

# Unions: Fit For Active Service?

Labour's industrial plans depend on a new role for the unions. But **Tony Lane** argues that the unions just aren't up to it

It is surprising how little attention has been paid to Labour's new industrial policy considering the old ideas involving a centralised economy and a powerful state have been dropped. The new proposals offer a decentralised, democratised industrial structure where legal ownerships stay unchanged, but where workers and others would be able to intervene in strategic decision-making.

The Labour Party's most recent industrial policy paper says: 'The planning frameworks of the centralised Eastern European economies have little relevance to the British context. Detailed control over production, investment and pricing is not feasible, or even desirable, in a highly complex mixed economy. We need to open up key decision-making to those most affected, employees as well as management, regions as well as central government.'

In the detail there are plans to rebuild the tripartite sector working parties of NEDC, to turn some of them into bargaining-planning forums and then to support development programmes with capital investment and training and education facilities. At the level of the company and the region the plans are vaguer, but there are the same aims of encouraging the extension of collective bargaining into matters of corporate planning and the same intentions of providing expertise, training and educational support.<sup>1</sup>

These innovative policies for democratising economic life plainly see the unions playing a major part, and herein lie the snags. The unions have never been geared up for much more than fire-fighting and given the rather primitive nature of their machinery it is extremely unlikely that they could smoothly and rapidly adjust to take on the sort of forward-looking role envisaged for them.

The unions have been accustomed to thinking of industrial strategy in terms of nationalisation, regional investment

and employment incentives, representation on economic development councils and the like. These policies placed few demands upon them for all they had to do was sort out the politics of who to nominate to bodies that had only consultative functions. Trade unionists neither participated, nor expected to participate, in bargaining with companies over such matters as R&D priorities and budgets, product development and marketing, re-equipment and relocation, senior appointments and management training.

Labour's intention, however, is to bring precisely these sorts of issues within the scope of collective bargaining as a means of opening up the 'secrets' of economic life, releasing talent left dormant and so transform the performance of British industry.

Labour's problem in all of this is not so much trade union reluctance as trade union organisational competence. What is wholly missing in any of the policy papers is any evidence that Labour is aware of just how backward trade union organisation is - and any awareness within the unions of what these policies would require of them.

Perhaps the Labour Party might be forgiven for its ignorance about the unions. On the one hand very few Labour politicians have had any recent or deep experience of trade unionism. And on the other hand, their chances of getting very much indirect experience have been limited by the paucity of studies of trade union administration and government. The Donovan Commission chose to largely ignore these matters and it has been left to newspaper labour correspondents to provide what little illumination there is.

In a generally sympathetic study of British unions, Robert Taylor has said in his *The Fifth Estate*: 'Union critics like to portray the unions as over-mighty subjects, highly disciplined monoliths. Nothing could be further from the truth. In manpower and

financial resources, the British unions are ill-equipped to provide their members with an adequate back-up service. Behind the often impressive facade of union head office, there is often little more than an empty shell.' (p27) This is an embarrassingly accurate observation.

So basic is most trade union office management and information handling that it would be a rare office at local, regional or national level which could provide any sort of profile of its members in the private sector. And if it could do it for the public sector the chances are that it would be using management data. Generally speaking, trade unions simply do not analyse their memberships by industrial sector or by firm and then by such basic things as age, gender, wage rates, payment systems, hours worked, etc. Lack of information of this sort may be taken as symptomatic of what is a normal state of organisation - and which is in the most striking contrast with what is normal in the larger companies.

Private sector trade union membership is concentrated in large national or international firms whose operations are often spread over a multiplicity of interlocking branches. A good example of just how complex these corporate forms can be is given in the Bullock Report: 'Guest, Keen and Nettlefolds Ltd (GKN) [has] a "four-tier board structure" encompassing 143 boards in the UK and 583 directors. At the top is the holding company board of GKN (UK) Ltd; below these are 13 sub-group boards in the United Kingdom, and below those, 137 United Kingdom company and division boards'. (p65)

The everyday and long-range functioning of such firms requires bureaux responsible for the continuous monitoring of each branch and subsidiary as well as the broad social, economic and political environment. Monitoring on this scale is not a job for amateurs, and that is why so many trained librarians and archivists work in private industry. The really large firms have extensive intelligence units employing economists as well as information handling personnel.

Other companies can draw on a wide range of small firms who specialise in producing and selling economic and political intelligence. While unions have, on a number of occasions, used consultancy services, this has not been a common practice. In-house, no British union has the resources to engage in intelligence analysis on a scale in any way comparable to that of the larger firms.

As *between* unions the rate of exchange of economic intelligence is almost zero. It might be surprising to the outsider beguiled by the use of the term 'trade union movement' but there is no sense in which it is possible to talk of a community of trade union research-

chers. They may be few in number, but these cadres have no natural arena for meeting, no formal machinery for exchanges and talk of a common data base would bring ceilings down with ribald, cynical and incredulous laughter.

**T**he TUC's research department is mainly concerned with macro-economic overviews and briefings for the specialist sub-committees of the general council. Ruskin's Trade Union Research Unit is a consultancy which works to contract on specific projects, and the independent Labour Research Department operates on a shoestring as a digester and disseminator of publicly available economic information.

