

## RESEARCH NOTE

### **Unions and Union Membership in New Zealand: Annual Review for 1996**

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#### **Introduction**

This paper reports the results of our most recent survey of union membership in New Zealand for the year ended 31 December 1996. It builds on our earlier surveys for the years 31 December 1991 to 1995. Trends identified in previous years, declining union membership at the aggregate level and the patterns of merger and division, continue.

Between December 1995 and December 1996 the number of union members fell by 23,200 or nearly 6.5 percent. The trend of falling membership is not uniform across all unions as a number of unions have reported increases in their membership over the period. These gains, however, have not offset losses in other unions, in particular those resulting from the collapse of the Communication and Energy Workers Union.

Union density continues to decline faster than absolute membership levels as the employed labour force, measured by the Household Labour Force Survey, increased by over 35,000 in the year to December 1996.

#### **Method**

The Employment Contracts Act marked a fundamental break with the state's historical interest in regulating the process of collective bargaining, the traditional recognition of unions and unionism and the special position held by trade unions in the system of industrial relations ending. The Office of the Registrar of Trade Unions was abolished, and with it the primary source of data collection on unionism in New Zealand.

In the absence of any official data, we have undertaken annual surveys of existing trade unions and employee associations to maintain a data series on the extent of unionism in New Zealand. We have modelled our surveys on those conducted by the former Registrar, but have included questions on gender and industry breakdown of membership, and on affiliations

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to other organisations. Unlike those of the former Registrar, our surveys are undertaken on an entirely voluntary basis. While a small number of unions consistently refuse to participate, most are willing to supply us with the information requested.

The freedom of association provisions of the Employment Contracts Act allow workers, as individuals or as collectives, to be represented in contract negotiations by a "bargaining agent" of their choice. Beyond the right of any party involved in negotiations to object to a bargaining agent who has been convicted of an offence punishable by five or more years imprisonment, there is no regulation and thus no record of organisations fulfilling this role. The first stage in this research, as in previous years, has been to identify trade unions and employee associations that are conducting collective bargaining.

In identifying new and existing trade unions we have used a number of sources. As a base we have started with all unions and employee associations identified in last year's survey. In addition we have searched the register of incorporated societies for recently incorporated societies of employees and we have searched the Yellow Pages for listings of new industrial unions and bargaining agents. In addition we have relied on word-of-mouth from union officials and reports in union newsletters. A final source of information has been our associated project on collective bargaining. When we identify a new union as party to a contract sent to the project, we have asked the supplying party for contact details of the new union. For the December 1996 survey we identified a total of 97 organisations.

All identified organisations were written to in mid-January. Unions previously surveyed were sent a brief letter outlining the research project and enclosing a return sheet for completion. Newly identified unions were sent a letter which outlined the project in more detail and a copy of last year's report. A reminder letter and a second copy of the return sheet were sent to non-respondents in late-March, and this was followed up with a phone call to the union secretary in early-May.

We received 54 completed responses from our initial mail-out, and a further 12 responses after reminder letters were sent. Phone calls to non-respondent unions produced a further four completed responses. From these 70 returns we eliminated five. Four of these were divisions or branches of existing unions operating under a different name and the other was eliminated on the grounds that it had ceased its "industrial" activity. After further investigation eight non-responding "unions" were eliminated. These were either internal divisions or branches of existing unions which had maintained a separate identity within the main union structure (and were included in the main union's return), or were now defunct.

As in previous years, a number of unions declined to respond to our survey. This year there were 19 non-responses, three of which were from newly identified unions. Most of these were small, the majority having less than 300 members. Informal contacts and sources, including local officials of other unions, human resource managers (where the union in question was based at a single enterprise), union journals and other publications, were used to establish a membership figure for non-responding unions.

## **Births, deaths, marriages and divorces**

As in previous years, 1996 saw a number of organisational changes which have impacted on the data we report. The birth of new unions comes from three sources. First, a number of unions have emerged from within the public sector. Both TaxPro, an association representing employees of the Inland Revenue Department, and the Hawkes Bay Power Employees Association, an organisation covering officers of the former Hawkes Bay Electricity Board, have broken away from traditional representation by the Public Service Association.

Second, as a consequence of the collapse of the Communication and Energy Workers Union, a further two new unions were set up to represent former members. These unions, the Independent Electrical Workers Union and the Eastern Bay Independent Electrical Workers Union, have been established at specific sites where former Communication and Energy Workers Union members have decided not to join any of the other unions on site. We had noted in last year's report that two other unions had been set up in 1995 specifically to represent postal workers previously covered by the Communication and Energy Workers Union, and members had also joined other unions (notably the Engineering, Printing and Manufacturing Union and FinSec).

