

THE AUSTRALIAN UNION MERGER WAVE REVISITED

KERRIE HOSE AND MALCOLM RIMMER*

What factors explain the Australian trade union merger wave between 1991 and 1994? Existing explanations largely attribute it to the pro-amalgamation policy of the Australian Council of Trade Unions (ACTU) and other union leaders, and to declining union membership and decentralised bargaining. This paper reviews discussion of the causes of mergers and publicly available evidence upon them. It concludes that current explanations of the merger wave are an over-simplification. The effects of ACTU leadership, official union policy, and members' views are complex and not uniform and require more disaggregated analysis. Also, there has been a tendency to overstate the importance of membership decline and decentralised bargaining and to overlook other environmental factors such as changing occupational structure. The paper cautions against the assumption that variables influencing ACTU policy also shape affiliate actions.

INTRODUCTION

Between 1987 and 1996 the Australian trade union movement underwent structural reorganisation on a scale unparalleled in its history. Change was especially rapid between 1991 and 1994 when the number of separate unions fell from 275 to 157. This was partly the result of 61 mergers between federal unions and partly caused by the falling number of single-state unions. Table 1 shows this merger wave.¹

There are three dominant explanations for this merger wave. The first is a political explanation which attributes the merger wave to the influence of the ACTU (Davis 1990; Griffin 1992; Dabscheck 1995; Chaison 1996; Tomkins 1999). The second explanation considers the growth of decentralised bargaining to be the force driving merger policy (Chaison 1996). The third explanation identifies membership decline as the variable which has 'the second largest impact on the probability of participation in an amalgamation after ACTU leadership' (Tomkins 1999: 70). This argument is supported by others who note more generally that falling membership leads to 'defensive mergers' (Griffin 1992: 219).

While there is general agreement that the ACTU influenced the merger wave, there is less agreement upon the impact of bargaining structure and membership decline. The possibility also exists that other environmental factors contributed to the merger wave.

The purpose of this paper is to review the causes of the merger wave. The paper is a preliminary one relying mainly on publicly available reports and data.

* Bowater School of Management and Marketing, Deakin University, 221 Burwood Highway, Burwood, Victoria 3125.

Table 1 *Union structural change: 1987–1996*

Year	Number of federal mergers	Reduction in number of single-state unions	Number of unions
1987	2	7	316
1988	6	3	308
1989	1	9	299
1990	3	–	295
1991	21	12	275
1992	18	22	227
1993	14	12	188
1994	8	18	157
1995	4	10	142
1996	–	11	132

Source: Unpublished records of the Federal Industrial Registrar; ABS Trade Union Statistics, Australia, Cat. No. 6323.0.

It does not report new data from trade unions—the best source of information on the causes of mergers. It is arranged as follows. The first section reviews the Australian and overseas literature on union mergers to identify possible explanations. The second section examines the participants in mergers—the ACTU officials and other union leaders who planned and conducted mergers, and the members who participated in ballots. Third, the paper looks at developments in politics and the law that may have facilitated mergers. Fourth, economic and technological variables are reviewed. What was the role of the absolute decline in membership after 1991, and did technological and occupational change cause jurisdictional boundaries to be reviewed? The fifth section asks did decentralised bargaining drive unions to merge? The final section seeks to integrate these explanations.

EXPLAINING AUSTRALIAN UNION MERGERS: A LITERATURE REVIEW

Explanatory variables for union mergers usually fall into two main types. First are political factors. How are union merger decisions made, and what are the motives of union leaders and members? Second are environmental factors. What are the economic, technological, social and industrial forces which shape union decisions?

All explanations of the Australian merger wave place importance upon political factors, especially the influence of the ACTU in planning and brokering the merger wave. The argument is as follows. At the 1987 Congress, anticipating a challenge to Australian unionism similar to that experienced in Britain and the United States, the ACTU released a plan entitled 'Future Strategies for the Trade Union Movement'. Part of that plan required unions to reform into a small number of large, industrially based, 'super unions' which would enjoy economies of scale allowing them to deliver better services to members. In 1990 the ACTU released a more detailed plan allocating unions 'principal', 'significant' and 'other'

jurisdictional status in particular industries and occupations. Between 1991 and 1994 the ACTU then convened union merger talks and helped broker agreement between merger partners. The merger process was also assisted by supportive government policy and changes to industrial law to ease balloting requirements and force small unions into mergers (Dabscheck 1995; Chaison 1996).

The strengths of this political argument are twofold. First, it recognises an unusual characteristic of the Australian union merger wave—the extraordinary influence of a national union federation. The literature gives appropriate recognition to the ACTU's unique accomplishment in guiding what Martin described as 'the most far reaching and detailed reorganisation programme ever undertaken by an established, autonomous trade union movement of its own volition' (Martin 1992: 140). Second, this political explanation recognises the importance of the federal government and federal industrial law in removing legal hurdles to mergers and creating incentives to merge.

