

Chapter 5

Building bridges: forming a union coalition to improve working conditions for agricultural workers in Wales

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Introduction

This case of experimentation concerns the creation of a new wage regulatory body for agricultural workers in Wales: the Agricultural Advisory Panel. The Panel specifies statutory minimum wage floors and other terms and conditions of employment for all agricultural employees in Wales. Its establishment was the result of a coalition involving the union Unite, the Welsh government and two political parties (the Labour Party and Plaid Cymru). It is the only sub-national wage-setting institution created in the United Kingdom (UK) since 1999. In a context of declining union power and membership, this case illustrates how it can be meaningful for unions to pursue goals beyond their own organisational reach by building coalitions with resource-rich actors, including sub-national state actors such as the Welsh government.

1. A brief overview of the case of experimentation

This case focuses on the creation and activities of a coalition, formed by a union (Unite), the Welsh government and two political parties (the Labour Party and Plaid Cymru). This coalition resulted in the creation of a new employment relations institution: the bipartite Agricultural Advisory Panel for Wales. The Panel specifies statutory minimum wage floors and other employment terms and conditions that apply to all agricultural employees in Wales. The case explores how Unite framed and mobilised shared interests to build this coalition.

This case of experimentation is important for three reasons. First, it demonstrates how unions, in certain circumstances, can form coalitions with subnational political institutions to revitalise aspects of employment relations. Second, the Agricultural Advisory Panel for Wales is the first collective, industry-specific institution to regulate wages to be established in the United Kingdom for many decades. Finally, this case demonstrates how institutions in Wales contribute to an increasingly divergent political and institutional context in the United Kingdom, which can offer territorial opportunities for union renewal.

The result of this case of experimentation is the only sub-national employment relations wage-setting institution to be created in the United Kingdom following the establishment of sub-national assemblies and parliaments in 1999. Agricultural employment relations in Wales are now regulated using bipartite approaches more commonly found in 'coordinated' business systems. Meanwhile, similar industry-wide

protections have been abolished in England, where this same industry is subject to more 'liberal' regulation.

2. The union and other actors involved in the case

Despite accounting for only 3% of the workforce in Wales, agriculture is politically salient for three reasons. The first is the importance of state subsidies to the industry; these are administered by the Welsh government. The second is its localised importance. Most of Wales is rural and sparsely populated, and agriculture accounts for up to 12% of employment in some areas. The final reason is cultural as almost half of the agricultural workforce is Welsh speaking, compared with around a fifth of the general population, and Welsh speakers are often more likely to support greater institutional autonomy. As an example, there are two farming unions in Wales. One, the NFU (National Farmers' Union) Cymru is an autonomous branch of a larger organisation covering England and Wales. The other, the FUW (Farmers Union of Wales) was established many decades ago as some farmers felt that their Wales-specific issues were not being represented adequately by the NFU.

The specific context for this experimentation was the UK government's decision in 2010 to abolish the Agricultural Wages Board. This bipartite board had featured employee and employer representatives who determined minimum hourly wages for agricultural workers in England and Wales across six grades, with progression depending on an individual's skills and experience. The Board was important as it was the last survivor of the wages councils that once regulated employment conditions within sectors throughout the United Kingdom, where low union density precluded effective collective bargaining.

Unite is a union that represents workers in many industries and sectors, including agriculture. It is UK-wide but has a regional/country structure that includes an office in Wales, where Unite operates within a specific environment featuring autonomous political institutions. They formed a coalition, primarily with the Labour Party, which led the Welsh government. This government is formed from members elected to the National Assembly for Wales (now known as the Welsh Parliament). The National Assembly was responsible for policy areas devolved from the UK Parliament, including agriculture, health, education and the environment. The coalition aimed to retain agricultural wage fixing in Wales, despite the UK government's abolition of the wage-fixing board covering England and Wales.

3. The types of disruption and resulting uncertainty faced by the union

In 2010, the Conservative-led UK government announced the abolition of the Agricultural Wages Board. Abolition was justified based on a classic set of deregulatory arguments: namely that the Board duplicated the statutory National Living Wage that set hourly minimum levels for all workers across all industries, burdened the industry, and

reduced industrial efficiency. Abolition was a classic neoliberal disruption, signalling a continuing emphasis on deregulation in state policy orientations.

