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‘New Labour and the Unions: The Death of Tigmoo¹?’

The party-union alliance ‘is part of our heritage and it is instinctive in our party and movement that we should keep the link. Anyone who doesn’t believe that doesn’t understand our history or the natural foundation of our party.’ (Jim Callaghan in 1996. Quoted in Morgan, 1997: 745).

A. A very special relationship?

‘For over 80 years’, Minkin wrote in his definitive study, the trade union-Labour Party link ‘has shaped the structure and, in various ways, the character of the British Left.’ (Minkin, 1991: xii). Though, as Minkin demonstrated in abundant detail the link, was frequently punctuated by disputes, some of them serious, ‘the legitimacy, centrality and naturalness of the relationship were rarely brought into question. It was taken for granted that the unions and the party were organically connected’ (Ludlam, Borah and Coates, 2002: 224). This is no longer the case. Predictions that the organic interlock between Labour and the affiliated unions would disintegrate have proved wide of the mark. Instead it has persisted and remains a central structural characteristic of the Labour party, even under the ‘New Labour’ regime. However, this chapter will suggest, the nature of the link is undergoing some fundamental alterations.

Chris Howell suggested that the linkage between union movements and social democratic parties was rooted in a system of ‘political exchange’. Put in the simplest terms, this argued that the former supplied crucial resources (such as money, organisation) to the latter who reciprocated with supportive legislation. Howell contends that the material basis of this exchange is crumbling largely because of deep-rooted structural changes in the nature of capitalism manifested in the reconfiguring of patterns of power and interest. Social democratic parties have been impelled to formulate a new political economy which no longer assigns unions a prominent role. For this reason, the party-union connection is in historical decline (Howell, 2001).

The concept of a ‘political exchange’ highlights a major element of the party-union relationship in Britain. This relationship could never have survived a century and more, could never have retained its vitality and its capacity to surmount often grave conflicts unless it was held together by hard considerations of mutual interest. The protection of labour’s industrial interests was the ‘anvil upon which “labour alliance” forged, it was the most basic and unifying purpose of the Labour party’ (Minkin, 1991: 11) Yet (it will be contended here) the notion of a political

¹ This Great Movement Of Ours

exchange captures only one dimension of the party-union relationship in the UK. That relationship was also, as Minkin observes, 'defined in terms of a common loyalty and a deeply felt commitment to a wider entity and purpose - the labour movement. The concept of 'the movement' underscored the indissolubility of the party-union. It was 'both a description and an aspiration' (Minkin, 1991: 4). As description is referred to the organic institutional entanglement between the party and the affiliated unions. As aspiration it referred to shared purpose and engagement in a common struggle. The argument of this chapter, stripped to its bare essentials, is that whilst the party-union link as a strategic alliance will survive and continue to have a substantial effect on the organisation and programme of the Labour party, it is losing its character as a movement. The culture of shared norms, sentiments, ambitions and ideals which nourished the labour alliance is decomposing. 'This great movement of ours' – 'Tigmoo' in affectionate short-hand – is vanishing.

This chapter will explore the nature of the party relationship through a glance at the policy record of the Blair Government. It will focus on a single, if yet very broad, question: to what extent did the government exhibit receptivity to unions' demands and interests in the fashioning of policies in those areas which most affected the daily lives and fortunes of their members? How, in short, did the party-union connection operate in the sphere that mattered most: in tangible acts of public policy? In assessing this record the next section distinguishes between five aspects of policy, each of which impinged very directly on employee interests, upon each of which there was a clear trade union position and each of which caused some contention between government and unions: employment, regulation of pay and conditions, individual employee rights, collective employee rights and the 'two-tier workforce'. The following section will explore the factors which influenced the stance taken by the Government and hence the shape and of the party-union relationship. It advances the proposition that the orbit of party-union relations can best be understood in terms of the operation of five variables, which I call resources, interests, power and ideology. The chapter ends with a brief conclusion summing up the state of the party-union relationship.

B. The Record of the Blair Government.

The incoming Blair Government promised the unions 'fairness not favours'. 'Not favours' meant, on the one hand, that the industrial relations settlement that had emerged from the Conservative years was, in its essentials, to be respected. 'Fairness', on the other, was defined principally in

terms of affording employees protection against exploitation and arbitrary management and ending mass unemployment. Labour's 1997 manifesto pledged to introduce 'basic minimum rights for the individual at the workplace', to establish a minimum wage, to accord to unions the right to secure recognition by employers and, finally, to revoke the Major Government refusal to sign the EU's Social Chapter which extended some protection to employees (Labour Party, 1997).

