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3 **Title: The resilience of collective bargaining – a renewed logic for joint regulation?**
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6 **Abstract**
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8 **Purpose** –This paper has two objectives, firstly to reassert the persistent association of the decline in
9 collective bargaining with the increase in income inequality, the fall in the share of wages in national
10 income and deterioration in macroeconomic performance in the UK. Secondly the paper presents case
11 studies affirming concrete outcomes of organisational collective bargaining for workers, in terms of
12 pay, job quality, working hours and work-life balance.
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15 **Design/methodology/approach** – The paper is based upon two methodological approaches. Firstly,
16 econometric analyses using industry and firm-level data for advanced and emerging economies testing
17 the relationship between declining union density, collective bargaining coverage and the fall in the
18 share of wages in national income. Secondly it reports on 10 in-depth case studies of collective
19 bargaining each based upon analysis of collective bargaining agreements plus in-depth interviews with
20 the actors party to them: in total 16 trade union officers, 16 members and 11 employer
21 representatives.
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25 **Findings** – There is robust evidence of the effects of different measures of union bargaining power on
26 the labour share of national income. Collective bargaining coverage is a precondition for the
27 effectiveness of unions from the perspective of income distribution. The case studies appear to
28 address a legacy of deregulated industrial relations. A number demonstrate the reinvigoration of
29 collective bargaining at organisational and sectoral level, addressing the two-tier workforce and
30 contractual differentiation, alongside the consequences of government pay policies for equality.
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32 **Research limitations/implications** – The case studies represent a purposive sample and therefore
33 findings are not generalisable; researchers are encouraged to test the suggested propositions further.
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36 **Practical implications** – The paper proposes that tackling income inequality requires a restructuring
37 of the institutional framework in which bargaining takes place and a level playing field where the
38 bargaining power of labour is more in balance with that of capital. Collective bargaining addresses a
39 number of the issues raised by the Taylor Review of Modern Working Practices as essential for ‘good
40 work’ yet is at odds with the review’s assumptions and remedies. The case studies reiterate the
41 importance of strong workplace representation, and bargaining at workplace level, that advocates for
42 non-members and provides a basis for union recruitment, organisation and wider employee
43 engagement.
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46 **Originality/value** – The paper indicates that there may be limits to employer commitment to
47 deregulated employment relations. The emergence of new or reinvigorated collective agreements
48 may represent a concession by employers that a ‘free’, individualised, deinstitutionalised, precarious
49 approach to industrial relations, based on wage suppression and work intensification is not in their
50 interests in the long run.
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54 **Keywords:** unions; collective bargaining; wages
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1. Introduction

The dissipation of UK collective bargaining coverage has been accompanied by its decline as an object of contemporary (rather than historic) academic study, with the outcomes and processes of bargaining lost from recent industrial relations literature.

Yet the decline in the bargaining power of labour resultant from the fall in union density and collective bargaining coverage has been associated with rising income inequality, identified by Brown, Marginson and Walsh:

‘Changes in the structure and coverage of collective bargaining, and declining trade union influence in wage setting, have permitted a marked increase in wage inequality in Britain since 1980’ (2001).

Rising income inequality has recently become a matter of public and academic debate. It was highlighted as one of the reasons for the Great Recession, the rise in populism, a determinant of the outcome of the Brexit referendum and a general threat to democracy (Onaran and Guschanski, 2016).

The power of trade unions can shape income distribution in two different ways. Firstly, trade unions affect income distribution within the working class by reducing wage dispersion among workers and protecting the most vulnerable groups in the workplace, as illustrated in the case studies in this paper, as well as constraining excessive pay for management (Jaumotte and Buitron, 2015). Secondly, they can play an important role in the split of the national product between capital and labour. Both dimensions of inequality have also crucial macroeconomic consequences in terms of the level and stability of economic growth.

This paper has two objectives, firstly to reassert the persistent association of the decline in collective bargaining with the increase in income inequality, the fall in the share of wages in national income and deterioration in macroeconomic performance in the UK. Secondly the paper presents research on the concrete outcomes of organisational collective bargaining for workers, in terms of pay, job quality, working hours and work-life balance. Ten case studies of collective bargaining highlight positive impacts in workplaces with high trade union membership and active workplace representatives. Further they appear to address a legacy of deregulated industrial relations. A number of case studies demonstrate the reinvigoration of collective bargaining at organisational and sectoral level, addressing the two-tier workforce and contractual differentiation, alongside the consequences of government pay policies for equality. Whilst it is not possible to generalise, there are indications that there are limits to employer commitment to deregulated employment relations.

The wage share and collective bargaining

The paper draws upon two methodologies to explore the continued efficacy of collective bargaining to UK workers. Firstly, it looks at the statistical association between collective bargaining and wage inequality. The decline in labour’s wage share in GDP went along with weaker growth in output over the last three decades in the UK as well as elsewhere in Europe and North America (Onaran and Obst, 2016; Onaran and Galanis, 2014; Stockhammer and Onaran, 2004). Against the backdrop of this massive redistribution away from labour in favour of capital, households maintained their consumption by accumulating debt and rising household debt was the fuel for consumption and growth in the UK. This proved to be a fragile growth model that collapsed in the Great Recession; however, the recovery in the UK still relies on the same shaky foundations – household debt is as high as before the Great Recession, while the recovery in the UK is the weakest in the G7.

Neoliberal economic policies in the UK have labelled wages as costs to businesses. The mainstream common wisdom is that wage moderation, i.e. wages increasing at a slower pace than productivity, which in turn implies a rise in the share of profits in national income (and a fall in the wage share), will

