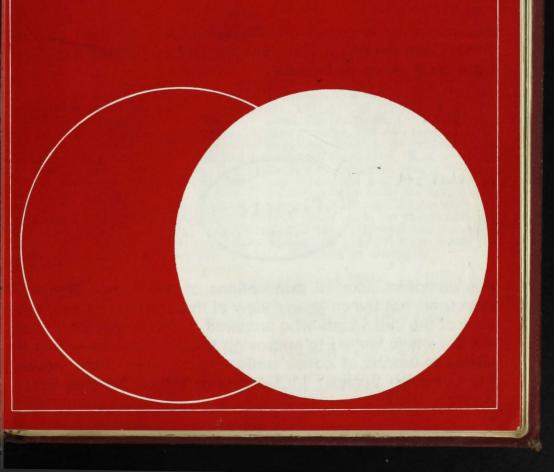
the trade unions: on to 1980

a fabian group fabian tract 373





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contents	1	introduction	1
	2	social structure problems	4
	3	incomes policy	9
	4	social role	13
	5	conclusion	18

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I. introduction

It is easy to build up ill will towards the unions. The occasions when they catch the headlines are so often those which put them in a bad light. Incidents, such as the refusal of a group of workers to accept new machinery and techniques or an unofficial strike which inconveniences the public, arise because the normal processes of consultation and agreement have failed. These incidents which strike the public imagination lead to the underestimation of the slow, quiet and massive influence for social advancement which the trade unions have exercised and are exercising.

Trade unions arose to mitigate the inequality of bargaining power between workers and employers and to diminish the social disadvantage of the poor. Inequality of bargaining power still exists, since the individual worker can only to a very limited extent either remain out of the labour market for more than a short period or move from one employer to another. The average cash reserve of a British working class household is estimated to be less than £50. Whether there is a shortage of labour or not it is still more inconvenient for an individual worker to be without a job than for the employer to be without him. Wage and small salary earners and their children are still at a great social disadvantage.

The historical circumstances of the rise of trade unions meant that they were largely confined to playing a defensive, or protective role in society. A trade union exists to protect its members against industrial adversity and to defend the gains made from time to time in their living standards. These functions operated first at the workplace and district level and later at national level.

At both these levels the main functions of unions are still defensive and protective. There is nothing wrong with this. Unions did not create the society or environment within which they exist. They have primarily to respond to the conditions they find; and although most unions are involved in attempting to influence political decisions, their first course of action must always be the comparatively limited one of looking after their own members. They constitute sectional and vested interests just as much as do employers' associations, the Income Tax Payers' Society, the Automobile Association or the British Legion. Their members pay their subscriptions primarily so that their interests will be promoted in a competitive society, not so that society itself can be transformed. Other vested interests are doing the same job for their members; if the general interest of society can be promoted, so much the better and, in fact, the longer term general aims of trade unions have come to be very important.

collective approach

Trade unions, adopting a collective approach to the many problems which workers face in their working lives, have established common rules and emphasised collective action and responsibility at all times. Individual unions have been concerned to reduce internal conflict between members and groups and through the normal procedures of policy determination and negotiation have done so. The unions have acted collectively against the "iron laws of economics". In many cases they have adopted social rather than economic attitudes, rejecting a balance sheet mentality and emphasising the social nature of work. It is partly because there has often been a failure to understand this that the unions have come under such heavy fire. It is because of this also that the debate which has been taking place on the function of trade unions, is so confusing and seems to many rank and file trade unionists to be an "attack on the unions".

In combining together in restricting entry into a particular trade and in securing the payment of a common established or negotiated rate for a particular type of work, trade unions have gone some way to mitigate the inferior position in which wage earners are placed. They have established to some degree an atmosphere in which men are no longer subject to the whims and caprices of the employer or his foreman. The insistent pressure of trade unions for higher wages and better conditions has introduced an element into industrial policy which would not otherwise have been there. As a result, employers have had to take account of the need to use labour economically and so press forward with mechanisation and modernisation.

participation

Perhaps the greatest influence of the trade unions has been to provide for the individual worker the means of obtaining in joint action with his fellows some degree of control over his industrial and social environment. The unions have offered to thousands of wage earners the opportunity of taking part in a movement in which they can make an individual contribution. Participation in a trade union teaches the lesson of solidarity with one's immediate fellow workers, and the need to try to understand the problems of the industry as a whole and of workers in other industries. It brings also the obligation to accept a degree of discipline both within the union and in honouring union agreements. For many workers discussion in a trade union branch, attendance at a trade union school or duty as a delegate to a trade union conference has meant a successive widening of horizons. Trade union work has probably been the greatest single stimulus to individual workers to seek further education; and the trade union movement, both directly and indirectly, has played a large part in providing it.

It was no accident that it was the trade unions which largely created and sustained the Labour Party. The identification of industrial organisations with a political party sometimes causes disquiet to those who oddly enough see no dangers in the identification of wealthy firms or organisations of property owners with those political parties which they feel most adequately represent their aspirations. The commitment of trade unions to one of the great national parties, and the participation of so many trade unionists, both individually and collectively, in its work has brought a sense of realism to politics. It has also served the purpose of widening still more the outlook and horizons of trade union members and of deepening their sense of social responsibility.

In their evolution the trade unions have come increasingly to substitute a positive role for a defensive or protective one. This, however, must not lead us to overlook the extent to which the main emphasis of trade union work has necessarily had to be defensive. The ownership and direction of industry remains in the hands of employers and managers. The political scene has remained dominated by the Conservative Party in power, alone or in alliances, for a large part of this century. Moreover, the change in the organisation and techniques of industry, in the levels of real wages and in the reduction of hours have so far remained comparatively slow; although the last few years have seen an acceleration in all these aspects of change.