Matters are typically a good deal worse in the districts than in head offices while at workplace level it is rare for shop stewards or branch officers to continuously monitor performance, changes in plant production and so on. Written records are either never kept or kept only for a particular period for a specific end-purpose. It is unheard of for trade unionists to routinely produce parallel sets of records or hold and analyse such management records as are freely available. Taking things in the round it would be extremely difficult for any part of the trade union movement to respond quickly and efficiently to a request for detailed information about a particular industrial sector or company.

In these circumstances alone, it is legitimate to wonder how effective the unions could be in negotiating with practiced senior managers, supported by sophisticated research teams.

Unfortunately, poorly supported intelligence functions are not the only aspects of union organisation that should cause concern. There is the additional and familiar problem of a mis-match between union and industrial structure. If overlapping jurisdictions present far fewer problems than they did 20 years ago, they still make it awesomely difficult to sustain permanent inter-union organisations even in one company.

Attempts by workplace activists, over five decades, to form combine committees to overcome the maladaptation of formal union structure to oligopolistic industry have gone through regular cycles of collapse and revival in the face of hostility from full-time officers and lay committees. If there are now signs of declining official antagonism, there are as yet no recorded instances of actively promoted and funded joint-union committees. The most recent survey of combine committees concludes that they still lead a precarious, hand-to-mouth existence.<sup>2</sup>

The problems produced by the lack of efficient joint-union organisation are compounded by the inadequacies of government and administration within individual unions. The typical structure is rigidly on a centre-region-branch basis and was designed to hold unions

## Planning For Full Employment

Extracts from the Labour Party's industrial planning document (1985):

We need a programme to plan key industries, sector by sector, and sometimes firm by firm, which draws on the strength of collective bargaining with trade union organisation. Co-operation between industry, unions and government at national, regional and local levels is crucial.

We need new rights for trade unionists to have a say in company decisions, and to receive information about company policy and plans.

We must have closer involvement of people with local community and shopfloor knowledge and experience, not only with the process of formulating economic and industrial policy, but also with the implementation and monitoring of those policies.

Integrated investment packages would be offered to those firms willing to negotiate a planning and employment agreement between government, unions and management.

In order to play an active and informed part, shop stewards' committees would need their own research and financial advisers.

together rather than to allow for traffic between different sections of the membership; in some cases union structure has been designed and still operates precisely to *prevent* horizontal communications. Horizontal contacts between full-time officers in different regions but with responsibility for the same firms are as informal and *ad hoc* as they are between convenors and senior shop stewards. There are some companies who unwittingly provide a forum for full-time officers and senior shop stewards when they provide an annual presentation of the firm's prospects and performance.

**The underlying cause of unions'** organisational weaknesses is that they have not normally and as a matter of habit concerned themselves with the logic of the enterprise. Regardless of their politics, trade unionists have habitually *responded* to managerial initiatives and tacitly accepted enterprise planning as the legitimate sphere of management.

In the workplace this has shown itself in an unconcern with the organisation of production, unless it has affected

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health and safety, the ability to earn, redundancy and so on. Isolated instances apart, it is not common for workers or their representatives to express concern about what is produced, where and how until crisis has loomed. The price paid for the lack of strategic foresight has been the unions' inability to have any impact whatsoever on the drastic surgery imposed on British industry during the last decade. It is a pity, therefore, that while Labour's new proposals provide a belated acknowledgement of past short-sightedness, still missing is any appraisal of the competence of labour's own institutions.

Looking at Labour's aims, it is easy to imagine well-disposed civil servants advising ministers that their proposals could not be widely implemented in less than 10 years. The trade unions would themselves need urgently and dramatically to realign their jurisdictions and simultaneously transform their organisations. While they were doing this, they would need to absorb the consequences of amendments to company law which allowed trade unions access to information permitting the extension of collective bargaining to include corporate planning.

The government, meanwhile, would be waiting to see national and regional planning colleges established to train managers and workers, and deciding how best to ensure that trade unionists in the regions and districts would be able to obtain and digest reliable and high quality economic intelligence. An attempt to do all this on a wide scale, and at a suitable level of local density so that resources and services were equally available, is simply not feasible in the life of one parliament.

Labour would, accordingly, do well to present policies as experiments, scale them down and concentrate resources in designated regions and industries. Amendments to company law on information disclosure and the *right* to collective bargaining are plainly fundamental. These new rights could not, however, be effectively operable without resources from central government to provide capital investment, training and education and intelligence facilities. By restricting the resources available to particular regions and industrial sectors, the whole project could be set up on an experimental basis.

This might also prove to be a politically intelligent ploy: it would give the unions a chance to move at an acceptable pace, provide the time to encourage public interest and awareness and not least to placate managements whose initial reactions would certainly be hostile. •

This article is a revised and condensed version of an article which first appeared in *The Industrial Relations Journal* Vol 17 No 4 winter 1986.

1 The most important papers are: *Economic Planning and Industrial Democracy* TUC/Labour Party Liaison Committee 1982; *Planning for Full Employment* Labour Party 1988.

2 Michael Terry 'Combine Committees: developments of the 1970s'. *British Journal of Industrial Relations* Vol 23 1985.