

DOI: 10.5281/zenodo.12426628

A HISTORY OF NEOLIBERALISM, LABOR UNIONS AND POLITICS: A COMPARATIVE ANALYSIS OF THE UNITED STATES & UNITED KINGDOM

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Received: 14/08/2025

Accepted: 03/03/2026

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ABSTRACT

This paper is an historical comparative analysis of the transformation of organized labor in United States and the United Kingdom during the neoliberal era. Neoliberalism as an outgrowth of the Austrian and Chicago Schools, dictates a market-centric paradigm characterized by privatization, deregulation, and the erosion of nation-state boundaries. This research identifies important paradigm shifts in social contracts of the New Deal and the UK welfare state toward the neoliberal regimes of the Reagan and Thatcher eras. The author argues that neoliberalism as an economic paradigm is inextricably linked to politics through the historical structures of the Democrat and Labour parties. The author further argues that in the era of neoliberalism both of the aforementioned political parties adopted neoliberal policies that were the antithesis of labor friendly relations of the post WWII era. Instead, both countries embarked on neoliberal policies that have hollowed out labor unions and disenfranchised millions. In order to restore balance to the political equation, neoliberal policies need to be redefined and rolled back in order to strengthen labor and collective bargaining rights.

KEYWORDS: Neoliberalism, Labor Unions, Welfare State, Comparative Politics, Politics.

INTRODUCTION

Within the contemporary twenty-first-century milieu, collectivist ideologies such as communism and socialism have largely been superseded or are currently undergoing significant structural and institutional recalibration in response to the accelerated expansion of global capital and economic liberalization. At present, the teleological trajectory toward socio-economic stability is dictated by the phenomenon of globalization, which is predicated upon the promotion of intensified trade, sustained economic growth, and the erosion of nation-state boundaries as a perceived panacea for mitigating poverty and systemic unemployment. This nascent economic order has institutionalized a competitive imperative, compelling nation-states and sub-national jurisdictions into adversarial roles as they vie for investment capital and liquid assets to stimulate growth and employment.

This paradigm of economic structural adjustment is frequently conceptualized as neoliberalism or, more commonly, economic rationalism. The process of economic liberalization was initiated in the late 1970s and implemented with particular rigor during the 1980s and 1990s, continuing into the present era. Notable exponents of this libertarian orthodoxy include former UK Prime Minister Margaret Thatcher and former US President Ronald Reagan, both of whom executed these burgeoning economic doctrines with marked expeditiousness and perceived efficacy. Economic liberalization encompasses a spectrum of initiatives generally perceived as fortifying corporate interests to the marginalization of organized labor. Central to this transition are the foundational premises of the divestiture of state-owned enterprises, the deregulation of domestic markets, and export-led growth models. However, the socio-economic ramifications of these market liberalization initiatives have been multifaceted, encompassing both constructive and deleterious outcomes.

The privatization of public utilities has facilitated the transfer of both productive and unproductive assets from state to private ownership, generating significant wealth through the securitization of previously public entities. However, the distribution of this newly generated wealth has remained asymmetrical; the structural nature of capital investment ensures that institutional finance firms and high-capital investors maintain a distinct advantage regarding equity and return margins. Previously influential labor organizations have witnessed a decline in institutional leverage due to

the contraction of public sector employment, restrictive legislation, and high-profile efforts to dismantle union power. While collective bargaining has served as the primary mechanism for industrial relations for the preceding half-century, the nexus between labor and the political sphere is characterized by a complexity that transcends superficial benevolence. Labor functions as both a subject of political discourse and an object of strategic political maneuvering, occupying a contested space that often subverts claims of political objectivity.

This paper is an historically based inquiry into the philosophical and political roots of how neoliberalism as a paradigm of political-economic thought impacted the relationship between 'left' political parties and organized labor in the 1980s and 1990s. The impact of neoliberal thought on the Democrat and Labour parties in the United States and United Kingdom was to push the political window far to the right in both polities. By removing organized labor from the structure of these two left parties labor has been significantly disempowered and by extension free market economics has given way to the politics of personality, 'non-ideological' mooring and ultimately populism in both countries.