"Planning" or overall economic guidance has come to be adopted in recent years in highly industrialised capitalist countries in order to reconcile some of the internal contradiction of competitive societies. For Britain, with her heavy dependance on overseas trade, this has become of major importance. Planning means that, to a lesser or greater degree, the competitive activities of vested interests have to be controlled and this has important implications for trade unions in the field of incomes policy. There is a growing recognition that trade unions cannot effectively pursue objectives such as higher wages and better conditions independently of what is happening in the economy as a whole. They must attempt to understand the extent to which achievement of these aims depends upon such factors as change within industry and in the national balance between industries.

As the role of the union changes there is a growing need for the individual member to play a greater part in determining industrial policies. The development of new techniques, particularly

automation, faces the worker with more and more complex equipment and it becomes increasingly necessary for him to be able to exercise a real influence on the conditions of his daily working life. This he should be able to do through his trade union and through effective machinerv for joint consultation within the enterprise in which he works. Technological change has not diminished the need for trade unions: on the contrary, the need for positive representation of the workers' interests is greater than ever in order to ensure that change means real benefits to all concerned. The future of industry and society cannot be determined by technological requirements alone and one important role of trade unions will be to ensure that change is carried out in a way which is of positive advantage to working people generally. The unions have a duty to remind us at all times that industry exists only to secure the best possible material conditions of life for all the men and women who make up our society.

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The unions through their history have changed their organisations and modified their function to meet changing circumstances. But change is never easy for them because they are organisations controlled by large numbers of rank and file members who view change with caution and whose daily experience and anxieties emphasise how important the defensive element still must be. The accelerating rate of industrial and social change in the community makes the need for adaptation by the trade unions increasingly important. Since adaptation can come only from within the trade unions, the need for public discussion and for self examination by the trade unions themselves is now especially great. Trade unions more than ever before must not only keep up with the times but cultivate the habit of deliberately looking ahead.

2. social structure problems

There are certain features of the industrial scene which make it difficult for trade unions to abandon defensive and assume constructive roles. These stem from the class structure of our industrial society; among them are the excessive differentiation of status in industry (from which springs management's special resistance to white collar unionism); the limits set by management in effective consultation; and the insecurity still associated with changing jobs (the problem of redundancy).

social division

The "us and them" attitude of sharp class division is probably more prevalent in British private industry than anywhere in the world. It is diminishing to some extent, but still operates extensively and is equally inflexible on both sides of industry. It generates a continuous distrust of the other's motives and a climate in which genuine joint consultation or participation in common objectives can be difficult to achieve.

In Socialists and Managers, a Fabian group reported: "To say that British industry is still hampered by old fashioned social concepts and conflicts is now a truism. It is right to mock the endless graduations, in some firms, of offices, canteens and even lavatories, as also the lavish and needless luxury often provided for senior employees. More serious are the great differences in treatment between 'staff' and 'labour' in such matters as sick pay, length of notice and other benefits." (Fabian tract 351).

A hospital porter has described conditions at a London hospital for us: "This hospital goes so far in accommodating a status convention that it provides separate dining rooms for doctors, sisters, nurses, administrative and clerical workers, down the ladder to the ancillary grades, who eat in what can only be described as a reject nissen hut separate from the main building of the hospital. This insulting canteen is unsightly, uncomfortable and unhygenic. The rest and recreation facilities follow the same pattern. Arrangements of this kind are costly and wasteful in the extreme."

Until class divisions are broken down improvements in industrial relations at local level, where the discrimination makes itself felt, are likely to be difficult to achieve. In a few leading private firms and in some nationalised industries, such as electricity supply and civil aviation, the erosion of the class and status barriers between white collar and manual workers has begun. So far this has been brought about mainly through giving "staff status" to manual workers, particularly in respect of the payment of a consolidated annual salary rather than a weekly wage with various additions. In other fields the gap in the normal working week between manual and white collar is being gradually reduced and more manual workers are becoming eligible for company sick pay and pension schemes, which white collar staffs have long enjoyed. There is still, however, a great deal of progress to be made.

manual and whitecollar

In general the problem is one of extending the privileges of white collar workers to manual workers. In one important respect, however, the reverse is the case. There is a sharp difference between the attitude of management in the private sector of industry towards trade unionism amongst manual staffs and white collar staffs, particularly at a level above clerks. Trade unionism among manual workers is now accepted as normal by all but a very few employers. Indeed it is frequently welcomed as providing the basis of good industrial relations and communications at the place of work. The unions, who have themselves won this recognition, are at their most effective in the manual workers' field.

Generally speaking, in private industry, white collar workers are relatively badly organised and their unions relatively ineffective. There are of course several notable exceptions, such as draughtsmen in engineering, certain scientific workers and many insurance employees. However, the employers do not generally extend to white collar workers the recognition or facilities accorded to the manual workers' unions and there is no doubt that traditional feelings of class play a major part in this distinction. Indeed, some white collar workers still wish to identify themselves more with the "class" to which their employers belong and to differentiate themselves from manual workers. The British Employers' Confederation said in a statement made in 1964, that the growing tendency for staff workers to join trade unions was "making it increasingly difficult for employers to resist pressure from staff unions for the negotiation of agreements". Recognition of such unions is, of course, essential to the proper working of both industrial relations and planning machinery at local level.

If a group of workers want recognition for their union they should receive legal support to obtain it. This recognition would, of course, have to be real and so might call for the use of compulsory arbitration.

The public sector in Britain accepts full trade union recognition. Bargaining and consultation are taken as being in the natural order of things and little distinction is made between white collar and manual workers. The collective bargaining system of Whitley Councils and Joint Industrial Councils, general in the public sector, commands the support of both sides and works well. It is in striking contrast to the fragmentally systems in much of the private sector.

exclusion from managerial responsibility

In the period of their development the emotional conditioning of trade unions has been "oppositional". With few exceptions managements have carefully guarded their prerogatives and have failed to take trade unionists into their confidence. This concept of "managerial function" has been written into collective agreements since the turn of the century, especially in engineering. Managements have prevented trade unions from playing an active part in determining industrial policies partly by refusing to reveal information: an example is the refusal of firms to give information on their financial standing. This situation within industry contrasts strangely with the relationship between trade unions and Government. Here advice on policy is sought and given on the National Economic Development Council, the industrial Economic Development Committees and the National Joint Advisory Council, to mention only the most important. Government, of course, now functions within a democratic framework, whereas industry certainly does not.