Three major statutes have been enacted, the Employment Relations Act (ERA) of 1999, the Employment Act of 2002 and the Employment Relations Act of 2004. These aimed, as far as was practicable, to balance and reconcile a number of objectives: to establish a network of legally enforceable rights for employees which would protect them against gross abuse; to facilitate unions' ability to represent the interests of their members; to foster a spirit of harmony and co-operation between management and labour; and to promote higher productivity and greater competitiveness by sustaining a flexible labour market.

1. Full employment. For no failing did Labour so relentlessly condemn the Conservatives than for their policies which consigned huge numbers to the dole queues. Although the scale of joblessness was already beginning to slacken in the final years of Tory rule it continued to stand at a historically high post-war level. The Blair Government' committed itself to provide (in a rather cautious and nuanced formulation) 'employment opportunity for all'. Consideration of the methods used to achieve this objective – ranging from active labour market policies such as the various New Deals, tackling key barriers to work, such as scarcity of child care facilities, improving financial incentives to work and lowering the reservation wage by tying access to social benefits more stringently to job search - would take us well beyond the remit of this chapter. But the crucial point is that New Labour did not abandon – as some critics alleged – full employment as a prime object of economic policy, indeed pursued it with energy and application.

The results – at least compared to similar-sized EU countries such as Germany and France – have been quite impressive. The percentage of the working age population in paid employment rose from 70.8% in 1997 to 74.7% by the end of 2004, or from 25.7 million to 27.4 million in numbers (Taylor, 2005: 196). What had appeared to be the intractable problem of large number of young jobless was at least partially resolved. Whether its performance is quite so superior to continental laggards as the Government claims is a matter of dispute with recent

research by Sheffield Hallam University suggesting that there may be as many as 1.7 million 'hidden jobless' diverted on to other benefits, such as incapacity benefits (cited in Guardian June 17 2007). But there has been broad agreement on two points: that much effort has been invested in cutting unemployment and that the overall impact of New Labour policies has been positive. It is notable that failure to tackle unemployment has not figured on the unions' charge sheet against the Government.

2. Regulation of pay and conditions. The Blair Government has favoured some degree of re-regulation to protect workers against exploitation in terms of both pay and working conditions whilst maintaining what it was proud to call the 'most lightly-regulated' system in the EU. Thus a priority in its first term was the introduction of a national minimum wage. This was a demand for which (some) unions had fought long and hard and had been incorporated into the party's programme as an iron pledge under the Smith leadership. A Low Pay Commission was set up entrusted with the right to recommend the level of the minimum wage, enacted in April 1999. At present (June 2007), after a number of ungradings, it stands at £5.35 for adults. It has been calculated that, by 2004, over 1.7 million poorly paid (and mainly part-time) workers had benefited from the minimum wage (Vigor, 2005: 160). Coupled with the various tax credits schemes to supplement low wages, the effect has been to significantly increase the earnings of the lowest income decile (Hamann and Kelly, 2003: 646).

However, the Government was left keen to regulate hours of work. In 1999 the annual European Labour Force Survey reported that British employees worked some of the longest hours in the EU (Guardian August 22, 1999). The EU's Working Time Regulations stipulated that workers must not be normally required to work over 48 hours per week. However, ignoring strenuous TUC representations, the Blair Government excluded millions of workers from coverage by allowing workers to 'waive' their rights under the regulations (seeking 'derogations') and by exempting a number of occupational categories – greatly diluting the impact of the regulations. As a result, hours worked in the UK remain amongst the highest in the EU. (Smith and Morton, 2001: 123; Glyn and Wood, 2001: 63).

3. Extending individual employee rights. 'Fairness' was primarily defined by the Government in terms of reviving employee rights which, it acknowledged, had been seriously eroded under the Tories. It has enacted a whole battery of individual worker rights including the right to be accompanied by a trade union official during a disciplinary or grievance hearing whether or not a trade union was recognised, a restoration of the qualifying period for protection against unfair dismissal to 12 months, a very substantial raising of the maximum compensation figure for unfair dismissal, and extended parental rights (Glyn and Wood, 2001: 61; Hamann and Kelly, 2003: 647; Howell, 2004: 9). However, the Government has been loath to extend to part-time, temporary and agency workers - who number amongst the most vulnerable and poorly paid groups in the British labour market - the protections and rights enjoyed by workers on permanent, full-time contracts, often blocking and watering-down EU legislation or securing exemptions for UK employers. (McKay, 2001: 294; Smith and Morton, 2006:413; Taylor, 2005: 189).