The weakness of this political argument is that less attention is given to the 'conventional' politics of union mergers—the motives and actions of leaders and members in the individual unions that participate in mergers. Anglo-American analyses of mergers (which are relatively free of federation influence) place a much stronger emphasis upon politics at this decentralised level. In explaining mergers this literature distinguishes first between two types—amalgamation (between roughly equal partners) and absorption or acquisition (where a dominant partner takes over a smaller one) (Chaison 1980; Undy *et al.* 1981; Waddington 1994). Following from this, the motivation to merge may be characterised as defensive (to prevent extinction), consolidatory (to grow within existing jurisdiction) or aggressive (to enter another jurisdiction) (Undy *et al.* 1981; Michelson 2000). A yet deeper political analysis can then observe strategic planning processes at work within unions, seeking to identify costs and benefits in a merger (Morris 1986; Campling & Michelson 1997).

To what extent does the literature on Australian union mergers deal with politics at the union level? There are a number of relevant studies. Case studies of individual mergers demonstrate that ACTU influence alone is an inadequate explanation, and local self-interest must also exist (Hocking 1990; Campling & Michelson 1997). Other studies indicate political disagreement with the ACTU. On the right were critics who considered super-unions inefficient (Costa & Duffy 1990)—a criticism explored in several empirical studies (Wooden 1999; Davis 1999). On the left were critics who expected super-unions to be undemocratic and remote from their members (Yates & Ewer 1997). There is some literature that suggests such opposition forced changes upon the ACTU merger plan (Dabscheck 1995; Chaison 1996). The most comprehensive empirical study of union political factors found that mergers depended upon leadership from both the ACTU and the merger partners (Tomkins 1999). As for the membership, this study concluded 'the members have . . . been a contributing factor to non-participation. Although officials . . . played a part in preventing some mergers, the rank and file have been more prominent in this role' (Tomkins 1999: 70).

This literature requires modification of any simple political explanation that deems ACTU influence both necessary and sufficient; clearly mergers depend

on a broader political coalition extending to the leaders and members of individual unions. However, the literature tells us relatively little about the nature of such coalitions. More research is needed to systematically fill in that part of the political explanation which relates to the merger motives and actions of individual unions.

The second type of explanation identifies environmental influences on union merger policy and action. Most important here is Tomkins' analysis (Tomkins 1999). He separates three types of causal variable that impact on merger activity—organisational factors, politico-institutional factors, and economic factors. The first and third of these may be categorised as 'environmental'. Organisational factors (declining membership, size, breadth of jurisdiction, and traditional organisational practices) can indicate financial and other pressures to merge where a union's membership is falling and it has no jurisdictional space to grow. Economic factors (economic conditions, technological change, and employer policy) suggest other possible variables—the general economic influence of a recession, displacement of members' jobs through technology, and the impact of employer policies on jobs (through changed labour market practices and company structures).

Tomkins' survey of union officers indicated that declining membership was a motive to merge, but confirmed little else from this list (Tomkins 1999). At best the impact of economic factors was felt only through the intermediate variable of membership decline. This finding conforms in part with a strong conclusion in the international literature, that membership decline is a powerful motivating force in mergers (Chaison 1986; Davis 1987; Waddington 1995) often because it is associated with financial pressures (Morris & Willman 1994; Waddington 1995).

There is no variable in Tomkins model which closely parallels Chaison's argument that enterprise bargaining encouraged Australian unions to merge (Chaison 1996). Overseas studies have explored and confirmed a relationship between changes to bargaining structure and union structure (Clegg 1976; Waddington 1995). For Australia it has been argued that union mergers arose because 'union officers... recognized how much enterprise bargaining would strain their unions' staff and financial resources' (Chaison 1996: 123). The impact of this environmental variable on the Australian merger wave has not been tested.

Nor does Tomkins' model test for the impact on mergers of changes to the occupational structure. It has been argued that occupational structure influences the contours of worker solidarity which in turn shape the jurisdiction of 'occupational unions', although a range of mediating factors may make the relationship weak (Rimmer 1981). Thus occupational change may also affect jurisdiction or structure. One type of occupational change occurs when technology renders jobs redundant. Tomkins' model tests for this. However, occupational change can take many other forms. Of special relevance to Australia in the years of the merger wave was award restructuring which—in association with new forms of training—sought to remove both horizontal and vertical job demarcations or occupational boundaries. Did such changes facilitate mergers between occupational unions?

To summarise, there is an extensive Australian and international literature offering a range of explanatory factors that may account for the Australian merger wave. There is universal agreement on the importance of the ACTU's role. However, there is less understanding of the political process at the union level. Also, whilst environmental variables are adequately specified in the literature (including membership decline, changes to bargaining structure, and changing occupational structure), only membership decline has been found to have an association with mergers.

UNION POLITICS: LEADERS AND MEMBERS

The challenge for any political explanation of the merger wave is to get right the balance between the roles of the ACTU and the individual unions. There is general agreement on the importance of the planning and brokering role of the ACTU. But what evidence can be found of the contributing role of individual unions?

