



High-tech production supervisor: Does she need the union to feed her the political line?

Parting Of The Ways

The unions are probably in permanent decline. **John Lloyd argues that this is an additional reason why the traditional relationship between the unions and the Labour Party should be ended**

Len (Lord) Murray, that outwardly cold and dry man, gave in his speech to the TUC at its 1983 Blackpool congress, a most potent image which has acquired more power through time. He was speaking in the aftermath of electoral defeat, of course - a period which allows those anxious to make reforms a certain leeway. The reforms Murray wanted to see have become known as the 'new realism' which, as Murray adumbrated it, was no more than a dumping of the strategy of militant opposition to the government's legislation and the adoption of a 'let's see what we can get out of them' approach. (Neither, of course, has worked: Murray's line, backed by the 1983 congress, was holed below the waterline by the banning of the civil service unions at the Government Communications HQ late in 1983 and sank during the 1984/85 miners' strike). In arguing his point in Blackpool, Murray used a rare metaphor: unions, he said, could not be governments in exile, 'brother Bonnie Prince Charlie' waiting for a passage of time and arms to resume sovereignty of a kingdom temporarily usurped.

It was resonant enough at face value. The 'days of action' and the 'business as usual' attitude struck by union officials (meaning they would ignore the legislation) had not been self-evidently ridiculous from the start: after all, the government had been deeply unpopular in 1980/81 and most of the union

leaders' reflexes had been formed at a time when their civil power *was* sufficient to rock governments. But it soon revealed itself as being so: the depth of public and membership disillusionment with union militancy was deeper than their distrust of the new government. Murray was simply ramming home a message clear, by 1983, to all who wished to read it. Though his brand of new realism failed, he did at least succeed in detaching the unions as a whole from a policy which had cost them money and members.

But the metaphor worked at a deeper level too, though it is not clear if Murray meant it to. Charles Edward Stuart had sought to restore his line through the use of a rapidly declining, though still formidable, force: the Scots clans. The clans were institutions rich in a self-conscious history whose members practised a fierce comradeship for all within their bounds, as fierce an enmity for all outside. Unwilling, in the main, to change (a major exception was the Campbells, who have been excoriated ever since for it - rather in the way the electricians' union now is) they turned out 5,000 men for the Pretender in 1745; were starved and hounded and within a century were picturesque remnants, Britain's first living tourist industry.

The parallel shouldn't be pushed too far (though it's worth noticing that a South Wales coal mine is to be opened as a theme park); but it's both a description and a warning. The unions

are on the decline: numerically, socially, industrially, in most advanced countries (it is a different matter, of course, in developing countries): and where they will take blips upward, as some UK unions are presently doing in response to rising employment, there is no evidence yet of a change in the long-run trend. Decline certainly remains the *aim* of governments and, more importantly, corporations who presently command the industrial field: at best, companies want unionisation on very largely their terms. The pendulum might swing, of course: but in the US and in France, it has been swinging *against* unions through liberal- and left-inclined governments as well as through governments of the Right: and in no advanced country is the situation better than stable.

The argument here is that this state of affairs should dictate a loosening of the link between the Labour Party and the unions. There are other reasons for loosening that link, but, for the most part, these other reasons are of older provenance and are less compelling. The best reason for both party and unions is the practical one: the unions face a struggle not just to retain power, but to survive. Survival, even renewed growth, is desirable for the obvious and compelling reason that it is only through collective representation and strength that large groups of workers can even in part redress their unequal position in the labour market. It is possible if the unions can reach the many who need it most and often have it least: and if managements do not themselves construct systems which pre-empt the union role. But it is a struggle which will be made harder for them by being dragged in to use their vote to determine the future of the Labour Party: while the party will suffer from being identified so closely to a presently failing strength.

Neither left nor right traditions and camps in the labour movement has a wheeze to restore union power: not surprisingly - the obstacles are now formidable.

Professor George Bain of Warwick University uses a simplified equation to predict whether or not union power will again rise: he has shown that where inflation is high, unemployment low and the government friendly, union power tends to wax. None of those, of course, has been present in the UK over the past nine years: but even where two of these have been present, as in the US and (for a while) France, Australia and West Germany, unions have tended to decline or stagnate. However, it is probably not Utopian to expect a friendlier government and fuller employment at least, in some of the major West European countries over the next decade. And that will assist unions.