4. Extending collective employee rights.

The Conservative Government after 1979 launched a relentless assault on the trade unions with secondary action banned, mandatory strike ballots imposed and unions exposed to legal action if they went on strike without fulfilling complex and detailed statutory procedures (Michie and Wilkinson, 1994: 17). Even before Blair's arrival to the leadership, Labour had largely abandoned its earlier pledges to repeal this legislation. The 1997 manifesto stated baldly that 'the key elements of the trade union legislation of the 1980s will stay – on ballots, picketing and industrial action' but it did promise to introduce legislation to allow people to join a union and to facilitate union recognition (Labour party, 1997).

Intense controversy accompanied the framing of the Blair Government's provisions on union recognition and the outcome, as it eventually emerged in the Employment Relations Act, was very much a compromise. For the first time a legal right of employees to trade union representation was established. Two methods of statutory recognition of trade unions by employers for collective bargaining over pay and conditions were introduced. Under the first a union would be recognised if a majority of those voting *and* at least 40 per cent of those eligible to vote supported it - a (much) higher proportion than those who voted Labour in its three successive triumphs. Under the second the Central Arbitration Committee (CAC) could insist on trade union

recognition where the union could show it had already recruited a majority of the employees in the proposed bargaining unit (Gennard, 2002: 585; Smith and Morton, 2001: 124).

But on one point the Government was adamant: there would be no easing of the tough legislative framework constraining union rights to engage in industrial action. Solidarity action remains banned, legally permissible industrial action is defined very narrowly and balloting procedures required for such action are extraordinary complex and demanding. The UK legal regime regulating industrial action persists as one of the most restrictive in the EU (McKay, 2001: 297; Glyn and Wood, 2001: 61- 62; Towers, 1999: 86-7; Brown, 2000: 302-3).

5. The two-tier workforce. The two-tier workforce refers to the differences in pay and conditions which arise when workers are transferred from the public sector to the private sector and when new workers are recruited to carry out jobs previously undertaken in the public sector. The effect of this has been a notable deterioration of conditions in terms of wages, employment status, holidays, pensions and sick pay (Toynbee, 2003: 57-9, 79).

Much to the anguish of the unions far from reversing the shift of previously public activities to the private sector the Labour government accelerated it, especially through the rapid expansion of the Private Finance Initiative. Unions' efforts (which notched up some victories in Conference votes) to deflect Government policy proved unavailing and for this reason they concentrated their efforts on ending the two-tier workforce. They demanded that previously publicly-employed workers transferred to the private sector and those who moved into jobs formerly in the public sector – as a result of contracting-out and PFI deals - should be guaranteed 'no less favourable' terms and conditions than those still employed by the state. The Government initially resisted these pressures but by early 2003 it was evident that if steps were not taken to end the two-tier workforce the party-union relationship would be sorely impaired. At the Warwick conference in July 2004 (formally a meeting of the party's National Policy Forum) the Government finally conceded the phasing-out of the two-tier workforce throughout most of the public sector (UNISON News 26 July 2004). It was a major union achievement.

Summary

In summary, it is clear that the Blair Government's approach to employment relations law differs sharply from both Labour's traditionally collectivist stance and the highly anti-union one pursued by the Tories. Thus, on the one hand, it enacted many new labour rights but, on the other hand, they took the form, primarily, of *individual* rather than collective (trade union) ones. The list of these individual rights is, as we have seen, a substantial one. Union recognition has been facilitated and the two-tier workforce phased out and the Government has set an important precedent by establishing by statute a minimum wage. On all these issues New Labour exhibited a receptivity to the trade unions representations that contrasted starkly with their experience under the Tories.

On other issues, including the retention of most of the existing legal framework governing the conduct of industrial disputes, the negotiation of opt-outs from EU directives and the insistence on preserving a lightly-regulated labour market Government measures showed scant sympathy towards union wishes. Union recognition procedures are complex and cumbersome, the laws regulating industrial action are highly restrictive and EU Directives have usually been acceded to only with 'generous derogations and exceptions' (Undy, 1999: 331). Further, whilst the onus has been on extending employees individual rights, these largely depend for their practical application (in the private sector at least) on a strong trade union presence which is generally lacking and, as a result, for many workers they remain paper rights.

C. The Shaping of the party-union relationship

This account now seeks to identify the determinants of the party-union relationship under the Blair Government. It argues that the trajectory of party-union relations can best be understood in terms of the impact of five variables, which I call resources, interests, power and ideology. Some of these pertain to political and organisational relationship within the Labour party, others to wider societal relationships. The variables not only directly impact on the party-union connection but interact in complex and unpredictable ways – so anyone predictions about the future have to be treated with caution. As a preliminary, what follows is a very brief outline of the role affiliated unions currently play within the Labour party.