One indicator of ACTU influence is the degree of congruence between the union groupings planned by the ACTU in 1987 and the outcomes in 1995 after

Table 2 *Comparison between the 1987 plan for union groupings and actual union structure in 1995*

1987 Proposed grouping	1995 Actual unions (for abbreviations see Appendix)	Plan achieved ✓ Part achieved ? Not achieved X
Textile Clothing and Footwear	TCFUA	✓
Shipping and Stevedoring	MUA	✓
Rail and Tramway	ARTBIU	✓
Road Transport	TWU	✓
Food and Transport	AMIEU and others	X
Airline Industry	AIPA, AFAP, AAFEA and others	X
Australian Public Service Federation	CPSU	✓
Education	AEU, NTEU and others	?
Post and Telecommunication	CEPU	X
Printing and Publishing	Into AMWU	X
Local Government and Services	ASU	?
Large Union Amalgamation	AWU-FIME; NUW	X
Australian Government	CPSU	✓
Building, Construction and Timber	CFMEU	✓
Retail and Clerical	ASU, SDA	X
Banking and Insurance	FSU	✓
Health	ANF, HSUA and others	?
Metalworking	AMWU; AWU-FIME	X

Source: ACTU (1987) *Future Strategies for the Trade Union Movement*, ACTU, Melbourne; ACTU (1995) *Congress Reports and Resolutions*, ACTU, Melbourne.

the merger wave. This comparison is shown in Table 2. Did the unions throw the ACTU plan off course?

Table 2 suggests that some mergers deviated from the 1987 plan through the growth of several 'multi-industry' conglomerates formed from ideologically compatible partners. Examples include the Australian Manufacturing Workers' Union (AMWU), the AWU-FIME Amalgamated Union (AWU-FIME), the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU), the National Union of Workers (NUW), the Australian Liquor, Hospitality and Miscellaneous Workers Union (ALHMWU) and the Australian Municipal, Administrative, Clerical and Services Union (ASU), all of which fitted poorly with the 1987 'industry' blueprint.

Whilst some flexibility is to be expected in any plan, the ACTU's preferred industry based structure differed considerably from the actual outcome. The ACTU's leaders did not entirely approve of the outcome. Bill Kelty remarked 'you pick up newspapers and read how bad the amalgamations were. Some were good and some were not so good. I get blamed for silly amalgamations which I opposed' (Kelty unpublished).² Nor did the ACTU entirely approve of the restructuring process which, in some cases, degenerated into an undisciplined attempt to steal members from other unions. In 1993—at the peak of the merger wave—the ACTU Executive reported that 'inter-union rivalry litigation was unnecessarily high' and 'unions have been penalised by their adherence to the ACTU policy in the face of action by other unions' (ACTU 1993). Far from showing strict obedience to ACTU directives, it was found 'a significant number of unions have, by their action, preferred a more radical approach to union rationalisation than that envisaged by ACTU policy' (ACTU 1993).

To the extent that individual unions shaped mergers rather than the ACTU, what were their motives? Three characteristics of the merger wave provide insight into union motivation. First, there was a relatively small number of amalgamations between roughly equal partners. Table 3 shows 28 federal amalgamations between 1987 and 1996. About half of these created conglomerate super-unions, in many cases spanning multiple industries. The other half were what Undy and his colleagues might call 'consolidatory' mergers within industries (Undy *et al.* 1981). Mergers to form conglomerates were easy to accomplish because unions were often able to retain divisional independence, with their own funds, officers, and bargaining responsibilities. It is likely that many such mergers had political motives related to factional alliances. The second characteristic of the merger wave was a larger number of federal 'absorptions'. An absorption can be said to occur when a large union merges with one with less than 5000 members or less than 10% of its membership (whichever is the greater). Between 1989 and 1996, 66 small unions were 'absorbed' in federal mergers. Their motives are likely to have been defensive in several ways—protecting jurisdiction at a time of instability, seeking financial security in a large body, and retaining registration (and awards) during the 1991/2 period when unions with fewer than 10 000 members risked deregistration (Chaison 1996). A third characteristic of the merger wave—the disappearance of 104 'single state' unions—remains obscure (very

little data can be found on these unions), but is also likely to be associated with defensive absorption.

More information is needed from unions themselves before we can understand their motives properly. However, this preliminary analysis suggests firstly that motives varied greatly depending on the nature of the merger, and second that unions were often eager (and sometimes undisciplined) participants in restructuring, rather than passive adherents to ACTU strategy.

The political role of union members also merits revision. While Tomkins conceded 'amalgamations have probably been reasonably democratic', he found the evidence 'points to the often conservative character of union members' (Tomkins 1999: 71). Union members were less keen on merging than their officials.

