

## Partnership and the Future of Trade Unions in the UK

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An innovatory approach to the reform of workplace industrial relations in the UK, often labelled 'partnership', has been advocated by many as the most likely means of reversing private sector trade union decline. The article analyses the implications and meanings of the approach for UK trade unions and assesses the arguments of supporters and critics. Pointing to the central importance of legislative intervention, the article suggests that while an opportunity for radical change may be available, there is no guarantee that it will be seized.

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A recent book examining 'European Trade Unions at the Millennium' comes close to arguing that in the UK trade unions have little prospect of staggering much beyond the first few years of the new century. Echoing the deeply pessimistic conclusions of the UK chapter (Howell, 1999) the editors conclude, in effect, that UK unions are no longer able, through their own activity, significantly to affect their future. Instead, they must look to the actions of the New Labour government and the European Union for any hope of improvement (Ross and Martin, 1999: 386–91). Howell argues that while the principal reason is that 'in the current economic context, neither the state nor increasing numbers of employers see unions as performing any useful function', unions themselves must take a share of the blame since during the peak of their power they 'relied upon shop steward organisation, which was inexpensive but dependent upon employers, and they resisted

the intrusion of the state at a time when they were strong enough to have gained important legal rights at work' (Howell, 1999: 69). In short, they lack not only political and industrial acceptance of their role but also two of the central institutional supports that appear to have partly sheltered (most) continental European unions: an extra-workplace framework of strong union organization and a solid structure of legal rights.

In recent years, there has been no shortage of debate about strategies for union renewal in the UK, but at present the major source of relief from pessimism comes from those, relatively few among academics but increasingly plentiful in trade union circles, who have seized on the rhetoric and practice of 'partnership' as offering the possibility of renaissance. Here too there is an implicit comparison with other European countries, in particular those of northern Europe, in the delineation of a consultative unionism, of self-evident value to employers through its contribution to the non-conflictual management of change, and to union members and potential members in securing a framework of employment stability and personal development. Both the pessimism of Ross and Martin and the more buoyant advocacy of partnership contrast the trade unionism of the UK with that of the rest of Europe, and it is the usefulness and relevance of such comparisons that is one subject of this article

However, my analysis is firmly rooted in at least one aspect of British industrial relations tradition, namely in the assertion that the future of private sector trade unionism lies in developing union structures and activity rooted in workplaces and enterprises. At the moment it appears fanciful to suggest that the Labour government is about to embark on a process of reconstituting national structures for formal union engagement, the success of the government-established bipartite Low Pay Commission notwithstanding. Even more remote is any prospect of the reappearance of sectoral private sector collective bargaining based on strong employers' associations. The dynamism and culture of private sector trade unionism (with which I am largely concerned here) lies at more decentralized levels and any renaissance must have its roots there. First, however, I want to look at the present state of workplace trade union organization in the UK sector, and at least some of the reasons for it, before turning to the possible 'Europeanization' of employee representation and its possibilities and dangers.

## **Decline and Decline**

The findings of the recent Workplace Employee Relations Survey (WERS) (Cully et al., 1999) on the current state of workplace trade union (shop steward) organization do little to lighten the mood. Although showing a small overall increase since 1994 in the proportion of workplaces with some form of employee representative present (40 percent in 1998, up from 38 percent in 1994, but down from the 54 percent of 1984), the position within the private sector is, by any reckoning, dire. Two-thirds of private sector workplaces were without any union presence, and only one in four had a recognized union. At the most optimistic, therefore, some form of local trade union representation structure is only found in a quarter of private sector workplaces. Of course, given the association with size, the proportion of employees in workplaces with a recognized union will be higher. John Forth of the National Institute for Economic and Social Research has calculated that as many as 53 percent of all UK employees work in workplaces of more than 25 employees where a trade union is recognized for at least some. The figure will be lower for the private sector alone, and we cannot claim that in such workplaces non-members have any significant access to a system of representation. Employee 'voice', that celebrated concept not long ago perceived as a universalistic right (Towers, 1997), is not widespread in the UK.<sup>1</sup>