Already prior to Blair's leadership, with their approval, the union role in Conference, the party's National Executive, the electoral college for electing the leader and deputy-leader and within

the candidate selection process had been slimmed down.² Initially Tony Blair and the so-called party 'modernisers' toyed with the idea of a divorce between unions and party but 'settled instead for a weakening of the internal decision-making institutions in which the unions play a part, and for a reduction of the union role within those institutions' (Ludlam, Borah and Coates, 2002: 235). In 1996/97 the 'partnership in Power' proposals introduced sweeping changes in Labour's organisation and policy process (see Shaw, 2002). The unions lost their majority on the National Executive (from 17 out of 30 to 12 out of 32) and they were given just 30 seats on the new National Policy Forum which (in theory) was to be the key policy determining body. More important in practice was the new Joint Policy Committee upon which there was no union presence by right and which the party leader effectively controlled.

The impact of these changes were substantial, but should not be exaggerated. On the one hand, the unions had forfeited their domination of Conference and the NEC. But, on the other, the unions had never used their preponderance of votes to assert control over Labour party policy, and the lack of any mechanisms by which conference could enforce its wishes on a Labour government (or, for that matter, the PLP) meant that in practice union 'barons' never could do or, indeed, want to 'run the party.' (All this is demonstrated conclusively in Minkin, 1991). Further, the fact that the capacity of unions to shape internal party policy-making had diminished did not, in practical terms, matter a great deal because the party itself had effectively lost its capacity (except as an occasional prodder) to shape government policy. So the loss of union vote in the party's deliberative arenas did not translate into a commensurate shrinkage of influence, for that influence was, in practice, much less than it might seem to be.

1. Resources

But did not the real source of power by which unions could direct the affairs of the party emanate from their role as chief supplier of funds? 'He who pays the piper plays the tune'. There can be no dispute that, for most of its existence, the party has been heavily reliant on union finance without which it could never have sustained a mass organisation. On the other hand, as Minkin demonstrated, union money was not customarily used as a weapon to badger the party. Indeed, 'there were and remain unwritten prohibitions against open threats of financial sanctions' (Minkin, 1991: 626). Notwithstanding, party reliance on union money did create a relationship of

² For example, the union share of the Conference vote fell from 90% to 50% and of the electoral college from 40% to 33%, to be cast by individuals and not *en bloc*.

dependency and it was with the object of lessening that dependency, as well as with finding the means of meeting the ever greater expenses that the 'professionalisation' of party campaigning and communication imposed, that sustained efforts were made to tap alternative sources of finance. The main alternatives were much increased state funding, a more ample subscription income from an expanded membership base and private donations from wealthy benefactors. The first was potentially the most lucrative but was thwarted by a most distinct public reluctance to accede to it. The second option - building a mass membership - initially seemed encouraging. In the early years of the Blair leadership, Labour's individual membership rose impressively, to reach a peak of around 400,000 in 1997. Unfortunately it then began to tumble and at an accelerating rate. By 2007 it was estimated to have shrivelled to a dismal 180,000 – the lowest level since the 1920s. Mass membership had proved 'a passing fantasy' (McIlroy, 2007: 1). It was via the third option, private donations, that new income was to most abundantly flow. Labour had always had a small number of wealthy well-wishers (e.g. Lord Haskins of Northern Foods) but after Blair's accession to the leadership and then its arrival to power, their numbers grew rapidly and their munificence too. The proportion of the party's income which derived from the trade unions fell from around two-thirds in 1992, to 40% by 1997 and then to 33% in 2001 (Leopold, 2006: 193). . Sadly, however, New Labour was now to be hoist by its own petard.

'Tory sleaze' - the exchange of money for political favours - had proved an appealing election slogan and Labour promised to introduce laws to clear up the Augustan stable of party finances. The fact that the Blair leadership almost immediately displayed an impressive willingness to accept large donations from businessmen, some of less than impeccable virtue with the assumption, furthermore, of favours produced much unfavourable publicity which lent added urgency to legislative action.³ The *Political Parties, Elections and Referendums Act 2000* stipulated that a list of all donations to political parties above £200 had to be submitted to an Electoral Commission and published, and the source of all national donations over £5,000 had to be declared (Leopold, 2006: 193). This meant open season for the Tory press to publish the names of Labour's most lavish benefactors – and any titles, favours or other benefits which,

³ For example, Bernie Ecclestone's Formula One racing interests were exempted from the ban of tobacco advertising. A public interest objection which could have been lodged against the acquisition by Richard Desmond (who made his fortune in spicy magazines and TV channels) seems never to have been seriously considered.

coincidentally or not, these benefactors had received from a grateful government. Not all of this publicity was appreciated and the copious amounts of money which had begun to flow in New Labour's direction from rich men eager to part with their money began to dry up.

