



The value of trade unions in Wales

Report of roundtable

Introduction

The Wales Centre for Public Policy has conducted a review of the independent evidence about the value of trade unions in Wales. The resulting report highlighted a number of evidence gaps, some of which could be filled by having new or different data available in the future. To discuss these data and evidence gaps, the means of filling them, and the barriers to doing so, the Centre convened a roundtable event with invited academic experts and senior officials from the Office for National Statistics (ONS), the Welsh Government and the TUC. This note summarises the key conclusions of that discussion and potential next steps.

The roundtable was particularly timely in light of the Welsh Government's commitment to introduce legislation to strengthen the social partnership approach in Wales. Building on the findings of the Fair Work Commission, legislation will put engagement with trade unions and employers on a statutory footing and change how the Welsh Government procures services and spends money, with the aim of improving workers' rights and job quality.

In order to ensure that this statutory partnership succeeds in supporting fair work, it will be important to address the data gaps and other issues identified in this short note.

How do we currently analyse the value of trade unions?

In broad terms, trade unions can be defined as organisations that look after members' – usually but not always workers – interests, in terms of pay and conditions and/or by representing them in negotiations and disagreements. The more complicated issue is how we measure their activity and their influence.

The roundtable referred to three measures of union activity: membership (density); workplace representation (presence); and whether pay and conditions are negotiated by unions (coverage). These are defined in box 1.

The surveys that inform these analyses, including the Labour Force Survey, the Skills and Employment Survey, the Annual Survey of Hours and Earnings and the Workplace Employment Relations Survey, are hugely important for our understanding of the value of trade unions. Nonetheless, they have limitations. Survey data may not paint an accurate or complete picture of trade union influence. For instance, evidence of the impact of trade unions on pay is sometimes based on employees' perceptions which may not be entirely



accurate. Estimates may, for example ignore the impact of minimum wage legislation, which trade unions were instrumental in delivering. Furthermore, different surveys produce different estimates mainly due to the way questions are worded, the mode of questioning (face to face, telephone, paper or online), and the design of each survey (the question order, timing, length and sampling). This is particularly an issue for the Labour Force Survey, which reports significantly lower rates (Davies, 2016). These issues highlight both the value and limitations of data that are used to measure trade union activity.

Box 1: Measuring trade union activity

Different surveys measure different aspects of trade union membership. This note uses the three definitions from the Department of Business, Energy and Industrial Strategy (BEIS) official estimates of trade union membership presented in their statistical bulletins:

- Trade union density: the percentage of those in employment who are a trade union member;
- Trade union presence: whether a trade union or staff association is present within a workplace (i.e. recognition); and
- Trade union coverage: whether the pay and conditions of employees are agreed in negotiations between the employer and a trade union.

Source: Davies (2016)

A strong membership base is vital for financing trade unions, allowing them to carry out their role, providing the potential for unions to bargain collectively and to provide services to members (Bennet and Kaufman, 2007). In our report, we show that there is a long-term decline in trade union membership in Wales, the UK and around the world, with current membership in Wales of 30.5% of employees in 2018, a decline of 13.5 percentage points from 1995 (BEIS, 2019).

We can also consider trade union power in the workplace, by analysing union presence and coverage within and across workplaces. Time series data from the Skills and Employment Survey shows that unions have a member in the workplace for nearly 40% of the Welsh population, and that their coverage in the workplace is a similar figure (Felstead, 2017). There is still a decline over time, but less so than with membership. This suggests a mixed picture: if unions have a representative in the workplace then they can still have power and influence; but recognition is very different from successful negotiation, which is also in decline (Felstead, 2017).

There are data available on the success of negotiations, but again these are limited. There is a wage premium in the public sector, but it is less clear and likely to be smaller in the private sector. Trade unions also appear to improve pay equality – union presence is correlated with a less dramatic increase in pay for top earners. Skills and Employment



Survey data also suggests that union members are more likely to receive training, be in safer workplaces, have less time lost to injury and illness, have better conditions and greater influence.