Dr. Norman Ross, in the Fabian pamphlet The Democratic Firm, has painted the picture as follows: "In many countries, recent decades have witnessed the increasing concentration of economic power in a relatively small number of private and public corporations as a result of the development of private capitalism, the emergence of state capitalism or a mixture of both. The growth of vast private economic empires in, for ex-ample, chemicals, oil and steel in the United Kingdom, has been paralleled by the creation of huge public corporations in the fields of transport, coal and other forms of fuel and power. Developments of this kind have meant that millions of workers have had the experience of becoming relatively still smaller cogs in vastly enlarged machines. Such developments have also produced an expanding bureaucracy of professional managers whose power is great but whose social responsibility is limited and ill defined." (Fabian research series 242).

However, on the question of participating in management decision making, trade unionists have found themselves in a dilemma. In this area there has been conflict and uncertainty of aim: the conflict between wanting to take part in real decisions and at the same time to reserve the right to oppose. Because of it there have been doubts about the course of winning the right to take part in decision making. Victory might make one unable to defend members against the consequences of decisions which cannot all be foreseen; it could also mean relinquishing a role which is familiar and nowadays relatively safe.

In the same way, British managements have paid lip service to the value of joint consultation. However, there are a few managements who are genuinely prepared to consult at an early stage on issues which are central to investment and production. As a consequence there has been much collusion between the two sides in sham consultation, or consultation which is restricted to peripheral issues and the imperfections of decisions taken elsewhere. The familiar scene at works council meetings throughout the country, of solemn two hour discussions on the price of a portion of cabbage, reinforces the views both of managers who say the workers' side is frivolous and irresponsible, and of workers' representatives who say the management side is not genuine in its intention of wishing to consult with them.

extension of bargaining area

It has been pointed out that traditionally participation has been through negotiation and bargaining and not through joint decision making. It may well be that the expansion of union participation would best come from an extension of the areas in which bargaining takes place rather than by an extension of joint consultation. Such changes may only be secured by legislation. The changes need to include rights of consultation on manpower planning and potential redund-ancy; "workers' inspectors" in safety, working in conjunction with the full time inspectorate (which itself should be brought under a supervisory board with heavy trade union representation), and the option for workers (or their unions) to adopt systems of joint control of discipline with provision for independent appeal as well.

Another area is the technology of production processes. By the time a plant is built or a machine designed or a production line laid out, it is often too late to take account of many of the needs and interests of the people who are going to work there. The workers' interests need to be represented at the design and planning stage of new production processes. In some jobs it is still necessary to negotiate about such things as arduous physical working conditions. In others there is a positive need for negotiations to cover the length of job, cycle, monotony, social isolation, responsibility and the use of skills, etc.

To bargain in these fields the trade unions will have to extend their use of specialists. Not only economists, who are beginning to be accepted, but technologists, and social scientists are needed to provide the facts for this kind of negotiation.

It should be recognised, however, that even with an enlarged bargaining area and the improvement in industrial relations this might engender, it is inevitable that the machinery of industrial relations will sometimes prove inadequate to deal with particular disputes. Even where progressive efforts are made to adapt this machinery to changing production methods, lapses of this kind are likely and may result in unofficial action by those concerned at shop floor level (although more attention to the adaptation of such machinery could substantially reduce the number of unofficial actions). To this extent, unofficial strikes are often a safety valve indicating defects in the existing machinery for dealing with disputes, and a great deal of the attention which has been given to such strikes in recent years has been mis-directed, because it has concentrated on the fact that they were unofficial rather than on the lessons which might be drawn from them.

For the above reasons, therefore, we do not think that legal sanctions should be used to deal with strikes, but rather that machinery should exist to provide an independent and speedy solution of disputes. We support the proposals which have been made by the Ministry of Labour in their evidence to the Royal Commission on Trade Unions and Employers Associations (HMSO 1966) for local labour courts or tribunals, provided such bodies can be kept reasonably informal and inexpensive and that those appearing before them are laymen rather than lawyers, as happens in the general pattern of British arbitration. We would also welcome an extension of the statutory rights of individual workers with a measure of enforcement as provided in the Terms and Conditions of Employment Act 1959.

mobility and security

Trade unions have grown up against a background of job insecurity and many trade union attitudes stem directly from this. If these attitudes are to be changed quickly steps must be taken by Government of employers to ensure that the problems of redundancy are adequately dealt with. It is recognised that the Government have made a start in this direction. Their measures include the Redundancy Payments Act; the creation of industrial training boards in most of our major industries; proposals to expand the housing programme; new social insurance benefits based on earnings; the development of regional planning which includes the re-development of parts of Britain that have been allowed to fall into industrial decay and social backwardness and direct aid to help the older. declining industries, such as coal and shipbuilding.

These are all important steps in the right direction, and are long overdue. The National Plan has also illustrated how they might fit into a general programme for the modernisation of the British economy although more needs to be done to communicate a coherent pattern to the public. Yet the ingrained feeling of insecurity remains among many working people. The fact that unemployment is now cushioned by a welfare state has not removed the fear of losing a job. It is true that being out of work, even temporarily is very different nowadays than when there were two million people on the dole. However, the man out of work for whatever reason, will experience personal domestic problems and it is small consolation to know that not many others are similarly placed.

In recent years there hase been a wider recognition of the "redundancy problem". There has been a recognition that this is different from the pre-war unemployment which was the mark of a society which used the labour market as an instrument of economic policy. Present day unemployment is more likely to be a reflection of a society that has grown more technologically complex but has so far failed to match its technological advance with new social concepts.

