

Prime Minister (4)

Interesting

AT 12/4

MR TURNBULL

UNIONS AND THE WORKFORCE

The Certification Officer for Trade Unions has recently produced his annual report. An interesting picture emerges when this report is compared with previous volumes.

Since 1979, the number of people in employment has dropped from 22.5 million to 20.5 million. Over the same period, the number of union members has dropped from about 13.5 million to about 11.5 million. In short, the fall in employment is matched almost exactly by the fall in union membership. As a result, the proportion of the workforce in unions has dropped from 60% to 55%.

It is tempting to conclude that almost all the industrial decline has occurred in heavily unionised industries. A rapid inspection of the figures tends to confirm this suspicion. The workforce in declining industries is heavily unionised - roughly 70% of printing employees, 80% of engineering employees, and 100% of miners are union members. Unions account for a far lower proportion of the workforce in growing industries - 25% of insurance workers, 16% of distributors, and 5% of the 2.5 million workers in miscellaneous services.

Other evidence, outside the service sector, supports this thesis. Rapidly growing, high technology companies have been extremely successful in keeping out unions altogether: Motorola, IBM, Semi-Conductors, Digital, GE and NEC are all non-unionised. As John Langan of ASTMS put it, "if you consider now that there are more jobs in IBM and Semi-Conductors at Greenock than there are at Scott Lithgow, then you start to get the picture. The large concentration of trade union membership we used to employ, and the opportunities to educate that membership, are being depleted, while at the same time, and in their place, individualistic and company trained attitudes are being encouraged to grow".



HOW CAN WE HELP TO REDUCE UNIONISATION STILL FURTHER?

The non-unionisation of the high technology companies is not due to any Government action. It is due to high pay, and astute management. Talking to IBM managers, we have been extremely impressed by their abhorrence of any Government interference.

But there are various areas in which the Government could properly act, without appearing to attack the unions directly. Reduction in subsidies for heavily unionised, dying industries is undoubtedly the most important step. But this is politically difficult. There are several other ways:

- continue to make life easier for small businesses, which are largely non-unionised;
- consult directly with the Government's own employees over pay and conditions, rather than operating through the unions;
- ensure that MSC schemes do not lead young people into unions; there is a danger in view of trade union involvement with the MSC;
- continue to encourage employee share ownership;
- pursue policies on contracting-out, competition and denationalisation more vigorously: these all contribute to de-unionisation.

All these points need further investigation. John and I are pressing ahead with this but thought you would like to be kept in touch.

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