

## Secret Ballots

Editorial

Should houses be carpeted in navy blue?  
Should people go to church every Sunday?  
Should cheesecake be made with gelatin?  
Should trade unions hold secret ballots  
before striking?

Compare these questions with a different set. Should the government compel people to lay down blue carpets in their homes? Should the law require that everyone attend church each Sunday (unless passed as bona fide conscientious objectors by a state-appointed panel)? Should a tax-supported inspectorate be established to confiscate all cheesecake not containing gelatin and jail the culinary heretics? Should trade unions be compelled by threat of state violence to hold secret ballots before strikes?

Think what you may for the first set of questions, the answer to each of the second set is 'No'. Voluntary associations should be left alone to conduct their internal affairs as they please, so long as they do not aggress against anyone else - and if they do aggress, they should be punished for the aggression, not for the way they conducted their internal affairs.

### Political democracy

What reasons are being given for imposing secret ballots by force upon private associations? One of them is 'democracy'. Democracy is considered a good thing. Apologists for Tom King's Bill even argue that compulsory democracy will make the trade unions more popular. This was the first intimation we had received that these Tory gentlemen had been eating their hearts out over the unions' regrettable unpopularity.

Should the Catholic Church, just about as 'undemocratic' as any organisation could possibly get, be compelled by law to become democratic (that is, Presbyterian)? Perhaps that would do wonders for the Roman Church's image, and retard its decline. But the Church is a private, voluntary

organisation, which individuals are free to leave at will, and to join with the agreement of the Church. The Church hierarchy may yet nurse aspirations to transcend this voluntary status, but for the time being the rest of society, including many Catholics, will not let them.

Or take the case of a business firm. Should it be compelled by law to hold a secret ballot of shareholders before dismissing workers, declaring the dividend, or offering a wage increase?

'Democracy' has two meanings which have parallels but should not be confused. The primary meaning is political democracy, a method for choosing the government. Libertarians are not necessarily or fundamentally committed to political democracy. It is almost certain that the people of Hong Kong would be far less free than they are today, if they had been enjoying democracy for the past 20 years. And it is at least arguable that the expansion of the suffrage in 19th century Britain accelerated the enormous reduction of freedom which followed.

On the other hand many libertarians prefer democracy to any other form of state rule, because 1) since all government is ultimately ruled by opinion, democracy provides a peaceful means of replacing one government by another which conforms more closely to changed opinion, and therefore reduces bloodshed and strife; 2) since in practice democracy cannot survive without many ancillary features such as some measure of freedom of speech, assembly and association, democracy (majority rule) may be worth upholding in order to promote these far more desirable accessories; and 3) the need to court the voters may restrain politicians from some forms of aggression against their subjects (though it may also stimulate them to other aggressive interventions, the net effect may be restraining, especially with a civilised and tolerant population). In South America and Southern Europe it seems broadly true that periods of democracy are periods of greater freedom, and the introduction of democracy to the Russian empire will certainly go along with a great gain in liberty.

Although most libertarians are quite favourably disposed to democracy as the least of several governmental evils, we do not confuse democracy with freedom, nor imagine that majority coercion of minorities is any more justified than minority coercion of majorities.

### **Organisational democracy**

Apart from political democracy, the term 'democracy' is often used more loosely to refer to any organisation which conducts its affairs by majority vote of members. This is quite a different matter. Support for political democracy does not imply support for 'democracy' within private organisations, and neither does the latter imply the former.

Many of the great 19th century liberals (Macaulay, Senior, Lecky) were opposed to the expansion of the franchise, but they were naturally not opposed to voluntary associations having a 'democratic' structure. Those liberals who were in favour of popular government, (Bentham, J.S. Mill) did not suppose that all institutions were suitable for organising by majority vote.

A grocer's shop does not have to conduct a ballot to determine what goods to order for sale to the public, or what hours it will open. It would be extremely inefficient and most injurious to customers if grocers' shops were forced to be managed in this 'democratic' way. If the grocer does not stock what people will buy at the price requested, he will go out of business and be replaced by others who will better satisfy the consumers' wants.