But all was not lost since it transpired there was a loophole in the legislation. If potential donors provided 'loans' (ostensibly on a 'commercial' basis) rather than grants then their names need not be published, unhelpful publicity would be avoided and generosity could be properly rewarded, protected from the prying eyes of the media. It was estimated that over £20 million flowed into New Labour's coffers as a result of these secret 'loans' – as revealed when the press disclosed that the prime minister had recommended lenders for peerages. The outcome was extreme embarrassment when – what proved to be – a long-running police (and still not concluded) investigation was launched, Tony Blair was himself interviewed by detectives and some of his key aides arrested. An *Electoral Administration Act* was hurriedly passed in 2006 requiring that loans be reported in the same way as donations (McIlroy, 2007: 4). Not entirely unexpectedly, 'the supply of large individual and corporate donations dwindled' (Leopold, 2006: 193). The upshot was that, a mass membership having proved a mirage and with the largesse of the rich rapidly ebbing, the party remained heavily reliant on the unions.

In fact, it was becoming evidence that this dependence extended beyond direct financial assistance. In successive elections (research conducted by Ludlam and Taylor revealed) affiliated unions had played a key role in mobilizing support for the party through providing personnel and organisational support as well as hard cash. Under the aegis of the umbrella body, TULO, they established phone banks, spearheaded voter registration drives, organised a cadre of workers to carry out constituency campaigning and appointed trade union co-ordinators in all of Labour's key seats. Research indicated that this had a significant impact on Labour's vote share – indeed was 'central to Labour's retention of almost all of its 146 key seats in 2001' (Ludlam and Taylor, 2003: 734). Furthermore, by 2001 and, even more, 2005 it was becoming evident that the number of activists willing to volunteer their services in staffing grassroots constituency electioneering was falling rapidly. This rapid depletion in the number of party workers rendered the party more – not less – reliant upon the help (especially manpower) the unions could supply.

The problem, as Labour entered its second term, was ceasing to be its undue reliance on union cash then that some of the cash might disappear as a result of a rash of left-wing victories in

union polls, including in the largest unions: Dave Prentis in Unison, Derek Simpson in Amicus, Tony Woodley in the TGWU - the latter two unions merged to form the biggest union in the UK, Unite, in 2006 - and first Kevin Curran and then Paul Kenny in the GMB. These (and other leaders in smaller unions) represented quite a spread of opinion but they all shared a deepening disenchantment with key New Labour policy planks, including the expansion of the role of the private sector and the establishment of Foundation Trust hospitals in the NHS, tardiness in ending the two-tier workforce (but see above), the rapid expansion of the Private Finance Initiative, the retention of a highly flexible labour market, the preference for means-testing rather than universality in pension provision, the failure to take effective measures to reduce steep inequalities in the distribution of income and wealth and a general partiality towards business.

Increasingly the left-wing leaders of the big unions concerted their political interventions in an effort to 'reclaim the Labour party'. After a long period when conference seemed to have lapsed into docility the unions secured the passage of motions criticising major Government policies including on pensions, foundation hospitals, PFI and commercial involvement in the NHS. The Government simply shrugged-off these defeats. Seasoned union leaders were, of course, well aware that adverse conference votes would have minimal impact on the Government. But what if they retaliated by reducing the supply of money? In 2003 the transport union RMT, the communications union CWU, GMB, and Unison all cut funding to the party. Some of the funds thus saved were used to finance union campaigns *against* Government policies notably marketisation and commercialisation in the public sector (Leopold, 2006: 195). Two small unions (RMT and FBU) which had bruising industrial encounters with the Government (in the case of the FBU, the fire-fighters union, a bitter and prolonged strike) disaffiliated from the party.

However these turned out to be isolated instances. The slicing back of funds was intended primarily as a warning shot rather than harbingers of deeper cuts in the future. Mainstream left-of-centre leaders in the big unions remained unflinching adherents of the party-union link. Derek Simpson, the left-wing leader of the engineering union Amicus bluntly told his conference that, 'if anyone believes [that] anyone apart from the Labour government will do anything for us, you're in the wrong meeting, you're in the wrong organization' (quoted in Ludlam and Taylor, 2003: 739). Indeed, the unions continued liberally to fund the party. McIlroy estimated on the basis of the Electoral Commission's figures that they provided some 65%

of outright donations to the party. Despite the tough talking of recent years, the unions collectively dispensed some £56 million to the Labour Party between 2001 and 2006. 'AMICUS alone gave the party more than £8 million, the TGWU more than £7 million, USDAW nearly £6 million and UNISON more than £10 million' (McIlroy, 2007: 8).