The role of union members in a merger is necessarily a limited one. Yet although mergers are initiated by officials (Willman & Cave 1994), members cannot be forced to vote in favour. The final decision lies with the rank-and-file. Amendments to the *Industrial Relations Act* in 1990 required 25% of members in a union to vote and more than 50% of voting members to formally vote 'Yes' for a merger to succeed. This level of participation, was not required, however, where a 'community of interest' was deemed to exist. In this circumstance a simple majority was required and no minimum voter turnout was stipulated. Finally, a host union was exempt from balloting its members if the total number of members being absorbed was less than 25% of its existing membership. These legal provisions suggest that rank-and-file members must normally participate in a merger ballot, and favour the proposal. The extent of their participation and the level of rank-and-file support can be gauged from the data in Table 4 on the participation of union members in 70 federal merger ballots between 1987 and 1997.³ Of the merger ballots analysed, 36 required that all unions were balloted, whilst in 34 cases the 'host' union was exempt.

Whilst there is no benchmark to establish high participation rates in union ballots, these participation rates suggest a reasonably high level of member interest in merger ballots, even amongst larger unions. Even more emphatic is the high proportion of 'yes' votes. Union members may have been subsequently disappointed with the results delivered by mergers, but it cannot be said they were forced into them against their will.

To conclude, the evidence reported here suggests two revisions to ACTU-centred explanations for the merger wave. While the ACTU's influence was undoubtedly large, individual unions often had a major influence on the shape of mergers. Whilst we cannot be sure about motivation at this level, it is likely to have varied depending on the form of particular mergers, with defensive absorptions far outnumbering consolidatory or aggressive amalgamations, although the latter formed the 'super unions' that exist today.

Second, arguments about 'membership conservatism' over mergers may need to be revised given apparently high participation rates in ballots, and the large favourable majorities. Political explanations for the merger wave may need to give more weight to union and membership involvement, and less to ACTU authority.

Table 3 *Types of federal union mergers 1987–1996*

Industry group (ACTU)	Number of mergers ¹ (No. of unions affected)	Absorptions ² (No. of unions affected)	Amalgamations ³ (No. of structural events)	Largest union (1995 Membership)
Administration	5 (12)	4	2	ASU (163,345)
Building	7 (20)	5	2	CFMEU (120,000)
Communication	8 (16)	6	4	CEPU (161,720)
Distribution	4 (9)	2	2	NUW (100,600)
Education	3 (7)	4	1	AEU (152,606)
Finance	2 (7)	3	2	FSU (115,000)
Health	3 (7)	4	1	HSUA (68,428)
Hospitality	4 (8)	3	1	ALHMWU (173,646)
Manufacturing	6 (12)	2	4	AMWU (204,329)
Maritime	5 (10)	4	1	MUA (10,165)
Media Alliance	2 (5)	1	1	MEAA (12,104)
Professional	4 (12)	8	–	APESMA (16,652)
Public Administration	10 (21)	8	4	CPSU (224,951)
Public Transport	1 (4)	1	1	ARTBIU (33,475)
Retail	1 (3)	2	–	SDA (224,951)
Transport	2 (4)	3	–	TWU (117,203)

Table 3 *Continued*

Industry group (ACTU)	Number of mergers ¹ (No. of unions affected)	Absorptions ² (No. of unions affected)	Amalgamations ³ (No. of structural events)	Largest union (1995 Membership)
General	5 (12)	6	2	AWU-FIME (173,445)
Total	72	66	28	–

Notes: 1. Merger schemes can include more than 2 unions. Serial merging unions are double counted.

2. Absorptions are counted where the smaller union in a merger has less than 5000 members or has less than 10% of the membership of the merger partner, whichever is the greater. This is an arbitrary definition adopted in the absence of any authoritative alternative. Legal definitions of absorption relate to exemption from balloting in the case of a large union merging with a smaller one. Since the legal threshold changed in 1990 a consistent legal definition does not exist.

3. All other mergers are counted as amalgamations.

Table 4 *Federal merger ballots 1987–1997: Mean member participation and mean ‘yes’ and ‘no’ votes according to union size*

Union size	Mean participation (%)	Mean % of YES votes	Mean % of NO votes
<1000	49.33	86.43	14.14
1000–9999	44.61	84.69	15.91
10 000–29 999	36.15	81.31	17.14
30 000+	33.01	77.35	20.86

Source: Files of the Federal Industrial Registrar.

GOVERNMENT AND LAW

Political explanations for the merger wave can extend beyond the immediate participants to governments that set the rules. The prevailing view in Australia was that between 1972 and 1984 federal law imposed an impossible requirement upon would-be merger partners that they both achieve a ballot participation rate in excess of 50% of their membership (Khoury 1978). But successive changes to the law first eliminated this hurdle and then created direct incentives to merge. Consequently it has been argued that changes in public policy were designed to ‘reform union structure’ (Chaison 1996: 123).

This argument is called into question by the recent work of Tomkins (1999). Tomkins fails to find a statistically significant relationship between ALP Policy and the propensity of unions to participate in mergers. As such, he concludes that legislative change was merely a ‘backdrop’ factor with no discernible influence, rather than a key determinant in a union’s decision to merge in the recent wave of amalgamations. While Tomkins’ (1999) finding casts doubt on the popular position, there is some evidence that still supports it. For example, in 24 of the 65⁴ formal ‘yes’ cases prepared up to 1998 by union officials to guide balloting behaviour, ‘change to legislation’ was cited as a justification for the proposed merger. What then was the significant legal change referred to in these?