In summary for Wales, on almost all of the indicators the picture for Wales is one of greater trade union activity and influence than the rest of the UK (albeit based on small sample sizes). As a percentage of the population, there are more members, more recognition agreements, more pro-trade union managers, more union consultations, and more agreement by managers that trade unions improve organisational performance.

Existing data can help to monitor some of these issues. Existing surveys produce data which can be used to understand long term trends. Over time, we can understand how pay and conditions have changed, and we might begin to be able to see trends relating to forthcoming Welsh Government policy and trade union activity.

What are the data gaps? Opportunities and constraints

As detailed above, we have survey data on membership, pay and conditions, and representation. Trade unions have some data, particularly on membership which would complement or back up this survey data, although this is not collected in a standardised way across unions. Data beyond surveys on pay and conditions would also be helpful.

There was agreement among the participants at the roundtable event that while survey data can tell us a lot about whether and how trade unions have affected pay and conditions, they often do not provide sufficient information about the details of the agreements, for example whether maternity and paternity pay and leave are covered, or how agreements affect longer term changes in pay and conditions.

There are some aspects of trade union activity that data could better cover. While we have reasonably good information on pay, health and safety, and training, there are fewer data available on employment quality, the types of employment contract, job security, workplace conflict and disciplinary grievances, and the role that trade unions play in improving and mitigating these conditions.

Some of these data gaps are difficult to fill with quantitative data alone and qualitative data would provide complementary information. Quantitative data can provide insights about overall trade union activity, particularly when data are rich enough to allow for multivariate analysis which can pick out trade union influence on key employment issues. However, case studies would provide greater details about the influence of trade unions as there is more detail and context, and they humanise the data through more accessible vignettes and stories. This might help to make the information more accessible to a general



audience, by better illustrating how changes to pay and conditions have benefited workers and surrounding communities.

Making data more available would contribute to our understanding of these questions. Participants at the roundtable discussed ways in which data could be made publicly available, acknowledging that some suggestions involve ethical and data protection considerations:

- Trade unions could make their membership data available, and this could then be linked with datasets held by government departments (such as big UK Government departments like HMRC and DWP).
- PAYE and tax data would allow individuals' progress in the labour market to be tracked; and provide information on working hours, pay and conditions. Importantly, it would also provide counterfactual data, to better understand trade union influence across sectors and regions.
- Health-based administrative data, which if linked with trade union membership data, could support analysis of trade union effects on individuals, such as physical and mental health, and sick leave.
- Surveys or union membership data could also ask questions of employers and employees that try to find out if more fair work practices are being implemented, and whether trade union membership or influence is a predictor. It can also show if pay and conditions change over time, and to what extent trade union membership plays a part.
- Data on organisational performance and trade union membership data could be linked, so that we can analyse trade union effect on productivity and economic performance.
- The National Survey for Wales asks a series of questions about health and wellbeing, as well as questions about local areas and communities. Linking this to trade union membership could add a lot of value to our knowledge about trade union influence.
- If current surveys added a booster sample for Wales this would increase the sample size beyond that available if Welsh respondents were represented in proportion to the UK population.

These actions would increase the potential for analysis and understanding the role and value of trade unions and the effectiveness of the social partnership approach. Larger samples would allow for multivariate analyses looking at the predictors of good pay, conditions, health and wellbeing, and the extent to which trade union activity is influential in achieving these.



Some of the recommendations of the Fair Work Commission have data implications, such as calls for the Welsh Government's fair work data requirements to be recognised by the Office for National Statistics (Fair Work Wales, 2019). It is important that data are considered as part of the new Office for Social Partnership and Fair Work to ensure that decisions are based on available evidence. Wales TUC has indicated its interest in further work in this area, and it may be valuable for the Welsh Government to convene further discussions with experts.