There was no direct bartering, no formal *quid pro quos* between money and policy. Yet awareness of the party's continued dependence on the unions for financial and organisational assistance inevitably contributed to a state of mind more receptive to policy concessions to the unions, of the type detailed above. Sensitivity to union representations always increased as elections neared, and this was exemplified by the so-called Warwick Agreement in July 2004. This consisted of a series of pledges for legislative action in a third Labour term (to be incorporated into the party's 2005 manifesto) including over pension provision, the work-life balance, redundancy pay, the implementation of EU directives and an extension of the two-tier workforce agreements to the whole of the public sector (Heery, 2005: 11; Unison News 24 July 2004).

2. Interests: New Labour's Political Economy

'The strength and content of party-union ties', Howell has suggested, are 'ultimately dependent upon a kind of bargain, or a base of overlapping material interest, which in turn is heavily influenced by structural economic factors' (Howell, 2001:12). How governments construe material interests – and their implications for hammering out policy – varies according to a range of factors including circumstance, external pressures, ideology and so forth. During the post-war generation, though Britain faltered in its efforts to develop stable corporatist institutions on the North European-model, successive Labour administrations continued to rely on trade unions to contain inflationary pressures, regulate industrial strife and improve Britain's poor productivity. The unions were not simply another set of pressure groups: they were essential partners in the economic and social governance of the country.

By 1997 the Keynesian propositions that had underpinned this form of economic management were out of fashion. In the intervening years there had been 'a transformation of the assumptions and institutions of economic policy-making which had dominated the previous 30 years' (Annersely and Gamble, 2004: 145). New Labour had no desire to resurrect Keynesian regulation and economic role of the state was now more modestly understood as to create the

conditions to allow market forces to work more effectively. Price stability but seen as an overriding economic goal but crucially was now to be secured not by incomes policies or social contracts but by a combination of transferring control over monetary policy to the Bank of England and maintaining a deregulated labour market where wage levels could be held in check by market forces. Brown and his advisors were convinced that the abatement of trade union power in the 1980s had been a major factor in productivity improvements and that the waning of collective bargaining has rendered significantly higher levels of employment compatible with price stability: stronger union spelt fewer job (Charlwood, 2004: 386). Indeed, it was an insistent Treasury theme the UK's 'decentralised and relatively weak collective bargaining system' gave the country a sharp competitive edge (Coats, 2005: 30).

From this perspective it was easy to see how the needs of business gelled with those of the economy and the country as a whole. High profits supplied the fuel corporations needed to expand output, acquire new markets, create jobs - and thereby generate the tax revenues that could be used to rebuild Britain's public infrastructure. Conversely, the typical claims made by unions – for higher wages, greater employment security, more elaborate schemes for employee protection – seemed more likely to jeopardise than promote national prosperity. Indeed, partnership with business – and not the unions – was, according to Blair, 'a founding principle of New Labour and it will not change' (Guardian November 6, 2001). The party was, as one minister put it, 'unashamedly pro-business' because it was 'business that creates wealth and jobs and sustains our quality of life' (Hewitt, 2001). This means not that New Labour is hostile to the unions but envisages only a restricted role for them. 'For sure', Brendan Barber, TUC General Secretary observed, New Labour ministers 'recognise our right to exist, and a citizen's right to join. They can see that individuals may benefit from belonging to a union.... But this is not the same as recognising that unions, and the collective bargaining and right to effective representation that we pursue, are in general a force for good' (Barber, 2003). Further, Blair himself (and many of his closest advisors) had a somewhat jaundiced view of the unions and the role they had played both in the party and the country at large. 'He was unwilling to risk losing business support for New Labour by trying to reinstate what would have been widely seen as a discredited model of corporatism' (Coats, 2005: 29). In effect, the New Labour 'modernisation project' 'deliberately sought to develop

a positive and intimate relationship with business and a more arms-length and unsentimental one with trade unions' (Taylor, 2001: 246).