But it will not automatically restore them to positions of real social and political power in those countries, like

the UK, where they have lost it. For the element which is absent from the Bain equation, but which is becoming increasingly important, is a new style of management: a new style which either runs companies without unions, or marginalises them, and is spreading.

John Storey has pointed out the spread of 'Human Resource Management' (HRM) at the expense, often, of the older discipline of industrial relations¹. In a number of companies - including many of the technically leading-edge companies - the management of workers is being taken out of the industrial relations managers' hands and being given, or given back, to the line managers: the 'human resource' is seen, conceptually at least, as another resource on a par with the energy source, raw and semi-finished materials, capital and so on. As Storey shows, HRM has a 'hard' side, which emphasises 'the quantitative, calculative and business-strategic aspects of managing the headcount resource in as 'rational' a way as for any other factor'; and a 'soft' side, which 'emphasises communication, motivation and leadership'. And as he makes clear, 'the question is: can industrial relations be transformed into a co-operative, commitment-inducing process?'. Insofar as that *has* happened, he says, 'in many, if not most, instances, the various trade unions have effectively been by-passed and sometimes virtually ignored'.

It would be easy to exaggerate this. Storey himself is careful, quoting personnel managers' scepticism of the new trend, noting that where unions were bypassed the outcome was often a 'dualism', where the old industrial relations systems and the new HRM systems ran in parallel, with much confusion. But it would be easy to ignore it, too. Management in many companies sees much less need than in the past to concede matters of substance to unions: they *do* see the need to underscore heavily that leadership of the company is in their hands; and that in exercising this leadership, and in engaging the commitment of the workers, they must necessarily diminish the unions' leadership functions and the workers' commitment to their unions. The case of the miners is well-known, because their drama has been played out more publicly than has been the case in the numberless instances of restructuring, demanning and reassertion of management prerogatives in other industries. But these processes have been happening there, too.

All managements, except the most supine, are seeking to extend their mandate over their workforces: in the main, they seem to be succeeding.

Their strategies include, of course, adapting the workforce to new technologies and rendering them thereby 'more flexible': the three-year deal rejected last month by Ford's shopfloor is remarkable largely for the fact that

it *was* rejected - perhaps because it was, as Jimmy Airle of the engineering union put it vividly, 'a bridge too far'. But like Murray's Bonnie Prince metaphor, it works all the way through: the Arnhem exploit *was* a bridge too far: but the Allied armies got there in the end. So it is likely to be in the case of Ford, which has constructed in Ford Europe an integrated production machine which can shift work about relatively rapidly to compensate for shortages in one part of the whole: so far, effective union solidarity has not crossed the national boundaries which companies like Ford have long since transcended.

Elsewhere, the introduction of computerised production, inventory control, accounting and other clerical tasks, while tardy by the best international standards, has speeded up in the more efficient British companies: these changes are never 'once for all', and continue to mean a constant creation and decaying of specific functions. They both call for new skills and render old demarcation lines meaningless: in many cases, they will either wholly destroy unskilled and semi-skilled labour, or, more often, integrate them into a new configuration of working practices. It is rarely the case that jobs are simply 'deskilled': rather that they are both 'deskilled' and 'reskilled', sometimes sequentially, sometimes simultaneously.

This helps give rise to the widely-remarked creation of 'core' workforces which include highly-trained professionals, managers and technicians, who have, with the aid of computers, 'captured' skills previously diffused in thousands of minds and muscles. But a greater spur to that has been the continuing effort on the part of big company management to push out as many service functions from in-house to independent contractors - who in turn contract labour when and in what quantities they need it. There is presently a bitter academic debate between the rival labour market research centres of the Industrial Relations Research Unit at Warwick and the Institute of Manpower Studies at Sussex on whether or not the 'core' and 'peripheral' workforces created by this movement are as significant as the latter centre has claimed. But that service companies proliferate, and that big business has shed work to them, there is no doubt: and this, too, has weakened unionisation.

As impressive an index of the diminution in unions' power as any is a recently-announced shift of position by Lord (Bill) McCarthy. McCarthy is the doyen of industrial relations scholars and practitioners: a man courted, in past days, by Labour governments, by the TUC and by big corporations' management to advise, judge and sometimes award. He was an architect of the Bullock committee report on industrial democracy (1977): a report which marked a high watermark in

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union influence, calling as it did for workers' representation on the boards of companies, that representation being organised through the single channel of the trade unions. In what was seen as a tremendous extension of workers' power, the unions were to be the sole representative vehicle: it would have given them an authority unparalleled in any other country.