Market deregulation, denoting the systematic relaxation of regulatory frameworks governing corporate operations, has been implemented progressively to facilitate the unfettered mobility of finance capital and enhance corporate productivity. A primary consequence of this shift has been the offshoring and spatial reallocation of labor from developed economies to low-cost developing regions. The intersection of market deregulation and labor's political influence represents a theoretical inflection point, wherein shifting power dynamics inform legislative processes and exert significant social authority. This inquiry will provide a concise analysis of neoliberalism's impact on organized labor, followed by a comparative study of union activity and its subsequent effects on political culture in the United States and the United Kingdom.

Neoliberalism as a Political Order

Neoliberalism is conceptualized through various ideological frameworks and is colloquially referred to at times under the guise of Conservatism, Economic Rationalism, or the Washington Consensus. While primarily characterized as a mechanism for macroeconomic reform, the neoliberal paradigm encompasses significant socio-political dimensions. Within the Western geopolitical context, this ideology is synonymous with a resurgence of laissez-faire principles and market-

centric economic theories. Neoliberal thought has had enormous political impacts which, when implemented onto the social structures as has been the case since the 1970s, has resulted in substantial social impacts. The post-World War II era, specifically the establishment of the international financial institutions under the Bretton Woods system, is conventionally regarded as the genesis of the contemporary neoliberal global order. However, historical analysis suggests that the structural foundations of this system predated the mid-twentieth century and began to coalesce prior to the turn of the twentieth century.

The philosophical genealogy of neoliberalism is rooted in the intellectual contributions of the Austrian School and the Chicago School of Economics. Ludwig von Mises (1949) provided a foundational critique of central planning, asserting that the absence of a market-based price mechanism renders rational economic calculation impossible. Building upon this, Friedrich Hayek (1944) argued that state-led economic intervention inevitably erodes individual liberty and leads toward totalitarianism. Hayek posited that the market functions as a complex information-processing system, where price signals communicate localized knowledge that no central authority could possibly aggregate. This intellectual trajectory was further operationalized by Milton Friedman (1962), who advocated for a restricted role of the state, limited primarily to the protection of property rights, the enforcement of contracts, and the maintenance of monetary stability. Friedman contended that economic freedom is an indispensable prerequisite for political freedom, thereby establishing the ideological justification for the deregulation and privatization initiatives that characterize the contemporary era.

Given that the Bretton Woods framework was architected by the United States as the preeminent global power, it is argued that the ideological precursors of neoliberalism are rooted within the American political economy. Furthermore, since the origins of the Great Depression are located within the United States and were exacerbated by an under-regulated financial apparatus, an examination of deeper historical precedents is required. As the primary global advocate for neoliberal orthodoxy, which prioritizes a non-interventionist state, the enforcement of legally binding contracts, and the robust protection of private property, the United States provides the critical legal infrastructure that enables corporate entities to function as the primary beneficiaries of this framework.

A pivotal legal development facilitating corporate emancipation from state regulatory oversight was the United States Supreme Court ruling in 118 U.S. 394, 6 S. Ct. 1132, 30 L. Ed. 118 *Santa Clara County v. Southern Pacific Railroad*. This judicial determination established the precedent that a private corporation qualifies as a natural person, thereby extending to such entities the protections afforded by the Fourteenth Amendment of the US Constitution (Korten, 1995). This decision served a broader function than merely granting individual constitutional rights to corporate entities that cannot be held accountable in the same manner as natural persons. This extension of rights does not imply that corporate entities possess the full spectrum of immunities reserved for natural persons. As noted in subsequent Supreme Court jurisprudence, including *Selover, Bates & Co. v. Walsh*, 226 U.S. 112, 126 (1912); *Berea College v. Kentucky*, 211 U.S. 45 (1908); *Liberty Warehouse Co. v. Tobacco Growers*, 276 U.S. 71, 89 (1928); and *Grosjean v. American Press Co.*, 297 U.S. 233, 244 (1936), corporate entities were deemed ineligible to claim the specific privileges and immunities of citizenship (McCall, 2025). These rulings reinforced the underlying concept from *Santa Clara County v. Southern Pacific Railroad*, stating that corporations have been declared unable to claim the protection of that clause of the 14th Amendment which secures the privileges and immunities of citizens of the United States against abridgment or impairment by the law of a State (McCall, 2025). Rather, the ruling implicitly granted the right and obligations of state protection and assistance to corporate bodies.