Third, the advent of professional rugby in New Zealand has seen the Rugby Union Players Association and the Rugby Referees Association undertake bargaining over employment matters. The latter organisation has shifted from being solely a professional association to negotiating terms and conditions of employment for New Zealand's professional referees.

In last year's report on union membership we noted the demise of the Communication and Energy Workers Union. As the union was placed in liquidation in December 1995 we included data on its estimated membership at that time, making the point these members were not included in the returns of the unions to which many transferred. For the 1996 survey we removed the Communication and Energy Workers Union altogether. By now those former members will have transferred to other unions and be included in their returns, or have given up their union membership altogether. The fall in aggregate union membership would suggest many former members have given up their union membership.

During 1996 the New Zealand Association of X-ray Workers, an arm of the New Zealand Institute of Medical Radiation Technology, voted to cease acting as a bargaining agent for members.

Union marriages have continued during 1996. The Taranaki Service Workers Union amalgamated with the Service Workers Union of Aotearoa, and the Northern Branch of the North Island Clothing Union amalgamated with the National Distribution Union (see below). The most significant merger, however, in terms of size was the formation of the "super-union": the New Zealand Engineering, Printing and Manufacturing Union. This resulted from the merger of the Printing, Packaging and Media Union (itself a result of the 1995 merger between the Printing and Related Trades Union and Jagpro) with the Engineers Union (Metal, 1996).

Examples of unions divorcing from earlier marriages, essentially ones of convenience required by the "1,000 members" rule of the Labour Relations Act 1987, have continued. During 1996 the North Island Clothing & Related Trades Union split into its two constituent unions. The Northern branch of the union (formerly the Northern Districts Combined Apparel and Related Trades Union) subsequently merged with the National Distribution Union. The Central branch (formerly the Central Districts Clothing Laundry and Allied Industries IUOW) remained a separate entity and retains the incorporation. Overall this trend of divorce may be slowing; no "new" unions have emerged as a result of the dissolution of earlier amalgamations. Rather, the new unions we have been able to identify have in the main been formed at specific work sites as a response to the collapse of, or dissatisfaction with, traditional representation.

### Results: union numbers and membership

The 83 unions identified, a net increase of one over 1995, had a total membership of 338,967 at 31 December 1996: a decline of 23,200 members, or some 6.5 percent, over the course of the year.

The data that are presented in Table 1 show union membership in historical perspective. The data demonstrate the marked impact of the Employment Contracts Act on the level of union membership and on union density, with overall union membership in 1996 just under half that of 1985. Union density, a measure of the number of union members as a proportion of the total employed workforce, has fallen from 43.5 percent to 19.9 percent over the same period.

**Table 1: Unions, membership and density 1985-1995**

Year	Unions	Membership	Density
December 1985	259	683,006	43.5%
September 1989	112	648,825	44.7%
May 1991	80	603,118	41.5%
December 1991	66	514,325	35.4%
December 1992	58	428,160	28.8%
December 1993	67	409,112	26.8%
December 1994	82	375,906	23.4%
December 1995	82	362,200	21.7%
December 1996	83	338,967	19.9%

In reporting union density we have measured the surveyed level of union membership as a proportion of the total employed workforce as measured by the Household Labour Force Survey (Statistics New Zealand, 1997). This method of calculating density is likely to understate the "true" density figure as it makes no differentiation between full and part-time employees, nor does it take account of the number of full or part-time working proprietors included in the employed workforce figure. Thus the denominator would tend to be overstated. At the same time, union membership is primarily reported on a full-time equivalent basis, thus understating the numerator.

## Results: union size

Table 2 reports data on union membership by the size of union. Very clear trends are apparent. First, the number of small unions has risen tenfold since May 1991. With union registration and the "1,000 member" rule of the Labour Relations Act things of the past, there are no legal requirements on the structure of unions. The growth in the number of small unions results from:

- unions breaking away from umbrella organisations that were entered into in order to get around the "1,000 members" rule;
- breakaway of groups of members from larger existing unions; and
- the emergence of specialist, boutique unions and employee associations.

Second, whilst the number of small unions has increased, union membership remains concentrated in a few larger unions (those with a membership of 10,000 or more). The proportion of union members in these large unions has increased marginally from last year's survey (up from 69 to 71 percent).