Yet more dramatic is the evidence, clear for the first time from a major survey, in confirmation of numerous case studies and more anecdotal material, of the unprecedented decline in union influence even where they continue to be recognized. The work of Brown and his colleagues (Brown et al., 2000) using the WERS data clearly shows that, with regard to both wage and non-wage issues, (workplace) trade unions' role has faded over the last two decades. Even where pay is still a subject of collective discussion, consultation appears to be displacing negotiation, and over a significant range of non-wage issues (recruitment, training, appraisal, even equal opportunities) the collective process cannot even be dignified by that term, since over half of employers and union representatives described it as either 'provision of information' or 'nothing' (Brown et al., 2000: 615–18). The significant exception appears to be the area of workplace health and safety, where very particular legal requirements increasingly apply. Whatever else is happening, local union representatives – shop stewards – are not the negotiators,

the co-authors of 'joint rules', that we have generally taken them for since the late 1960s. This is of profound importance, since our understanding of unions and their attractiveness to members is that they are indeed negotiators, influencing managerial behaviour in their members' interests, using their bargaining strength to produce mutually acceptable compromise outcomes. It is necessary to start by recognizing that this appears to be overwhelmingly no longer the case and that there is a profound issue of union 'effectiveness' (or lack of it) that needs to be addressed before looking at ways forward.

### **Why Are (Private Sector) Unions Ineffective?**

It is surprising how little recent attention has been given to the consideration of trade union power and its underpinnings during a time of general acceptance of its decline. Put excessively simply, the exercise of collective workplace influence would appear to require three elements: a shared grievance; a mechanism for collective mobilization around that grievance; and a calculation by those involved that there is a reasonable likelihood that the exercise of collective power (striking) will lead to a positive resolution of that grievance. The power of workplace unionism is influenced by many factors, of which only two are discussed here. The first concerns the resources available to unions within workplaces. The long-established relationship between workplace size (number of employees) and measures of union presence and strength indicates that numbers matter: to provide volunteers for representatives; financial and other resources; and to ensure a 'critical mass' of stewards necessary both to cover the necessary range of duties and, perhaps, to generate and sustain self-confidence through interaction and participation. The evidence concerning the decline in workplace size is mixed (Millward et al., 2000: 28) but there has been a significant decline in the proportion of employees in manufacturing and extractive industries in workplaces employing 500 or more (from 17 percent to 10 percent between 1980 and 1998). More importantly, employment has been shifting towards sectors associated with characteristically smaller than average workplaces, such as hotels, restaurants and the wholesale and retail sector. Such workplaces throw up smaller numbers of representatives. In 1998, the median number of representatives in workplaces where

they were found was three (Cully et al., 1999: 96). At the same time, the second source of union resource – management – appears to have been becoming less generous. The significance of the withdrawal of managerial support for shop stewards can be seen in, among other things, the evidence suggesting a decline in the resources provided by employers to support local union activity, including office facilities generally (Cully et al., 1999: 207), and more importantly, the time available for union activity. Although some time off is guaranteed by law, the amounts are not generous; additional time is at management discretion. The responses of senior union representatives indicated that 18 percent spent more than 10 hours a week on union business but that 52 percent spent two hours or less, which seems very little. Although stewards still attend basic training courses, superficial comparisons suggest that this is less common than in previous decades, as is managerial support; and only 23 percent of stewards were paid when they went on training courses (Cully et al., 1999: 206). The most popular course dealt with health and safety; there was no evidence of steward training in the complex subjects of organizational change and innovation. This seems unlikely to produce the informed, professional union representatives that many managers claim to prefer and that underlie the partnership approach.

The second factor shaping union power concerns the relationship between collective action and the technological and structural characteristics of employing organizations. Take the example of the large car plant. On one argument workers in modern ‘lean’ plants have even greater short-term disruptive power than in the old assembly-line systems. But against that must be set innovations in corporate structures and behaviour that, by facilitating production and investment flexibility on a global (or regional) basis have significantly diminished the (strike) bargaining power of localized groups. Since the early 1980s, workers across most private sectors have been told that investment and closure decisions (and hence jobs and livelihoods) will be affected by industrial relations climate as much as by performance, and in many cases they have witnessed the accuracy of this prediction. Confidence in an underlying employment stability and continuity that underpins many strike decisions – summed up in the idea that ‘once all this is over we will be back to work as normal’ – has been deeply shaken. If this applies generally in advanced economies it seems to apply particularly in the UK. Hirst and Thompson have recently claimed that:

The UK is uniquely structurally vulnerable to the pressures of internationalization in a way that is just not the case for its nearest G7 rivals. It is more like a Malaysia or an Indonesia than it is an Italy or even a France in this respect. In certain key sectors, especially motor vehicles and consumer electronics, the UK has become a branch plant economy, with foreign-owned subsidiaries whose core R&D and main manufacturing facilities are in their home countries. Hence the danger of the withdrawal of foreign manufacturers to their core in periods of economic downturn, as with the recent plant closures by LG and Siemens. This is nowhere better illustrated than in the case of BMW's withdrawal from the Rover deal in March 2000. (Hirst and Thompson, 2000: 344)

Under these circumstances, the rational calculus that underlies the strategic deployment of the strike weapon, namely that the costs to the employer of settlement may be less than those of 'taking' a strike, may no longer be sustainable over the medium to long term. The risks to employment itself may be too high, and many workers and their trade union representatives seem to share this view.