Society is changing rapidly and the rate of change is itself quickening. The more rapid the rate of technological and social change the greater will be the strain on human relationships. This is especially true of industrial relations, but so far only some managers and trade union leaders have grasped this. In these circumstances, workers have every right to be cautious: what happened when the Government decided to go ahead with the Redundancy Payments Bill is an example. Shortly before the Bill became law hundreds, perhaps thousands, of workers were dismissed by their firms (mainly small ones) who clearly wanted to escape the obligations of having to pay redundancy compensation. Although the larger companies have a more responsible attitude toward labour this is not the case in many medium and small firms. This may partly explain why the fear of the sack is still frightening to many workers despite the years of full employment and the Welfare State.

The young facing hire purchase debts and new social commitments may often appear to fear redundancy no less than the older workers; indeed in some respects the younger ones, particularly those newly married, have more to fear. An affluent society in which there is a wide choice of consumer comforts has made the average worker more, not less, dependent on continuous employment. It has also raised his personal stature, his dignity and self esteem and his determination to keep what he has got. When this comes into conflict with the underlying fear of what redundancy could bring the result is often tension in industrial relations. There is no doubt that this accounts for much of the resistance to change, for many restrictive practices and is reflected in the general mistrust between management and worker. How can there be an identity of interest when the worker feels, with justification, that there is usually one law for management and another for him where security is concerned?

A senior manager whose services are no longer required may often receive a handsome "golden handshake". The worker, who might have been with the same firm for as long or longer, may find himself out of a job with very little to show for his years of service. The Redundancy Payment Act has helped to correct some of the injustice, but more needs to be done.

Severance pay is not the sole issue in this question of job security. We must be concerned to see that firms pursue a manpower planning policy which minimises redundancy. Far too little attention is paid to recruitment and training. It is also very important in an expanding economy to provide alternative work for the redundant person. This may require re-training and re-housing. Here the facilities are improving, but only marginally. The industrial training boards are as yet in their infancy, and even when they become effective they will mostly cater for the training of young people. One significant problem, however, is to re-train older workers, perhaps twice in their mature years. Private industry, as a rule, is reluctant to spend large sums of money in re-training older workers and ultimately this will involve an extension of State training centres.

A change of job may also involve a shift of home—a particularly acute problem for men with families. A vast expansion of the housing programme is needed to match this need. It requires a totally new approach to what might be called "social planning" if the problem of job security is to be tackled in a serious way. It would be wrong to suppose that there is no awareness of this need. Governments, managements and unions now see the need even where they are unclear about the solution. But in the minds of workers, faced with the realities of change infringing on their lives, there is an inevitable and instinctive reaction: resistance. It is now Government responsibility to help break this down.

3. incomes policy

The participation of trade unions in the incomes policy is perhaps the clearest sign that they recognise their changing role in society. Full employment has given substantial bargaining power to the unions, but experience has shown that this does not necessarily increase the share of the national product going to wage earners. Neither has there been a period of full employment with a steady rate of economic growth and the consequent opportunities for a steady increase in real wages. Because of the inability of successive governments to control the level of economic activity within relatively fine limits and recurrent balance of payments crises, the period since 1948 has been characterised by long periods of stagnation with relatively few years of rapid growth. This experience has reinforced the trade unions' traditional belief in planning as a positive means of controlling and guiding economic activity and in the last few years many other groups in the community have also recognised the need for a more positive direction of economic affairs. To be effective any form of national planning must have an agreed incomes policy aimed at advancing incomes broadly in line with other growth factors. From the trade union viewpoint an incomes policy must be positive and directed towards a steady growth in real wages and a more equitable distribution of wealth.

The idea of an incomes policy had indeed been urged on the trade union movement for some years from two quite different sources. Firstly, many radicals drew attention to existing variations in pay levels of different groups of workers for which justification was offered in terms of skill, responsibility or social worth and urged their unions to work out, or co-operate in working out, criteria on which wage and salary levels ought to be determined. Secondly some past governments repeatedly sought to put on the trade unions the responsibility for price increases (and so far the difficulties facing both exporters and people living on fixed incomes). Governments (notably in the Selwyn Lloyd pay pause period) attempted to impose a policy of restraint on trade unionists while taking no effective action to check rises in prices, dividends, rents and capital gains.

To both these approaches trade unions made a regular response. Appeals for the trade union movement to work out a more rational wage and salary structure brought the answer that the inequalities between different sections of wage earners were insignificant compared with the much greater inequalities between different sections of the population, resulting from inherited wealth or unearned income derived. Government attempts to restrain wages were rejected as quite unfair.

The incomes policy to which the trade union movement committed itself in 1964/65 was not imposed by the Government, but arose from agreement between employers, trade unions and the Government. It embraces prices, productivity and all forms of income: it is not primarily concerned with relative levels of pay (although this issue is bound to arise in the operation of the policy).

earnings

Relatively high pay is being earned in some sections of industry; although it should be stressed that the wage earnings of manual workers are still very much below those of most other persons. In January 1966 the earnings of fitters in engineering were £19 16s 6d a week and labourers £14 19s 3d; men in agriculture were paid £12 14s 2d and in public administration £14 7s 4d. It is known, moreover, from the Ministry of Labour's figures on the dispersion of income, that 55-60 per cent of workers receive wages below the average. Monthly paid clerical, administrative and technical staff received £27 13s 0d (although weekly paid staff received only £17 13s 4d).