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3 stimulate growth. This relies on the assumption that increased profits will boost private investment
4 by firms and make exports more competitive thanks to lower labour costs. This thinking guides policies
5 that in turn advocate low minimum wages, weaker trade unions, lax employment protection, and
6 zero-hour contracts in the name of labour market flexibility. From the perspective of this common
7 wisdom the simultaneous fall in the wage share and growth rates in the UK, and most other major
8 economies, is a puzzle.
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11 The answer to this puzzle lies in the Post-Keynesian analysis that emphasises the dual role of wages:
12 wages are not merely an economic cost detracted from company profits, but the source of demand in
13 the economy. The Post-Keynesian theoretical models have been formally developed by Rowthorn
14 (1981), Dutt (1984), Taylor (1985), Blecker (1989), Bhaduri and Marglin (1990). These models
15 synthesize ideas of Keynes, Kalecki, and Marx, and while they accept the direct positive effects of
16 higher profits on private investment and net exports as emphasized in mainstream models, they
17 contrast these positive effects with the negative effects on consumption. A fall in the wage share
18 implies a redistribution of income from middle and low-income households to high-income
19 households; the latter spend a smaller share of their income than people at the bottom. Therefore, a
20 fall in the wage share will decrease household consumption spending, and thereby adversely affect
21 also the sales of firms and partially discourage their investment. Hence, wages play a dual role in the
22 economy: falling wages lead to both a fall in the cost to employers and a fall in sales. Whether the
23 negative effect of a lower wage share on consumption; or the sum of positive effects on investment
24 and higher international competitiveness is larger is an empirical question. The outcome depends on
25 the difference in the propensity to consume out of wage and profit income, the sensitivity of
26 investment to sales vs. profitability, the impact of labour costs on prices, labour intensity of
27 production, sensitivity of exports and imports to domestic prices relative to foreign prices, and the
28 importance of foreign markets relative to the size of the economy.
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32 Recent Post-Keynesian empirical research indicates that in the UK the negative effects of a decrease
33 in the wage share outweigh any positive consequences on investment or exports; the UK grows faster
34 when the wage share increases, not when it falls – in the Post-Keynesian terminology the demand
35 regime in the UK is ‘wage-led’ rather than ‘profit-led’ (Bowles and Boyer, 1995; Stockhammer and
36 Onaran, 2004; Naastepad and Storm, 2007; Hein and Vogel, 2008; Onaran and Obst, 2016; Onaran
37 and Galanis, 2014; Obst, Onaran, Nikolaidi, 2017). Private investment increases as well since
38 expectations of future sales, rather than immediate profits boosts investment and higher wages
39 stimulate productivity.
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42 The effects are significantly larger if we analyse the negative consequences of the global race to the
43 bottom in the wage share. The positive impacts of a declining wage share that in theory could arise
44 from increasing export competitiveness disappear if all countries make the same cuts in unit labour
45 costs together in a ‘beggar thy neighbour’ fashion. This has characterised the last four decades in
46 Europe, the US as well as the emerging economies – the domestic repression of demand has
47 dominated the outcome in each country including the UK. We have strong empirical evidence to
48 conclude that the UK and the EU as a whole would therefore vastly benefit from a simultaneous
49 increase in the wage share (Onaran and Galanis, 2014; Onaran and Obst, 2016; Obst, Onaran,
50 Nikolaidi, 2017).
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53 Yet, the wage share is subject to the strength of labour’s bargaining power, including collective
54 bargaining coverage. There is no need to rehearse here the reasons for the decline of such coverage
55 in the UK (for a history see Marginson, 2012). While a debate has ensued over the comparative role
56 of ‘markets, actors and institutions’ in the dissipation of collective bargaining (Kelly, 2012; Marginson,
57 2012) there has been no similar discussion of whether and how these factors might account for its
58 resilience for the 26% of employees whose pay, at least, is still determined by collective bargaining
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(that is beyond the key variable of sector: 15% in the private and 57% in the public sector). One apparent trend is the shift from union's capacity to exploit economic rent in monopolistic product markets, to a more limited ability to protect or enhance productivity through co-operative relationships with management focussed upon integrative (rather than distributive) agendas on employment and hours (Marginson, 2012). Where collective bargaining has survived it has been marked by decentralisation and contraction in its scope and coverage, reflected in the limitations of new collective bargaining agreements concluded in the shadow of New Labour's statutory recognition procedure to pay, hours and holidays only (Moore and McKay, 2013). Yet, Bryson and Forth's (2017) research provided new analyses of the Workplace Employment Relations Surveys (WERS) 2004 and 2011, found residual union effects for hourly pay, on-the-job training, occupational pension schemes, paid leave and sick pay and a range of work-life balance practices, including long hours working. The research also demonstrated an association between unionisation and lower quit rates. Their evidence of a sustained trade union wage premia is of particular interest in the context of austerity and wage stagnation.

A return to the fundamentals of collective bargaining emphasises the key tension of 'the merits of employment relations governed by individual contracts compared to collective agreements' (Aidt and Tzannatos, 2008). Collective bargaining has historically reduced transaction costs through the standardisation of terms and conditions of employment, regulated internal labour markets and provided certainty and stability (Zagelmeyer, 2005). A number of the case studies highlighted in this paper suggest there may be limits to employer and state adherence to the sustained deregulation of employment relations' characteristic of the post-Thatcher period. Arguments based upon the financialisation or short-termism of the UK economy indicate that such commitment is resistant to a concept of the long-term management of capitalist economies (Umney, Greer, Onaran and Symon, 2018) and does not stabilise capital accumulation in the long run. This may particularly be the case where flexible labour markets mean fragmented bargaining, contractual differentiation and the loss of skill and experience (Crouch, 2015), along with unintended consequences in terms of internal equity. While there has been an assumption that a flexible workforce promotes productivity and competitiveness (Blanchflower, 2015), Blanchflower, Costa and Machin propose that the under-employment represented by zero hours contracts, agency work and so-called 'self-employment, constitutes labour market slack depressing wages and productivity (Blanchflower, Costa and Machin, 2017). Their argument represents a fundamental challenge to the Taylor Review of Modern Working Conditions' celebration of UK labour market flexibility (Taylor et al, 2017).

Reversing inequality underpins the macroeconomic case for collective bargaining and trade unions. The next section outlines the research methods used in this paper. Section three presents evidence for the continued association of collective bargaining with pay equity. Moving to the micro or workplace level, section four then explores ten cases studies where collective bargaining has had a positive impact on workers on a range of working conditions. Finally, section six discusses the possible future of collective bargaining under a progressive Government in the light of the quantitative and qualitative evidence.