On both the dimensions of power identified here with regard to workplace union organization in the UK, therefore, it may be suggested that they have declined significantly, and perhaps irreversibly, to the extent that the notion of a voluntarist local unionism underpinned by the strike threat is no longer a viable approach, in particular for the private sector. The underlying institutional securities necessary for effective organization and calculative collective action have been shaken. If we add to that the further problems of stability in employment created by the proliferation of new contractual forms ('precarious employment') and innovative organizational reform, the challenges facing workplace unionism appear even greater. To illustrate this line of argument, Crouch has recently argued that:

The classic firm had more or less stable ownership concentrations, a work force of dependent employees which it often encouraged to acquire long service . . . The archetypical contemporary firm is owned by a constantly changing constellation of asset holders, who trade their shares in it electronically. It makes use of a diversity of labour-service contract forms in order to bring together fluctuating combinations of workers and dispense with the need to have any actual employees. Those who work for it are rarely in a position to identify and target it. (Crouch, 2000: 27–8)

Even though we may not be there yet, it is clear that such moves towards organizational fluctuation and uncertainty are likely to continue to weaken the traditional form of UK workplace unionism.

The pessimistic view of union futures outlined at the start of this article would appear to lie, implicitly at least, in a view that the structural preconditions for the effective articulation of collective bargaining power by British unions in the British economy no longer apply. It is important to recognize this question – whether or not one agrees with the conclusion – since in it would seem to lie key considerations concerning the ability of British trade unions to reconstruct themselves ‘from the bottom up’.

### **Partnership – An Answer to the Problem?**

In considering the issue of partnership in the UK, two contrasting sets of arguments have been developed: one effectively accepting and the other rejecting analyses that suggest a secular, probably irreversible, decline in local union bargaining power. Those who reject the union decline argument, or who may see it as overstated, tend to argue that the best hope for British workplace trade unionism is to retain its traditional antagonistic, ‘militant’ stance, to press ambitious rather than moderate demands. Such approaches (see Darlington, 1994; Kelly, 1996a; Greene et al., 2000), although by no means identical in approach, lay stress on union responsiveness to membership demands, on the need to develop participative forms of member involvement, and leadership based on a preparedness to identify itself clearly with the members and against management. Their argument is that a confident, assertive unionism can still make effective use of collective action to obtain management concessions. Analyses predicting their inevitable weakness are, at best, inappropriate, at worst downright dangerous in further sapping union confidence. Such analysts are, in consequence, generally critical of the partnership approach.

On the other hand, we have those analyses that generally accept the ‘power decline’ argument. Two responses, by no means mutually exclusive, can be identified here. One lays stress on the need to build transnational union structures to match those of employers and, by implication, to develop novel forms of collectivity and collective action that reduce employers’ freedom of action. The second – for shorthand convenience here labelled the ‘partnership’ approach – stresses the urgent need to transform the approach and behaviour of British trade unions in their dealings with individual employers and it is this approach that is considered here.

Both the language and practice of partnership have their roots in the adoption, specifically by the British trade union movement and then by government and some employers, of a European vocabulary of collective relationships (see Ackers and Payne, 1998). At the forefront of this advocacy has been John Monks, general secretary of the Trades Union Congress (TUC), stressing his vision of the necessary and undeniable linkages between economic success and social justice, and his rejection of (American) market capitalism in favour of the 'Rhineland model of long term partnership between industry and government, between industry and workforce' (cited in Ackers and Payne, 1998: 537). To achieve this, Monks and other union leaders argue, unions must move away from the vocabulary and practice of adversarialism and conflict towards those of consultation based on persuasion and dialogue. There is plenty of evidence to suggest that many unions are adopting this model with enthusiasm. The 'partnership industry' is booming. A recent report claimed that the year 2000 had witnessed a 'frenzy' of partnership approaches to employers by unions – more than 700 (IRS, 2000: 3). The TUC has launched its own 'Partnership Institute' providing consultancy and advisory services to unions and employers looking to establish partnership arrangements. The Involvement and Participation Association (IPA) has dedicated a website ([www.partnership-at-work.com](http://www.partnership-at-work.com)) to the subject.

