2003)

Appendix B

European Minimum Wages in April 2000

France – the wage must be raised by inflation plus at least half the average increase in earnings; interim increases if prices have risen by more than 2 per cent since the last rise. In April 2000, the last rise was 1.24 per cent.

Netherlands - increase in line with average pay deals. The last rise was equivalent to 2.6 per cent over 12 months.

Luxembourg – the wage goes up in line with other pay settlements, which are index-linked to prices. The government regularly reviews the overall level taking account of "the development of general economic conditions and incomes". In January 1999, the rate was put up by 1.3 per cent and the index-linked rise was put up a further 2.5 per cent in August 1999.

Spain – the government must take account of a number of factors including prices, economic growth and labour's share of the national income. In practice, the minimum wage goes up by the government's estimate of inflation for the coming year. In January 2000 this meant a 2.0 per cent increase

Portugal – the government must also take account of general economic factors but also has to reduce existing differentials. This has led to increases in the minimum wage which are well above inflation - 4.1 per cent in both January 1999 and January 2000 at a time when price rises were 2.5 per cent (1999) and 1.9 per cent (2000)

Belgium – the wage increase depends on the national framework pay deal for the economy. There was a rise of 5.9 per cent over two years from January 1999. (This includes subsequent pay increases index linked to prices)

Greece – In April 2000, any increases were agreed in the national agreement 'normally' negotiated every two years. In 1998-99, the agreement provided for 1.4 per cent rise in the first half of 1999 and a further 1.4 per cent increase in the second half.

Ireland - increases are included in the new national deal the 'Programme for Prosperity and Fairness'. A national minimum wage of Irish Pound £4.40 per hour was first introduced in Ireland in April 2000 under the National Minimum Wage Act 2000. As part of the agreement as of 1 July 2001, the minimum wage was increased to £4.70 per hour. There was a further increase to £5.00 per hour on 1 October 2002 as part of the deal

Appendix C

Fairness at Work White Paper Bargaining Proposals

Schedule 4.18

Essential features of the Government's proposals:

There will be a legal procedure, with time limits attached to various stages;

The procedure will encourage the parties to reach voluntary agreements wherever possible. If, exceptionally, this proves impossible, a restructured and reinforced Central Arbitration Committee (CAC) will decide any of the following issues on which the parties are unable to agree:

- o Whether a trade union has reasonable support among the employees for whom it is seeking recognition. This will rule out frivolous applications;

- o What is the appropriate bargaining unit. Where there is disagreement over the bargaining unit proposed by the union, the CAC will apply criteria including the need for effective management, existing bargaining arrangements and the desirability of avoiding fragmented units within an undertaking. Employers must and will be free to organise their business in the way they choose;

- o Whether a sufficient majority of employees support recognition: the CAC will award recognition where a ballot shows that a majority of those voting and at least 40% of those eligible to vote are in favour of recognition. This number will be reviewed after the legislation has been in place for a period of time so that it can be altered if it is shown to be unworkable.

- o The procedure to be followed for negotiations between an employer and a trade union. Recognition will cover pay, hours and holidays. The Government invites views on whether it should also cover training. The parties would of course be free to reach voluntary agreements on the issues to be covered;

1. There will be a similar procedure for derecognition. The Government invites views on exactly how this should work;

2. New applications for recognition or derecognition will not be considered by the CAC until three years after the date on which a previous application was determined;

3. The procedure will not apply to firms with 20 or fewer employees.

4. A simpler procedure should apply where employees are actually already members of a trade union. Where over half the workforce are in union membership already, so that they have clearly demonstrated through membership their desire for the union to bargain for them, then recognition should be automatic without a ballot.