2. Research Methods

In addressing both the macro and micro-levels, the paper is based upon two separate pieces of research resting on methodologies. Firstly, the decline in the wage share is investigated through a series of econometric analyses using industry and firm-level data for advanced and emerging economies. These test the relationship between declining union density, collective bargaining coverage and the fall in the share of wages in national income. Analyses for advanced and emerging economies are taken into account and data is mainly based on the EU KLEMS database (Jäger, 2016) and the World Input-Output Database (Timmer, Dietzenbacher, Stehrer and de Vries 2015). The main

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3 estimation method is the General Method of Moments estimator as it allows taking the endogeneity
4 of the explanatory variables into account. Secondly, the paper draws upon qualitative research based
5 on multiple in-depth case studies of collective bargaining commissioned by the TUC (Table 1). The
6 analysis is in the tradition of primary data collection at workplace level reflecting the roles of key actors
7 and processes (Brown and Wright, 1994; Marginson, 2012). The sample is necessarily purposive –
8 officers across TUC-affiliated unions helped to identify cases where collective bargaining had produced
9 substantive outcomes for workers. Hence the case studies presented here are not representative of
10 UK workplace industrial relations, but by definition are exemplars where unions are recognised at
11 national, organisational or workplace level and where mechanisms for collective bargaining are in
12 place – concomitantly union density and membership is relatively high and representation is
13 embedded at the level of the workplace. The sample includes a range of unions in terms of size, sector
14 and constituency, representing both large national bargaining groups and smaller workplace-based
15 bargaining units. Case studies comprised documentary analysis of trade union claims, employer
16 responses and final agreements along with in-depth interviews with 16 trade union officers, 16
17 members and 11 employer representatives. Interviews took place between October 2017 and January
18 2018 and are based upon informed consent. In-depth interviews captured the motivations of both
19 parties in negotiations, the context and process of bargaining, but importantly actors' perceptions of
20 the key outcomes, including those of workers themselves. Systematic theoretical semantic and latent
21 analysis of themes (Braun and Clarke, 2006) from documentation and narratives produced ten
22 separate case study accounts organised into common formats, which drew out similarity and
23 variation.
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29 [Insert Table 1 here]
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33 **3. Why is the wage share falling in the UK? The role of unions and collective bargaining** 34 **coverage** 35

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37 The share of wages in national income has been declining in most countries since the 1980s. In the UK
38 the wage share fell from 70.6 percent of national income in 1975 to 66.6 percent in 2018 as can be
39 seen in Figure 1.
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41 [Insert Figure 1 here]
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46 During the same time period the UK experienced the strongest decline in collective bargaining
47 coverage (47%-points) and the fourth strongest fall in union density (21.1%-points; see Figure 2)
48 among all EU15 members (old member states of the EU excluding the new members, which are
49 predominantly transition economies).¹ Our research analyses whether these two phenomena are
50 related.
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54 [Insert Figure 2 here]
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58 ¹ The EU15 is taken as a reference point as it excludes Eastern European states and former Soviet republics.
59 The EU15 comprised the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece,
60 Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.

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3 The decline in the wage share was accompanied by stagnating incomes at the bottom and soaring
4 incomes at the top of the distribution (Atkinson, et al., 2017). This link is not coincidental: most people
5 depend on wage income, while income from dividends or owning a business (i.e. capital income)
6 mostly accrues to the top earners.
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9 The causes for the falling wage share have increasingly become the focus of economic research with
10 the aim to pin down the relative importance of technological change, globalisation and changes in
11 labour market institutions (Karabarbounis and Neiman, 2014; Kristal, 2010; Stockhammer, 2017). This
12 paper builds upon the contribution of Guschanski and Onaran (2017a, 2017b, 2018a, 2018b) who were
13 the first to use a detailed dataset that takes differences across industries, high- and low-skilled
14 workers, and different bargaining regimes into account.
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17 The findings reveal that changes in the bargaining power of labour are the main reason for the decline
18 in the wage share. Guschanski and Onaran (2017a, 2017b) find that a fall in union density leads to a
19 lower wage share in advanced, as well as emerging economies.² In particular, unions increase the
20 wage share of low-skilled workers and thereby also contribute to a reduction in wage inequality
21 (Guschanski and Onaran, 2017a). However, the crux lies in the detail: the effectiveness of unions is
22 higher when bargaining coverage is high and when bargaining is coordinated at the industry or
23 national level, rather than at the firm-level as in the UK (Guschanski and Onaran, 2017a, 2018b).
24 Indeed, in the UK (and other countries with low bargaining coverage) collective bargaining coverage
25 has a stronger impact on the wage share than union density (Guschanski and Onaran, 2018b)³.
26 Therefore, a high level of bargaining coverage and a certain degree of coordination are important
27 preconditions for the effectiveness of trade unions from the perspective of income distribution. There
28 are two potential reasons for that: firstly, collective bargaining coverage allows gains from successful
29 wage negotiations to be automatically shared by the wider workforce (Visser, 2006). Secondly, unions
30 are likely to be more successful if they coordinate across firms and industries (as, for example, in
31 Germany or Sweden) because they can more effectively act as an interest group (McHugh, 2002).
32 Coordination across firms and industries also helps trade unions improve working conditions beyond
33 wage bargaining for example by shaping the legal environment for labour disputes (Onaran, et al.
34 2015).
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39 However, union power is not the only important determinant of the bargaining power of labour and
40 income distribution. Guschanski and Onaran (2017a) find that government social policies are another
41 effective way to increase the wage share, particularly in countries with a low level of bargaining
42 coverage like the UK. Statutory minimum wages contribute to an increase in the wage share by
43 strengthening workers bargaining power. Additionally, Guschanski and Onaran (2017a) show that an
44 increase in the proportion of female employees contributes to a lower wage share at the industry
45 level. This is likely to be the result of lower average wages due to the persistence of gender wage gaps,
46 which may reflect the lower collective voice of women (Seguino and Braunstein, 2017). While migrants
47 are often blamed for stagnating wages of indigenous workers, Guschanski and Onaran (2017a) and
48 Onaran and Guschanski (2016) show that migration does not have a negative impact on the wage
49 share in the UK as well as for a sample of 14 high-income OECD countries.⁴ However, there is strong
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52 ² Guschanski and Onaran (2017a) focus on 14 OECD countries: Australia, Austria, Belgium, France, Finland,
53 Germany, Ireland, Italy, Japan, the Netherlands, Spain, Sweden, the UK and the US. Guschanski and Onaran
54 (2017b) conducts a separate analysis for seven emerging economies: Brazil, China, India, Indonesia, Mexico,
55 South Korea, Turkey. The sample choice is due to data availability at a detailed industry level.

56 ³ Guschanski and Onaran (2018b) conducts country-specific analyses for six OECD countries: France, Germany,
57 Italy, Spain, the United Kingdom, and the United States.