The judicial expansion of personhood to corporate entities effectively integrated the business community into an unofficial social contract with the state. Classical social theory posits that the state, by virtue of the social contract, is obligated to provide security and institutional support to the citizenry. Consequently, once corporations were endowed with inalienable rights protected by the Bill of Rights, they became ostensibly entitled to the same state support and security provisions as individual citizens. A divergence exists, however, between the security requirements of corporate entities and those of individual citizens. This divergence constitutes the foundational core of neoliberalism, as it subverts the traditional division of labor and the equitable allocation of resources. Because corporations and laboring individuals represent starkly different interests, the application of identical state protections to both inevitably results in a zero-sum outcome. This legal framework established the structural conditions

for the subsequent subordination of labor interests to corporate objectives in contemporary society.

Unionism & The New Deal in the United States

Labor unions as institutional entities possess an historical trajectory characterized by protracted struggle, undergoing significant metamorphosis and evolution since the post-Civil War era. However, the primary focus of this inquiry pertains to United States industrial relations originating from the Second World War. It is argued that during the preceding six decades, two fundamental paradigm shifts have exerted a predominant influence upon labor relations. These shifts comprise the institutionalization of regulation and state support for labor during the post-war period and the subsequent transition toward a neoliberal governmental posture during the 1970s and 1980s.

Prior to the Second World War, the domestic economy was characterized by the systemic volatility of the Great Depression. In response, President Franklin D. Roosevelt implemented a series of legislative initiatives collectively identified as the New Deal. This framework represented a socio-economic amalgamation that integrated the interests of corporate capital, organized labor, and the federal government. The initial reform benefiting labor interests was the National Industrial Recovery Act of 1933, which codified the right of employees to engage in collective bargaining (Auerbach, 1965). Nevertheless, it was the enactment of the National Labor Relations Act of 1935, frequently designated as the Wagner Act, that facilitated the substantive empowerment of the workforce. This legislation formally sanctioned organizational rights, collective bargaining, and, most crucially, the right to engage in industrial action (Mikva, 1986). Furthermore, the Wagner Act established prohibitions against unfair labor practices by employers, including arbitrary dismissal and the denial of equitable remuneration.

The structural centerpiece of this legislative framework was the establishment of the National Labor Relations Board (NLRB). This federal agency was empowered to adjudicate complaints regarding unfair labor practices and to oversee elections concerning union certification and membership (Gould IV, 2015). The NLRB was designed to mitigate industrial conflict within the private sector and function as an adjudicatory mechanism for labor disputes. Prior to this statutory intervention, industrial action was often an unregulated occurrence frequently characterized by the systemic violence that had historically defined labor-management relations. A primary critique of the

NLRB concerns its susceptibility to executive influence, given that its constituents are presidential appointees. Consequently, this ostensibly independent federal agency is subject to shifting political exigencies and the prevailing ideological climate. Through the appointment of partisan members, the NLRB may function as a political instrument for either organized labor or corporate management, an allegation frequently posited in academic discourse. Within the exigencies of the Great Depression, the Roosevelt administration directed the national economy toward a recovery model predicated upon an overtly equitable foundation of industrial relations. Additionally, the New Deal served to firmly integrate trade unions into the Democratic Party apparatus, establishing a persistent association between the collective interests of the party and organized labor.

Subsequently, a significant paradigm shift occurred during the Truman administration, which redirected the trajectory of labor relations toward a more conservative orientation. This shift was primarily facilitated by the 1947 amendments to the National Labor Relations Act, known as the Taft-Hartley Act, which were enacted via a congressional override of a presidential veto. This legislation substantially curtailed the institutional power and influence acquired by unions under the Wagner Act. It imposed stringent prohibitions upon labor organizations, including the banning of jurisdictional strikes, secondary boycotts, common situs picketing, closed shops, and financial contributions by unions to federal political campaigns. Perhaps the most detrimental provision of this act was the authorization for states to enact "right to work" legislation and the expansion of federal authority to terminate industrial actions.

