

Labour's union reforms risk handing power to the frontbench at the expense of party members

By Democratic Audit

*The controversy surrounding the Labour selection process in Falkirk has seen the party's formal links with the trade union movement questioned. In response to this, Ed Miliband announced a series of reforms that go to the heart of this decades old relationship. But, according to **Eric Shaw**, while these reforms would end certain anomalies, they would not necessarily democratise the party, and risk dis-empowering ordinary union members.*

For over 80 years' Lewis Minkin [wrote](#) in 1991 in his seminal study of the party-union relationship *The Contentious Alliance* 'this relationship has shaped the structure and, in various ways, the character of the British Left'. After a period in which the issue has not been much discussed it is once again top of Labour's agenda, and in the oddest of circumstances.

Probably few people, south of the border,

know much about Falkirk, even where it is. It has not figured much in the historical record since a major battle was fought there between the Scots and English in July 1298. Yet allegations of irregularities in the contest for a successor to the constituency's pugnacious MP, Eric Joyce, seem to have had the most extraordinary effect. Claims of improprieties in selection contests in any of the major parties are hardly new, and rarely newsworthy. But those in Falkirk, it seems, were so serious that Ed Miliband declared himself to be 'incredibly angry about what has happened' [comparing](#) the activities of Labour's biggest single financial backer, the Unite union, to those of the Murdoch empire. What occurred in Falkirk was, Miliband [declaimed](#), 'a symbol of what is wrong with politics... a politics of the machine, a politics hated and rightly so'.

The principal accusation was that Unite recruited and paid for a large number of new members – many without their knowledge or consent – to swing the selection behind its favoured candidate, Karie Murphy. There were hints and intimations of other dark deeds and unsavoury practices. Evidence supporting these allegations was (apparently) compiled by an inquiry conducted by the party in July 2013. Miliband took the serious step of inviting the police to investigate.

The party leader then came under unrelenting pressure from Labour's Blairite wing, and their influential friends in the press to call the whole party-union relationship into question. Why?



Former Labour General Secretary, Union Deputy General Secretary, and Author of the party's internal Falkirk Report (Credit: Chodhound, CC by 2.0)

The Falkirk episode was presented by the Blairites not as a unique problem but as a manifestation of a much more far-reaching problem: the highly dysfunctional party-union alliance. The root of the problem, they contend, is the system of trade union affiliation. It works like this. A proportion of union members pay the so-called 'political levy' (the rest opt out). Unions then decide what proportion of levy-payers to affiliate to the Labour party. Affiliated levy-payers then form the union's 'block vote' at Labour party conferences, which comprises 49% of the total.

This system, Blairites claim, embeds trade union power in Labour's institutional fabric conferring upon a small number of trade union 'barons' a wholly disproportionate power in party decision-making. This, they add, is the inner significance of Falkirk. The unions are seeking to tighten their grip over the party, over candidate selection, policy and strategy. As such they are posing a direct and formidable challenge to Miliband, one that he cannot duck.

The discussion in the media is overwhelming framed by this narrative of excessive trade union power – and its abuse. In Lord Mandelson's words Falkirk reflected a broader effort by Unite to manipulate Labour's selection processes. This narrative is endlessly repeated, rarely questioned – and never substantiated. Nor need it be because, we are assured 'everyone knows it to be true.'

Miliband's response, almost immediately, was to unveil a package of reforms. The key change is that no trade union member would any longer pay money to Labour in affiliation fees unless they deliberately chose to do so. In effect the system of collective trade union affiliation to the party would end. In future Trade Union members would make an individual choice to join the party rather than being automatically affiliated by decision of their union executives and conferences. An inquiry has been set up, led by Labour's former General Secretary Lord Collins, and will report to a special conference in March when a final decision will be made. The likelihood is a far-reaching alteration not only in the party-union relationship but in Labour's organisation and power structure.

And the truth about Falkirk? In late July the police announced that there were insufficient grounds to launch a criminal investigation into the alleged irregularities. In early September, to the leadership's embarrassment, a second party enquiry concluded that there had been no wrongdoing by any individual or organisation in the Falkirk selection. Later the same month the Times conducted what has to date been the fullest journalist investigation in what had happened. It disclosed what to those with even a nodding familiarity with the murkier end of Scottish politics was no surprise: family animosities, personal rivalries and some unpleasant intrigues. But there was no evidence of what Blairite columnist Dan Hodges claimed 'everyone knew' – that Unite had signed up 'hundreds of members' in order 'to stitch up the parliamentary selection in Falkirk'. And there was absolutely no evidence that Falkirk was part of a large campaign by Unite to control party selections.

In truth the evidence of any serious wrongdoing by Unite was always very thin. Why then did Miliband come under such pressure to carry out radical surgery to the party-union link? Here we need to step back a little. Under the New Labour government trade unions were marginalised, treated as a sectional interest whose views deserved some consideration but, unlike business (and notably the City) not meriting the status of partner in government. After 2010 the unions have been seeking to recoup their influence – and the Blairites have been stiffly resisting this.

The unions are indeed trying to push the party towards more left-wing stances on public spending, taxation, the NHS and labour market protection: or, in Blairitespeak, they are pursuing a 'hard left agenda'. For the Blairite right the party is now locked in a profound struggle about its direction and its very identity. If Miliband falters then the voters will be convinced that he is indeed (as the Tories portray him) a feeble, indecisive and vacillating leader. As Phil Collins, Blair's former speech-writer put it, 'This one really is a straight fight with a single winner and that has to be Mr Miliband rather than Mr Kenny and his fraternal allies, Len McCluskey and Dave Prentis'. And indeed Miliband has been trapped by his own rhetoric and if he fails to prevail his public standing will suffer.

What will be the effect of the reforms if they are implemented? Here we can make two brief points. Financially, they may well be dire since it has been estimated that only about 10% of affiliated trade union members would be prepared to join the party. The first shot across the bow was the announcement by Labour's third largest affiliate, the GMB, that it would be reducing its affiliation fee from about £1.5m to around £200,000 on the grounds that only about 10% of its political levy-payer are likely to join the party. The leader of its second largest affiliate, Dave Prentis, signalled that his union, Unison, may follow suit. For a money-strapped party all this is grim news.

There would also be far-reaching changes in the party's organisation and power structure. The logical consequence of replacing collective by individual affiliation would be the end of the block vote. This would end the anomaly whereby people who don't even vote Labour find themselves members of the party. But would it democratise the party? If the block vote is dismantled trade union members would wield as much power as constituency members – which is very little indeed. Individualised and atomised, with little in the way of research, administrative and secretarial resources to command and with little capacity to concert their efforts the effect would be a further concentration of power in the hands of the frontbench. It is an example of what someone once called 'the iron law of oligarchy'.

Although these issues do formally figure on the Labour conference agenda, one can be sure they will be eagerly and fiercely debated in the fringe meetings in the bars of Brighton.

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