58 ⁴ For the UK, Onaran and Guschanski (2016) also analyse in detail the impact of migration on the wage share in
59 service sectors predominantly hiring low-skilled labour, which also employ a large share of migrants. The
60 results remain robust: there is no negative effect of migration on real wages or the wage share.

evidence that offshoring, in particular to low-wage emerging and developing economies, has decreased the bargaining power of labour and contributed to a decline in the wage share (Guschanski and Onaran, 2017a). In contrast, measures accounting for technological change like capital intensity and total factor productivity do not explain the decline in the wage share in recent years according to these findings.

Summing up, there is robust evidence of the effects of different measures of bargaining power on the labour share including union density, welfare state retrenchment, minimum wages, and the female employment share. There is also a significant negative effect of globalisation on the wage share; the increased fall-back options of capital in the form of offshoring to low-wage countries, rather than migration, is the most important driver of this process.

4. Case studies of collective bargaining

The statistical evidence of the association between labour's wage share and collective bargaining coverage provides a sobering context for the case studies of contemporary collective bargaining. The cases reflect the legacy of liberalising policies on collective bargaining and the instability that such policies can have (Umney et al., 2018). Yet, a number provide evidence of green shoots of re-regulation within dysfunctional and uncertain markets (the result of Brexit) renewing collective agreements. Others respond to skills shortages and address low pay and gender pay gaps alongside contractual fragmentation.

Addressing the legacy of fragmentation and contractual differentiation

Four of the case studies saw the establishment or reinvigoration of collective bargaining relationships, possibly addressing the legacy of periods of deregulated industrial relations and reflecting a renewed logic for joint regulation. Firstly, in independent TV drama the collective agreement between the Broadcasting, Entertainment, Communications and Theatre Union (BECTU) and the Producers Alliance for Cinema and Television (PACT) was the first since 2006 and addressed a long-term erosion of terms and conditions and in particular long working hours. In part the agreement reflects the shift in the past 20 years away from production by the 'monolithic producers', the BBC and ITV, who had exemplar collective bargaining agreements, and the emergence of multi-channel independent production. This created a climate and logic for joint regulation covering freelance ('self-employed') workers in independent television drama. The agreement ensures all workers will be issued with a contract and full statement of pay rates, hours, planned locations and other conditions at the start of their engagement. Workers reported that this meant there was a clear understanding of the terms on which they work and the provision of basic facilities that meant they did not have to negotiate individually with producers. A BECTU member believed that the Agreement would remove the friction from individual negotiations between freelancer and producer, resulting in better working relationships, while an employer representative perceived benefits from having a collective agreement that would provide clarity and increased understanding of terms and conditions:

'The background as I understand it was years and years of there not being any clear written terms governing working terms and conditions which basically created a lot of confusion and uncertainty for both producers and crew. They often would be negotiating without the firm basis of knowing what was the appropriate or the correct thing to do in any given situation. So I think that was the background, there simply wasn't a clear set of rules. There were some common practices. There were some practices that had evolved over time which for whatever reason perhaps were out of date or perhaps just didn't work as well as they should from both parties' perspectives.'

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3 A second case study of Warburton's was the first national agreement for 30 years, superseding local
4 deals and taking nearly three years to negotiate with the baker's union, the Bakers and Allied Food
5 Workers Union (BFAWU). Thirdly, the National Union of Teachers (NUT) - now National Education
6 Union (NEU), agreement with the Delta Academy Trust standardised the terms and conditions of
7 teachers transferred from a range of local authorities, again bringing consistency across the
8 organisation as one of the reps reported:
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10 'We won't sign up to a policy that worsens the terms and conditions for any of the members.
11 We argued with Delta that Leeds has quite a lot of members, we're not doing those down,
12 they should make the appraisal policies of Lincolnshire and Hull better and they should up it
13 to the level of Leeds. For us that agreement at Leeds was better than a lot of local authority
14 ones because it limited it to three visits, three per year, so usually one per term, and not to
15 exceed three hours.'

16 Fourthly, general union, the GMB's agreement with Cardiff Airport marked the decision by the airport
17 to bring security workers in-house following the return of the airport to public ownership via an arms-
18 length company. Public services union, UNISON's, relationship with Veolia in Southwark was more
19 established; workers at the Integrated Waste Management Facility in the borough were transferred
20 from local authority employment in 2008 with UNISON retaining recognition.
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23 Three agreements involved unions addressing a two-tier workforce, where as the result of contracting
24 out or the recruitment of employees on new contracts, employees working alongside each other were
25 on different terms and conditions. At Cardiff Airport successive tendering of security services had
26 resulted in a range of 'legacy contracts' with security workers in receipt of double time for bank
27 holidays working alongside those on single time. When the workers were taken in-house the Airport's
28 agreement with general union, the GMB, ensured the equalisation of bank holiday pay on double time.
29 While the union agreement did not necessarily satisfy member aspirations (highlighting the
30 importance of expectations in moderating the impact of collective bargaining) there was appreciation
31 of improved overtime and bank holiday payments and the protection of holiday entitlement and pay.
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34 At Openreach the Communication Workers Union's (CWU) Engineering Career Pathway tackled the
35 two-tier workforce by allowing for an increase in pay for engineers recruited after 2014. The
36 opportunity to improve skill-sets and to move to 'Advanced Engineer' roles virtually closed the gap
37 between their pay levels and that of engineers recruited prior to 2014, once non-pensionable bonus
38 payments were taken into consideration. For the branch secretary:
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40 'This is where it all sort of started; these guys were £5,000 or £6,000 worse off than guys sitting
41 next to them doing exactly the same job. And that's why we felt these should be recognised
42 for the skills that they had. The guys who were on the lower salaries is where it's going to
43 have a bigger impact'.
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45 In the Delta Academies Trust the NUT (NEU) secured a recognition agreement that led to a number of
46 policies extending across its 43 Academy schools and following the transfer of staff aimed to equalise
47 terms and conditions across schools that previously came under different local authorities. These
48 cases suggest standardisation following the fragmentation of bargaining.
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50 The case studies challenge the view that collective bargaining may represent the interests of core
51 workers at the expense of 'precarious' workers on the periphery (in line with Crouch, 2015). Three
52 involved workers on non-standard contracts. BECTU's agreement with PACT ensures that all self-
53 employed crew members are engaged for clearly agreed hours and transparent rates of pay; it ends
54 unlimited unpaid overtime and establishes better overtime rates codifying paid holiday entitlement,
55 travel time, working hours, meal breaks and rest breaks. At Warburton's the employer rejected the
56 use of zero-hours contracts (ZHCs), which are used in the wider food sector, while the new agreement
57 reduced reliance on agency workers. At Cardiff Airport the transfer of security workers to direct
58 employment meant the removal of ZHCs, which were perceived as 'morally wrong' by the employer.
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3 The introduction of fixed hours contracts has provided more control and predictability over working
4 hours, engendering increased 'confidence and security' amongst workers with an improvement in
5 work-life balance since workers can plan their shifts in advance. A 'huge' range of shifts have been
6 replaced by a three-shift system with two ten hour and one 12-hour night shift. Interestingly since
7 under ZHCs workers were not required to accept work, following abolition of ZHCs they still felt that
8 they could take a day off work unpaid at the last minute – this has necessitated the negotiation of
9 attendance and absence policies. UNISON's agreement with Veolia in Southwark resulted in agency
10 workers on the night shift being converted to permanent staff, with the union representing their views
11 when management wanted to change shift patterns. The agreements demonstrate the capacity of
12 collective bargaining to regulate flexible working and to mitigate against unpredictable work schedules
13 and the 'on-demand' working characteristic of such contracts (Moore et al., 2017).
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16 *Working Time*