Right to work laws, currently implemented in twenty-two states, permit the simultaneous employment of unionized and non-unionized personnel, thereby significantly undermining the collective bargaining leverage and institutional influence of trade unions within the enterprise. The political utility of such measures as a mechanism against organized labor is analytically self-evident. The Taft-Hartley Act was precipitated by industrial actions initiated by the AFL-CIO during the war and a series of strikes in major urban centers such as San Francisco that impeded industrial output and logistical networks (Slichter, 1949). The political significance of "right to work" provisions resides in the discretionary authority with which states may apply them. Following this enactment, employers could operate under union shop regulations that

permitted the continued employment of individuals who opted to terminate their union affiliation. This effectively induced intra-labor competition, allowing production to persist during strikes and significantly diminishing union bargaining power and manpower while permitting the state to remain ostensibly neutral in labor disputes. Furthermore, this legislative shift sought to mitigate the political influence of the Democratic Party and fragment the New Deal coalition by restricting the capacity of unions to provide financial support to political organizations.

Labor Unions in Modern America

Historically, the Democratic Party and organized labor have maintained a strategic political alliance predicated upon shared collective interests. However, as the United States economy has progressively transitioned from a manufacturing-based model to a service-oriented framework, the relative equilibrium of power and the institutional influence of unions within the Democratic Party have diminished. Commensurate with this decline in labor leverage, the Democratic Party has undergone a significant ideological shift, migrating from a traditional leftist orientation toward a centrist position. This recalibration of the party's ideological stance facilitated the emergence of moderate Democratic executives, most notably exemplified by the administration of President Bill Clinton.

Paradoxically, during the 1980 presidential election, labor unions and the AFL-CIO, the preeminent umbrella organization for organized labor, unilaterally diverged from established voting patterns to provide overwhelming support for the Republican nominee, Ronald Reagan. This executive would subsequently implement policies that severely curtailed labor interests and introduced systemic structural changes to the domestic economy that proved detrimental to the broader labor movement (Farber & Western, 2002). At that juncture, these organizations represented a constituency exceeding 20 million members, accounting for approximately 23% of the aggregate workforce (Schaller, 2022). It is an historical irony that the initial processes of privatization, frequently attributed by critics of economic liberalism to the Reagan administration and the Republican Party, were actually inaugurated under the Democratic administration of President Jimmy Carter. A critical juncture in industrial relations occurred when President Reagan intervened in the 1981 Professional Air Traffic Controllers Organization (PATCO) strike, resulting in the summary dismissal of 11,359 federal

employees without the possibility of reinstatement (McCartin, 2021). According to Georgetown University historian Joseph McCartin, this executive action effectively destabilized union activism; consequently, the frequency of major work stoppages declined from an annual average of approximately 300 to roughly 30 in the contemporary era (McCartin, 2006).

Although union density has regressed to historical minima of 14.3 million members, a level not observed since 1949 when membership stood at 15.4 million, this quantitative decline has not deterred labor organizations from maintaining their financial support for the Democratic Party (Gurley, 2025). During the 2000 presidential election cycle, seven of the twenty primary financial contributors to the Democratic Party were labor unions, with disbursements ranging between \$1 million and \$5 million. These contributors represented both public sector entities, such as the American Federation of State, County, and Municipal Employees (AFSCME), and private sector organizations, including the Carpenters and Joiners Union, the United Food and Commercial Workers Union, the International Brotherhood of Electrical Workers, and the Sheet Metal Workers Union (CNN, 2000). Furthermore, the institutional synergy between trade unions and the Democratic Party intensified during the Clinton presidency. For instance, AFL-CIO political director Steve Rosenthal served as the deputy political director for the Democratic National Committee during the Clinton campaign and subsequently held the position of Associate Deputy Secretary of the U.S. Department of Labor from 1993 to 1995 (Influence Watch, 2023).

