

Trade Union Finance in the Republic of Ireland

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IN industry, especially in the private sector, profit is usually the acid test of success or failure. Most organisations, if they are to be run effectively, need money—and trade unions are no exception. Trade union finance, however, is not an end in itself, but rather a means to an end. The real strength of trade unions is in the size of their membership in relation to the number of workers in the category for which they cater. Thus it is on the size of a union's membership that success or failure may ultimately be judged. Members cannot figure on a balance sheet but they are nevertheless the union's real assets.

Trade union finance is a means to a number of ends which are expressed in the stated objects of a union. Examples of such objects in the rule books of trade unions in Ireland are as follows:

To organise the workers of Ireland for the attainment of full economic freedom.¹

The furtherance of, or participation in, financial or otherwise, directly or indirectly, in the work or purpose of any union, association or federal body having for its objects the promotion of the interests of labour, trade unionism or trade unionists.²

The furtherance of political objectives of any kind.³

To provide benefits for members in accordance with the rules of the Union.⁴

The objects of unions are notable first for the emphasis they place on membership and also for the diversity of goals. To trade unions, finance is a means towards

1. Workers' Union of Ireland, Rule 3 (a).

2. Federation of Rural Workers, Rule 3 (k).

3. Amalgamated Transport and General Workers' Union Rule 2 (2) (c).

4. Post Office Workers' Union, Rule 3 (b).

meeting these diverse objects. Trade unions are concerned with the service they give to their members. There is no notion of profitability because trade unions are not firms or companies. The only real criterion for union financial management is whether or not their financial arrangements are generally acceptable to the membership so as to maintain the affiliation, loyalty and responsibility of the members.

In the case of registered trade unions, an Annual Return giving financial information is returned to the Registry of Friendly Societies. Registered trade unions of *employees*, with which this article is concerned, account for about 80 per cent of trade union membership in the Republic. The material which the Registrar publishes is brief and general. The union classification used is that of broad industrial sectors as opposed to the more useful traditional classification, e.g., general, craft, white-collar. However, it is hoped that the contents of this article will serve as a useful beginning to the study of trade union finance.

In 1970, the income from members of registered trade unions, by way of contributions, was £1,817,488 or about 86 per cent of total income.⁵ This represented an average contribution per member of £5.56 or less than 11p per week.

It is not surprising that contributions should form the bulk of union income. Average weekly contributions are obviously low. In their evidence to the Royal Commission on Trade Unions and Employers' Associations (1965-68),⁶ the British TUC held that British trade unionists were getting their trade unionism on the cheap. The same surely holds true in the Republic.

Table 1 overleaf gives average weekly contributions per member in the sectors used by the Registrar of Friendly Societies for the years 1969 and 1970.

It is evident from the table that the papermaking/printing sector shows the familiar difference between it and other sectors in the form of very considerably higher contributions (40.8p in 1969 and 48.7p in 1970). The next highest weekly contributions for the two years under consideration were as follows:

1969—Public Administration (19.7p)
Entertainment and Sports (17.4p)
1970—Entertainment and Sports (17.5p)
Public Administration (17.4p)

In 1969, the average weekly subscription rate for six sectors was less than 10p; in 1970, five sectors paid less than this amount. Only four sectors (including papermaking/printing) paid an average of more than 15p in 1969 and in 1970 only three sectors exceeded an average weekly contribution of this amount.

Manufacture of food, drink and tobacco, followed by agriculture and general labour organisations are the three sectors with the lowest average weekly contribu-

5. Report of the Registrar of Friendly Societies for year ended 31st December, 1971.

Note: The figure of £1,817,488 above is derived by deducting the figure for employers' associations contributions from total contributions.

6. Evidence to the Royal Commission, p. 137.

TABLE 1: *Average Weekly Contributions (p.) per member for all purposes—Registered Trade Unions*

	1969	1970
General Labour Organisations	7·8	8·8
Agriculture	7·0	8·2
Machines and Implements	14·2	13·7
Manuf. Food, Drink and Tobacco	6·5	7·6
Woodworking, Manuf. of F and F.	8·2	13·0
Papermaking, Manuf. of Stationery, Printing and Bookbinding	40·8	48·7
Building, Decorating, Contracting and works of Construction	12·5	11·5
Transport and Communication	10·6	12·7
Distributive Trades	9·6	9·7
Journalism	9·8	8·0
Insurance and Finance	15·2	13·9
Public Administration	19·7	17·4
Entertainment and Sports	17·4	17·5
Footwear and Leather	13·1	13·5
Personal Service	14·2	14·7

Source: Reports of the Registrar of Friendly Societies, for the years ended 31 December, 1970 and 1971.

tions. Building and construction occupies a middle position between the sectors with the highest and lowest contributions.

