Decline In Union Membership In Australia Essay, Research Paper

TOPIC – The major issue tody facing the Australian trade union movement has been the decline in union density. What have been the causes, and how have the unions responded to the challenge.

Figures released by the Australian Bureau of Statistics (ABS) in 2000, show that the decline in Australian union membership continues, despite the efforts of the Australian Council of Trade Unions (ACTU), to stop the slide. The ABS reports that trade union membership has dropped to 28 percent of the total workforce, compared to 1992, where there was 40 percent. (Australian Bureau of Statistics 2000.)

Previous ABS findings show that these recent figures are part of a general trend, with no slight recovery recorded in the past six years.

Whilst it is evident that there is a decline in union membership, it is important to analyse why this is so and what the unions are doing to combat the downward trend. In attempting to tackle this issue, it is important to state the main objectives of a union that attract employees to join a membership and why the memberships are declining.

Australian unions were established in the first half of the nineteenth century, with growth beginning in the post gold-rush era. It is from then that the fastest growth of the era seems to have been in the decade of the 1880’s, where prosperous economic conditions and a tight labour market were forces making for union development (Dabscheck, Griffen, and Teicher, 1992).

The primary objective of a trade union is to improve the well being of its members. They were formed to counter the superior economic power of the employers. It has long been recognised that the market dominance of employers could only be offset by workers acting collectively and establishing organisations to bargain on their behalf. The most important function of a union is to maximise the wages and salaries of its members (Deery, Plowman, and Walsh, 2000).

Why do employees join unions? There are a number of reasons that an employee may join a union but three major factors are evident. They are; dissatisfaction with economic aspects of the job; a desire to influence those aspects of the work environment through union orientated means; and, a belief that the benefits of unionism outweigh the expected costs (Deery et al, 2000).

With the benefits of the objectives of a union evident, why has Australian unions witnessed a decline in membership? There are many reasons to suggest a decline in membership, but three main factors stand out. They are; the changing composition of employment; the casual effects of the business cycle; and, the introduction of the Accord (Deery et al, 2000).

The changing composition of employment relates to the change in the structure of the workforce. Job growth has become generally greater in those segments of the labour force with relatively low levels of trade union membership, and a contraction of employment among the more highly unionised segments of the labour force (Healey, 1995). Most of the employment growth that occurred in the 80’s and 90’s was confined to the private sector whose union density was considerably lower to that of the public sector. In addition to that, the constant decline in the manufacturing industries, where unionisation is high, compared to other sectors in the industry.

Another point that falls under this factor of changing composition of employment is the failure of the unions to recruit casual and part time workers. Part time and casual employment has been growing rapidly in service industries, with women dominating this segment. Unions have not met any real inroads into organising casual employees (Carson, 2000).

The factor of casual effects of the business cycle to declining union membership relates to the unemployment levels of the economy. In Australia there was a significant rise in unemployment in the 80’s and 90’s which had a negative effect. During periods of economic stagnation, unions have found it difficult to retain unemployed workers as members (Deery et al, 2000).

The last main point of union membership decline is the introduction of the Accord. In February 1983, the Australian Labour Party and the ACTU, announced a ‘Statement of Accord’, which resulted in the Hawke Labour government moving to establish a prices and incomes policy on election to office in March 1983 (Dabscheck et al, 1992). The Accord agreement provided a feature of help to develop and restructure industries where unemployment was the heaviest, but in return, the unions had to give up their right to industrial action. The Accord, may have expanded the opportunities for individuals, both unionists and non-unionists to benefit from the agreement (Deery et al, 2000).

Another factor contributing to the decline in unionisation rate is the changing attitudes towards unions. A number of writers have highlighted the downward shift in community support for unions across the industrial world. In Australia, public opinion polls show that unions are seen as being too powerful and unresponsive to members needs (Deery et al, 2000). Such perceptions and beliefs have supported the decline. A survey carried out by McNair Anderson Polling Agency and Sentry Holdings show that only 6 per cent of those surveyed have confidence in unions, and more than 45 per cent of union members surveyed have ‘hardly any’ confidence in union leaders.

More and more Australians are refusing to join unions. There is the feeling amongst employees that they are just no longer required. The tradition of being a unionist is fading. Fewer fathers are encouraging their children to become members (Short, 1992).

The role of management in organisations has been another damaging factor to the decline. Job satisfaction, whereby benefits are provided by the employers to keep the employees happy. The theory being that content employees need not be unionised.

Another contributing factor which again created a negative perception is especially evident from the activities of the Builders Labourers Federation (BLF). Their strikes, stormy picket lines, and wild demonstrations, coupled with their corruption, have antagonised many people who see this as ‘thuggery’ (Short, 1992). As well, the frequent strikes which hit essential services such as transport, electricity, petrol and food supplies angered most people, including unionists and potential unionists.

The declining memberships in unions are ofcourse not going unnoticed by the ACTU. They have been, for a number of years now, trying to combat the rapid decline. They have committed themselves to increasing member numbers and to making the unions themselves more responsive to what people actually want.

The trade union movement has put into place many strategies designed to assist its survival. One important strategy was to amalgamate to create more effective and powerful unions (Healey, 1995). This leads to the perception that fewer and bigger unions would arrest the decline in union membership. The proposal was to try and reduce Australia’s 330 unions to a possible 20 in the near future (Short, 1992). Arguments suggest that big or small unions with bad policies have no future. Evidence in overseas countries such as Japan, with thousands of unions have an effective union movement. And, in Germany where there are only 19 unions, also has an effective union movement (Short, 1992). This proves that policies have to be looked at more carefully than just the size of unions.

Unions have also realised the importance of recruiting young members. The ACTU has actively tried to promote themselves through education programs within schools. These programs not only urge the recruitment of young workers but provide information about work and the role of unions in today’s community (Healey, 1995). The beauty of this program is that it is sponsored by organisations such as Australia Post, Cadbury Schweppes, Open Learning Australia and the Commonwealth Employment Service, which emphasises that the long perceived thought that unions are opponents of employees, is not so. The program is proving popular with its easily accessible information on jobs, starting salaries, minimum pay rates and the unions that represent people in various occupations (Healey, 1995).

Most current of the ‘recruitment campaigns’ is the ACTU’s ‘Unions at Work’. Launched February 2000, it differs little from past campaigns in that millions of dollars have been spent on high profile advertising and to put up a squad of young ‘go-getters’ into the field to drum up business. Workers were offered all kinds of incentives and gimmicks, including access to a range of discounted retail goods and cheap holidays (Cook, 2000).

All these incentives are a clear indication that the union movement is heeding the message of its leaders that it must become less inward looking and more community focused if the decline in membership is to be turned around. But the question remains, especially with the release of current ABS membership figures, whether or not the employees of today’s workforce see the need for them.

It is no doubt that the battles fought to achieve fairer pay systems and working conditions for employees was won by unions. But in this day and age of enterprise bargaining and growing workplace diversity, it seems the working public are finding unions to be less and less useful. It would be difficult to make an opinion as to what is needed by the unions to increase membership, but a positive relationship between employees, employers and the government is the right step towards some harmony.

Unions must realise that if they are to be efficient then they need to be responsive to members needs. Emphasis should be placed on improving the quality of core services and not adding new ones. No amount of financial planning services or cheap airfares will generate member satisfaction if members calls to organisers aren’t returned and industrial problems are dealt with (Healey, 1995).

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