Appendix D

Key provisions of the Employment Act 2002

Family-friendly working

- The standard rate of statutory maternity pay and maternity allowance to the lesser of £100 per week or 90% of the employee's average weekly earnings;
- An increase in the period of maternity leave to six months' paid maternity leave followed by up to six months' unpaid leave;
- Introduction of a new right to two weeks' paternity leave paid at the same standard rate as maternity pay in addition to the existing right to 13 weeks' parental leave;
- Similar entitlements for adoptive parents and amended rules governing employers' handling of parental leave and pay issues.
- Parents of children under six years of age (or disabled children up to the age of 18) the right to request flexible working patterns for childcare purposes, and places a duty on employers to give proper consideration to the request.

Employment Tribunal Reform

- The Act enabled the Secretary to state to make regulations authorising tribunals to award costs against a party's representative for conducting the proceedings unreasonably and order one party to make payments to the other in respect of the time spent in preparing for a case (not applied in the case of representatives of 'not-for-profit' organisations, e.g. trade union officers);
- The Act provided the basis for amending employment tribunal rules to introduce a fixed period for conciliation by the Advisory, Conciliation and Arbitration Service (ACAS), and to enable a tougher approach to the handling of 'weak cases'.
- The Act introduces a new statutory right to paid time off work for trade union 'learning representatives'. ULRs were given time off for training needs of union members they represented, provision of information and advice, arranging training and consulting with employers on these aspects (Section 43).

Workplace Dispute Resolution

- The Act seeks to encourage more individual employment disputes to be settled within the workplace without recourse to an employment tribunal.
- Statutory minimum internal disciplinary and grievance procedures for all organisations that employ staff, and measures to promote their use.
- Statutory dismissal and disciplinary procedure and a statutory grievance procedure, each involving three stages (written statement, meeting and appeal).
- Employment tribunals required to vary compensation awards by up to 50% where an employer or applicant has failed to use the statutory procedures.

- If an employer fails to follow the statutory dismissal and disciplinary procedures, a dismissal will be automatically unfair. However, the Act specifies that an employer's failure to follow a procedure other than the statutory procedure will not by itself make a dismissal unfair provided the employer can show that following the appropriate procedure would have made no difference to the decision.
- The Act expands the legal requirements on employers to issue employees with a written statement of their main terms and conditions and removed the 20-employee threshold that applies to the provision of information on disciplinary and grievance procedures.

Equal treatment of fixed-term employees

- The Act includes provisions enabling the Government to make regulations to prevent pay, pension discrimination against fixed-term employees, and implement the EU Directive on fixed-term work. As a result the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 came into force on 1 October 2002 inclusive of the following:

  ➢ fixed-term employees should be treated 'no less favourably' than comparable permanent employees on the grounds they are fixed-term employees, unless this is 'objectively justified';
  ➢ the use of successive fixed-term contracts will be limited to four years unless the use of further fixed-term contracts is justified on objective grounds thus giving employees the right to become permanent after four years.

Equal pay questionnaires

- Employees bringing equal pay claims will have the right to serve a questionnaire on their employers seeking information relevant to their claim or potential claim.

Appendix E

Trade Unions Affiliated to the Labour Party 2004

AMICUS	AEEU section formerly the Amalgamated Electricians and Engineering Union
AMICUS	MSF section formerly the Manufacturing and Science Union
ASLEF	Associated Society of Locomotive Engineers and Firemen
BECTU	Broadcasting, Entertainment, Cinema and Theatre Union
BFAWU	Bakers, Food and Allied Workers Union
CATU	Ceramic and Allied Trades Union
CWU	Communication Workers Union
FBU	Fire Brigades Union[348]
GMB	General, Municipal and Boilermakers Union
GPMU	Graphical, Paper and Media Union
GULO	General Union of Loom Overlookers
ISTC	The Community Union (Formerly the Iron and Steel Trades Confederation)
NUKFAT	National Union of Knitwear, Footwear and Apparel Trades
MU	Musicians Union
NACODS	National Association of Colliery Overmen, Deputies and Shotfirers
NUDAGO	National Union of Domestic Appliances and General Operatives
NUM	National Union of Mineworkers
RMT	Rail Maritime and Transport Union
TGWU	Transport and General Workers Union
TSSA	Transport and Salaried Staffs Association
UCATT	Union of Construction, Allied Trades and Technicians
UNISON	The Public Service Union
USDAW	Union of Shop, Distributive and Allied Workers

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[348] The FBU disaffiliated in June 2004 while the RMT was expelled after a special Glasgow conference of the union in February 2004, which voted overwhelmingly to ignore an ultimatum from the Party to stop supporting Labour's electoral rivals including the Scottish Socialists Party.