At the same time, evidence exists of considerable suspicion of the partnership approach among rank-and-file shop stewards (and some union leaders), who see it as a means of further disarming them against continued attacks by hostile employers. This view has been strongly endorsed in a series of analyses by John Kelly (1996a, 1999, 2000). One way of exploring these tensions and differences in analysis and approach is to identify key organizational and behavioural implications of the social partnership model for trade union organization and action in the UK context.

### *Towards a 'Consultative' Workplace Unionism?*

The shift away from negotiation and towards consultation has been widely noted (Cully et al., 1999; Brown et al., 2000) and it appears to lie at the heart of the partnership approach, which heavily stresses



the language and practice of consultation. Insofar as consultation has historically been seen as a weaker form of collective interaction than negotiation, this echoes Brown's (2000) argument that workplace partnership is a reflection of union weakness with regard to management and to that extent an endorsement of the 'power decline' argument outlined earlier. At the same time, we have to recognize that consultation is the stock-in-trade of workplace unions and/or works councils in countries as diverse as Germany and Italy. For them it is a routine part of union activity, not a 'second-best'. We need to look at what consultation means rather than at simplistic arguments about strength and weakness. However, it is important to note that consultation does have important behavioural and structural implications for unions different from those associated with consultation. Success in consultation is perceived to rely on force of argument and technical competence rather than on 'muscle'. This expertise may be provided by the employee representatives themselves and, as in the case of Germany (by law) and Italy (in some collective agreements: see Negrelli, 2000), by external experts appointed by the unions to consultative bodies. A powerful case can be made that union expertise with regard to a range of technical matters is a precondition of effective consultation. Such representative expertise in turn may have implications for representatives' relationships with their members, emphasizing difference rather than identity and stressing the costs in terms of loss of expertise if specialist representatives are not reappointed. No British partnership agreement, as far as I am aware, indicates an awareness of such implications for effective representation. The 1998 WERS data suggest rather a managerial retreat from effective training provision.

The issue is further complicated by the broadening range of issues over which, it is often assumed, unions and management will consult compared to the old days of bargaining over restricted issues of pay and conditions, where the essential union demand was uncomplicatedly for more, better, or both. In this traditional situation the interests of the membership were, *prima facie*, relatively easy to define. But with many of the issues currently assumed to be on the union agenda in partnership this appears less clear-cut. How, for example, is it best to characterize employee interests with regard to issues such as teamworking, job rotation, patterns of working time, or many of the other micro-issues involved in the introduction

of so-called post-Fordist models of work organization? In Sweden the engineering union Metall has devoted enormous resources of time, money and expertise to fleshing out a wholistic approach based around the concept of 'solidaristic' work involving 'the development of new systems of job classification to give (autonomous) work teams an enriched bundle of tasks; new wage forms that encourage workers to take on these tasks, rights to training which enable everyone progressively to master the new tasks, and new worktime arrangements that address the firms' needs arising out of [modern production systems] while meeting the workers' (varying) needs' (Mahon, 1999: 142). The equivalent German union IG Metall, in collaboration with the Hans-Böckler-Stiftung, produced, in response to proposals for the introduction of Japanese-style teamworking, a detailed set of alternative ideas designed to combine the same productivity improvements with an enhancement of the quality of work for its members, along with detailed ideas as to how this could be used in specific works council settings (Hans-Böckler-Stiftung, 1992; and see also Thelen, 1992: 234-43).

Leaving aside for the present the essentially political argument as to whether unions *should* become engaged in such managerial issues, it is almost impossible to imagine British trade unions as currently staffed and funded having the resources or expertise for analogous exercises, or the necessary skills for their local promulgation. Nevertheless, without such resources it is very difficult to see how 'consultative' workplace unionism can be anything more than an acceptance of managerial proposals, for lack of an armoury of appropriate responses, among other reasons (see Terry, 1989). The subjects of union-employer engagement are as important as the methods. Consultative partnership, as operated in many northern European countries, and as aspired to in the UK, is grounded in a concept of some form of parity between partners, not necessarily on the basis of bargaining 'muscle', but rather in what Wedderburn has described as 'strong' consultation (Wedderburn, 1997), not reducible to managerial unilateralism with a veneer of listening to workers' opinions. Inegalitarian partnership is unlikely to be stable, and serious consideration needs to be given to the bases of potential parity. Consultation should not simply be seen as an attenuated form of 'real' bargaining, it must be presented as a qualitatively different process drawing on different resources, techniques and structures.