While the Democratic Party remains historically linked to unionism, it also incorporates various minority demographics into its political coalition. These constituencies represent both white middle-class and lower-class voting blocs. However, as the financial requirements for political campaigning have escalated, the party's donor base has diversified to include substantial contributions from financial services firms such as Morgan Stanley and Lehman Brothers, technology and media conglomerates like Microsoft and Viacom, and high-net-worth private donors such as George Soros (Open Secrets, 2025).

Consequently, the political culture of the United States regarding the Democratic Party and organized labor can be characterized as a site of contention between disparate low-income minority groups and the exigencies of high-capital political financing. As the necessity for party capitalization has intensified, the structural composition of the Democratic Party's

political base has undergone a corresponding transformation. Furthermore, while American political culture may superficially appear liberal in nature, this orientation is arguably a façade for a pervasive conservative framework. At the core of American liberal democracy exists a structural contradiction involving religious and blue-collar values that, despite intermittent ideological challenges, remain the foundation of national cultural and political values. Over time, these values, mediated by mass communication apparatuses, have altered the environment in which domestic politics operates. From an internal perspective, the political culture of the United States is profoundly conservative, given that the political process necessitates significant financial support and is governed by a prevailing elite consensus.

Trade Unionism During Thatcherism

The institutional influence of trade unions was substantially attenuated during the Conservative administrations of Prime Ministers Margaret Thatcher and John Major. Historically, the National Union of Mineworkers constituted the preeminent labor organization within the United Kingdom, exerting sufficient leverage to precipitate the dissolution of Edward Heath's Conservative government in 1974. Paradoxically, a subsequent Conservative administration led by Margaret Thatcher effectively dismantled this institutional power during the miners' strike of 1984–1985 (Phillips, 2023). Upon assuming office, Thatcher identified the monopoly status of nationalized industries and trade unions as the primary structural impediments to the British economy (Towers, 1989). Consequently, her tenure was characterized by the extensive privatization of British public enterprises. Significant divestitures included British Telecom, British Gas, British Airways, British Aerospace, British Steel, British Petroleum, the coal industry, British Shipbuilders, and British Leyland (Burton, 1987).

While the privatization of these major public entities represented a significant recalibration of the welfare state and a constraint on union operations, the statutory framework enacted to regulate union activity arguably exerted a more profound impact than the divestitures themselves. Legislative measures to restrict industrial action mirrored the American model by prohibiting secondary industrial action, such as the picketing of suppliers and retailers associated with the primary industry in dispute (Fredman, 1992). Additionally, these reforms abolished the "closed shop" system, which

necessitated mandatory union membership for employment, and mandated that all industrial actions be preceded by a formal ballot of the union membership (Fredman, 1992).

These regulatory interventions reinforced the concurrent privatization of industries and facilitated the institutionalization of state control over union conduct. Such measures were instrumental in systematically diminishing the capacity for collective, large scale industrial actions within the British labor market.

Internal Mechanisms of UK Labour Party and Unions

The British Labour Party originated in 1900 as a functional outgrowth of the recognized necessity for the political representation of the industrial proletariat. Consequently, the coalition of the Trades Union Congress and the Independent Labour Party established the foundation for the contemporary entity identified as New Labour (Quinn, 2010). The genesis of this distinct political organization is predicated upon explicit trade union interests, a reality that remains manifest in the current structural configuration of the Labour Party. Internally, the party's political apparatus functions as a byproduct of its syndicalist origins, as sixteen affiliated trade unions maintain membership through the payment of party dues. This status entitles these entities to select twelve of the thirty-two members of the Labour National Executive Committee and elect fifty percent of the delegates to the Labour Party Conference (Wrigley, 2009).

In the United Kingdom, the dynamics of union to government relations exhibit a stark contrast to international models due to divergent historical, political, and social cultures. Whereas trade unions in the United States occupy a political territory consistent with a patronage relationship with a primary political party, the UK Labour Party has internalized trade unions as a core structural component. Consequently, British trade unions operate beyond a mere lobbying dimension; they function both within internal governmental discourse and via official internal party mechanisms. Currently, the Trades Union Congress (TUC), which represents the majority of unionized labor in the UK, maintains a membership of approximately 6.4 million. Historically, this membership constituted the principal constituency and funding source for the Labour Party (Trade Union Congress, 2026). However, the British Labour Party diverges from its American counterpart in its fiscal application, as a significant portion of its funding and election

expenditures is derived from loans. During the 2005 Parliamentary election, Labour expenditures totaled £17,939,617, while aggregate loan figures reached £28,200,693.85, ascending to approximately £30.1 million by 2024 (Power, 2025). Although donations and public funds accounted for £24,159,261 (The Electoral Commission, 2025), this indicates a substantive shift in the financial foundation from union dues toward large-scale private donations, a trend indicative of the ideological transition associated with the Blair era.