A contrast is provided by information on the salaries of company directors, published in *The Director* for May 1966, as a result of a survey by the Institute of Directors. According to the survey 33 per cent of directors received between £3,000 and £5,000, 23 per cent between £5,000 and £7,000, 16 per cent between £7,000 and £10,000, and 17 per cent over £10,000 a year. It is reasonable to expect that in the greater majority of cases the directors jobs carried considerable perquisites. These, moreover, were not directors of large companies. 41 per cent were engaged in companies with a capital of less than £100,000, an almost identical

number, 40 per cent, were on the boards of companies employing less than 100

It should be stressed that high earnings for manual workers are often the reward for long periods of overtime, for a very fast rate of working, for shift working, or working in intolerable conditions of discomfort. There are areas of employment in which very low pay exists. The phenomena of wage stop illustrates this. In December 1962 12 per cent of unemployed persons receiving National Assistance received less than the amount which they were entitled to under national assistance because their former earnings fell below the National Assistance Board level. This is because the National Assistance (Determination of Need) Regula-tions 1948 states that if an applicant is requiring to register for employment as a condition of receiving assistance, his weekly allowances must not exceed his "net weekly earnings" if he were employed full time in his occupation. The Young Fabian pamphlet, National assistance-service or charity (Young Fabian pamphlet 4), gave some examples of the effect of wage stop. In one case, a family received £4 3s 6d less than the full entitlement on the National Assistance scales. In another case, a family received £2 1s 0d less. For December 1960 there were 15,000 cases of wage stop, 12,000 in December 1961, 25,000 in December 1962. A statement from the National Assistance Board indicated that reductions due to wage stop "varied in amount from a few shillings to (in 3,000 cases) £2 a week or more.

The fact that many men and almost all women are in receipt of low pay can be seen from the chart on the distribution of earnings in the Ministry of Labour's *Statistics on incomes, prices, employment* and production, no 15, December 1965. If the Ministry of Labour's assumptions are correct, 10 per cent of adult men in employment are earning less than £13 0s 0d a week before stoppages. Any incomes policy must deal with the problem of the lowly paid and create an atmosphere in which regular advancement is accepted readily.

policy agreed

Unfortunately incomes policy began to work when the Government had to show quick results in terms of halting the steady rise in costs and prices. This has led many people, including some Ministers, to speak as though the incomes policy was merely a short term expedient —a "pay pause" to be achieved by goodwill and consent.

Whatever national short term advantages may be secured the advantages to the trade union movement are more likely to be in the long term. There is indeed a danger that concentration on short term results may prejudice the policy's long term acceptability.

high wage policies

In some circumstances there is a good deal to be said for the general proposition that an aggressive wages policy and the prospect of labour shortages forces employers to value labour highly and so ensure that it is fully utilised by high quality management and modern equipment. A high wage policy is, however, less effective where employers have been reluctant to change traditional methods to keep pace with changing techniques. In this case an incomes policy can positively stimulate productivity and econogrowth. Something is achieved mic merely by bringing into wage negotiations considerations of productivity and ultimate prices, but more can be done if the prospects of pay claims succeeding can be made to depend to a greater degree on the industry concerned being able to introduce and use to the full up to date machinery and methods. In

people.

this way the powerful thrust of trade union drive for higher standards can actively encourage the measures needed to make industry more efficient.

This concept can be given effect in the form of a producitvity bargain and the more rapidly and extensively genuine productivity bargains can be made the better. These so far have often been spectacular, with very marked increases in basic rates; but there is undoubtedly room for a large number of such bargains albeit on a more modest scale. British industry stands in great need of a constant reassessment of organisation and wage levels.

Some problems will be raised by this approach. Concern has been expressed about their effect on workers either in the same industry on a different class of work or in an adjoining industry on the same class of work. It is claimed that both will expect to maintain their former differentials whether or not they produce the same increase in productivity. It is hard to see the force of this argument. Although obviously the repercussion on other workers must always be a consideration in the conclusion of a bargain there is nothing specially sacrosant about the differentials between workers in quite different types of work, and there are very few jobs which, given the workers co-operation, could not be made more efficient.

fair taxation

The participation of the trade union movement in an incomes policy entitles them to expect some efforts to reduce the present obvious injustices in the distribution of wealth. This hardly comes within the scope of normal collective bargaining; but a government which wants continued trade union support for its incomes policy must by fiscal policy show its willingness to spread the tax burden fairly. The insistence of Mr. Selwyn Lloyd as Chancellor on a surtax reduction costing many millions at a time when restraint was being imposed on those earning low wages emphasised the social inadequacy of his approach. The present Government, by contrast, accompanied its negotiations on an incomes policy with the first serious attempt to tax capital gains. The increase in old age and other pensions together with the measures to relieve ratepayers with small incomes are similarly part of an attempt to build up an atmosphere of social equity in which an incomes policy stands a chance of success.

Such an incomes policy can, if experience and confidence in it grows, lead to a more rational wage and salary structure and to a rapid advancement in living standards. This is perhaps the aspect of an incomes policy which is most likely to be prejudiced if the short term needs of the economy gives it a negative or restrictive impression. The need for technical change and increases in the general level of wages does not imply either a continuation of the present pattern of rewards and differentials nor a situation in which some sections of wage and salary earners progress rapidly relative to others.

Thus in a period of rising real wages a pattern of wages determined by methods of collective bargaining and arbitration can be influenced by broad social considerations accepted by unions, employers and government. However, the elements in such a policy should include:

1. A steady progress towards ending the present relative underpayment of women workers.

2. An equally steady progress in raising the present lowest wages level of men and women (broadly those levels covered by wage councils).

3. An extension of the most significant fringe benefits (notably sick pay provision) either by occupational agreements or by improved social security provision.

4. The maintenance of wage levels in the public sector by the application of the principle of fair comparison to ensure that wages of public servants do not fall below those of persons outside the service requiring similar education and taking into account similar responsibilities. Such provision is essential to ensure that the conditions of, for example, teachers and nurses do not lag.

CHANGE IN THE TRADE UNIONS

Insufficient attention has been paid to other significant changes that have taken place in the British trade unions over the last decade. The concentration of employment in large concerns has emphasised the importance of workplace representatives, and increased attention has been paid to securing their recognition and providing appropriate training for them. There is a tendency for the geographical trade union branch to be replaced by organisation based on the place of work. Greater emphasis has been placed on administrative efficiency and inter-union relationships, leading to tighter federal arrangements and other forms of closer working. The TUC has been actively concerned in promoting amalgamation discussions. These processes of change were described in Change in the Trade Unions by John Hughes (Fabian research series 244).