In response, the Unite union argued that few agricultural employees were subject to the grade-one wage-floor equivalent of the statutory National Minimum Wage, with most benefiting from the higher floors of grades two to six. The union framed its case as a social justice issue by arguing that the abolition of the Agricultural Wages Board and the associated removal of all wage floors and their replacement with the statutory National Minimum Wage would result in a ‘dash to the bottom’, prompted by farmers passing on price pressures from supermarkets and food processors to converge on wage levels around the statutory minimum. The framing of abolition as a social justice issue was tailored to the general political context in Wales, where the Labour Party has gained a majority of the votes cast and seats gained at every general election to the UK Parliament since 1922, and at every election to the Welsh Parliament since the creation of a devolved political institution in 1999.

4. The type of experimentation

The experimentation was (i) building a coalition that could (ii) obtain a new Wales-only wage regulatory institution for the agricultural industry. Although the main coalition actor was the resource-rich Welsh government, Unite was key in persuading this government to reverse its initial indifference to the abolition of the UK government’s wage setting in Wales, and instead to oppose it and support the creation of a new Wales-only institution.

When the UK government announced its intention to abolish the Agricultural Wages Board in 2010, Unite campaigned to persuade it to change its mind, or to persuade the Welsh government to attempt to maintain agricultural wage regulation in Wales. Unite initially formulated a social justice frame, opposing abolition of the Agricultural Wages Board. The union pointed to poor working conditions and wages in agriculture, arguing that abandoning joint regulation exposed workers to a ‘race to the bottom’ as regards pay and conditions. They also argued for the retention of collective regulation to secure wage levels, while its motivational framing emphasised fairness and social justice for farm workers. But neither goal was achieved. The Welsh government was formed from a coalition between the Labour Party and the nationalist Plaid Cymru, and it initially declined to oppose the abolition of wage setting in Wales.

However, a new Welsh government was formed after elections in 2011 solely from the Labour Party. Unite targeted this new government. Its aim was to mobilise a pre-existing frame within Labour, namely attaining political solutions distinct from those of Conservative-led UK governments. This frame was rooted in long-running political disputes between both governments prompted by ideological differences concerning the role of the state, as well as what the Welsh government perceived as the high-handedness of the centralised UK government.

Unite launched a campaign to retain minimum wage setting that aimed to gain the attention of the Labour Party by arguing that the Conservative-led UK government's abolition of agricultural wage regulation symbolised conflict between the two governments. The campaign had two elements. One involved social and other media channels, such as when Unite's Welsh Regional Secretary argued publicly that abolition symbolised the UK coalition government's disrespect for devolution and disregard for Welsh workers. The other, and more important, element was the process by which Unite activists were active within the Labour Party. Their activists attended Labour Party conferences to highlight the existence of, and threat to, agricultural wage-fixing and build support for its retention.

The purpose of such calls was to raise awareness of minimum-wage setting within the context of both frames: social justice and attaining political solutions in Wales that were distinct from those of Conservative-led UK governments. This prompted the mobilisation of Labour Party politicians and activists behind retaining such regulation through the creation of a new institution. These efforts were successful, and as support grew, so did awareness of the social justice implications of abolition.

While Unite's campaigning after 2011 was aimed primarily at the Labour Party, it also appealed to Plaid Cymru's frame of gaining Welsh independence by offering a deepening of political devolution, and this party changed its stance to support wage regulation.

Unite engaged in frame-bridging that exploited intersections and common ground between its own frame, focused on social justice, and those of its coalition partners: namely, the Labour Party in Wales, which focused on attaining distinctive political solutions; and Plaid Cymru, which focused on gaining independence. This entailed an intersection between these three frames, which once mobilised through a Unite campaign, motivated coalition partners to pursue the creation of the Panel through advancing different primary interests drawn from their own respective frames.

5. The process of experimentation

Unite and the Welsh Labour Government were the core of the coalition, but the coalition goal of creating an agricultural wage setting institution was also supported by Plaid Cymru, which further enabled support and muted opposition. Unite created the coalition through its bridging and alignment of different actor frames. Plaid Cymru and the Welsh government helped marshal support for coalition objectives and mute opposition, while the latter deployed its resources in pursuit of coalition goals.

Once mobilised by Unite's frame-bridging, coalition members embarked on a process of experimentation that had three main phases.

