

**Local Enterprise &
Workers Plans**

Local Enterprise: How it can help the Alternative Economic Strategy

David Blunkett

There is little doubt that the yawn of boredom which is the traditional public response to anything relating to Local Government, has been reflected inside the Labour Party at national level for many years. When in opposition lip service has been paid to the role of Local Government in fighting Conservative Governments whilst General Election manifestos have displayed all the characteristics of complete ignorance of, if not downright antagonism to Local Government. To read the traditional rhetoric, one would have to believe that housing, education, personal social services, transportation and leisure facilities, were administered directly from Whitehall. Whilst some Civil Servants and anti-socialist politicians would wish this to be true, an embryo of democratic freedom at local level still manages to survive. When in office, Labour Governments have managed to use Local Government as a convenient screen behind which blatantly non-socialist policies have been perpetrated on ordinary working people and their families.

The fact that there is no mass upsurge to defend the services Local Government carry out, and hence the existence of Local Government and local democracy itself, illustrates two important areas of investigation if a truly socialist society is to be created by the people rather than the long held paternalistic pretence that it can be done for them. The first of these is genuine alternative economic policies fostered and supported by the resources available at local level and bridging the gap between the provision of services and the industrial manufacturing sector in local communities. The second is the battle to talk about the genuine democratic control of total national resources and the rejection of the monetarist Tory doctrines which have become half accepted parts of economic mythology permeating the Party at all levels, that public spending is unproductive and bad and privately controlled and directed wealth is industrious, essential to private freedoms and, because it is preferable to community control of national assets, must grow whilst as a proportion of national wealth public spending falls.

It is the first of these two areas that this paper intends to briefly explore. Recognising that if Local Government is to be relevant to the well-being of people in the community it serves, it has to concentrate its attention not merely on the dwindling number of services which Governments have sought to permit the local community to control, but to play a part in the total life of the community by being able to promote the well-being of ordinary people in the industrial and commercial life of the area. If we genuinely believe in social ownership and democratic control of economic and industrial activity through direct intervention, then logically Local Government as well as and not instead of, Central Government should be a vital tool in this process.

Anything done at local level should not be seen as an alternative to bringing about a dramatic shift towards democratic socialist change from national level. Clearly the international and national ramifications of economic and industrial activity outweigh any possibilities of socialist change taking place in isolated pockets in individual local areas. It is therefore as part of a total national jigsaw and not as separate endeavours, that local community responses

must be seen. However, it is also vital to recognise that national plans, planning agreements, sector working parties and a range of activities associated with National Enterprise Board type initiatives have and will continue to fail unless they ensure the involvement of the people for whom they are supposed to be working. The Public Corporation can hardly be held up as an example of the way in which nationalisation has brought about the involvement and commitment of ordinary people to socialist ownership of their own wealth. A shift in the distribution of resources and the availability of power towards ordinary working people and their families has clearly not been achieved by the magic formula of national institutions or benevolent legislative change. It doesn't take a genius to calculate the response of those working in manufacturing industry to questions about the relevance of sector working parties or well-meaning plans arrived at after discussion at national level. Waiting for 'the next Labour Government' to change the world, to legislate for democratic control and the economic millennium, simply will not do. Not only cannot Parliamentary action miraculously change the world, but nor should it. What it can do is to set the parameters, provide that massive shift in throwing the resources of the State behind working people instead of against them, which will provide the opportunity for people to respond in their own communities and their own industries in a dynamic not passive fashion.

So what can Local Government do? Firstly Local Government is an essential part of the economic life of any community. It raises rates and it spends vast amounts of community funds. Its employment of people generates in turn important economic activity which supports and stimulates a vast range of employment opportunities not directly related to the services of the Authority. This activity along with the purchasing power of the Local Authority can significantly affect jobs in industry and commerce with a chain reaction effect which has often been grossly underestimated. Contrary to those believing in private economic market forces who think that raising and spending community funds is detrimental, the sustaining of employment and community services is a crucial backcloth to the healthy economic and industrial life of the locality. Apart from the obvious benefits accruing to the economic life of the community from decent education and training facilities, the importance of transportation to the economy at local level, the general procurement function is one that deserves much closer attention.