17 A number of the cases studies involve negotiated agreements over working time, including shift
18 patterns, the notion of 'unsocial' hours and compensation for them. They reflect the precarious
19 dynamic between basic pay, overtime pay and premia that can underpin worker's ability to earn a
20 living wage. In some cases unions conceded flexibility in working time in return for security of income.
21 Multi-sector union, Unite's, agreement with Bentley is seen as ground breaking; the union negotiated
22 the first 35 hour working week in the automotive industry with a reduction in weekly hours from 37
23 with no loss of pay. Workers can be flexed up to 40 hours for up to 18 weeks per year, but with six
24 weeks' notice and the extra five hours paid at a 33% premium. This and other case studies show that
25 collective bargaining sustains the notion of unsocial hours and compensation for them as well as
26 insistence on overtime being rewarded at higher rates.
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30 UNISON's negotiations with Veolia at the recycling plant in Southwark involved proposed changes to
31 shift patterns that would have undermined the already precarious work-life balance of its workers in
32 the Materials Recovery Facility. This case study demonstrates the constrained choices of employees,
33 who here preferred to work fixed 12-hour night shifts rather than move to rotating three shift patterns
34 involving morning and afternoon working. They wanted the predictability of non-rotating nights,
35 which fitted in with childcare arrangements, being able to take children to school, but also second
36 jobs. Similarly, there was no appetite for those on day shifts to rotate to working nights once in three
37 weeks. Workers were reliant upon overtime to ensure a living wage; they workers believed that the
38 proposed consolidation of 17 Saturdays a year into their working schedules, would bring an end to
39 overtime and leave them out of pocket. Workers preferred Saturday working to be on a voluntary
40 basis and to attract overtime pay. Agreement was reached to retain shift patterns with a reduction in
41 the working day and week from 40 hours to 37.5. All workers are paid at 40 hours entailing an increase
42 in pay; 34 weeks in the year they work 37 ½ hours and 17 weeks of the year they work 45 hours with
43 18 Saturdays paid at time and a half, for which they are given 12 months' notice. In addition, the
44 morning shift now starts at 7am instead of 6am and the afternoon shift finishes at 11pm rather than
45 midnight, making it easier for staff to travel from and to home on public transport. Here collective
46 bargaining put the onus on the employer to adapt to the, albeit constrained, preferences of their
47 workforce – distinct from the notion of 'preference' in the Taylor Review predicated on workers'
48 adaptation to flexible jobs in the labour market. The Employment Relations manager perceived the
49 importance of the union in providing representation:
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52 'I think that's always helpful because it kind of provides a bit of glue to bond the employee
53 side together because otherwise without that you're effectively dealing with a bunch of
54 individuals aren't you? And you don't quite have the ability for the union to gauge the climate
55 of a group of employees and have a collective position. My experience is without that it can
56 be more difficult'.
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3 As indicated, BECTU's agreement with PACT was concluded in the context of the union's campaign
4 against long hours and unpaid overtime and its impact on work-life balance. There are now limitations
5 on the 11-day fortnight that was becoming a feature of work in the sector and on sixth and seventh
6 day working. The agreement ends the 'buy-out' of working time whereby workers were paid on a daily
7 rate however long the day was and ended up working excessive hours. The requirement to pay
8 overtime premia for work beyond contractual hours or during unsocial hours or rest periods creates
9 a disincentive for employers to request extra hours working and under the agreement overtime should
10 be scheduled in advance. Workers should now get paid for every hour they work. In the Delta
11 Academies Trust the NUT (NEU) negotiated to ensure that part-time teachers could not be required
12 to undertake two hours of directed time on a weekly basis regardless of hours worked. Subsequently
13 training and Continuous Professional Development (CPD) has to be proportionate to contracted hours
14 or paid as additional time.
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18 Recent research on 'precarious' work highlights the unpredictability of hours, the limited relationship
19 between actual hours and contractual arrangements and the difficulties this causes workers (Moore
20 et al., 2017). Where workers are on non-standard contracts the identification of overtime or unsocial
21 hours can be obscured confirming the Taylor Review's assertion of a 'culture of unpaid overtime' and
22 the move away from any acknowledgement of unsocial hours through premia (2017:14). In a number
23 of the case studies presented here unions have ensured that hours beyond the standard working day
24 are scheduled and planned in advance and adequately compensated.
25

26 *Pay*

27
28 In the context of wider wage stagnation collective bargaining at Bentley secured an above average pay
29 rise. Unite negotiated a three-year deal with a 6.5% pay increase backdated to 1 January 2017; taking
30 into account consolidated payments and potential bonuses the deal was worth more than 10% over
31 three years taking the skilled rate to above £30,000 per year. The three-year deal covers a period of
32 uncertainty for the car industry as a result of Brexit and provides security for workers as indicated by
33 a regional union officer:

34 'It allows the organisation to plan ahead, particularly in relation to new model development
35 and gives members a great deal of security in what is a very uncertain time for car makers. By
36 agreeing a multi-year pay deal all sides now know exactly where they stand as we continue
37 with the countdown to Brexit. Without this multi-year pay deal there would inevitably have
38 been an increasing amount of uncertainty, which is what all parties wanted to avoid'.
39