Many voluntary organisations do choose to be 'democratic'. Most cricket or darts clubs elect their officers and decide other crucial matters at annual meetings. The same is true of most political parties - until recently the Conservative Party was an exception, and would no doubt have protested heatedly about Big Brother the State if the law had compelled them to pick their leader by secret ballot. The same goes for propaganda groups such, as NCCL, Amnesty International or (following this year's AGM) the Libertarian Alliance. But not all propaganda groups; the Freedom Association, perhaps the most virulent opponent of trade unions, is without any democratic structure. The members have

no say in choosing the leadership and almost none in determining policy. There is nothing sinister or suspect about this. The members are entitled to join such an organisation, and if its proprietors do something the members dislike, they can vote with their feet. But how would they feel if the government forced them to adopt secret ballots for all key decisions, including election of officers?

If you join a voluntary association with a certain set of rules, 'democratic' or 'undemocratic', you should comply with these rules or leave the organisation. But that has more to do with common decency than with libertarianism.

### **Thatcher the syndicalist?**

The same reasoning that Conservatives now use to support 'union democracy' would lead to syndicalism or 'industrial democracy'. Individuals are free to set up business firms in which management is conducted by a vote of all the employees, or by a committee elected by all the employees. If such firms were no less efficient than conventional management, and if workers preferred them, they would displace conventional management in open competition. Even if they were less efficient (at using equipment and materials to satisfy the consumers' wants) democratic firms would still supplant conventional firms if the workers wanted industrial democracy so much that they were prepared to accept sufficiently low wages to reflect the reduced output for consumers. To put this another way, the rarity of industrial democracy in a legal framework where it is permitted shows that in most cases workers have chosen to 'sell' their industrial democracy option (their vote on management) in exchange for the higher money wages made possible by the increased output for consumers which non-democratic management provides. To pass a law enforcing industrial democracy (or something watered down called 'participation') would be an injury to workers, compelling them to accept a combination of employment conditions they reject. This remains true regardless of whether workers like the idea of industrial democracy.

Even if we accepted that 'democracy' in the running of voluntary organisations were a good thing, it would not follow that it ought to be enforced if people actually did not want to pay the price. It would undoubtedly be a good thing for cars to be able to fly, but to pass a law saying that no car could be sold unless it could fly would be a terrible blow to car-users.

### **Freedom to choose**

Norman Tebbit has said that democratising legislation will "give the unions back to their members". This is precisely the opposite of the truth. Some union members have chosen to join organisations which do not take ballots on certain decisions. They are being deprived of that freedom to choose. Discretion as to how unions are run is being removed from union members and reserved to the state.

One reason why workers might not want a vote in strike decisions could be that it destroyed some of the flexibility of the union's bargaining position. By joining a union which does not hold secret ballots, the worker signifies his patronage for a specialised service which skilled negotiators can perform for him. By being compelled to patronise a service where they have to be collective decision-makers, instead of having someone act on their behalf, these union members are placed in an unfortunate position. The ordinary member may not know all the particular facts about the employers and the industry which enable the officials to select the most advantageous bargaining strategy. As a rough analogy, suppose that several thousand residents wish to jointly hire a lawyer to bring an action on their behalf, but are prevented from delegating decisions to that lawyer, and instead are compelled to vote on his course of action at each important stage of the litigation.

### **Ballots as an anti-union weapon**

The fact that ballots might weaken the unions as bargaining instruments may appeal to some as a reason for supporting the Bill. All the talk about 'democracy' is for most supporters of the Bill so much eyewash, as demonstrated by their almost total lack of

advocacy of democracy in other areas. Even the parallel with political democracy breaks down, for the Conservatives do not propose that there should be a secret ballot of the British electorate before such important decisions as the Falklands operation. Under parliamentary democracy, representatives are elected and then make the decisions.