The first phase involved muting opposition from employers. The NFU Cymru, the employers' organisation, opposed the retention of agricultural minimum wages in Wales, arguing that these had been made 'obsolete' by the UK government's statutory minimum wage. However, Unite's frame-bridging meant that after 2011 the Welsh

government and Plaid Cymru prioritised wage setting. The importance of Welsh government subsidies to many farms also made sustained opposition to the coalition less attractive, a dynamic bolstered by Plaid Cymru's support, as much of its electoral base is rural. These dynamics meant that while the employer organisation, the NFU Cymru, remained opposed to wage setting, it was politically isolated and incentivised to follow a pragmatic approach. Meanwhile, the FUW consistently supported minimum wage-setting, and its support of a new institution in part reflected its support for the principle of devolution.

The second phase involved legal action. Once the coalition was operational, the Welsh government took the leading role as it mobilised to challenge the UK government in the UK Supreme Court. By mid-2013, two conflicting acts governed agricultural employment relations in Wales: one, passed by the National Assembly for Wales, preserved wage setting machinery; the other, passed by the UK Parliament, abolished such machinery. The dispute was considered by the Supreme Court, which found in favour of the Welsh government, concluding that the National Assembly's powers over devolved topics, such as agriculture, took priority over those of the UK Parliament, such as employment relations, in the absence of a specified exclusion.

The third and final phase was the creation of a Wales-specific institution, the Agricultural Advisory Panel for Wales.

6. The effects of the experimentation

The effects of the experimentation are threefold.

The first, on Unite, is that the union has retained its role in agricultural wage-setting in Wales, although not in England. The Welsh government appoints the seven members of the Agricultural Advisory Panel; two represent Unite, two represent employer bodies, and three are independent. The Panel uses pendulum bargaining where both sides present offers, one of which is eventually accepted.

The second effect of the experiment is higher minimum wages for most of the agricultural workforce in Wales compared with England. Data on the impact of the wage floors have not been released by the Welsh government but some 13,600 farm workers are regulated by the new structure. Most of these are at grade two or above, while workers in England are regulated only by the UK government's National Living Wage, whose hourly minimum wage is similar to that set in Wales for grade one workers.

The third effect is subnational institutional divergence within agricultural employment relations across the United Kingdom. Agricultural employment relations in Wales are now regulated using bipartite approaches, as are activities in Scotland and Northern Ireland, where long-existing institutions were left untouched by the abolition of the Agricultural Wages Board. The pattern in England, however, is different, as industry-wide employment relations protections have been abolished. The Panel is the first

collective, industry-specific wage regulatory institution to be established in the United Kingdom since the now-abolished wages councils were created in the 1940s.

This divergence forms part of what the Welsh government is keen to promote as a different approach to governance in Wales in comparison with that of the London-based UK government. This divergence first appeared in public discourse in 2002 when Welsh First Minister Rhodri Morgan argued that ‘clear red water’ existed between his government and the then Labour UK government. But divergence has been stressed further under the post-2010 Conservative-led UK governments, and both the Welsh government and Unite view the creation of the Agricultural Wages Panel as emblematic of such divergence.

7. Conclusion

This case demonstrates that in a context of declining union power and membership, it can be meaningful for unions to pursue goals beyond their own organisational reach by building coalitions with resource-rich actors, including sub-national state actors, such as the Welsh government. It also demonstrates that unions can build bridges between their own frames and those of others in a way that is sensitive to the primary interests of the other actors, enabling the union to change the policy preferences of partners to form a coalition sufficiently powerful to achieve the union’s key objective.

Although the circumstances enabling such experimentation in Wales were related in part to distinctive constitutional loopholes that have since been closed, the case outlines the potential for union experimentation in a context of often declining union power and membership to catalyse new sub-national regulatory institutions against the prevailing trend of liberalisation in states such as the United Kingdom.

Finally, ‘small state’ environments, such as that in Wales, often feature two dynamics. One is a perception of vulnerability to external forces, helping to generate social partnership ideologies across different actors; and the other is how their small scale prompts greater intra-elite interaction and negotiation. Both are present in Wales, where many actors emphasise more collective approaches to social issues, while the small scale of Wales combines with institutional clustering in its capital, Cardiff, to create an environment featuring strong social ties. Both dynamics helped to facilitate coalition-building efforts.

Case initiators and authors

The case authors are Leon Goberman, Senior Lecturer in Employment Relations, Cardiff University, and Marco Hauptmeier, Professor of Work and Employment, Cardiff University. The case was assembled from (i) data collected when assisting the Welsh government to prepare a regulatory impact assessment of an Interim Agricultural Wages Order, (ii) collection of documentary data and (iii) semi-structured interviews with representatives of the Welsh government, employer organisations, Unite, other labor organisations, farm managers and other organisations active within agriculture.

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