3. Power

No less important was the fact that the trade unions were in no position to compel the Government to take a more benign view of them. Power relationships have an impact on governments independent of interests, ideologies and even the search for electoral advantage. Power constellations structure 'actors' perceptions of a realistic and legitimate range of debate ...and of their own capacity to shape policy in accordance with their preferences, and therefore their political strategies' (Huber and Stephens, 2001: 323). Writing originally in the 1950s, Crosland pointed out that full employment and the growth in union density, cohesion and organisational capacity 'by transposing at once the interests, and therefore the attitudes, of the two sides, has dramatically altered the balance of power at every level of labour relations' (Crosland, 1964: 12). This balance of power was now being reversed. Union membership (and density) reached its peak in 1979 when it stood at 13.2 million. In the subsequent two decades it plummeted, falling to barely 7 million when the Blair government came to power in 1997. At present it stands at a little below seven and a half million, equivalent to a union density figure of 29%. – and less than 20%. Equally, the proportion of the workforce whose pay was set by collective bargaining had halved from around 70% to 35% (Metcalf, 2004: 4).

Furthermore, trade unionism in Britain operates in a chilly and inhospitable climate. A whole range of economic changes have undermined union bargaining power ranging from the collapse of employment in former strongholds such as mining, ship-building and automobiles, the shift in employment from larger to smaller units of production, from manufacturing industry to the service sector and from areas where traditions of trade unionism were strong to those where they were weak. All these trends have hampered recruitment and attenuated the sentiments of solidarity and common interest which are the bases of effective union organisation (Charlwood, 2004: 393). 'It is a sad fact', one former TUC official concluded, 'that we have a relatively weak trade union movement in the UK' (Coats, 2005: 29). Irrespective of their goals Labour governments in the 1960s and the 1970s felt they had little option in key areas of policy but to try and hammer out

agreed positions in collaboration with the unions. The Blair Government neither had the disposition nor has felt constrained to do so.

This is not to say that (as under the Conservative years) unions have been kept out of the cold. The advice and comments of trade unions were sought as a matter of routine on a whole host of questions. The Government provided large sums of money to help fund union training and educational efforts. The TUC and senior trade unionists 'now had ready access to ministers and their involvement in the Government's proliferating Task Forces afforded another opportunity to influence its thinking' (Undy, 2002: 643). Tripartite institutions have revived. Thus trade unions have significant representation on new bodies such as the Low Pay Commission, the Central Arbitration Committee, the national Skills Alliance and the Sector Skills Councils as well as older organisations such as the Health and Safety Executive and the Advisory, Conciliation and Arbitration Service (Nash, 2006: 10; Coats, 2005: 32). But there are firm limits to the role of trade unions within the policy process. The extensive consultation of unions by government which is an established part of the institutional landscape in much of Western Europe is generally lacking. 'There is no general social pact in New Labour's Britain and no standing machinery of social partnership' (Heery, 2005: 9). Unions, from the New Labour perspective, were seen to represent but 'one pressure group among many, with no special claim on government attention, sympathy or support' (Ludlam, Bodah and Coates, 2000: 229).

4. Ideology. New Labour's unitary frame of reference

One can take this a step further. There was something profoundly inimical to trade unionism at the heart of New Labour. For New Labour's principal political strategist, Philip Gould, 'trade union domination' had been a major bar hindering Labour's 'modernisation' and a major cause of its bleak electoral performance since the 1970s (Gould, 1998: 19). In the past the party-union relationship had been defined 'in terms of a common loyalty and a deeply felt commitment to a wider entity and purpose - the Labour Movement' (Minkin, 1991: 4). The metaphor 'movement' connoted not only a permanent alliance, rooted in shared interests, between the 'industrial and political wings. 'What constituted labour as a *movement* was the belief that each struggle was, or could be, linked into a larger social purpose' (Hinton, 1983: viii). That purpose did not take the form of an explicit ideological statement, even of a vision of a new society. Rather it reflected the sense that 'the movement' represented 'us' – the 'common' people, 'ordinary working man and women' –

against them – the elites, the establishment, the men of power, property and privilege. The object was not to transform the existing social order but to secure for labour a recognised, legitimate and secure place within it. Its ethos was a cautious one, ‘an ethos of resistance, not of attack; of the objects of history, not of the subjects.’ Rather ‘it existed to protect “us” against the injustices perpetrated by “them”, not to enable “us” to join “them”, and still less to replace “them” by “us”.’ (Marquand, 1991: 21-22).