*Relationships with the 'External' Union*

It follows from the preceding discussion that within partnership arrangements relationships between workplace representatives and the external union may well change, perhaps towards a lower degree of workplace autonomy and more interaction with union-employed officials than suggested by the classical 'engineering shop steward' model. In continental Europe such interaction is widespread, as demonstrated by the close relationships between Swedish national unions and the local *clubs*, between German works councillors and their unions, or by the insistence in Italy that the 1993 *rappresentanze sindacali unitarie* (RSU) consist of two-thirds members elected locally and one-third appointed by the unions signatory to the relevant sectoral collective agreements. Most strikingly, perhaps, it comes through the Swedish union practice described in English as 'anchoring'. Mahon notes that:

When LO members speak of anchoring their decisions with the membership, they do not mean simply soliciting members' opinions and then being responsible to them; convincing members of the official union position also plays a large role. Thus the congruence between rank and file and the representatives' opinion is not simply a measure of representative democracy, but of the officials' persuasive skills as well. (Mahon, 1999: 147)

In effect, the continental experience suggests, there are implications here not only for relationships of expertise and support but for democracy, control and leadership. In principle, this may imply a considerable shift away from notions of workplace 'participative' democracy as the bedrock of British unions' systems of governance, as well as a rejection of analyses of union governance that revolve around a polarized conflict between 'bureaucracy' and 'rank-and-file'.

*Universal Representation*

The partnership model in mainland Europe and, directly and by implication in the UK, is a form of engagement that involves representation on behalf of all employees in a workplace, not just union members. In most of the countries of Europe this is not perceived as in any way bizarre or problematic, either because of high levels of union membership that make membership and participation

mechanisms virtually coterminous, as in several Scandinavian countries, or because of the existence of instruments for the extension of collective bargaining to cover organized and non-organized members and firms alike, as for example in France, Belgium and, in a slightly different way, Italy, or because of a union ideology (socialist or communist) that stresses the inclusiveness of union action designed to represent the interests of all workers (and in many cases more than one of these). But in the UK, the challenge to trade union monopoly of collective relations with employers constitutes a real source of worry, for reasons that lie both in long-standing culture and practice and in recent experience of employer preparedness to use non-union channels to marginalize the union role. The historical incompatibility between union channels for representation and the representation of non-union employees can be seen in the WERS 1998 survey, which shows that in only 10 percent of workplaces with a recognized union were non-union representatives also to be found, although it can be confidently predicted that a significant proportion of employees in those workplaces were not union members. This situation will probably not last, since both the detail of EU legislation and the philosophy of partnership are based on universalism. The traditional, sometimes dismissive, argument that if workers want representation they can always join the trade union no longer carries the same force. Arguments concerning the implications for unions of the introduction of universalistic structures are coloured by the vagaries of the European experience; those fearful of the negative consequences point to the French *comités d'entreprise*, introduced in the 1980s, and allegedly largely controlled by management, while the optimists stress the German unions' success (at least among manual workers) in dominating elections to works councils (see Edmonds, cited in Taylor, 1994). Undoubtedly risks exist. Employers may seek to exploit non-union channels to marginalize unions. It is possible, perhaps probable, that, as in many countries, British trade unions may need to develop skills as electoral agents in universal elections for representative systems. (Partly thanks to legislation from 1984 onwards they are becoming increasingly skilled in the politics of ballots.) If successful, as in Germany and to a considerable extent Italy, unions can obtain significant leverage from the fact that they enjoy the support of members and non-members alike, provided they work to represent both constituencies and, if necessary, to work alongside non-union representatives. If British unions try

to go down the 'German' road they appear to start with two considerable advantages: the fact that a significant proportion of UK employees work in workplaces with at least some union presence; and that there is still a profound belief in many workplaces that unions are more influential and powerful than union-free representation, even though employees may not always like them (see Lloyd, 2001; Terry, 1999). Such strategic changes would also require structural change and the abandonment of old habits. In particular, serious consideration must be given to the representation of the interests of managerial employees. The partnership agreement at the supermarket chain Tesco provides an interesting compromise. Local staff forums may consist of elected union or non-union representatives (with a guaranteed place for both a union and a managerial staff representative). Above that (at regional and national levels), representation is solely provided by the recognized trade union (IDS, 1998: 30–1).