Much remains to be done to adapt union organisation, structures and policies to current needs, but a beginning has been made. The unions are steadily developing their membership services; expanding their research departments and giving them broader objectives; developing education and training for full time officers as well as lay members; improving their communications and public relations. To meet the increased expenditure they have had to raise their rates of contribution, which went up twice as fast as weekly wage rates in the period 1957 to 1962.

4. social role

Trade union activity is expanding in the social role. Unions have long performed an important social function which is seldom acknowledged or appreciated outside the ranks of its own members. One aspect of this is the concern with social welfare questions, such as better National Insurance benefits for old people, widows and those suffering from industrial diseases, or for those on National Assistance. Trade Unions provide many representatives for all manner of public bodies from hospital management committees to prison welfare committees and from tribunals and commissions of inquiry to committees on higher education.

The types of function fulfilled by trades councils at local level and the voluntary services given by their representatives on many local bodies make a valuable contribution to society and should not be under estimated. But these activities need to be expanded, humanised and personalised, so that a local union branch secretary will know something about the general social problems in his area, of the old people, the sick and the badly housed, as well as the difficult employers.

Another entirely different aspect of their social role is that concerned broadly with their members' lives as consumers as well as bread winners. Here also, unions have a long history of activity which has expanded recently, but in which there is still a great deal more scope. The potentialities in this direction are enormous and a great deal more needs to be done if the unions are to face up to their full twentieth century responsibilities. These are merely examples and it is difficult to indicate just where the limits of such action lie.

The social role can be defined to mean concern with the fulness and facilities of life for its members, their families and others, rather than with their means of livelihood or the conditions controlling it. The unions' social aim is to complement *material* well being with an improved *quality* of living, by direct means rather than through pressure on employers or the State. It is to ensure that the improvements which have been gained industrially and politically are not eroded by exploitation in other fields or through lack of good advice or service.

People in professional and managerial walks of life often belong to professional associations or join private clubs or have good business or social contacts which help them considerably in life and deepen their interests. These facilities, if not actually denied to wage earners and lower salary earners are more difficult for them to come by and it often requires determined effort and ability to break through the barriers of exclusiveness which all too frequently surround them.

Britain has a less open society than most industrialised countries and at least until class barriers begin to fall more readily it will be necessary for the trade unions to take on or continue with the provision of facilities, comparable to those available to professional people. Provision of facilities is one thing, encouragement of their use is another. The unions must play both parts because wage earners sometimes lack the self confidence needed to enter new or unusual fields of activity unless strong leadership is present. The atmosphere and environment in which they live and work is often less stimulating and less conducive to adventurousness than is the case with professional people.

union education facilities

Education is a field in which the unions have not only provided facilities but have encouraged members to use them fully.

Apart from training courses designed to equip members to take an active and intelligent part in the running of their union and prepare them for participation in its policy discussions, many unions provide a good deal of broader, liberal education. Not only do they assist members wishing to attend local courses and schools on wider topics but many give scholarships or other assistance for courses of full time study at Ruskin College and elsewhere. Some unions also sponsor educational courses which will promote job advancement and better vocational standards.

There is still a great deal of work to be done. To an extent trade unions are hampered in their work because of lack of free time on the part of their active members. Their branch officers find it difficult to attend evening courses because of branch commitments. Not only do they have their own branch work to perform but also they inevitably become involved in other committee work as representatives of the trade union movement. At weekends branch officers have administrative work to do, apart from a strong obligation to spend time with their families, and so can spare little time for education. The solution to the problem of shortage of time is "day release"; that is, attendance at courses during working hours. Unions, however, cannot meet the cost of compensating members for loss of wages on a wide scale. If there is to be big expansion of trade union education it must become the responsibility of the state as part of a development of adult education or must be financed by levies on industry itself.

creative leisure facilities

Creative leisure is a field as yet comparatively untouched; but this cannot remain so for much longer. Television has done much to stimulate interest in the arts and the unions increasingly accept the role of leaders in encouraging wider participation. Already some trade unions are purchasing modern art works and supporting Centre 42 in attempts to bring art forms closer to working people and, if possible, to encourage groups to set up their own societies and clubs. Even closer involvement and greater financial support is anticipated for the unions.

If the unions, with their established allegiance of the wage earners, do not perform this essential task of leading and encouraging their members to improve awareness of social priorities and the quality of living the advancement of working people's horizons will be much slower. Many needless social anomalies or injustices will go unchecked.

The wage earners are the largest body of economically active people in the country, but they are less privileged than most in their economic and social scale. If their trade unions do not act as their spokesmen on many aspects of life and living the likelihood is that nobody else will. In this way the unions can help to make up for anything wage earners lack in influence and articulateness. That the unions need to fulfil this social role and not confine themselves to purely industrial and vocational activities has been more widely accepted in recent years.

consumer services

A main shortcoming of the trade union movement is that it has always regarded its members as workers or breadwinners but hardly at all in their other main capacity as consumers. Yet improving conditions and wages is only one half of their chosen task of improving living standards. The other half is in making sure that the benefits gained industrially are real benefits and not offset by exploitation of the consumer.

The "union label" system, so widely prevalent in the USA (whereby workers are urged to be selective and buy goods produced by union labour) is hardly known and hardly practised in Britain. The system discourages exploitation of the worker as a producer or as a consumer and enhances union organising prospects.

One of the challenges to the trade union movement over the next decade will be the extent to which it is prepared to extend its services to members in the consumer field. There is room for unions locally, or perhaps the trades councils, to act as advice bureaux for members on consumer questions. This could take a number of forms in different communities depending on to the extent to which consumer services had already been pioneered in them. The unions could, for instance, act purely as an advice and complaints bureau, passing members on to the appropriate body to deal with their problem, or possibly taking the matter up themselves; or they could help form the nucleus of consumer groups, such as have been springing up in many areas already, to dispense advice and local value for money shopping, or by telling people what to look for in buying their household foods, consumer durables and furnishings. There is a special need for such advice to be related to things which the existing consumer associations do for the middle and professional classes. There will undoubtedly be differences of opinion within the trade union movement as to the extent to which this side of their activities should be developed, but some of them may even consider it worthwhile establishing jointly an independent product testing bureau of their own, suited to their members' needs.