One widely-held theory is that trade unions are run by little cliques of Bolshevik 'militants', whilst the mass of ordinary members are 'moderate'. It is sometimes suggested that this must be true because union militancy is not in the best interests of the members, that wage rises are cancelled out by higher prices, or in some other way are self-defeating. This is mistaken: members of a well-placed union do enjoy higher real wages because of their union's activities, even though not all the wage rises which 'come through the union' were actually won by the union. Union gains come at the expense of non-unionised workers, and union wage bargaining is therefore always objectively 'anti-working class', but there is no gainsaying that unions can make substantial gains for their members, though these are limited by market conditions and do tend to erode. (See Milton Friedman, *Price Theory*, 160-165).

The theory that militants lead the moderate masses by the nose is not borne out by the fact that some unions already have secret ballots, quite voluntarily, and are not necessarily less 'militant' than others. The most militant union in the country, the National Union of Mineworkers, is a paragon of 'democracy'.

Even where militants get themselves into key positions in unions with less militant majorities, the leaders have to take care to carry the members with them. A militant who calls for a strike on any and every occasion soon ceases to be taken very seriously. In unions without secret ballots, there is commonly a workplace vote by show of hands before a strike. It is far from clear that the secrecy of the ballot will make the decisions less 'militant'.

### **Unintended consequences**

One unintended consequence of the Bill will

be that whenever a strike is called with the support of a state-imposed secret ballot, the strike will enjoy greatly enhanced moral force. It will, in a sense, automatically receive the endorsement of Tom King, Norman Tebbit and Margaret Thatcher.

Suppose that the leadership of a union is considering industrial action. Many of the leaders are dubious about whether such action would succeed, but most of them would like to have the option of recommending it. The members are balloted. About half the members return ballots, and a majority of those returned are in favour of action. Only about a third of the membership (which happens to equal about a fifth of all workers in that line of work, including non-union members) have actually voted for action. Although it is fairly clear that the great majority of workers concerned does not want action, and the leadership does not consider action wise, the leadership feels bound to embark upon action. The dispute drags on, and the leadership is prevented from conceding a cosmetic deal in the members' best interests. Could this sort of thing occur? It so happens that this is a real case: the NALGO residential officers' dispute, which started in early 1982, and at the time of writing is still unsettled - in the judgements of some expert observers, *because* of the ballot.

You may say: union leaders are not obliged to embark upon industrial action just because the ballot has endorsed it. But that will not wash. If the ballot lacks moral authority when it supports a strike, then it lacks moral authority when it opposes a strike. If a 'no' vote vetoes a strike, a 'yes' vote must mandate a strike, or the union is merely debilitated. And this will be felt all the more if ballots are imposed on the unions against their wishes. 'Compulsory' ballots could easily have the effect of increasing the length, the obstinacy and the rancour of strikes.

### **Nationalisation of the unions**

One of the motives for not holding secret ballots is the expense. At that, the Tories become fountain of generosity. The state will pay for the ballots. Behave responsibly and

we will pass you some of the loot we have extracted from the taxpayers.

Some advocates of the Bill seek to increase the discipline exerted by union leaderships over their members, so that 'wildcat' or 'unconstitutional' (!) strikes are prevented. People who think this way are speaking the truth when they say that they have no wish to weaken the unions. Their motives are all the more ominous: they wish to establish a state-supervised and state-regulated 'official' union apparatus which will 'keep the peace', and nip any nascent Solidarnosc in the bud.

Whether or not such corporatist thinking is uppermost at present, it is likely to become so in the years ahead, if King's Bill is passed. It will make British unions more heavily regulated in their internal affairs than any trade unions in Western Europe. The logic of such a development is as follows: the unions will become franchised organs of the state and 'conduct themselves responsibly'. In return, the state will look out for the unions. The principle accepted by subsequent legislation will be that all workers ought to join a union. This will be a sort of social obligation, with only a few bloody-minded cranks objecting - but they will be guaranteed the right to remain outside a union, so long as they can convince the state that they are truly conscientious objectors, with some suitably imposing religious or highly-toned ethical credentials, not simply individuals who can't be bothered to join a union because they don't give a tinker's cuss.