### *Legal Rights*

The more developed are participation rights of workplace representatives in terms of wages and working hours, the greater their influence, since these rights can be used as bargaining counters, putting pressure on management over decisions where codetermination rights are absent. (Visser, 1993, cited in Traxler and Woitech, 2000: 147)

That British unions are increasingly alert to this line of argument can be seen in the speed and strength of their complaints that both the Rover and General Motors automobile companies had failed properly to consult as required by law over impending redundancies. In those cases union protests had the effect of prompting the government to review the adequacy of consultative legislation (Hall, 2001). Far from weakening unions' bargaining position, as sometimes claimed, such rights may strengthen it. As Hyman has forcefully argued in the case of Germany, 'The formally constituted powers of the works council provide a bargaining resource which confident and intelligent councils, with the backing of their constituents, can utilize in order to negotiate with the employer' (Hyman, 1997: 317). And the argument might even be extended to legal protections for employees since it would seem at least plausible to suggest that, for example, stronger protections against dismissal might also provide 'bargaining counters' in consultation.<sup>2</sup> Following this

line of argument leads to the conclusion that British unions and other partnership advocates should be lobbying and pressing for 'strong' works council rights, and for extended worker protections, as a means of furnishing a degree of bargaining power within this changed environment. Legal rights are perhaps the single most important resource for unions engaged in effective consultation at the workplace or company level. While they may not replace the traditional sources of influence in dealings with employers they can complement them, provided employee representatives have the skills and training to use them effectively.

### *Social Partnership at One Level*

The complete decentralization of collective bargaining in the UK provides the greatest contrast with the structures within which the continental models of partnership have developed and is perhaps the greatest structural barrier to its UK development. The clearest counter-example is Germany, where the sphere of collective bargaining with trade union monopoly and the right to strike exists at sectoral level, *outside* the workplace with its universalistic consultative works councils. According to many accounts the existence of the former facilitates the latter, for which reason there is growing concern about the increasing engagement of the works council in collective bargaining. The clear lesson from all examples of continental European partnership or concertation is that trade unions, to retain credibility and legitimacy at all levels, may from time to time need to demonstrate their continued capacity for the exercise of economic sanctions against employers, in particular with regard to the classic distributional issues of pay and conditions. Partnership in the countries of mainland northern Europe does not eliminate the use of the strike weapon. Indeed, paradoxically perhaps, the continued availability of such sanctions is one demonstration of the continuing strength of the partnership approach. (Controlled) conflict at the sectoral level, usually over pay and conditions; cooperation at the workplace is the consistent formula; the one reinforcing and complementing the other.

As noted, the UK no longer has a sectoral level of bargaining. Everything happens at the workplace or enterprise level, and this raises the important question of how distributive issues are to be handled within partnership agreements and their rhetoric of co-

operation and shared objectives. Many provide detailed discussion of mechanisms for the determination of pay, and the language deployed is novel and informative. The Co-operative Bank agreement sets out a three-year pay formula which

... provides the framework for future salary reviews based on: the union's pay claim, bank performance and affordability; and external employment market conditions. The economic aspects of this agreement are made on the basis that the business will continue to prosper, in line with its Corporate Plan. In the unlikely event that this is not the case the bank will revert to the union to review these elements of the agreement.

The Welsh Water company introduced a pay formula which 'linked movements in pay to inflation, conditions in the Welsh labour market and profitability (via profit-related pay) [and] replaced the traditional annual pay negotiation' (Marginson, n.d.: 4). Cardiff Business School was asked to carry out an annual pay survey and share this with employees and trade unions, although this was not a formal part of the review mechanism. For Scottish Power, 'bargaining is seen as part of a broader consultative and participative agenda around partnership' (IPA, n.d.: 7) with a specific procedure for negotiating terms and conditions designed to 'achieve agreed changes in terms and conditions . . . within the spirit of partnership and without employee relations difficulties'. This will be done, according to the IPA, through a procedure in which 'joint working groups cover the ground work beforehand to give the negotiations "shape" in advance' after which 'negotiations focus on the level of settlement or change to terms without ranging over the territory covered by the working group'. Quite what these elegant but opaque procedures amount to in practice has not yet been the subject of independent research. In all cases the language is clearly designed to present pay settlement as a consensual, commercially informed process. This is compatible with the language of partnership. Whether it is also compatible in the medium term with the dynamics of pay bargaining in the real world is another question.

There is no realistic prospect in the UK of a return to extensive sectoral bargaining over pay and conditions. The question therefore becomes one of whether it is possible to locate the settlement of pay and other such distributional issues within the structures and language of partnership. In some cases, as seen above, this is achieved in part by the specification of elaborate pay formulae and, often,

two- or three-year pay agreements. Underlying this however is the question of the consequences for trade unions of conflictual behaviour within the overwhelmingly unitarist language and structures of many partnerships. Will employers respond by arguing that such conflict undermines the foundations of the agreements and therefore tear them up?

