

Trade Unions and the State: The Construction of Industrial Relations Institutions in Britain, 1890–2000. By *Chris Howell*. Princeton: Princeton University Press, 2005. xi + 243 pp. Index, notes, bibliography. Cloth, \$39.50. ISBN: 0-691-12106-0.

Reviewed by Andrew Taylor

Chris Howell's purpose in writing this book is to answer the question, "Why did the British labor movement so quickly succumb to the radical reforming efforts of the Conservative governments elected after 1979?" (p. 1). The answer is a combination of three factors: the unions were not as strong as they appeared; they were subject to a ferocious assault by the government; and, finally, there was a shift in the base of the economy that hit disproportionately the most heavily unionized parts of the private sector. Howell has written an excellent, theoretically informed survey of the development of the industrial-relations system in Britain during the past century.

Howell concentrates on the second factor. His thesis is that, contrary to received wisdom, the state has been a permanent feature of the industrial-relations system. It has intervened to make and remake the system, but the nature of intervention has varied significantly. Each intervention emerged from a political-economic crisis that rendered the extant system of conflict management redundant, and increasing strikes triggered a debate about the institutions needed to meet the new situation. In this the state played a crucial role in building institutions to manage economic restructuring and conflict. This, however, is not to argue that the unions were passive objects: they were present at the creation.

The systems identified by Howell are broken down as follows: 1890 to 1940, 1940 to 1979, and 1979 to 1997. The Thatcher governments marked a critical shift, a shift then institutionalized by New Labour. The two world wars had enormous consequences for labor and the state, and 1914–18 falls in the middle of Howell's first period. War raised in acute form problems that had emerged at the end of the nineteenth century and flowered in the industrial unrest of the Edwardian period. Added to these were the demands of total war and democratization. The war reinforced the elites' perception that they had no option other than to work with labor. It is this attitude that makes 1926 so

important. The General Strike was used to socialize unions into “constitutionalism” in both politics and industrial relations, reflected in the growth of collectivist tendencies.

The years 1940 to 1945 mark the start of Howell’s second period and initiate a further twist in the collectivist spiral. Influential here were not only the exigencies of mobilization but also the looming presence of Ernest Bevin, who was determined to entrench labor’s influence in government. Howell describes a tradition of state intervention in response to crisis, an intervention that consistently favored the promotion of collective institutions. This pattern shifted in the 1980s to the promotion of individual rights enforced by state agencies.

Howell is critical of state autonomy. In industrial relations the state could not be autonomous, because only the state possessed the capabilities to manage crises and develop new institutions. This claim, I think, confuses autonomy with nonintervention. Howell is right to argue that no state can afford to be noninterventionist, but the British state always sought to maintain its autonomy and limit the influence of capital and labor. The state’s role is to manufacture class compromise, but capitalism’s dynamic instability and crisis tendencies ensure that any compromise will be unstable. Chapter two, which sets out the theory underpinning the book, is particularly important in this respect. It provides the basis for comparative research, using an amplification and extension of regulation theory that seeks to integrate stability and change, breakdown and reconstruction into a more sophisticated understanding of the political dynamics of industrial relations.

The role of the state in industrial relations is a vast topic. The empirical chapters do not try to be comprehensive but are organized around a framework “linking economic restructuring, class organization, and state organization to the construction of particular sets of industrial relations institutions” (p. 2). This gives the analysis a high degree of coherence. Each chapter considers significant events and policies, but does so with the focus on the state, which, it must be emphasized, is not presented as a monolith.

Full employment after 1940 was, perhaps, the critical shift. This had a major effect on industrial relations and the balance of power between unions, employers, and the state. Politicians concluded that full employment had to be protected. During the postwar years, full employment, combined with the “long boom” and Britain’s relative

economic decline, undermined the system created in the 1940s, leading to its collapse in the late 1970s and early 1980s. Thatcherism not only attacked the power of organized labor, most noticeably during the 1984–85 dispute in the coal industry, but also used the law in a manner unlike any previous government to transform labor's environment. In the prior system, there was no need for positive rights, because of the growth of industrywide bargaining. Industrywide bargaining, encouraged by the state, meant that labor's strength was dependent on the state's attitude, rather than on its own intrinsic strength. This was exacerbated by the policy regarding incomes. All governments pursued this policy in an effort to sustain the system, but it also provided a standard around which the unions could rally. Pay policy inevitably brought the unions and the state into direct confrontation.

The cumulative impact of the Conservative reforms and New Labour's policies after 1997 brought about, Howell argues, an irreversible shift in industrial relations from collective regulation by unions and the state to legal regulation by the state. The trend began in the 1960s with the decline of voluntarism, but the political-economic crises of the 1970s and 1980s accelerated the shift, a shift then institutionalized by the Blair governments. New Labour made no effort to roll back the Conservative legal changes, but it did institute several changes designed to boost individual rights in the workplace. Legal regulation was balanced by the importance attached to boosting productivity and profitability in a globalizing world. By 2001 this new industrial-relations system was in place.

Howell argues that the current British industrial-relations system is closer to that of the United States (and, interestingly, France's) than to continental models such as the one maintained in Germany. The enforcement of individual rights in the workplace is carried out by the state, relegating the unions to an increasingly peripheral role in collective bargaining and representation. The decline of workplace unionism, however, eliminates any countervailing power in the workplace, which means that this new system increases the power of the employer over the worker. By the 1980s the choice facing labor was stark: deregulation or state regulation. British labor chose the latter. In historical terms, this shift is enormously significant: As Howell points out, "The institutions for the collective regulation of industrial relations, which were central to both

public policy and industrial relations practice in Britain for a century after 1890, are now almost certainly in terminal decline” (p. 189).

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