Its complete failure is another story. But now, Lord McCarthy has changed his view. In an exceptionally clear talk to a Fabian weekend school on trade unions early in January, (to be expanded in a forthcoming Fabian pamphlet), McCarthy called for a break in the principle of single-channel representation in favour of enterprise councils which would ensure rights of consultation, information and representation. A very large part of the case to be made for these councils, argued McCarthy, would be that they should improve productivity, efficiency and performance.

McCarthy's proposition would see established a medium for consultation which need have no organising structure on the *workers'* side other than that which they themselves developed: these enterprise councils thus could, at least initially, operate very largely on management's terms, though of course even their most minimal existence would be better than nothing. McCarthy's pragmatic accommodation, however, demonstrates well the lack of solid ground which the unions now provide for this most collectively-minded of scholars to base his proposals for their future. (It also demonstrates that McCarthy continues to think on what can benefit *workers*, rather than simply *unions*).

Unions must now make what deals they can, take what opportunities they can: they must seek to keep certain basic principles of collectivity alive for a better day, conscious that the better day will not amount to the old days. Where management succeeds in introducing HRM systems or their like, on the back of either success or crisis, they will rarely be able to roll back the tide: they might instead emulate the US unions in such cases, where union leaders have allied themselves to corporation bosses to bolster workers' commitment to the success and/or survival of the company, on condition that the union remains in business.

It is in this overall context that we should see the current vastly overdone struggle between the 'new realists' and the 'new unionists': the advocates of single-union, no-strike deals on the one hand and the fighters for the militant unionism which organises women, part-timers and the other marginalised workers. For all the rhetoric, the struggle is - as John Monks from the TUC has pointed out - more an indication of their desire to position themselves at different points in the

marketplace to attract the most recruits. The shrinking number of such recruits means that union officials spend much of their time fighting their opposite numbers in other unions for members, since it is an axiom of union organisation that the recruits most easily won are those on the margins of other unions' territories, and not those in the wildernesses of the never-unionised.

The rhetorical battles are made bloodier by the 'natural' movement of unions to form large, essentially general unions rather than to take the TUC's preferred road down a West German-style industrial unionism. These general unions are now hunting for members in every sector: their market logic will force them towards more and more conflicts, and away from the TUC's painfully built-up industrial committees' structures; may even see emerging something of a continental-style differentiation between the general monoliths on ideological grounds.

Their best hope is to become as industrially and politically flexible as possible; to develop the range of members' benefits which they are now taking on: to turn themselves into multi-service providers, of everything from legal advice to cut-price motor insurance. That need not cancel out an industrially aggressive role, since there will be time when their members call for them to play just such a part. But business as usual will tend to be consensual and consumer-oriented.

The pursuit of that strategy, adopted in this or that part by most of the larger union conglomerates already, speaks against a high-profile political role. The more diverse and individualised their memberships are, the less they will wish the unions to provide a political 'service' of which the majority have shown in the last two elections they do not approve and which, even if they did, they would normally wish to do for themselves (opinion polls show that union leaders court members' disfavour when they are seen operating within the Labour Party).

For the unions' part of the labour movement, the future will be met better where they can present themselves as the best providers of one indispensable service above all others: a representative strength, arguing for both short-term redress of grievance and long-term workers' interests in the company or sector - which will often be in the interests of that company or sector as well. They should be seen, day by day and month by month, to be working wholly in the members' interests not in a political one: and while it will be readily understood that their corporate sympathies, like that of most union movements, will lie with the main party of the Left, it will be better understood when party and unions are at least semi-detached.

So powerful will these trends described above continue to be that a

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distancing of the unions from the party, already clearly happening in some unions, is likely to carry on, whether or not it has a conscious will behind it. Better then to make such a conscious decision so that the outcome can at least partly be under control.

What of the Labour Party side of the question? At first sight, the party has a great deal to lose by constructing a new, more distant relationship with the unions: there is no doubt that the preservation of the status quo holds many more attractions for hard-pressed practical politicians than a change which will attract every kind of inconvenience. That is because the unions-party link is based on such solid foundations: money, power and a certain corruption. To cement the whole thing, there is a strong lashing of sentimentality.

The unions pay for the Labour Party: some 80-90% of its annual budget comes from their political funds, and more than that for election expenses. In the absence of state aid for political parties, it would be a monumentally hard job for Labour to replace that money from members' and supporters' fees and donations.