Most significant were changes in 1983 to the *Commonwealth Conciliation and Arbitration Act* which decreased the minimum level of membership participation in amalgamation ballots from 50% to 25% when a ‘community of interest’ was deemed to exist. This single revision removed an almost insurmountable barrier. In 1988 and 1990 further changes were made to the *Industrial Relations Act 1988*. These revisions fell into one of four areas: voting requirements; procedural requirements; s. 118A provisions; and registration and size requirements.

First, in terms of voting requirements, legislation was altered in order to ease the participation requirements in amalgamation ballots. Initial changes abolished the 25% participation requirement established in the *Conciliation and Arbitration Amendment Act 1983* if a ‘community of interest’ was deemed to exist by the Commission. These provisions also loosened the application of the ‘community of interest’ test. Section 241(7) granted the Commission the discretion to deem that a ‘community of interest’ existed, even when the organisations failed to

satisfy the established criteria (Creighton *et al.* 1993). Second, voting requirements were also revised to ease the criteria for a union wishing to be exempted from ballot. The 1988 legislation made exemption available to a union if the absorbed membership failed to exceed 5% of the amalgamated organisation's total membership (s. 243(8)) (Creighton *et al.* 1993), a figure which was increased to 25% (s. 253K(a)) by the 1990 provisions (Kollmorgen & Naughton 1991). Third, revisions were made to the procedural requirements for amalgamation in order to simplify a process that often stretched over several years. Both the *Industrial Relations Act 1988* and the 1990 amendments attempted to quicken the amalgamation process. The objects of the Act were extended to encourage and facilitate amalgamations and the development of industry organisations (s. 3), whilst the Act was amended to make the process fair, practical, quick and unlegalistic (s. 233). The provisions of the Act simplified the process for unions seeking to amalgamate without extension to their eligibility rules, and required the Industrial Registrar, Australian Electoral Commission and Presidential Members to conduct their duties expeditiously. It was believed these provisions would hasten the amalgamation process, reducing the time required to complete an amalgamation with no extension to eligibility rules to 6 months (Creighton *et al.* 1993). The fourth relevant legislative change concerned revision of a single provision upon demarcation disputes. Section 118A of the Act empowered the Commission to grant exclusive coverage of an enterprise to an individual organisation, and to reallocate union membership between unions without the previous requirement for an existing demarcation dispute.

These changes facilitated both merger and rationalisation. In this they were sweetened by the government's offer of financial assistance to unions attempting to amalgamate along industry lines (Morris 1989; Davis 1990).⁵ However, the government also utilised legislation to coerce Australia's many small unions to merge. The *Industrial Relations Act 1988* increased the minimum size requirement for union registration for the first time in 84 years, raising it from 100 to 1000 members. In 1990, the government further intensified the pressure on small unions to merge by increasing the minimum size requirement for union registration to 10 000 members. Provision was then made for the registration of existing unions to be reviewed in relation to their number of members.

The review process was to be conducted in two stages. Unions with fewer than 1000 members were to be reviewed first, initially having until February 1992 to grow or amalgamate before being forced to justify their continued registration to the Commission. Two unions which failed to justify their continued registration were the Australian Federation of Principals Employed in Catholic Schools (AFPECS) (109 members) and the Arbitration Inspectors' Association (AIA) (35 members), both of which were involuntarily deregistered in 1993 on the basis of these provisions (Dabscheck 1995). Unions with fewer than 10 000 members (but more than 1000), a category far more likely to include federally registered unions, were given an initial deadline of February 1993, before they too would have to justify their registration. These provisions were found by the International Labor Organisation (ILO) to infringe upon an individual's rights to Freedom of Association and were later rescinded (the minimum size requirement then

returning to 100 members in the *Industrial Relations Reform Act 1993*). However, there can be little doubt that these minimum size requirements did force some unions to merge.

Despite Tomkins' (1999) reservations, a review of the legislative changes made between 1983 and 1991 makes clear the significant role played by public policy in both facilitating and forcing the merger wave. In particular, the increased size requirements confronting unions after 1990 would have acted to create a sense of urgency amongst unions, as the government sent them the clear message that '*they must grow, merge, or perish*' (Chaison 1997: 27). Merger was the most acceptable option for many unions.

ECONOMIC FORCES: MEMBERSHIP DECLINE AND OCCUPATIONAL CHANGE

Two of the three environmental influences on mergers distinguished in the literature are falling membership and occupational change. Of these, falling absolute membership is most often cited as a cause of mergers in both Australian and international research. A fall in absolute membership (which threatens survival) is thought to cause defensive mergers, while decline relative to other unions (which threatens relative political strength) may yield consolidatory or aggressive mergers (Undy *et al.* 1981). Falling membership can also cause financial problems leading to merger. However, as Chaison (1996) points out, this argument needs to be applied carefully since research shows many unions to have grown prior to merger.