**Table 2: Unions and membership by size (May 1991 - December 1996)**

Size	May 1991				December 1996			
	Unions	%	Members	%	Unions	%	Members	%
Under 1,000	4	5	2,954	1	41	49	12,805	4
1,000 - 4,999	48	60	99,096	16	29	35	59,919	18
5,000 - 9,999	8	10	64,268	11	4	5	25,032	7
Over 10,000	20	25	436,800	72	9	11	241,211	71
Totals	80	100	603,118	100	83	100	338,967	100
Average Size	7,539				4,084			

## Results: union membership by industry and gender

In each survey we have asked unions to indicate the distribution of its membership by industry. The results of our first survey for the year to 31 December 1991 and the most recent survey are reported in Table 3 below.

The data show that, while union membership has declined across all sectors, the fall has been far greater in some industries than in others. The number of union members employed in the agriculture, mining and retail, restaurant and accommodation sectors has fallen dramatically. A lower rate of decline of union membership is recorded for the manufacturing, transport, communication, finance and public and community services sectors.

Unions were also asked to indicate the number of women members as a proportion of total membership. Overall, women make up 47 percent of union members. This figure has remained relatively stable, leading us to conclude that men and women have left their unions at approximately the same rate.

**Table 3: Union membership by industry (December 1991 - December 1996)**

Industry	December 1991	December 1996	% Decline 1991-1996
Agriculture, fishing and hunting	14,234	1,073	92
Mining and related services	4,730	1,144	76
Manufacturing	114,564	78,737	31
Energy and utility services	11,129	6,085	45
Construction and building services	14,596	6,577	55
Retail, wholesale, cafes, accommodation	64,335	10,643	83
Transport, communication	52,592	43,081	18
Finance and business services	32,219	25,543	21
Public and community service	205,925	166,085	19
Total	514,324	338,967	34

### Results: union affiliations

The number of unions, and their combined membership affiliated to each of the two peak union bodies, the New Zealand Council of Trade Unions and the Trade Union Federation, are set out in Table 4 below.

**Table 4: Union affiliations 1991-1995**

Year	NZ Council of Trade Unions		Trade Union Federation	
	Affiliate Unions	Members	Affiliate Unions	Members
Dec 1991	43	445,116	-	-
Dec 1992	33	339,261	-	-
Dec 1993	33	321,119	9	20,800
Dec 1994	27	296,959	11	23,198
Dec 1995	25	284,383	15	25,424
Dec 1996	22	278,463	17	22,055

The number of unions affiliated to the NZCTU has decreased by three, a result of mergers and the collapse of the Communication and Energy Workers Union. The proportion of unions members covered by CTU affiliates has increased slightly from 79 to 82 percent. Two more unions have affiliated to the Trade Union Federation. While the combined membership of TUF affiliates has declined, the proportion of all union members represented has remained stable (around seven percent).

Four unions remain affiliated or partially affiliated to the New Zealand Labour Party. These unions represent just under 25 percent of all union members.

## Conclusion

Since the passage of the Employment Contracts Act 1991, we have identified a number of trends in union structure and membership. The results from our latest annual survey of union membership for the year to 31 December 1996, show a continuation of these trends.

First, membership of New Zealand's trade unions continues to fall at the aggregate level. In the year to 31 December 1996 this fall was by 23,200 members or 6.5 percent. As noted earlier, the trend of declining membership has not been universal and some unions have reported gains in membership over this period, most notably those unions in the education sector. This continued decline belies the general stability in institutional arrangements that has emerged five to six years out from the passage of the Employment Contracts Act. While aggregate union membership is declining, the size of the employed labour force, as measured by the Household Labour Force Survey, continues to expand. This has resulted in the union density figure we report falling to below 20 percent.

Second, the structure of union membership. Small unions (those with less than 1,000 members) predominate, however the majority of union members, around 70 percent, still belong to the largest unions. Decline in membership has been most severe in agriculture, mining, and distribution sectors. Union memberships in other industries - manufacturing, transport, finance and public services - have suffered lesser declines.

Third, the emergence of new unions and the disappearance of older ones has followed previously identified trends. Union mergers continue, as do union separations. New unions have tended to emerge, by and large, in previously organised sectors and enterprises, rather than at greenfield sites. Declining union density would suggest that, overall, unions are maintaining existing membership but, on the whole, not making much progress in organising new employees and/or new enterprises.

We have suggested in previous years that the decline in union membership may have bottomed out, and we suspected we would see some stability in numbers of union members being reported. Clearly, this has not been the case in this year's survey.

## References

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