No single standard holds good in all cases, and these general statistics cover a wide variation in situation between one union and another as regards actual subscriptions. Some unions, for example, have a "flat" rate for all members while others fix their subscriptions according to the wages or earnings level of the members. Thus various factors and practices among unions affect the average contributions.

Tables 2 and 3 show the average contribution and average expenditure per member respectively for the period 1945-70.

For the period (1945-70) concerned, it can be seen that average contributions per member were not sufficient to cover average expenditure per member for the entire period; in fact, average expenditure was greater than the average contribution for nine of the twenty-six years under review. It will be noted that average contribution per member actually fell in 1947 and did not recover to the 1946 level until 1960.

Average contributions more than doubled between 1960-70. Table 4 is of some relevance in this connection.

At first sight, the fact that average contributions doubled between 1960 and 1970 may look impressive. However, closer scrutiny reveals a fairly dismal

TABLE 2: *Average Contribution per Member*

Year	Average Yearly (£)	Average Weekly (p)
1945	1.62	3.13
1946	2.66	5.12
1947	1.72	3.32
1948	1.73	3.34
1949	1.66	3.21
1950	1.77	3.41
1951	1.85	3.57
1952	1.93	3.73
1953	2.27	4.37
1954	2.29	4.42
1955	2.29	4.41
1956	2.39	4.60
1957	2.45	4.72
1958	2.49	4.79
1959	2.49	4.80
1960	2.57	4.95
1961	3.03	5.84
1962	2.89	5.57
1963	3.18	6.12
1964	3.60	6.94
1965	3.86	7.44
1966	4.34	8.35
1967	4.59	8.83
1968	4.72	9.09
1969	5.25	10.11
1970	5.56	10.70

picture. Table 4 shows that average weekly earnings rose 2.4 times between 1960 and 1970 while the average weekly contribution per member increased only 2.1 times. Furthermore, the average weekly earnings refer to all employees including the unorganised. Of more significance however is the fact that average weekly contributions in 1960 represented a mere .68 of one per cent of average weekly earnings and an even lower percentage of .60 of one per cent in 1970.

In Ireland, contributions are changed in the main by adoption at the annual conferences of the unions. Where contributions are tied to income levels or increases are not required to be channelled through annual conferences, then it is somewhat easier to keep income and expenditure in line. The latter arrangements, however, do not hold good for most unions and thus the raising of contributions through annual conferences can often prove an agonising affair.

With regard to average expenditure per member (Table 3), the years 1965, 1968 and 1969 are particularly conspicuous in exceeding average contributions per member (Table 2). The heavier expenditure in these years is explained for the most part by the serious strikes that took place. In the year 1965 there were

TABLE 3: *Average Expenditure per Member*

<i>Year</i>	<i>Average Yearly (£)</i>	<i>Average Weekly (p)</i>
1945	1.55	2.97
1946	2.71	5.22
1947	1.84	3.55
1948	1.51	2.90
1949	1.45	2.79
1950	1.43	2.75
1951	1.81	3.47
1952	2.06	3.96
1953	1.81	3.48
1954	1.99	3.84
1955	2.40	4.61
1956	2.13	4.10
1957	2.36	4.54
1958	2.39	4.59
1959	2.56	4.92
1960	2.45	4.72
1961	2.94	5.65
1962	2.59	4.99
1963	3.16	6.07
1964	3.56	6.84
1965	4.20	8.07
1966	4.62	8.87
1967	4.53	8.72
1968	5.40	10.38
1969	5.95	11.44
1970	5.40	10.39

TABLE 4: *Average Earnings (Male and Female)—all industries 1960-70⁷ and average contribution per member 1960-70⁸*

<i>Year</i>	<i>Average Weekly Earnings (£)</i>	<i>Average Weekly Contribution (p)</i>
1960	7.26	4.95
1961	7.80	4.84
1962	8.50	5.57
1963	8.91	6.12
1964	9.81	6.94
1965	10.21	7.44
1966	11.28	8.35
1967	11.81	8.83
1968	13.07	9.09
1969	13.59	10.11
1970	17.69	10.70