In the Australian case, the link between membership decline and mergers can be made in two ways. The first concerns the ACTU's policy response to falling union density. After 1987, the ACTU advocated strategic unionism (including rationalisation into a small number of super unions) as a means of countering attacks upon union organisation leading to declining union density. After 1989, super unions were also proposed as a means of resourcing and implementing new 'recruitment and retention' strategies to prevent further decline in union density. It is clear that declining union density influenced federation merger policy.

It is important to distinguish the impact of falling density on federation policy from the effects of declining membership on individual unions. This second linkage is the one discussed in Anglo-American explanations of the motivation to merge. Tomkins (1999) provides evidence for this effect in Australia. His analysis of union officials responding to the Australian National Trade Union Survey (ANTUS) found that membership change had a strong⁶ effect on the likelihood of being part of an amalgamation. Doubt can be expressed as to whether an ex post statistical association between membership loss and mergers actually demonstrates an ex ante causal relationship. Most unions experienced both mergers and falling membership in the early 1990s, but did the latter cause the former?

Indeed, an argument that seeks to establish absolute membership loss as a significant motive for mergers is likely to encounter a number of difficulties. Central here is a mismatch in timing between the onset of a significant general

decline in absolute union membership, and the merger wave. Table 5 shows data on union membership and union mergers. Whilst aggregate union density declined rapidly after 1986, absolute numbers of unionists continued to grow until 1990. While declining density influenced ACTU policy in this key period, there is no reason to hypothesise a general phenomenon in which unions merged in response to an absolute fall in membership.

It is true that numbers of members fell by 5.6% between 1990 and 1992, when the merger wave was at its strongest. But is absolute membership loss in this period a plausible explanation for mergers? Can we believe that unions reacted so swiftly to this membership fall? Many unions would have perceived the decline in membership to be small, recent, and a likely consequence of the 1990 recession—hardly sufficient justification for major structural change. The likelihood of a causal link is further weakened by two other considerations. First, mergers have a long lead time of perhaps 2 to 3 years from first discussions to the conclusion of a ballot. This decreases the likelihood that the mergers concluded in 1991/92 were prompted by absolute membership losses since these had yet to occur when talks started. Second, membership decline is often thought to drive mergers by weakening union finances. However, Griffin and de Rozairo (1993) recorded general financial strength amongst federal unions in 1990; it is unlikely that the 1991/92 crest of the merger wave was prompted by membership loss draining union funds.

Whilst the association between membership decline and mergers seems undisputable, its strength as a causal factor is not so certain. At a federation level, the ACTU clearly backed mergers as a way of preventing falling aggregate density.

Table 5 *Membership of Australian trade unions 1982–1996*

Year	Union membership (thousands)	Union density (%)	Number of federal union mergers
1982	2567	49	1
1986	2594	46	3
1987	–	–	2
1988	2536	42	6
1989	–	–	1
1990	2660	41	3
1991	–	–	21
1992	2509	40	18
1993	2377	38	14
1994	2283	35	8
1995	2252	33	4
1996	2194	31	–

Source: Unpublished records of the Federal Industrial Registrar.
ABS, Trade Union Members, Australia, Cat no. 6325.0.

At the level of its affiliates, it is not so clear that the experience of an absolute fall in membership forced many unions into mergers.

A second environmental influence on union mergers may be occupational change. It has been observed that occupational structure is likely to be reflected in patterns of union solidarity which may in turn shape jurisdiction (Rimmer 1981). But equally, the relationship between solidarity and union jurisdiction can be weak, especially where conglomerate or general unions spanning many occupations are the dominant form.

To the extent that occupational structure shapes union structure then, occupational change can cause jurisdictional boundaries to be questioned and changed. This can happen in several ways. Tomkins tested for one of these, where technological change undermines (a narrow) membership base thus threatening the survival of an occupation (Tomkins 1999: 67). However, occupational change can have a less dramatic but equally effective impact by blurring or eliminating occupational differentiation.

Between 1988 and 1991 Australia undertook wide-ranging reform of its occupational structure through the award restructuring process. Examples can be easily found where award restructuring coincided with the elimination of demarcations which were then followed by union mergers. In 1988 an integrated career path bridged the previously separate clerical and administrative grades in the Commonwealth Public Service; in 1989 the separate unions for clerks and administrators (the Australian Public Service Association (APSA) and the Administrative and Clerical Officers Association, Australian Government Employment (ACOA)) merged.⁷ Production workers and tradesmen in the vehicle industry found their traditional job demarcations weakened by restructured company awards in 1989, and the Vehicle Industry Certificate shortly after; the production workers union (the VBEF) and the main tradesmen's union (the AMWU) subsequently merged in 1993, although they retained an independent divisional structure.

Award restructuring was not the only factor to affect occupational solidarity. In many sectors of employment, traditional boundaries fell victim to other forms of restructuring. The formation in 1987 of the unified national system of tertiary education brought university and college academics into a common occupation and pay structure, and then a common union—the National Tertiary Education Union (NTEU). The commercial and human resource distinctions between public and private owned banks were eliminated in the early 1990s, to be followed by the amalgamation of their unions into the Finance Sector Union (FSU).