Secondly, the importance of the direct involvement on behalf of the people of the area that Local Government can have in the industrial and economic regeneration programme through democratic socialist alternatives to the greed and self-interest of private enterprise. In the same way that much greater involvement of the mass of the people is necessary in the control over implementation of essential services, so the moves towards Local Government involvement in the local economy necessitates an acceptance of wide ranging programme for industrial democracy. For traditional Local Government this poses as radical a change in thinking and practical working as it does for the centralist bureaucracies of the national corporations. Without this

radical change in outlook however we are doomed to the stereotype bureaucratic centralist model offering little more to the individual than a change of signature on his or her redundancy notice.

From small acorns large oak trees grow, and clearly a great deal of exciting and sometimes daring experimentation will be necessary to get real community involvement with the running of industry and services. Clearly Councillors sat around committee tables or offices steeped in years of routine administration are not going to dream up or implement new and vitally important economic and industrial initiatives. However what they can certainly do is to throw the weight of the local community behind socially and economically worth-while ventures. They can work on behalf of and with the community in generating activity that meets the needs of that locality. They can help raise perceptions of the reasons for the use of resources and distribution of the benefits which accrue. They can, in other words be involved in changing people's perceptions of the reasons for economic policies, and with it put back some of the fire and direction which raises people's aspirations for a better and socialist society.

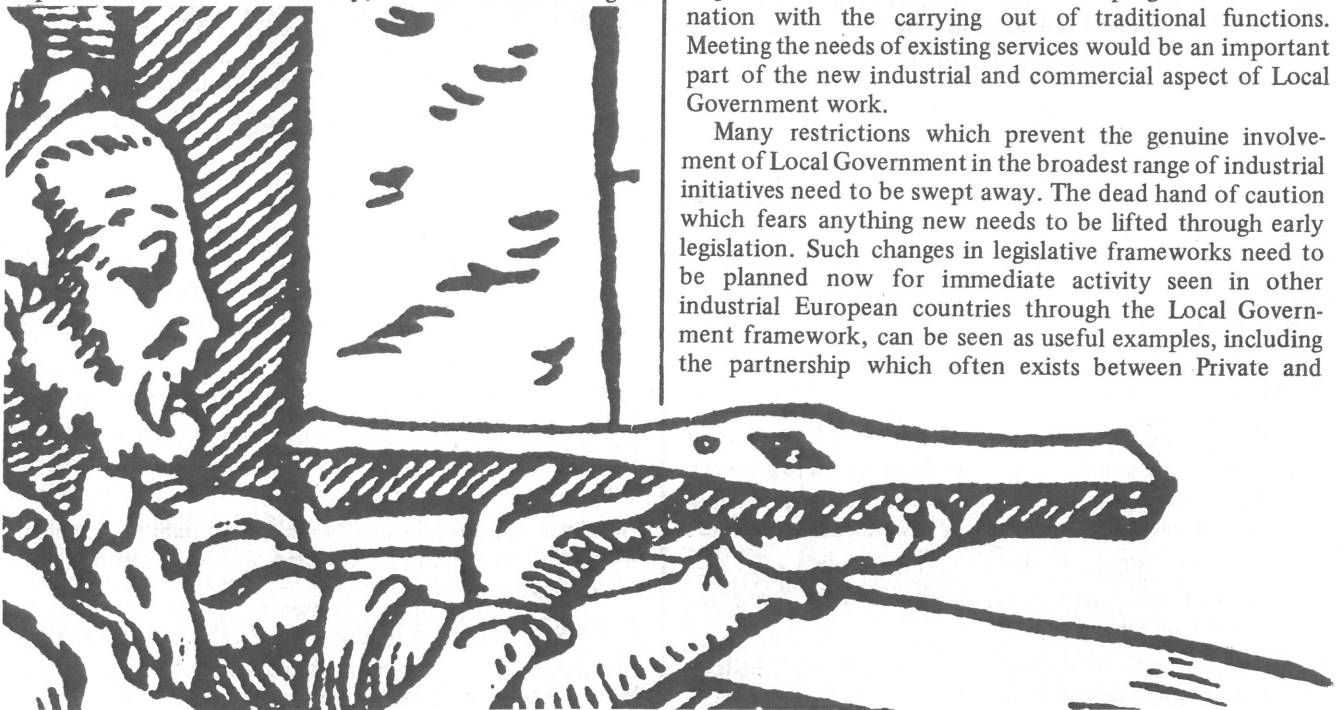
It is often the workers themselves within the Local Authority, those struggling to save their jobs in industry, and the neighbourhood itself, who can see the obvious things which require producing. Goods and materials are often purchased directly from industrial competitors (socialist policies involve discriminatory investment to protect primary producers), they can see where goods are inadequate for the task in hand or where they are simply not available at all. Skills, initiative, land, property and equipment, all exist within the locality and yet stand idle or are mis-used in the drive for private profit. Local Authorities in any one area, or a range of particular authorities carrying out a specific function, require the provision of goods and materials which they themselves could produce. The examples of municipal enterprise of the past could now become updated to the community enterprise of the present day. Major national undertakings now taken for granted, were the innovatory child of 19th and 20th century Local Government. That pioneering spirit, driving force and genuine foresight, have been blanketed and pigeon-holed in a world where energy and enthusiasm is suspected as a threat to stability, and the radical lifting of

horizons is dubbed as extremist divergence from the consensus.