Appendix F

Key Warwick Agreement pledges

<u>Fairness at Work</u>

• Four weeks paid holiday for all, exclusive of bank holidays
• Legislation on corporate manslaughter in the next parliamentary term
• Using Anti-Social Behaviour Orders to tackle violence and anti-social behaviour in and around front-line workplaces
• Major roll out of childcare schemes including Sure Start and Extended Childcare Scheme for lone parents
• Increased statutory redundancy pay
• To work in Europe for the introduction of employment protection for temporary and agency workers
• Protection for striking workers to be extended from 8 to 12 weeks.
• New 'Sectoral Forums', for example in low wage industries to improve pay, skills, productivity and pensions

<u>Pensions</u>

• Protection for pension funds in company transfers or mergers
• Trade unions will gain the right to bargain on pensions
• Training to be introduced for pension trustees, and members to make up 50 per cent of trustees
• Assistance for those who have already lost out on occupational pensions
• An agreement to engage in effective dialogue over the future of public sector pensions
• Legislation, if necessary, to move beyond the current voluntary system of occupational pensions
• A commitment on pensions for same sex partners

<u>Public Services</u>

• The extension of two-tier workforce protection in local government across the public services
• A review of all NHS cleaning contracts on a test of cleanliness and not just the cost
• Consultation with all stakeholders to monitor PFI including future financial implications
• Steps to develop staff roles, e.g. health care assistants to receive paid training and possible registration
• A commitment not to transfer out the vast majority of NHS employees
• Agreement to tackle unequal pay in local government
• Measures to promote healthy eating in schools and evaluate the possible extension of the free school meals programme

Manufacturing

• Review and enhance investment funds for manufacturing support with a view to having the best support possible
• Promote a public procurement which safeguards jobs and skills, encourages contracts to be given to UK firms for UK workers within EU law, and support a review of EU procurement policy
• The Bank of England to consider regional and employment information when setting interest rates
• A strong skills agenda, including:
• The expansion of apprenticeships
• Rolling out Employer Training Pilots, supporting free training up to NVQ2
• Action in sectors under-performing on skills, including possible training levies
• Union Learning Representatives trebled to 22,000
• Investment in Research and Development to rise to 2.5 per cent of national income
• Improve credit export facilities
• Ensure Regional Development Agencies produce manufacturing strategies through working with employers and trade unions, and assist manufacturers to find new markets.

Other Commitments

• The Royal Mail to stay in public hands, with telecom regulation to focus on service choice and reliability as well as network competition.
• An immediate review of National Insurance Lower Earnings Limit to help lower paid workers get benefits
• The New Deal to provide help to unemployed over 50's
• Action to tackle unethical labour agencies in the health sector
• Further action to tackle domestic violence and support those at risk
• Legal limits to stop rip-off interest rates for credit
• Stronger company disclosure on social, ethical, and environmental issues
The Warwick Agreement Headlines

Source: Trade Union and Labour Party Liaison Organisation: Key Seat coordinators Checklist 2005

Appendix G

Warwick Agreement Report to UNITE Executive Committee July 2008 (Extracts)

Green: Pledges implemented or current progress to completion satisfactory to government and the affiliated trade unions.

Yellow: Areas of substantial concern amongst affiliated regarding the implementation or delivery of that pledge.

Red: Those policies and priorities where there is a disagreement between affiliates and the government over interpretation or delivery.