7. Source: Central Statistics Office: *Statistical Abstracts*.

8. See Table 2.

prolonged strikes in the paper and printing sector; 1968 saw serious disputes in the ESB and Bord na Mona while in 1969, what has been described as the most serious strike in the country's history took place, i.e., the dispute between the Federated Union of Employers and the maintenance craft unions. The result of these disputes was that unions expended very large sums in dispute pay. In money terms, the sum of £247,335 was the figure for dispute pay in 1965 compared with £95,452 in 1964. Dispute pay in 1968 and 1969 amounted to £186,394 and £404,488 respectively compared with £106,664 in 1970—the latter a year in which a prolonged strike took place in the cement industry.

Average yearly expenditure per member fell between 1946 and 1950 (see Table 3) reaching its lowest point in 1950 for the entire period under review (1945-70). The explanation seems to be that expenditure as a whole remained relatively static in the post-war years while a very substantial increase in union membership took place in the same years, especially among some of the general unions. The result of this trend was a decline in expenditure per member.

Benefits per member and total other expenses are given in Table 6 below.

TABLE 6: *Benefits per Member and Total Other Expenses of Registered Trade Unions 1945-1970 (£)*

Year	Benefits	Other Expenses
1945	0.59	0.96
1946	1.69	1.02
1947	0.81	1.03
1948	0.47	1.03
1949	0.44	1.02
1950	0.41	1.02
1951	0.71	1.10
1952	0.91	1.15
1953	0.50	1.31
1954	0.55	1.44
1955	0.93	1.47
1956	0.58	1.56
1957	0.76	1.60
1958	0.63	1.75
1959	0.74	1.82
1960	0.68	1.77
1961	0.88	2.06
1962	0.62	1.97
1963	0.90	2.25
1964	1.01	2.54
1965	1.47	2.73
1966	1.41	3.21
1967	1.07	3.46
1968	1.51	3.89
1969	2.06	3.88
1970	1.11	4.29

Benefits, generally speaking, have been relatively static while "other expenses", as one would expect, have noticeably escalated. Expenditure on benefits peaked in 1969, again due to the massive amount of dispute pay (£404,488) paid in that year as mentioned earlier. The major item in the "other expenses" category goes under the heading "management and other expenses". The latter have risen steadily and sharply over the years, as one could only expect.

Average Funds per Member

Between 1953 and 1970, average funds per member increased by 114.5 per cent. In real terms, however, (using 1953 prices) average funds rose by only 13.2 per cent—see Table 7. Expenditure seems to have grown at much the same pace as income, and exceeded income on occasions, so that not much margin is left for the accumulation of reserves. This, in part, accounts for the situation whereby the average funds of unions have remained relatively static. Furthermore, there have been costly strikes in certain years. Another factor probably relates to the investment policies (or lack of them) of unions.

TABLE 7: *Average Funds per Member at current and 1953 prices (£)*

<i>Year</i>	<i>Current Prices</i>	<i>1953 Prices</i>
1953	5.69	5.69
1954	6.21	6.20
1955	6.39	6.22
1956	6.94	6.48
1957	7.64	6.85
1958	8.22	7.05
1959	8.40	7.21
1960	8.63	7.38
1961	8.73	7.26
1962	9.17	7.32
1963	9.73	7.58
1964	10.00	7.30
1965	10.81	7.51
1966	11.56	7.80
1967	11.97	7.83
1968	11.77	7.35
1969	11.35	6.60
1970	12.14	6.52

Union subscriptions are strikingly low. A satisfactory dues situation is a general safeguard in that it provides finance for union activity and services. The rapid conversion of unions to the check-off in Britain during the later 1960s⁹ appears to

9. A. I. Marsh and J. W. Staples: Donovan Royal Commission Research Paper No. 8; three Studies in Collective Bargaining, number 1 being *Check-Off Agreements in Britain*, by the two authors mentioned.

have something approaching a counterpart in the Republic. A survey carried out by the Irish Congress of Trade Unions during 1972 showed that 32 of their affiliated unions had a check-off arrangement with employers. The approximate number of employees covered under the system was 118,000.¹⁰

The check-off, which involves the collection of trade union contributions through the medium of the employer, is mostly a financial affair. This method obviously helps to stabilise union funds.

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10. *Trade Union Information*, April/May, 1973. Research Service, Irish Congress of Trade Unions.