The continental experience provides a number of pointers. First, it reinforces the argument concerning the importance of legal rights underpinning employee representation that cannot be withdrawn by employers. Second, it provides ammunition for the contention, not explicitly accepted by either government or employers in the UK that, far from being antithetical to effective partnership, the overt expression of disagreement, containing at least the possibility of collective conflict, is a necessary condition of effective partnership, reinforcing the legitimacy and credibility of unions as independent bearers of employee interest. Supine trade unions serve neither the interest of their members nor, ironically, of employers. The brief history of no-strike agreements indicates that, in explicitly denying this, an essentially moribund unionism was sometimes created, of little relevance to any one.<sup>3</sup>

In the case of the UK, the government has a central role as a shaper of opinion. Despite its reluctance to change the legal framework surrounding the right to strike a Labour government committed to the expansion of partnership should find appropriate means of recognizing the legitimate and important role of disagreement and dispute as well as consensus. Unprompted, employers alone are unlikely to do this, with consequent risks to the long-term viability of partnership agreements.

### **Can UK Unions Develop 'Partnership Unionism'? Should They?**

British unions are regularly exhorted to 'modernize themselves' to demonstrate their fitness and appropriateness to the 21st century. Unsurprisingly, given the fundamental changes that many unions have already accepted, to say nothing of their own pivotal role in facilitating the 'modernizing' of the Labour Party, this can cause more irritation than inspiration. For much of the last 20 years change has been forced on unions by external circumstance. As their numbers and their bargaining clout have declined, unions have developed a wide range of innovative approaches to their



governance and practice. They have sought to become more representative of an increasingly diverse workforce, they have reformed their democratic structures, they have improved their recruitment practices, the range of services they provide to members, and the range of issues they seek to raise on their behalf. Highly significant though all these initiatives are, the central objective of British trade unions remains that of obtaining recognition from employers to engage in collective bargaining at the workplace. Now many trade union leaders and activists believe that in the language and practice of 'social partnership' they have discovered, in the words of Ackers and Payne, an opportunity to develop a proactive approach to employers and members that may enable them to regain a degree of their former 'institutional centrality' at the workplace (Ackers and Payne, 1998: 546).

However, it should be clear from the analysis presented that the achievement of such a strategy will be very costly and fraught with risks. Moving to a consultative unionism, embracing a universalistic as opposed to membership-based role in representation, and confronting the new agenda of partnership, all pose significant challenges to unions' present structures and resources. Indeed, a defensible case can be made for the argument that without significant external, and in particular government, support for the strategy, it is a risk not worth taking since the end result might well be, as Kelly has argued, a further debilitated and demobilized unionism with even less scope for autonomous action than is currently available (Kelly, 1999, 2000). Effective partnership unionism will be significantly different in approach, resources and structure, from that associated with the traditional tactics of shopfloor bargaining. Making the transformation may be too large a challenge for unions to undertake unassisted, and this is an argument that must be considered by policy-makers keen to promote the partnership approach.

The first, and perhaps the greatest obstacle to an *independent* union strategy within a partnership framework in the UK is the continuing dependence on management for the provision of basic operating resources. Many managers argue the need for more sophisticated, informed, union representation yet rarely facilitate the inevitably necessary education and training; some bemoan their shop stewards' lack of representativeness and accountability but do not consider that their actions might constitute part of the problem and that they might have a part to play in improving

things. Too many of the basic tools for 'consultative' unionism – expertise, proper contact with external union officers, effective contact with members – which in many continental European countries are guaranteed by law, or furnished through legally enforceable collective agreement, in the UK are contingent on management goodwill. A decentralized unionism weakened by structural changes requires the provision of effective, *externally guaranteed* resources for its reconstitution other than those provided by a hostile or indifferent management. The importance of this cannot be overstated. The central risk for unions of the partnership approach, as noted by many commentators and as stressed in the preceding discussion, is the loss of their claim to be the independent and autonomous representatives of their members and too 'close' to managerial policies and practice. The only plausible defence against this, and the one adopted in most other European countries, is the provision of statutory underpinning for that independence. Without it, many union members and activists, and others sympathetic to their objectives, might well think twice before advocating the partnership approach.