The power the unions are able to exercise over Labour, in and out of office, has been considerable. The unions' domination of conference, and thus of formal policy-making (and often of informal policy-making too), instilled in party leaders a tendency to defer, to fudge and to delay: especially to delay or dilute policies for industrial and economic modernisation which would make redundant, or worsen the conditions of, large groups of unionised workers. Clearly, this tendency has an upside and a downside.

The corruption comes with the power. Unions dominate policy-making through the aggregated votes of phantoms: levy-payers who may outnumber the total real members of the union, levy-paying or not - and who rarely have had any say whatsoever in the policies for which their hands are, collectively, put up. Party leaders must make deals with the bigger vote-carriers: as Neil Kinnock did with Ron Todd of the TGWU to get through what will prove to be a deeply unsatisfactory variant on a one-person, one-vote system in the reselection and selection of parliamentary candidates. This tends to corrupt judgement and action, in ways often virtually invisible because so ingrained.

Sentiment breaks like huge waves across any objections of this kind. What had been the commonsensical development of a 'parliamentary arm' to secure pro-union reforms is now clothed in the glow of a union forged in struggle and sacrifice. As the unions' block votes on matters from council house sales to defence expressed less and less what the real-life union members thought, so the bond between political and industrial wings became more and more

etherealised. 'Was always, and will always be' is an incantation, not a defence.

In the end, the defensible bits amount to money and power. But both breed a terrible dependency and a pervasive public distrust. Indeed, the money breeds such a dependency that few seem to have considered what choice the unions would have on where to put their money if the relationship with the Labour Party were radically altered. It is at least probable that they would do as other union centres in other countries do: give very substantial amounts of money to the party which best expressed their collective ideals and was most likely to enact legislation of assistance to these ideals. That is, for the foreseeable future at least, the Labour Party.

Arguably, too, it would be no bad thing for Labour to be *really* short of money. Its activists would then have to take on the really useful function of raising cash (as the Conservative activists do so well) rather than the largely decorative one of passing motions critical of the leadership. The party could search for some corporate support: at least a few Labour MPs think they could get it, and that it would be good for the party if it did. And it could argue with real passion for a necessary democratic reform: the state funding of part of the parties' expenses. In short, in addressing one problem it has the possibility

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of answering several.

More serious is the objection on power. Any reforming leader, as the present one, needs to hand a lever to effect reform: and that lever is trade union votes. It can be turned against Militant: for inner-party reform: for a highly revisionist party programme. Union deputy general secretaries and assistant general secretaries can be put on committees, as those which will oversee the policy review, and briefed as to what is expected to come out of them. And though many in the upper echelons of union structures are restless over the lack of contact between Neil Kinnock's office and their own, this is, for the present, little more than a clucking of the tongues. The union leaders are on side.

To turn the party's decision-making entirely over to its present membership would, initially at least, be likely to send it spinning off down another impossibilist cul de sac: or it would if the parliamentary Campaign Group still accurately reflects majority feeling in the constituencies. And this is precisely the problem.

The block votes tend to institutionalise the extremism of the active party membership because it deprives them of effective power at the same time as the unions' money makes them idle and fractious. The challenge is to construct a party, larger in membership than now, of people who do some real work, provide real services for their fellow

members and for the putative voters, and who have to exercise their judgement free from fatherly tutelage. In this context, the proposal, by Gordon Brown MP and others in the Tribune Group, to greatly increase party numbers by bestowing membership on union levy-payers is a good one: and is the better for being probably incompatible with the preservation of the block vote. The key thing for the long-term health of Labour is that it has in its ranks, and as far as possible in its active ranks, men and women who express something of the range of diverse opinions which any canvasser who listens will hear from Labour voters, or those who were, or would be, Labour voters. In short, that the party becomes *real*.

There is every good reason for senior party figures not to act on these trends, however, and it must be doubtful if they will, at least not soon. Larry Whitty, Labour's general secretary, has made it clear that he does not see the link as weakening, but as being strengthened. But for so long as it is not tackled, then so long will the unions be pulled towards cutting a dash as the Pretender: and so long will they and the party they formed cripple themselves, and court continuing defeat. •

1 'Developments in the management of human resources: an interim report' by John Storey: Warwick Papers in Industrial Relations, Number 17 November 1987. Available from the IRRU, School of Industrial and Business Studies, University of Warwick, Coventry.

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