40 The GMB at Cardiff Airport also cited Brexit as a driver for a two-year deal offering 4% in total.
41

42
43 The case studies revealed some commitment to addressing low pay. At Warburton's the negotiations
44 reflected a shared ambition by the BFAWU and employer to improve pay in the food sector. The
45 introduction of the Living Wage Foundation's voluntary Living Wage was central to negotiations at
46 Cardiff Airport to be introduced for all staff from April 2020, regardless of age. For the employer this
47 was a 'moral and ethical argument'. Workers in Veolia's recycling sector had been awarded the Living
48 Wage in 2013 when Southwark Council insisted it apply to outsourced workers.
49

50
51 Legal cases taken by professional workers union, Prospect, have exposed the impact of the
52 Government's pay freeze on the gender pay gap in Government agencies, trapping women on lower
53 entry grades. This was the case at the Met Office where the freeze had undermined a pay matrix
54 introduced in 2008 to tackle equal pay and a subsequent equal pay audit evidenced a continued
55 gender pay gap. In response Prospect launched a legal case for equal pay involving 77 women, with
56 male colleagues stepping in as potential pay comparators. Members at the Met Office took strike
57 action for the first time with the aim of securing freedom for the Met Office from Government
58 restrictions in order to manage and mend its own pay system. The submission of equal pay cases to
59 an Employment Tribunals generated negotiations that resulted in a new pay and grading system based
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3 upon job evaluation and delivering a significant pay increase. As a rep comments, this had implications
4 for union organisation:

5 'I think it has been really, really effective. In my whole career, I've never known that
6 percentage of people be recruited. I think the whole debate in the union movement – why do
7 people join, what are people getting, the whole organising vs servicing debate – I think people
8 saw the benefits of collective bargaining, and that's the first time in a long time that, as a
9 union officer, I've been able to so clearly demonstrate the benefits of collective bargaining.
10 It's been difficult because of the government sector pay constraint and all of that. So it was
11 great, really, really good.'

12
13
14 The case studies suggest a push back by unions on performance related pay systems, particularly those
15 based upon forced distributions, that is where a fixed proportion of the workforce are deemed
16 unsatisfactory with implications for their job security. In particular, the Public and Commercial Services
17 union (PCS) at the Ministry of Defence not only took up individual grievances as a result of
18 Performance Management (PM), but also challenged management in terms of equality outcomes,
19 perceived unfairness and the costs of the scheme. The union exposed the disproportionate outcomes
20 of PM for BAME, disabled and older and younger workers and negotiated a system that aimed to
21 remove implicit discrimination. This new scheme abandons the worst excesses of the previous system,
22 but also appears to have heralded a wider move away from forced distribution across the civil service.
23 For employees at the MoD the removal of the initial PM scheme meant a substantial improvement in
24 their working lives that was attributed to the union:

25
26 'Definitely my first point of contact is always the union, they're all over it like a rash, they're
27 good at communicating with you. They were there for anything at all. They made themselves
28 available for it. I have to say it's the most that I've ever heard the union being praised, you
29 usually hear the union being slagged off and "oh they didn't do this for me, they didn't do
30 that". But it's the most I've ever heard them being praised. It really did a lot for them'.

31
32
33 In the Delta Academies Trust the NUT has standardised the teacher appraisal process that informs pay
34 across academy schools in the Trust, based on best practice that limits the number of lesson
35 observations per year. The union has also stopped informal observations ('learning walks') being used
36 as part of the appraisal process, shifting appraisal to a more supportive and developmental activity
37 driven by Continuous Professional Development. At Openreach an individual Performance
38 Management system has been replaced by team-based performance. At Bentley following negotiation
39 bonuses are now based upon quality rather than performance (production and profit), which union
40 reps felt was more under worker's control, as with other cases bringing pay back into the remit of
41 collective bargaining

42 43 44 *Learning and Skills, Career Progression and Job Design*

45 Two of the case studies show the potential of collective bargaining for the development of worker's
46 skills and thus job quality. The Fire Brigades Union's (FBU) Personal Fitness apprenticeship allows fire-
47 fighters to gain a fully funded qualification providing Accredited Personal Trainers in workplaces
48 throughout the Fire and Rescue Service. With changes to the normal pension age demanding the
49 extended fitness of fire-fighters the apprenticeship improves their capacity to do their job and once
50 accredited allows them to support other workers in meeting the demands of the Fire and Rescue
51 Service. This is a unique example of a union providing an apprenticeship and for the union it is part of
52 its wider role in promoting and professionalizing the role of fire-fighters. The apprenticeship has had
53 wider benefits on fire fighters' physical and mental health and wellbeing and without exception
54 apprentices felt that they had been offered a real opportunity by the union. For the national union
55 officer the outcome was a positive within the context of what had been a conflictual relationship with
56 the employer:
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3 'It's a great way of the National Joint Committee (NJC) working and working together for
4 everybody's benefit. It's a win- win for everybody really. It was a great joint venture actually
5 and it's a good example of the NJC working well'.
6
7

8 The CWU's agreement with Openreach provided a progression route for engineers that want to stay
9 in the field, rather than go into a desk-based role or management. This clearer pathway provides over
10 1500 new national senior engineer roles, recognising existing skills but involving career development.
11 Successful candidates will have a high technical understanding, but it is a 'hands-on role working daily
12 in the field on allocated jobs. Within the team the senior engineer is recognised by peers and line
13 manager as the 'go to' person for technical and analytical expertise' and proactively helps and
14 supports colleagues. Multi-skilling and the opportunity for field engineers to move from one business
15 unit to another improve job variety. A key aspect is the more transparent opportunities for
16 progression. As in a number of the case studies managers expressed a positive commitment to joint
17 regulation:
18

19 'I think the importance of the union involved was because we are seen to be working
20 collaboratively together. We will get involved with the union on various different things and
21 this is certainly one of the biggest things we've seen in the business that we've changed
22 recently. And it's really worked well with having the union working with us on that and
23 challenging our ideas. It's always good to have somebody who challenges your ideas and
24 makes sure that we put the right things in place'.
25
26

27 At Warburton's the agreement aimed to address career progression and to move towards the wider
28 utilisation of skills, with investment in training. Two job roles have been created, one fully multi-skilled
29 and one that is skilled but with less expectations, but all team members work on multiple tasks and
30 areas within the bakery with the opportunity to learn new skills. For managers job enrichment was
31 linked to employer engagement:
32