For New Labour the mentality of ‘us’ and ‘them’ is antiquated. As Blair told delegates to the Labour party conference prior to taking office: ‘forget the past. No more bosses versus workers. You are on the same side. The same team’ (Blair, 1996). In effect, New Labour adheres to a broadly unitary frame of reference, which discerns no structured conflicts of interest over the distribution of material resources, status or power, either at workplace or at societal level between capital and labour, employers and employees. It views the social order as fundamentally unified and regards both capital and labour as stakeholders in a common enterprise, social partners for whom collaboration is the most rational arrangement. Different claims inevitably have to be juggled and reconciled but the assumption that if one ‘side’ benefits then the other suffers was to fundamentally misunderstand the nature of the employment relationship and the realities of a modern economy. ‘Everyone benefits’, Blair insisted, ‘employees and business alike’ (Guardian 9 Sept. 2003). The essential role of the unions within industry was no longer seen as ‘to correct an imbalance of power in the workplace, but to create a context in which the productivity and creativity of workers is properly harnessed for the good of the firm’ (Howell, 2004: 14).

From such a perspective the notion of the party and unions as combined in a movement, bound together in a ‘shared historical project’ which sought to elevate the power and status of ‘workers by hand and by brain’ was archaic. Economic success in an increasingly competitive global economy demanded that the needs of business trump those of the trade unions (Taylor, 2005: 191). ‘Instead of being in conflict,’ a minister declared, ‘the Labour Party and the business community are now increasingly effective partners’ (Hewitt, 2001). Industry and finance were viewed as (what may be called) public interest organisations with the right to act as partners in the economic governance of the country. The unions, in contrast, were awarded a secondary status as pressure groups whose demands were sectional since their interests did not objectively align and indeed were frequently at odds with the common economic welfare, as now defined.

They were no longer excluded and could, indeed, make a useful contribution to the public realm.

But it was a modest one as

'An attendant lord, one that will do

To swell a progress, start a scene or two,

Advise the prince; not doubt, as easy tool..

Full of high sentence, but a bit obtuse;

At times, almost, ridiculous' ⁴

As TUC General Secretary John Monks put it, trade unions were often regarded 'as embarrassing elderly relatives at a family get-together' (Observer June 20, 1999).

Conclusion

For Howell, the union-party relationship was, in its essentials, a system of political exchange: money, votes, mobilising assistance in exchange for legislative advances. It was buttressed by a social democratic 'industrial relations project' which conferred upon the unions a positive and substantial role in the political economy. But nowadays, for the party, the gains flowing from the exchange are problematic and the industrial relations project has collapsed: it is this, above all, 'which explains why contemporary social democracy is in the process of divorcing itself from organized labour' (Howell, 2001: 9).

This analysis contains more than a grain of truth but it unduly conflates two aspects of the party-union relationship, which we can call the pragmatic and the normative. The pragmatic grounds which sustain the party-union connection remain quite strong - despite New Labour's desire (for electoral reasons) to keep the unions at arms length, despite the many policy rifts between the two, despite even the unions' drift to the left. From the unions' perspective, whatever the disappointments the Government *has* delivered on a whole range of issues, including the National Minimum Wage, the enactment of union recognition procedures, the enhancement of individual employee rights, the ending (for the most part) of EU opt-outs, the efforts poured into eradicating mass unemployment, the major boost to public spending and the phasing out of the two-tier workforce. From the party's perspective, the unions remain a ready supplier of funds, personnel

⁴ T S Elliott 'Love Song of J Alfred Pruffock'.

and campaign mobilisation efforts. Ironically (given New Labour's hopes) in some ways its dependence has intensified as other sources of help have dried up: membership is in free fall, constituency organisation is falling rapidly into disrepair and donations from benefactors rapidly tapering off. Without the unions, party organisation and constituency campaigning would probably be falling apart.

This, of course, helps explain the readiness of the Government to make a battery of concessions at the Warwick Agreement in the run-up to the 2005 general election. By the same token, the predominantly left-leaning leadership in the major unions has no desire to detach themselves from the Labour party. As pragmatic, realistic and seasoned political operators they are fully aware that, in the present set-up, the only available political vehicle for the advancement of union interests is the Labour party. The Conservative electoral revival is likely to intensify that attachment. Cameron may be seeking to distance his party from its Thatcherite legacy but the terrible gashes inflicted on the unions in the long Tory reign will need far more time to heal before union leaders will be able to contemplate another Conservative government with anything other than deep apprehension and alarm.

But if it is highly premature to pronounce the end of the party-union connection its normative (as against pragmatic) aspect is rapidly fading. The old 'ties of sentiment and loyalty and agreed ideological commitment', as Robert Taylor has put it, are decaying (Taylor, 2000). There is now little sense of shared social purpose, of engagement in a common project. The notion of the labour movement – 'this great movement of ours' - as the ultimate repository of loyalty and solidarity is evaporating, scarcely even surviving as a rhetorical device. The era of 'the labour movement' is quietly drawing to a close. 'Tigmoo' may soon be as dead as a dodo.

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