A much smaller proportion of workers are unionised in Britain than in some West European countries (such as West Germany), and unions in Britain have far less institutionalised power to affect the running of industry. Without this Bill, and especially if the government had selected the wiser course of simply dismantling the union privileges erected by recent Labour governments, it is quite possible that the unions would have slowly declined in influence, reflecting spontaneous cultural developments. That may still occur, but the Bill could retard or even reverse it.

## **Political donations**

The Bill also proposes to enforce a secret ballot of union membership before unions can make political contributions. The Labour Party gets most of its money from the unions. This proposal is simply a Conservative Party attack on Labour Party funds - no more and no less. It is outrageously unfair and absolutely indefensible on grounds of justice. It is not proposed that the shareholders (much less the customers) of business enterprises must submit to a ballot before these firms can give money to the Conservative Party. It is not proposed to legislate for a secret ballot for churchgoers before a church can send cash to Oxfam, or a secret ballot of student unions before they can dispatch funds to Third World guerrillas, or a secret ballot of residents' committees before they can help the National Front, or a secret ballot of Irish clubs before they can hold a raffle on behalf of Sinn Fein, or a secret ballot of Conservative Party branches before they can post a cheque to the Festival of Light. Only the trade unions are being deprived of the liberty to dispose of their funds as their governing bodies see fit. Only the Labour Party and none other is to suffer by this blatant piece of partisan political persecution.

Here again, the unintended (or perhaps even worse, intended) consequences are fateful. If such a measure is passed, preserving to the Conservative Party its source of funds, but cutting off from the Labour Party its source of funds, the likelihood is (and some Tory higher-ups have already been muttering about it) that the government will take over the financing of political parties, out of the taxpayer's pockets. Even if at first this loot is distributed liberally to anyone who says he has got a political party, over time pressure will build up for the government to define what is meant by a legitimate political party. We can be sure that the Workers' Revolutionary Party, the National Front, and the Cornish Separatists will be struck off this list, and the others had just better watch their steps.

## **Beginnings of reform**

Libertarianism is the pursuit of social harmony and peace on the only sound basis: defence of the rights of individual humans, singly, or associated in voluntary groupings. We do not favour policies of class persecution, whether the now distinctly unfashionable pro-union, anti-employer (or in reality, anti-non-union worker and anti-consumer) legislation of the Wilson and Callaghan governments, or the now highly fashionable but equally malicious and intellectually threadbare anti-union policy of Thatcherism.

We are not averse to seeing a reduction in industrial warfare, but we say that this should be accomplished, not by regulating the internal affairs of the unions, but by removal of privileges, not by special legislation restricting unions, but by placing unions under the same law as everyone else.

This entails freedom of contract in employment. We favour the repeal of 'Unfair Dismissals' and other legislation which curtails the liberty of employers to employ and dismiss whoever they please, subject to contract.

But many of the state interventions which promote union monopoly influence, and aggravate industrial strife, lie outside the domain of 'trade union law'. Nationalisation and government bail-outs of doddering enterprises protect some employers against the normal commercial drive towards flexibility and efficiency. Regulation of conditions of work provides unions with additional weapons to exclude competing workers from unionised jobs, and immigration controls have a similar effect.

In the long term what is most needed is education, so that everyone understands that unions are merely private interest-groups, sections of workers whose gains from wage-bargaining come at the expense of other workers. They are not on that account to be despised, persecuted or regulated, but neither are they crusaders on behalf of 'labour'. They are not an intrusion into the free market, but part and parcel of the way the market happens to operate.

*The Libertarian Alliance is an independent, non-party group, with a shared desire to work for a free society.*

As long as a very large proportion of workers have the sort of outlook effectively voiced by Jack London in his vitriolic essay on 'The Scab' (and they do, though perhaps slightly less with each successive generation) there will be a problem of industrial relations, whatever the state of the law. At this date, when millions of workers in Asia are experiencing unheard-of affluence despite the insignificance of unions, it should be easier to convince people that strikes have played no part in raising or maintaining living standards for the workers as a whole.

**Free Life**