33 'If everyone can do three different job roles that would go a long way to providing us the
34 business agility we require. But it does more than simply enhancing people's pay. It should
35 also lead to our people having a better, I would say, more pleasurable and varied work
36 experience. We seek to build an ever engaged work environment with engaged people. A key
37 part of our future engagement plans will be job enrichment and the agreement is central to
38 these plans'.
39

40 The case studies confirmed that workplace reps are crucial to collective bargaining. They respond to
41 worker grievances, support members and shape bargaining agendas, but also engage members in the
42 process, including consultation over the outcomes of negotiations. Two collective bargaining
43 agreements embedded the role of reps in the workplace. Unions ensured that negotiations had wider
44 impacts on non-members, representing their interests in the collective bargaining process. The
45 collective bargaining process and outcomes promoted union recruitment as well as the profile of the
46 union in the workplace. Employer representatives highlighted the role of collective bargaining in
47 promoting employee engagement at the workplace. This was particularly evident where workplace
48 reps were involved in rigorous consultation processes and workplace ballots with high turn-outs and
49 in most cases large majorities for acceptance of agreements. Employers also appreciated the role of
50 unions in representing collective, rather than individual, workforce interests, challenging the
51 management agenda, providing feedback and bringing ideas to the table.
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53

54 The case studies cover a range of unions and workers in both the public and private sector and reflect
55 the dynamics of collective bargaining while capturing the perspectives of all actors – employer and
56 trade union representatives engaged in negotiations and members themselves. They highlight worker
57 engagement in the conditions governing their work through the collective bargaining process. At the
58 same time the case studies are located within different sectoral and market contexts and these
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3 contexts define the scope that unions have for manoeuvre in terms of supply chain pressures in the
4 private sector and pay restraint and privatisation in the public sector. However, four case studies saw
5 the establishment of a new collective bargaining relationship, three involved workers on 'non-
6 standard' contracts and three addressed a two-tier workforce. Union strategies embrace wide
7 bargaining agendas, particularly in terms of skills, working time, Performance Management processes
8 and equal pay. The Taylor Review of Modern Working Practices, along with more recent research on
9 insecure work and non-standard contracts, points to an environment in which working time and the
10 concept of 'unsocial hours' have been destabilized. A number of the case studies reflect these
11 pressures, but suggest how collective bargaining can establish protections for workers that are based
12 on their own (albeit constrained) preferences and work-life balance. Importantly in terms of the
13 context of the wage share the case studies protected vulnerable workers and addressed low pay and
14 wage inequality
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17 18 19 **5. Conclusions**

20
21 This paper has reasserted collective bargaining as an object of academic enquiry in the context of a
22 fatalistic view of the trajectory of organised labour. While in no way representative, the emergence of
23 – an admittedly limited number of - new and enhanced collective agreements could represent a
24 concession by a group of employers that a 'free', individualised, deinstitutionalised, precarious
25 approach to industrial relations, based on wage suppression and work intensification driven by
26 Performance Management may not be in their interests in the long run. The transaction costs of
27 engaging with a disorganised labour market have led to unproductive working arrangements.
28 Deregulation and disorganisation remove the necessary imperative of the institutionalisation of
29 conflict. Further they have not resolved the UK's so-called 'productivity puzzle.' The case studies are
30 at odds with The Taylor Review's assertion of flexible working as a model for the UK labour market
31 that apparently reflects the preferences of particular groups of workers protected, if at all, by
32 individual rights. The cases show that collective bargaining can effectively represent those on non-
33 standard contracts, but also address contractual differentiation – in some instances moving back to
34 standardisation. They also ensure that working time is organised around the preferences of workers
35 themselves providing predictable and secure work, as well as recognising that unsocial hours should
36 be compensated to acknowledge work-life balance. Here flexibility is more about work-life balance
37 than solely in the interests of the employer. Further these agreements place some obligations on
38 employers to organise work in the interests of workers, rather than removing the onus on employers
39 as exemplified in the Taylor Review, where despite the illusion of preference it is up to workers to fit
40 in with organisational demands. While for the Taylor Review collective bargaining is marginal as a
41 vehicle for ensuring 'good work', the case studies provide examples of the mutual development of
42 jobs with training and career progression that the review sees as integral.
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47 If we are witnessing a qualified localised reversal in fortunes in trade unions, a wage dividend for
48 workers should follow and if these practices spread across the economy, as per the post-Keynesian
49 arguments explained above, demand for consumption and investment should follow, as well as more
50 cohesive and productive working arrangements. However, these developments should not merely be
51 seen as some sort of 'self-corrective' on the part of capitalism; the skill and level of effort of union
52 activists and organisers on the ground has been a vital aspect of the success of these developments.
53

54
55 The statistical data summarised in this paper suggest that rising income inequality is not an inevitable
56 outcome of technological change or globalisation. Tackling income inequality requires a restructuring
57 of the institutional framework in which bargaining takes place and a level playing field where the
58 bargaining power of labour is more in balance with that of capital. The impact of globalisation is likely
59 to be significantly moderated and/or offset by the stronger bargaining power of labour via an
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3 improvement in union legislation, increasing minimum wages, improving and enforcing equal pay
4 legislation, enhancing the social wage via public goods and social security and international labour
5 standards embedded in a broader strategy of global cooperation for high road labour market policies
6 and macroeconomic policy coordination.
7

8
9 The restoration of sectoral collective bargaining is a key component of the Labour Party's agenda for
10 government. This should open up a debate about the extent to which historically collective bargaining
11 reproduced vested interests and labour market inequalities (Ackers, 2016). Further, while statistical
12 investigation proposes that unions are more effective when bargaining coverage is coordinated and
13 expansive at the industry or national level, the case studies suggest that where there are strong
14 workplace reps workplace bargaining can embed the union at organisational level, advocating for non-
15 members and providing a basis for recruitment, organisation and wider employee engagement.
16

