

Unions' future is in their own hands
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Andrew Leigh's article on union membership ("The decline of an institution", Economic Briefing, March 7) refers to my research to explain several factors in union decline. While I agree with most he wrote, I disagree on two important issues.

First, he suggests that one of the factors explaining union decline is rising wage inequality. I have not seen any research validating this, and it seems unlikely to be a major explanation.

Rising inequality between senior executives and ordinary workers is likely to intensify feelings of injustice and "relative wage deprivation", which can promote unionisation. Some research I did in the early 1990s suggested that perceptions of excessive managerial pay were linked to lower worker commitment to the company, more industrial action, even higher satisfaction with unions.

These days, CEO pay is out of control and is a useful rallying point for unions.

Rising inequality between ordinary workers may make it slightly more difficult for unions to form coalitions of workers, but unions' ability to do this is much more dependent on their organising capabilities than on a few percentage point changes in pay relativities.

Second, he says that unions are moving more towards a "friendly society" model and are unlikely to enjoy any resurgence. This does not take account of the major reforms that have taken place within unions in Australia over the past five or so years.

In particular, unions have started to move towards organising approaches that focus on the development of workplace activism, devolving power to members, democratisation and the development of community coalitions.

Most unions have gone only part of the way to achieving the necessary changes, some have barely started, but there is no doubt that the trend is there.

As a consequence, the decline in union membership has probably been halted and the prospects for growth over the long term are real, if the reform process continues.

Antagonistic governments and employers and labour market change had such an impact on union membership because unions were weak at the workplace, reliant on arbitration.

That was something they could change. Unions' future is in unions' hands, not the hands of governments or markets.

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