There has been an increasing tendency in recent years for large discount traders to offer members of trade unions substantial reductions in prices on a wide range of consumer durables. The movement and a large number of individual unions are big enough to inaugurate a discount supply system of their own which could benefit members and make a good deal of money for the movement. At least one union has done this recently. It is perhaps surprising that the Co-operative movement has not broken with tradition and used this modern selling method to trade unionists.

Other fields in which the trade union movement might well consider providing consumer services to its members are in the holiday travel and centre business, various forms of insurance, and in publishing (especially in the technical and educational field). Cases can be cited of substantial savings or extra convenience to the consumer where unions do operate such schemes and services.

legal service

Every union member is likely to need the services of a solicitor or perhaps a barrister two or three times in his life and this can be a very costly business. Most unions provide legal aid to their members only in cases which arise directly out of their employment, claims for compensation for accidents, traffic offences, etc. There seems no reason why this service could not be extended so that the members could have legal advice and aid on any matter from union lawyers for nothing or at a much reduced fee.

Some people feel that this should be a function of an extended State service. This objection may be made against a number of our proposals. We do not see, however, why some unions should not develop their own experiments in these fields, not as a substitute for the kind of institutions we would like to see established by the State, but as a supplement and, indeed, in some cases a pioneer activity to set the pattern.

investment and housing

Many unions have accumulated very substantial funds which are not put to the most effective use. There are very few occasions today when huge demands are made on them, such as financing a national strike. It is a pity that so much of the money continues to be invested in gilt edged stock whose main advantage, now, is quick redemption. In the United States and some other countries the unions sink their funds into large housing projects to provide homes for their members, with reasonable rents or mortgage rates. If the unions did that here they would have appreciating rather than depreciating assets and could receive higher interest, if desired, while giving members a better deal than they can get in the free market. This would also contribute towards the solution of the housing problem, the average worker's biggest worry after his job.

employment of specialists

There is one prerequisite to any of the above being put into practice. Many unions will have to modify their traditional distrust of employing specialists. One of the reasons they are often reluctant to employ them is because they would have to pay salaries above those paid to the chief officers of the union.

The main reason, however, is usually that union leaders do not have time to think about new activities and a possible extension of their union's role. It is not that they are unable to think big, but rather that they are too busy with their many other tasks to take on anything new. Some union leaders are not good at delegating responsibility. They fear that if they had specialists running new departments they would lose their personal grip on the whole. Few have learnt the techniques of delegation and control used by big industrial or commercial executives. If the unions are to play their full social role in the 1960s and 1970s their leaders will have to appoint more high level people in their organisations to do specific jobs and open up new fields.

They will also have to reorganise their financial structure, asking members to pay a higher contribution for a really effective modern service. This too is linked directly with the need to reshape the structure of the British trade union movement so that smaller organisations, with limited resources, can be brought into larger federations which alone can provide the kind of wide range social activity described above.

research departments

An outstanding example of the necessity to employ more specialists is in the field of research. Two types of research and information departments are needed. One is to service a union on specific industrial questions which demand a specialised knowledge of the industry concerned and of the industrial agreements and conditions governing its members' working lives. The other is in providing information, briefs and analyses on a wide range of national, industrial, economic, social and political problems.

At present those unions which have research departments perform both these functions. One effect of this is that unions often hover between the alternative of appointing research staff who have an academic training and preferably a degree, to deal with the national issues, and those who have a wealth of experience in the industries involved but lack the academic training. Suitable staff with both qualifications are not easy to find and those actually appointed are often people who did a spell in industry and then attended one of the adult residential colleges or the trade union studies course at the London School of Economics. Another difficulty is that many of the smaller unions cannot afford to employ a full time research officer.

These problems may be overcome by a new approach. Firstly by groupings of smaller unions, especially those operating in similar fields, setting up joint research departments as a matter of economy perhaps under a federation, where these exist. They would deal mainly with the industrial question in which the unions were interested. Secondly, a central research agency should be set up by the trade union movement, as a whole, to service the unions mainly on the broader national questions and to help them find their way through the complex economic planning machinery of the country which is producing an ever increasing volume of documentation to be analysed, considered and often replied to by the unions. This agency should be independent but might be under indirect control from the TUC or a representative governing board from the movement as a whole. It could be financed partly by union affiliation and partly by payment for commissioned work. It might use computers and maintain close links with universities and other seats of learning.

There would still be, of course, many of the existing research departments belonging mainly to the larger unions. They would continue their work which is, to a large extent, information servicing, abstracting, distributing and using material from external sources to meet the day to day needs of union officers, and writing industrial briefs. They do not in general do original research work except very basic fact finding by, for example, sending questionnaire circulars to local officials. But there is no apparatus or staff able to cope with regular original projects which would make a substantial contribution to our knowledge of social, economic and industrial conditions, such as detailed family expenditure surveys for different industries, examination of human relations, problems in industry or independent analyses of commercial performance.

This tripartite organisation of trade union research—individual union departments as at present, groupings of smaller unions having joint research departments and a central research agency for the whole movement—would provide a rational structure for the various jobs which need to be done; make more efficient use of scarce resources of trained staff and money; allow much more original work to be undertaken than is now possible; and provide a career structure that would attract and retain qualified research staff (a question which now causes major problems).

A further example of the need to employ specialist knowledge is in the field of public relations. There has been some indication recently that unions are aware of the need to improve services of this kind, but too few are employing special-ists knowledgeable in the use of modern communications techniques, in order to explain both to their members and to the public generally their aims and ob-jectives. Too often in the past, when they have been subject to public criticism, unions have been content to blame what they consider to be a hostile press, instead of trying to overcome their own inability to communicate effectively. To this extent they must accept some responsibility for the deterioration in their public image which has undoubtedly occurred during the last ten years.