While the TUC maintains a traditional political identification with the Labour Party, it has strategically diversified its interests by cultivating support within the Conservative Party as well. This multifaceted approach was evidenced by the 1994 relaunch of the TUC, which included the appointment of a Westminster Liaison Officer to facilitate full-time lobbying efforts. Additionally, the TUC has maintained a consistent presence at the annual conferences of all major UK political parties and continues to lobby members of both Houses of Parliament to secure robust cross-party support (Kamiński & Czarnecki, 2024).

Based on the institutional behavior of the TUC, it appears that trade unions have recalibrated their power dynamics by adopting a strategy of political fluidity analogous to that of the Labour Party. The Labour Party has successfully captured the centrist ground of British politics, implying a divergence from its traditional ideological core. The Labour government has established new support bases within the business sector and the private-sector middle class, a shift that necessitates a progressive distancing from its traditional trade union foundations (Hadziabdic, 2025). Furthermore, as unions no longer exercise the dominant influence of previous eras, they have repositioned themselves as a swing power, allocating support to whichever political entities offer the greatest institutional benefit and influence (Bondy, 2026). With a constituency of over seven million potential voters, organized labor remains a formidable force. The autonomy of the TUC is further demonstrated by its enhanced collaborative ventures with the Confederation of British Industry, the Institute of Directors, and the Federation of Small Businesses, alongside its pursuit of broad cross-party consensus.

Current Trends in UK Unionism

Consequent to global and domestic macroeconomic trajectories, labor organizations within the United Kingdom have experienced a substantial contraction in membership density.

Within the decadal interval spanning 1993 to 2003, union affiliation declined by an aggregate of 12%, representing a net loss of over one million constituents and a reduction in total membership from 8.8 million to 7,751,000 (Chrysanthou, 2008). In the contemporary period, labor enrollment has reached a nadir of approximately 6.4 million, a significant regression from the historical apex of 29.5 million recorded prior to the administrations of Thatcher and Blair (Daniels, 2025). Notwithstanding this decline, labor unions have identified alternative modalities for institutional propagation. While not necessarily flourishing, these entities have formulated strategic responses to conservative policy trends to facilitate institutional rejuvenation during periods of fiscal and political adversity. The methodology underlying this resurgence is predicated upon a horizontal organizational approach that reflects the postmodern reality of contemporary union structuralism. Due to the dual imperatives of economic restructuring toward a service-oriented model and the sociological fragmentation of the citizenry along racial, gender, and specialized interest lines, traditional manufacturing and industrial unionism has remained in a state of steady decline. Within this environment, a symbiotic nexus has emerged wherein disparate interest groups form strategic alliances. These coalitions are not necessarily grounded in shared axiological systems but are instead derived from a mutual recognition of systemic threats to their respective and collective teleological objectives.

The institutional reconfiguration of unions in the United Kingdom serves as a primary exemplar of this cross-pollination of influence. This process integrates the resource capacity, technical expertise, and political leverage of large-scale unions with the localized knowledge of small-business personnel to establish an expansive network of interest groups. This spectrum encompasses diverse advocacy areas including feminist jurisprudence, minority rights, environmental preservation, and localized community concerns. The Trades Union Congress (TUC), in its advocacy for employees within the Indian restaurant sector, acknowledged a representational vacuum, asserting that while no specific entity represented these workers, the TUC aimed to articulate their interests (Trade Union Congress, 2012). On a level of industrial coalition, British unions have established accords with sectors outside of their traditional core constituencies. This is evidenced by steel and metal workers' organizations in the East Midlands and Yorkshire, which have

augmented their membership bases by incorporating workers from the plastics, furniture manufacturing, electronics, and food production industries (Partington, 2024).