What was the overall impact on union mergers of such weakening of occupational differences? Precise information on this issue does not exist. Yet, of the 77 federal union mergers between 1987 and 1996, approximately 25 cases may have been affected by award restructuring which either eliminated demarcations or built career paths between jobs previously organised by separate unions. In many instances the number of workers affected would have been quite small, and the pressure to merge not great. Nevertheless, there remain cases where restructuring and occupational change substantially removed the rationale for separate unions.

Amongst the unions most affected were those in manufacturing, building and construction, communications, the waterfront, banking and finance, and the federal and state public services.

Tomkins' (1999) analysis of environmental influences on union mergers remains the most authoritative. Nevertheless, his conclusions may not be definitive. For the reasons given above, it is possible he overstates the significance of membership decline as a causal factor in union mergers, and it is possible that he fails to fully recognise the influence on some mergers of occupational change.

ENTERPRISE BARGAINING

The third and final of the environmental explanations presented in the literature concerns changes in bargaining structure. This explanation draws parallels between the timing of Australia's shift to decentralised bargaining and the adoption of the ACTU's pro-amalgamation and rationalisation policies arguing that 'the transformation of industrial relations called for nothing less than the transformation of unions' (Chaison 1996: 120).

These parallels begin between 1987 and 1990 when the first experiment with decentralised productivity bargaining coincided with the ACTU's 'Future Strategies' plan. In the period between 1990 and 1993—the height of the merger wave—the parallels continued. As Australia embraced a decentralised system of enterprise bargaining as its primary approach to job regulation and relegated the award system to a secondary, safety-net role, the ACTU's drive for union structural reform intensified.

To what extent is it plausible to trace a causal link between decentralised bargaining and the merger wave? Again it may help to distinguish between policy at the federation level and the actual experience of individual unions. Clearly the ACTU saw the growth of decentralised bargaining after 1987 as a further reason to establish super-unions with the resources and skills to handle this challenge. However, it is not clear to what extent the experience of devolved bargaining would have pressured individual unions into seeking mergers. Between 1991 and 1993 when the majority of mergers occurred, the spread of agreements under the October 1991 enterprise bargaining principle remained very limited, and these were found mainly in industries where enterprise bargaining (in some form) had a long history. Such resource demands as were experienced were neither great nor novel. Also unions had yet to accept that wage increases could not be flowed on from pacesetters through the entire award system; this actually happened under both the 'two tier' and 'award restructuring' systems between 1987 and 1990, leaving unions that were not resourced for decentralised bargaining at no disadvantage in terms of final wages outcomes. Is it plausible to claim that the mergers of 1991 to 1993 were motivated by the fear that flow on through the award system had gone forever? Lastly, could demands to form multiple unions at the workplace into 'single bargaining units' have increased the likelihood of mergers? This too is unlikely. The requirement to form single bargaining units stems from the October 1991 National Wage Case and to amendments to s. 134E of the Industrial Relations Act in July 1992. By this time the merger wave was in full swing. To sum up, it is possible that union

mergers were motivated by the expected resource demands of enterprise bargaining, but not by the actual experience. In 1991 to 1993, that had yet to eventuate.

CONCLUSION

Don Rawson once wrote 'the study of trade unionism has suffered much at the hands of over-generalizers—people who mistake the part for the whole' (Rawson 1978: 5). Many general observations about unions can be found, on closer inspection, to be true of some unions but not all. Explaining the union merger wave between 1987 and 1996 is fraught with this peril. Bound together only by a common time period, the mergers that occurred during this time in fact display considerable variety. Some were loose political alliances between large organisations whilst others involved the dissolution of tiny independent unions. Some mergers were bound by a common industry, a few brought single state unions into a federation, whilst others simply enlarged the membership of a 'general' or 'conglomerate' union. The most prominent mergers were between federal unions, but the largest group of unions to disappear appear to have been small, single state organisations. In many cases, mergers have left organisational independence intact—but as a division within a loose structure rather than as a separate legal entity; in other cases, long established union identities have vanished. Motives too appear to span the full range from defensive to consolidatory and aggressive. Given such disparity, the task of finding general explanations for the merger wave is not easy.

Going beyond the descriptive accounts of Chaison (1986) and Dabscheck (1995), Tomkins (1999) has done most to develop a general explanation for the merger wave. His multi-variate analysis yields some positive findings, several negative ones, and fails to test for other possible causal factors. He found three positive explanatory factors—the role of the ACTU, of individual union leadership, and of declining union membership. Our discussion above concurs with the first two of these, but calls into question the plausibility of attributing strong causal significance to membership decline. No doubt ACTU merger policy was influenced by falling union density. However, at the level of individual unions, the downturn in absolute membership seems too close to the merger wave to allow for the latter to be a reaction to the former.