But it is not only to external support that unions need to turn. Their own structures and practice may require further reform in the context of the partnership approach. One aspect of British unions that may have hindered an integrated consultative approach in the past – an occupation-based, often competitive unionism that pitched skilled against unskilled, white-collar against blue-collar – may, as a consequence of the reorganization of work and union merger, have diminished. Which manufacturing union is not now a general union? Unfortunately, the blurring, or disappearance, of occupational demarcations has all too often not led to more co-operative, coordinated relationships between unions. Frequently the rivalry that exists between unions all bidding for the same membership frustrates attempts to coordinate and rationalize strategy. It can also profoundly deter non-members from joining, or at least from trusting unions to speak for them. As Hyman has argued, effective articulation of interest representation in the UK is also frustrated by the chaotic structure of unions, not significantly rationalized by recent mergers (Hyman, 1997: 314). Partnership requires a coordination of union behaviour, an integration of strategy, and a sharing of resources and expertise.

Perhaps the time has now come for trade unions, and their sympathizers, to make clear that, if dependent solely on their own

resources and those calculatantly supplied by management, unions will have immense problems in developing the approaches necessary for a sustainable partnership outside a small circle of particular areas of employment. To become an approach generalized across British industry will require, in effect, some form of government-sanctioned guarantee. The trickle of EU legislation is a start, but it is too weak as it stands to provide a robust guarantee of workplace rights, and the government's opposition to the EU directive on national level information and consultation rights has done little to suggest that it endorses the concept of a strong legal framework of employee rights.

In the light of all this, the question as to whether UK-style partnership constitutes a viable future for British trade unions is a hard one to answer. The legal framework that will emerge over the next few years will almost certainly constitute only minimum compliance with the directive's requirements. There will be nothing approaching the robust systems of rights and guarantees associated with 'Rhineland' models of partnership. Weak legal rights, especially when introduced into a system of insubstantial workplace trade union organization and employer hostility, may only work to the advantage of employers, as demonstrated by the failure of the new powers conferred on *comités d'entreprise* in 1982 to foster effective worker organization in France. Legal rights require articulation and enforcement through strong and expert trade unions and, as noted earlier, this condition applies at best only in a minority of UK workplaces. Given the presumed legal weakness, critics of partnership argue, what hope is there that employers, prioritizing flexibility and control, largely hostile or indifferent to unions for two decades, will do other than deploy any new legal opportunities to further weaken and marginalize trade unions? (see, for example, Kelly, 1996b: 59). By contrast, Hyman (1996: 80–1) argues that, properly constituted, forms of works councils may provide well-organized trade unions with the opportunity to constrain employer behaviour in ways not otherwise open to them.

Employer behaviour, presumed or actual, lies very much at the heart of the debate. Unlike Kelly, writers such as Towers argue that, in contrast to their US counterparts, ideologically opposed to any suggestion of a strengthened role for labour, British employers are essentially pragmatic, normally prepared to accommodate pro-union government reforms (Towers, 1997: 246–7). To the extent that this may be true, much will depend on the 'toughness' of the

legal reforms, and in particular the transposition into UK law of the information and consultation directive. Partnership advocates have made precisely the point that the government should seize the opportunity to introduce a robust and challenging framework (Sisson, 2002), although there is little present evidence that it will do so. But employer pragmatism may well reflect a different case, namely that partnership does indeed improve company performance. The evidence that it does is limited and imprecise but suggestive (see Kelly, forthcoming; Terry and Smith, 2003). From trade union and employee perspectives, however, the implications of such pragmatic acceptance are less positive, since the evidence of any corresponding union strengthening appears at best ambivalent and that of employee benefit negative or non-existent. Once again the critics of partnership have data to support their case.

So the partnership route offers no guarantees for UK trade unions and may well constitute a dangerous approach. However, given its widespread support from many in and around the trade unions it is necessary to identify those conditions that might enhance its positive implications for private sector trade unions. The evidence suggests that while there are significant implications for both employers and trade unions within partnership, the central actor is government. While even strong laws are no guarantor of effective and robust union-based employee representation, without them the partnership route may come to be seen not as a significant institutional innovation but as just another fashionable label, briefly adopted and then discarded, masking the parameters of the real task in hand.

## Notes

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1. Given the association between trade union presence and HRM practices, it seems unlikely that other non-union mechanisms are significantly extending this right.
2. In addition, much may depend on the eventual judicial clarification of the concept of 'consultation' as used within EU legislation.
3. This is simply an argument concerning the recognition of a right. The 'power imbalance' arguments persist concerning the potential effectiveness of collective action.

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