Trade unions have an essential role to play in an industrial society and they have every reason to be proud of the way that generally this role is carried out and of the wide role their members play in public and social affairs. The development of economic planning will involve the unions more and more in activities outside those with which they have been traditionally associated. In these circumstances it becomes even more essential that the policies and aims of individual unions and the movement in general should be as widely understood as possible. Understanding is vital to the role they have to play.

5. conclusion

The trade unions are a massive influence for good in our society. Not only do they reduce the inequalities in bargaining power but they have provided for many working people a sense of purpose and participation. Although they are primarily interested in the protection and advancement of sectional interests they have produced a great deal of cohesion and discipline in industry and have sought to improve the whole environment in which their members live and work. The traditional role of trade unions has been defensive or protective: this is explained by the social environment in which they have had to operate. The environment, however, is changing -it needs to change more quickly-and the trade unions must themselves change with it.

Fortunately as the environment improves so does it become easier for the unions to adopt a more positive role. Their role in state planning is already important and is likely to become more important still. A break through in trade union participation in policy making is called for at the level of the firm Trade unions, in order to play this more positive role, must extend their scope and services, particularly in the sphere of research. In order to counterbalance some of the class differences which exist in our society trade unions need also to provide further services to members such as consumer advice.

recommendations

1. We urge that all possible steps be taken to end the present class divisions in British industry. This will involve giving "staff status" to every manual worker.

2. We recommend that companies be obliged by law to recognise both bona fide manual and white collar trade unions.

3. We recommend a wide extension of industrial democracy within industry. We consider it important, at the level of the firm, that the scope of bargaining be extended, by legislation if necessary, to cover such subjects as manpower planning and potential redundancy.

4. We recommend the creation of local labour courts—provided their operation is in the hands of laymen.

5. We are firmly opposed to the use of legal sanctions against strikers and recommend that no action be taken to introduce such legislation.

6. We recommend that the Government should go much farther in its attempt to solve the problems of redundancy. Redundancy payments must be increased, industrial training extended and more housing provided for displaced workers.

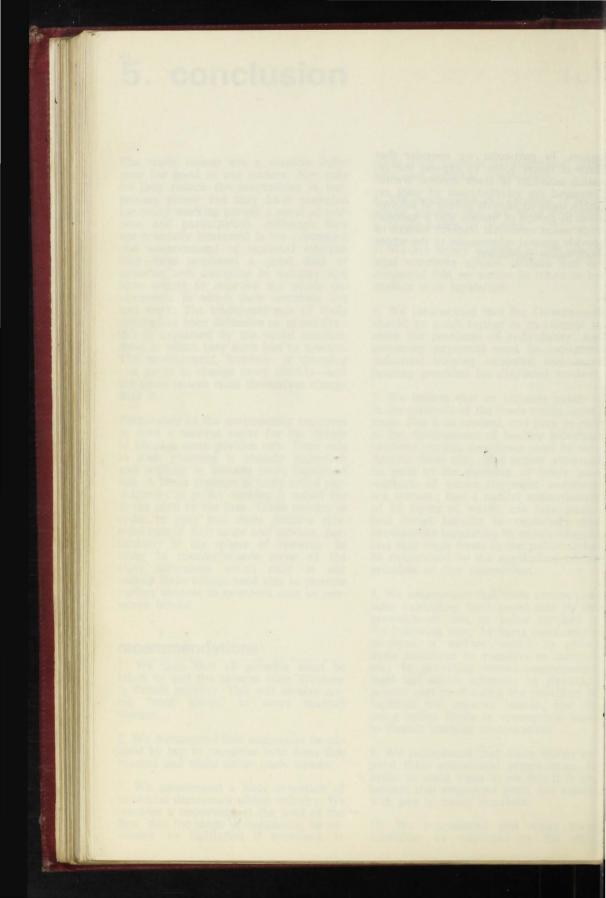
7. We believe that an incomes policy is in the interests of the trade union movement. For it to succeed, and play its part in the development of healthy industrial relations, certain conditions must be met. Among these are: that urgent attention be paid to the problem of lowly paid workers, of whom the most numerous are women; that a radical redistribution of all forms of wealth can take place; that fringe benefits be extended; that productivity bargaining be widely adopted and that wage levels in the public sector be maintained by the application of the principle of fair comparison.

8. We recommend that trade unions consider expanding their social role by the provision of new or better services in the following way: by being more closely involved in welfare work; by giving more assistance to members as consumers; by providing more comprehensive legal and advice schemes; by playing a greater part in ensuring the provision of facilities for creative leisure, and by using union funds in appropriate cases to finance housing co-operatives.

9. We recommend that trade unions expand their educational programmes. In order to assist them to do this it is important that employers grant day release with pay to union members.

10. We recommend that many more specialists be employed by the trade

unions. In particular we consider that there is much scope to expand the research activities of trade unions. We recommend the establishment of joint research units to provide industrial information to groups of unions, and a national trade union economic research bureau to provide general information to the whole trade union movement.



fabian society the authors

The Fabian Society exists to further socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of Socialist opinion within its ranks—left, right and centre.

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Enquiries about membership should be sent to the General Secretary, Fabian Society, 11 Dartmouth Street, London, SW1; telephone Whitehall 3077. This pamphlet is based on the evidence submitted to the Royal Commission on trade unions and employers associations, by a group of Fabians, who met under the Chairmanship of Charles Smith, General Secretary of the Post Office Engineering Union. The group is particularly grateful to John Golding, who compiled the evidence, and to Colin Beever, Geoffrey Goodman, H. D. Hughes, John Hughes, Lisl Klein and Ted Webb, who contributed sections of it. The recommendations represent the generally agreed views of the members of the group, although individual members do not necessarily accept all the group's conclusions.

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