However, there are many reasons why these data either do not exist or are not currently publicly available. Although in principle, the UK Government wants to make similar data available, it would take a substantial investment of time and resources, particularly if they are to be linked across datasets. Some of the practical constraints identified in the roundtable discussion include:

- Capturing additional data relies on a commitment from different trade unions. Even though they have their own jurisdictions, most Welsh trade unions operate within the administrative systems of UK trade unions.
- Changing survey questions affects the consistency of time-series data, making it harder to determine trends over time.
- There are limits to whether a survey can be changed. For example, the Labour Force Survey does not have space for new questions without removing existing ones – the current Labour Force Survey runs at approximately 40 minutes.
- Data management in line with the General Data Protection Regulation (GDPR) 2016 needs to be ensured.

These issues are not insurmountable, but they would require commitment from stakeholders.

Recent legislative and institutional changes

Legislation on the social partnership will support tripartite engagement between trade unions, employers and businesses. Alongside this, the Welsh Government has accepted, in principle, all of the recommendations of the Fair Work Commission.

These have implications for how the Welsh Government operates in the future. It could make government grants, loans and contracts, as well as public service procurement, dependent on fair work practices being implemented by organisations. The First Minister has made clear that he sees trade unions as integral to these developments.

This adds a new dimension to what we might want to measure and which data we would need to achieve this. Ideally, we want to know if fair work is being achieved in Wales, and

to what extent the Welsh Government's social partnership is playing a role in this and how trade unions are supporting the social partnership. While the Fair Work Commission's definition of fair work does not explicitly include collective bargaining, it recognises collective representation, as well as legal rights being 'respected and given substantive effect' (Fair Work Wales, 2019: 2). Collective bargaining is also explicitly recognised in the report as a route to fair work.

The Welsh Government will be forming an Office for Social Partnership and Fair Work to develop proposals on social partnership and fair work. The roundtable highlighted the importance of having data available which can help to analyse the effectiveness of this policy change. Participants argued that there is currently a data deficit on social partnership approaches. Some ways of rectifying this include making administrative data available for analysis. For instance, the Welsh Government could set out which organisations have secured public funding contracts, and whether they adhere to fairer work practices. This could be complemented by survey data asking about changes in pay and conditions, as well as case studies of organisations which have adopted fairer work practices as a result of the social partnership approach. Together, these would enrich our understanding of the social partnership approach, and trade union influence within it.

Conclusions and next steps

The roundtable event brought senior officials and experts from a range of key organisations to discuss which data are currently available, to what extent they meet analytical requirements, and how new data might help to answer key questions about trade union activity, its value and impact of a statutory social partnership.

Existing data provide answers to some questions including:

- The level trade union membership in Wales (density);
- The influence of trade unions on basic pay and conditions (presence and coverage); and
- Differences between Wales and the rest of the UK (and internationally).

However, measuring the impact of trade unions is difficult because of the lack of data at the Wales level. The small sample size in Wales, the lack of survey questions on different aspects of work, pay and conditions, and the lack of qualitative and case study data results in only a partial picture of the value of trade unions in Wales.

There are, however, a number of ways to begin to fill evidence gaps and there is interest from the Welsh Government, ONS, trade unions and academic colleagues in making progress. The following possible next steps were discussed:



- Ensuring a Welsh sample boost to existing UK surveys would allow thorough analysis of the Welsh case. The potential for including an additional question in the Labour Force Survey could be explored. This would support the ONS to recognise the Welsh Government's fair work data requirements as recommended by the Fair Work Commission (Fair Work Wales, 2019).
- Trade unions might also consider whether there are ways in which they can bring their data together so that it can be linked to existing datasets, for example linking the National Survey for Wales to trade union membership information. A research programme could independently analyse anonymised membership data.
- Qualitative research would help to better understand trade union value, for example case studies of employers and employees.
- Participants felt that there was a great deal of value in coming together to discuss the issues and the opportunities to fill the data and evidence gaps. If Wales TUC or the Welsh Government were to establish an occasional forum for stakeholders to come together this would support the continuation of dialogue and progress towards filling in the data gaps.
- Continued engagement with the new Office for Social Partnership and Fair Work as it is formed could support the development of capacity to monitor the impact of the social partnership.
- A longer-term development would be to standardise sector codes for TUC members.

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