Of the 108 policy and priority pledges agreed at Warwick; 70 (65 per cent) have been classified as "Green", 25 (23 per cent) "Yellow" and 13 (12 per cent) "Red".

The "Green" pledges

Public services

- Reform of local PFI credits to ensure equality of funding between PFI and conventional Procurement
- Confirmation that PFI does not require transfer of staff
- No extension of school selection by ability; affirm LEA role in admissions and raising standards
- Increase access to higher education for disadvantaged groups
- Strategy to promote independent living for elderly people where possible.
- New rules for quality bus contracts, greater accountability, more control for PTEs over fares – crossrail bill
- Full implementation of the mental health national service framework
- Make private schools justify their charitable status
- New rules for quality bus contracts, greater accountability, more control for PTEs over fares – crossrail bill
- Public Services Forum will engage with unions on workforce development
- Measures to promote healthy eating in schools
- Network Rail to oversee all rail engineering work; national rail card
- Steps to develop staff e.g. healthcare assistants with paid training and registration
- Review of NHS cleaning contracts on test of cleanliness

Fairness at Work

- Commitment to full employment
- Protection from dismissal for strikers raised from 8 to 12 weeks
- Actively champion Information and Consultation
- Legislate to allow unions to expel BNP members
- Provide advice and support for SMEs on flexible working
- Steps towards a national policy of occupational health and safety
- New Women and Work Commission reporting in 12 months, including on mandatory equal pay audits and equality reps

- Will legislate on corporate manslaughter; compensation for victims; draft this session
- Recognition of the value of facility time for workplace union reps and need for a discussion between Government and unions on this
- Continue to encourage employers to view NMW as a legal minimum and to aspire to pay well above this rate
- Bank Holidays cannot be counted in four week statutory holiday
- Prioritise monitoring and enforcing the National Minimum Wage
- A commitment to work in partnership with strong, modern trade unions and to help unions grow
- Avoid undermining regulatory frameworks with Services Directive
- Working with unions and employers to develop a comprehensive, voluntary 'good employment standard'
- Major roll out of childcare schemes; including Sure Start and Extended Childcare scheme for lone parents
- Using ASBOs, e.g. on buses and in pubs; tackling anti-social behaviour in and around front-line workplaces

Pensions

- Commitment on pensions for same sex partners
- Measures on women and pensions – report back in 2005
- Legislation if necessary following the Turner Commission to move beyond the current voluntary occupational pensions system
- Steps to make Pension Credit payment more automatic and steps to move beyond old-style means testing
- Assistance for those who have already lost out on occupational pensions, seeking contributions from the private sector.
- Training for pension trustees

Manufacturing

- £1bn extra spending on science
- £178m funding for the Technology Strategy by 2007/8
- Additional funding of £6m a year for the manufacturing advisory service
- Increase R&D investment to 2.5% of national income
- Skills Agenda: Expansion of apprenticeships
- Skills Agenda: Rolling out Employer Training Pilots for all up to NVQ2
- Skills Agenda: target to treble the number of ULRs to 22,000
- Supporting trade union academy
- Bank of England to take note of regional and employment data and to engage with all stakeholders through trade unions
- Encourage RDAs to assist manufacturers to find new markets
- Improve productivity through a culture of long term investment, skills and high quality production
- Ensure RDAs produce manufacturing strategies and work with employers and trade unions

Other areas:

- Further action to tackle domestic violence and support those at risk
- Agreement to take forward the disability rights agenda with more Access To Work help
- Consider ways to reduce smoking hazards at work
- Commitments on world debt relief, increasing overseas aid and funds to tackle HIV/AIDS
- Take account of both UK industry and less developed countries in radical reform of EU sugar regime
- Recognition of importance of fish processing in Scotland
- Pensioners to remain able to collect benefits from Post Office
- Legal limits to stop rip-off interest rates for credit
- Will address long professional driver hours including self-employed as soon as possible
- Balanced energy policy
- Encouragement of recycling/reducing waste; aid for alternative fuels
- Consideration of road pricing with proceeds to help transport investment
- New wildlife marine protection and animal welfare provisions
- Precautionary approach to GM food; UK aim to produce 70% of its organic consumption
- Consider certification of air cabin crew
- Migrant workers from all member states should enjoy equal freedom of movement. Agreed to monitor asylum seekers who file late applications to assess any undue hardship. Labour will meet full obligations to asylum seekers and refugees under international conventions. Asylum seekers to retain right of appeal to high court.
- More support for developing countries and their civil society organisations to participate in WTO.
- Military intervention only as a last resort where all non-violent methods have failed, operating within international law and the framework of the UN. Call on Israel and Palestine to implement UN Security Resolution 1515.
- New Deal to utilise voluntary and private sector expertise; help for unemployed over 50's
- Actively promote accredited proof of age card for age restricted sales
- Consider further action to promote race equality in private sector

The "Yellow" areas

Public Services

- Monitor PFI with key stakeholders on future financial implications
- Commitment to address term time workers issue
- NHS Choice and Capacity – NHS services to remain directly provided
- Continued investment in council housing, borrowing powers for councils and tackling abuses in right to buy

Fairness at Work

- Review of changes in employment tribunal regulations, including the issue of reinstatement
- Assurance that Posted Workers Directive will not lead to undercutting
- Rights for migrant workers including stopping employers holding passports of migrant workers
- New compact with contractors and unions to ensure that, when Government contracts for services, employees have access to trade unions, advice, basic training and skills
- Radically improved enforcement; advice, guidance and support for workers including consideration of an Advancement Agency
- Family friendly rights including review right to request flexible working for parents and carers, maternity, paternity adoptive and parental leave (including paid); extending respite care
- Keep the Agricultural Wages Board and consider extending its remit
- Low Pay Commission to examine differential pay rates for 18-21 year olds
- UK Government to support EU Agency Workers Directive, and to engage with the Commission with a view to reaching an early agreement on the proposed Directive

Pensions

- TUPE-style protection to include pensions affected by a company transfer or merger
- Agreement to engage in effective dialogue over future of public sector pensions

Manufacturing

- Review and enhance investment funds for support for manufacturing with a view to having the best business support possible
- Improve export credit facilities
- Support an EU review of procurement policy

Others

- Labour is committed to narrowing inequalities in society, tackling the gap between rich and poor and abolishing child and pensioner poverty
- Royal Mail to stay in public hands; telecom regulation to focus on service choice and reliability as well as network competition
- Stronger company disclosure on social, ethical and environmental issues
- Action to tackle unethical agencies in health sector
- Extend training for police staff in widening their roles
- Review arrangements for compensation for time off for community activities and political restriction rules and better support for time off for public duties.
- No donation caps on political parties, and nothing to undermine trade union link.

The "Red" areas

Public Services

- Two-tier workforce protection in Local Government across the public services with the social partners
- Agreement to tackle unequal pay in local government including gender segregation

Fairness at Work
- New measures on insolvency to ensure that management consult and do not take precipitate action such as removing plant
- New sector forums bringing social partners together in low paid sectors to discuss strategies for productivity, health and safety, pay, skills and pensions.
- Support for pilot in union recruitment in small firms
- Uprating of redundancy pay

Pensions
- Moving to make pensions a bargaining issue for recognition proposes
- Move to 50% member trustees

Manufacturing
- Action in underperforming sectors on skills, including possible training levies.
- Removing Barriers to Trade Union Learning Representatives, including through workplace committees
- Pathway for Training as a bargaining issue
- Encourage public procurement contracts to be given to UK firms and benefit UK workers within EU law
- Promote a procurement strategy which safeguards UK jobs and skills as permitted within EU rules to ensure that British industry can compete fairly with the rest of Europe

Source: Unite the Union