The degree of institutional diversification is further illustrated by the Battersea and Wandsworth union in Southwest London. This organization has established linkages with local community groups, small and medium-sized enterprises (SMEs), private commercial entities, trade councils, and both TUC-affiliated and independent unions, alongside voluntary services. These disparate actors operate under a broad umbrella of objectives such as community development, housing equity, and vocational security to constitute a multi-union community-based organization (Branney, 2020). Although this entity lacks direct affiliation with the TUC, it utilizes external pedagogical expertise to enhance its organizational capacity and community mobilization efforts. The non-rigid architecture of this organization facilitates its functionality and broad appeal to a diverse range of stakeholders who possess divergent specific interests but share identical core objectives rooted in their common geographical proximity.

Surface-level analysis suggests that the political culture of the Labour Party is primarily driven by the exigencies of high-capital finance. However, an examination of party capitalization in the United Kingdom reveals that traditionalism remains a foundational element of the Labour Party apparatus. The party's acute dependence upon union-derived financing, specifically in the form of substantial loans, indicates a pervasive culture of institutional indebtedness. This dependency extends beyond the mere expectation of political reciprocity to encompass substantive fiscal obligations. It is argued that the political viability and electoral success of the Labour Party are contingent upon the provision of union financing through conditional loan agreements.

CONCLUSION

This paper has argued that a cyclical analytical framework provides the correct approach for analyzing comparative neoliberal effects on labor unions. The dynamics between labor unions and political organizations appear to lack a definitive terminus or origin, existing instead in a state of perpetual recursion. As the global economy entered the twenty-first century, the consistently litigious relationship between management, labor, and state power achieved a state of circularity. This delicate equilibrium of power exists between those exercising

institutional influence and those granting consent within a democratic framework, facilitated by a myriad of variables that concurrently link and contravene one another.

The nature of capital and the relative influence of individual versus collective action have undergone significant metamorphosis. Historically, unions functioned as formidable institutions primarily due to their capacity to mobilize massive voting blocs, a capability bolstered by favorable regulatory frameworks, such as the union shop, and specific modes of economic structuring. In response to the secular decline in union density, these organizations have adopted diverse methodologies to retain and foster institutional leverage. These strategies involve the advocacy for non-unionized individuals and the construction of expansive networks comprising persons and organizations devoid of formal union affiliation. Furthermore, the cooperation between traditionally adversarial entities, including unions, corporations, and business associations, has attained a degree of virtual transparency. This phenomenon may be attributed to the expansion of aggregate economic surplus or, alternatively, to the functional necessity for labor to establish common ground with management to ensure mutual institutional perpetuation. The most significant transformation, however, is the adoption of a commercialized strategic model for political maneuvering that mirrors the tactics of corporate counterparts.

Political parties inevitably adjust to the prevailing ideological and economic climates. Organizations that were formerly the exclusive enclave of unionism have recalibrated their policy platforms to accommodate the imperatives of high financial capitalization inherent in contemporary political campaigning. It would be analytically insufficient to evaluate these traditionally labor-aligned parties solely on the basis of empirical electoral data without considering the broader political culture. The exigencies of finance capital have imposed rigorous standards and criteria upon these parties that were absent in previous eras. To maintain their traditional constituencies while avoiding total ideological alienation, these parties have moved toward the political center to counter the strategic advantages of their primary rivals, the Republican and Conservative parties.

The political adversaries of labor-backed parties have historically derived their financing from the corporate community, necessitating that labor-aligned organizations pursue diverse funding streams and adopt controversial policy positions. The inherent nature of power produces effects that

are often contradictory, as power is fundamentally relative; it neither dissipates nor disappears but is subject to conservation. Within a democratic system, power undergoes sectoral shifts, and those possessing superior financial resources and media access are typically the primary beneficiaries of this

transfer. Contemporary trade unions now encompass both spheres of influence; whereas they once relied upon the collective exercise of numerical voting power, they now function as autonomous institutions leveraging financial assets and the strategic mobilization of targeted voting blocs.

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