17
18 Finally, there is a macroeconomic case to be made about the role of collective bargaining. Stronger
19 unions with a high coverage of collective bargaining are not only good for fairness but they help to
20 rebalance our economy away from debt-led growth to a stable and healthy economic growth model,
21 based on high road labour market policies, increasing equality and wage share and high productivity.
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3 **Appendix: Table and Figures**
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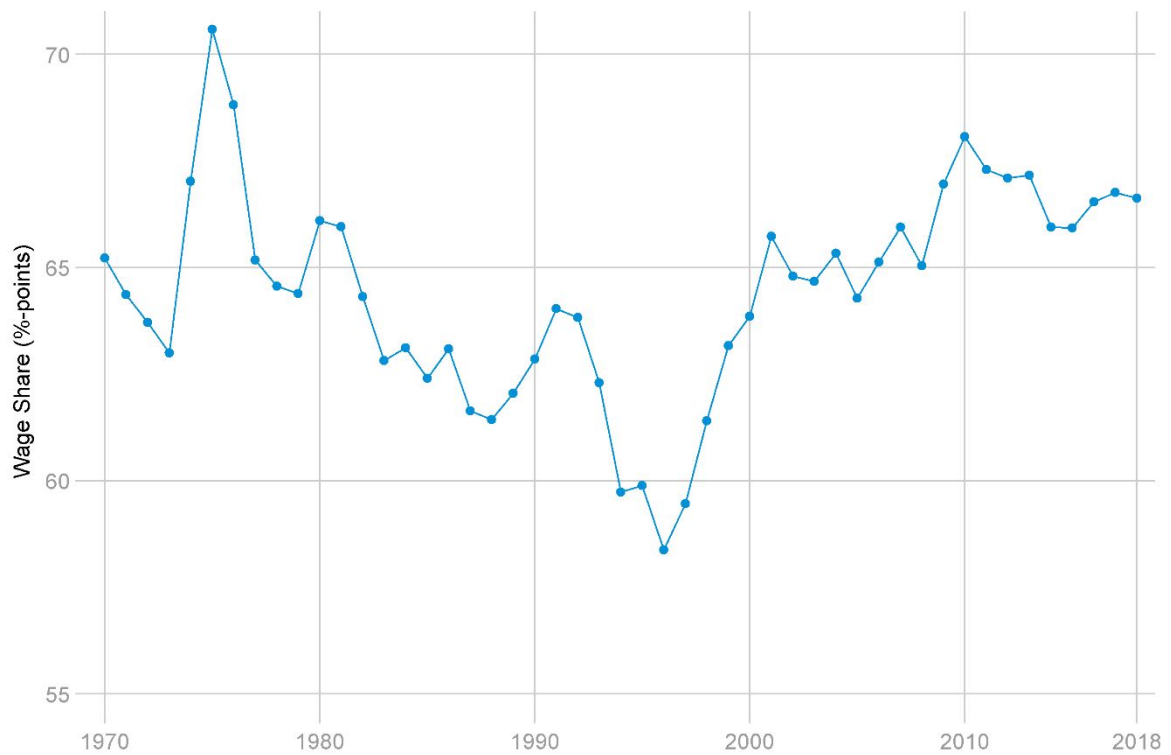
6 **Table 1: Case Study respondents**
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Case Study	Trade Union Representatives	Trade Union members	Employer Representatives	Total
PCS and Performance Management at the Ministry of Defence	3	3	1	7
BECTU, freelance workers and Independent Television Drama	1	2	1	4
CWU and Openreach Engineering Careers Pathways	2	3	1	6
Unite and the 35-hour week at Bentley	2	1		3
Prospect and Equal Pay at the Met Office	1	1		2
FBU and the Personal Trainer Apprenticeship in the Fire and Rescue Service	2	3	1	6
BFAWU and guaranteed minimum hours, at Warburton's	1	1	2	4
NEU and the equalisation of conditions at Delta Academies Trust	1	1		2
UNISON and shift patterns at Veolia	1	1	3	5
GMB and the Living Wage at Cardiff Airport	1	1	2	4
Total Respondents	16	16	11	43

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Figure 1: The share of wages in GDP in the UK (at factor costs, %-points)

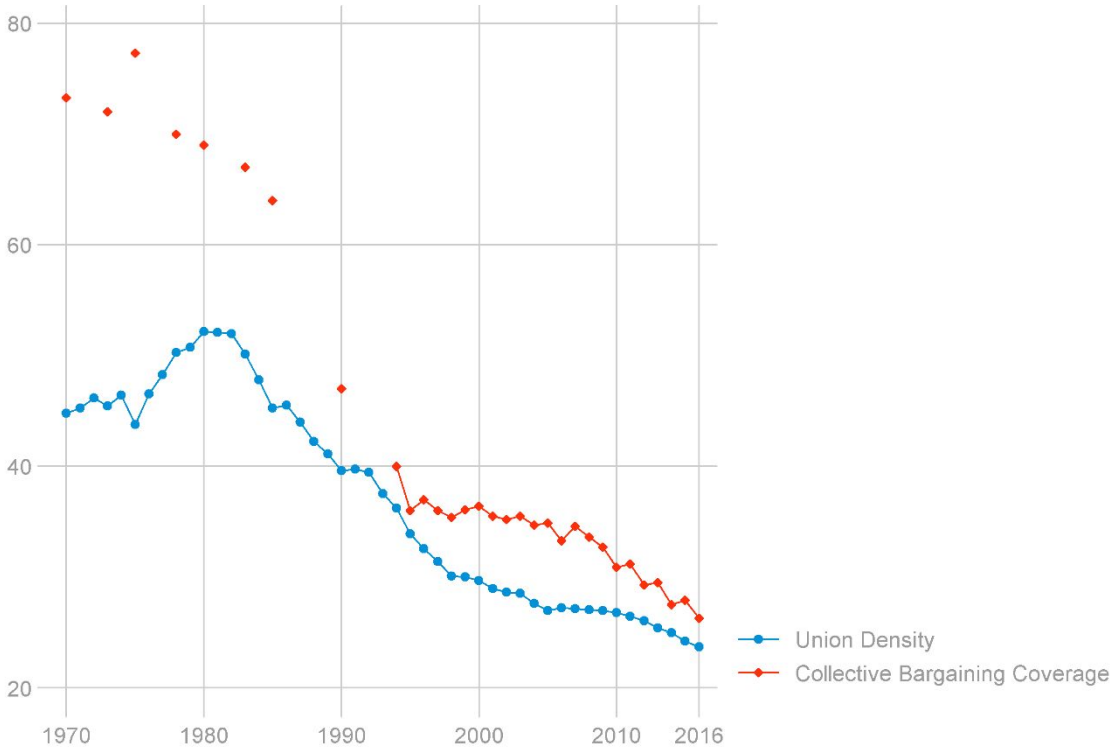


Source: AMECO

Employee Relations

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Figure 2: Union Density and Collective Bargaining Coverage in the UK



Source: OECD

Employee Relations