Tomkins also discards several causal factors. Two of these we take issue with. First are his findings on the role of governments and tribunals. He offers two conclusions on these political factors. First, he argues they do not appear 'to have had any discernible influence on merger activity' (Tomkins 1999: 70). Second, he concedes 'industrial law . . . has been more of a backdrop to the amalgamation process rather than a key determinant in a union's decision to merge' (Tomkins 1999: 70). Our argument is that the second of these propositions is more true than the first, but that it understates the significance of political and legal developments which were vital in both facilitating and forcing many mergers.

Second, Tomkins also accords union members a slight negative role. It is axiomatic that members have a lesser role in the merger process than do officials. But that role needs to be properly assessed. In the federal system it remained

necessary for ballots to be conducted, except where the larger party could gain exemption. The registrar's records show that the incidence of ballots was high as were participation rates and 'yes' votes. Members had a say, generally exercised the right to vote, and approved of what they were offered.

Some other 'environmental' factors received little or no attention in Tomkins analysis. The first is occupational change. To what extent were occupational boundaries redrawn thus prompting review of the jurisdictional separation between occupational unions. The late 1980s and early 1990s coincided with significant occupational change associated with award and economic restructuring. In perhaps a third of all federal union mergers, there is an arguable case that mergers followed the weakening of occupational boundaries. In several instances this is likely to have been a significant influence on the decision to merge. Whilst Tomkins' questionnaire explored the influence of technological change on propensity to merge, it did not investigate other dimensions of occupational change.

Second, Tomkins survey did not ask whether the growth of a devolved bargaining system influenced union decisions to merge. Chaison's account of the merger wave associates the two phenomena. Our discussion suggests that an association exists at the level of ACTU policy, but that individual unions were less likely to have found enterprise bargaining a motive to merge.

To summarise, we argue that a broader array of variables can be suggested to have influenced the merger wave. In particular, we think it possible that three environmental factors may have been at work—membership decline, occupational change, and decentralised bargaining—but their impact was felt at the level of ACTU policy rather than directly by affiliates. The Australian merger wave is unusual in that political initiative lay with both the federation (the ACTU exercising far more influence than have other federations) and the affiliates. Did these environmental forces guide the policies and actions of both the federation and the affiliates? It is easy to discover a nexus at the level of ACTU policy. Strategic unionism after 1987 was a policy blend combining 'means' (union mergers) and 'ends' (stemming membership loss, influencing occupational restructuring, and encouraging 'mutual gains' bargaining). It is less easy to demonstrate if or how the same environmental forces impacted on the merger decisions of individual unions which, as we know, were decisive in determining the actual incidence and form of many mergers. There is a need for further research on merger motives at the union level.

NOTES

1. The pattern of union mergers over time has been characterised by alternating periods of inactivity, and activity, the latter being described as merger waves. For British and Australian references to this pattern see Waddington (1995) and Griffin and Scarcebrook (1989).
2. Kelty B (1998) 'The Future of Trade Unionism'. Unpublished speech presented to the Socialist Forum and the Victorian Fabian Society, Melbourne, 7 April.
3. Data was unavailable on a further 3 merger ballots due to lost files.
4. Of the 70 'yes' cases lodged in the Industrial Registry under s. 246 of the *Industrial Relations Act 1988* and subsequent pieces of legislation, 5 cases were missing.
5. This assistance was in the form of \$450 000 for the 1989/90 financial year.
6. With an R^2 of 0.88.

7. This merger, which produced the APSBU (AGE), also involved ABC staff (ABCSU).

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Appendix

Abbreviations

AAFEA	Australian Airline Flight Engineers' Association
ABCSU	Australian Broadcasting Corporation Staff Union
ACOA	Administrative and Clerical Officers Association, Australian Government Employment
AEU	Australian Education Union
AFAP	Australian Federation of Air Pilots
AFPECS	The Australian Federation of Principals Employed in Catholic Schools
AIA	The Arbitration Inspectors' Association
AIPA	Australian International Pilots' Association
ALHMWU	Australian Liquor, Hospitality and Miscellaneous Workers Union
AMIEU	The Australasian Meat Industry Employees Union
AMWU	Australian Manufacturing Workers' Union
ANF	Australian Nursing Federation
APESMA	The Association of Professional Engineers, Scientists and Managers, Australia
APSA	Australian Public Service Association
APSB (AGE)	Australian Public Sector and Broadcasting Union, Australian Government Employment
ARTBIU	Australian Rail, Tram and Bus Industry Union
ASU	Australian Municipal, Administrative, Clerical and Services Union
AWU-FIME	The AWU-FIME Amalgamated Union
CEPU	Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia
CFMEU	Construction, Forestry, Mining and Energy Union
CPSU	Community and Public Sector Union
FSU	Finance Sector Union
HSUA	Health Services Union of Australia
MEAA	Media and Entertainment Arts Alliance
MUA	Maritime Union of Australia
NTEU	National Tertiary Education Union
NUW	National Union of Workers
SDA	Shop, Distributive and Allied Employees Association
TCFUA	Textile, Clothing and Footwear Union of Australia
TWU	Transport Workers' Union of Australia
VBEF	The Vehicle Builders Employees Federation of Australia