Whether saving vital parts of our economy or innovating to provide for genuinely socially worth while needs, co-operative development in a variety of forms offers a way forward in productive as well as service sectors. The backing and involvement of the local community through the democratic process of Local Government can ensure not only that practical resources are available, but the expertise necessary to initiate and sustain such enterprise can be drawn together by Local Government, whether using a variety of educational institutions, the expertise of the Labour Movement itself, or linking in the existing industry and Government agencies ready and willing to provide advice and help.

Equally co-partnership between Private and Public sector or Public and Public sector, offers real opportunities for investigation. The concept of a local enterprise board, with relevant local planning agreements and the full involvement of Trade Unions, community and Central Government itself, offers a genuine way forward. Such activity would inevitably have to link in with work being done on the national arena, to ensure that the vital studies of important parts of the national economy reflect and in turn be reflected in the activity at community level where people could genuinely identify and play their part in what was going on. Clearly the problem of linking the sustaining and development of particular industrial sectors with the new approach requires considerable care if regional development agencies are not to emerge as a new bureaucratic and conservative force simply replacing existing failed solutions. Hence this alternative programme would link in with and be integral to the socialist policies of a Labour Government. It would however ensure the participation of the people for whom the policies are intended and in some small measure avoid the alienation which has undoubtedly taken place from previous structures and institutions devised to carry out a shift towards a socialist Britain. Linked with the socialist control of financial institutions and the direction of investment which could be jointly planned within sectors of industry and across geographical communities, the local element in the national framework could ensure a dynamic and relevant Local Government service linking the vitally important industrial and economic programmes of the nation with the carrying out of traditional functions. Meeting the needs of existing services would be an important part of the new industrial and commercial aspect of Local Government work.

Many restrictions which prevent the genuine involvement of Local Government in the broadest range of industrial initiatives need to be swept away. The dead hand of caution which fears anything new needs to be lifted through early legislation. Such changes in legislative frameworks need to be planned now for immediate activity seen in other industrial European countries through the Local Government framework, can be seen as useful examples, including the partnership which often exists between Private and



Public sectors in Western Germany, France and Italy.

Powers already available to Local Government in this country which despite further anti-democratic restrictions placed on local autonomy by the Thatcher Government, still extend beyond the parameters so far reached by Labour Councils in this country, the Burns Report and the work undertaken jointly to change, although the perspective on involvement and genuine radical socialist democracy is missing. Unlike a Tory Government acting to protect its belief in private market forces, a Labour Government would need to dramatically change the powers available to and hence remove the restrictions on the genuine role which local communities can play.

Along with a review of the availability and the use of pension funds generally and Local Government pension fund regulations in this particular context, the formal and limited industrial development activity of local authorities within the traditional economic boundaries, and the co-operation of all Government departments and agencies involved, the new approach could have a significant impact. The Tory approach to regional and local development through the creation of so-called enterprise zones, urban development corporations and the sterile and unproductive regional policies which have singularly failed, would be replaced by an exciting and genuine move towards creating the democratic socialist Britain we all wish to see.

Some Questions about Employment Decisions

Brian Davey

Introduction

This list of questions is meant to promote thinking in the important problem areas associated with workers alternative plans, workers co-ops, community enterprise and the strategic context that they do (or don't) fit into. It is a first draft so if this list of questions is to be used and produced for broad consumption I would be grateful if people would think about:—

Are these the right questions?

Can we give, or are there definite answers to them?

What other questions need asking?

Should the questions be asked anyway?

I have put the questions down with not much thought to their logical order or sequence so perhaps this needs thinking about. Also a number of questions overlap or are looking at the same problem from slightly different perspectives. (e.g. several management and control questions regarding the role for the wider community and customers are different forms of questions about socially useful types of production and service and wider accountability).

Social usefulness and social accountability

Is the product/proposed production or service socially useful?

How do you decide what is 'socially useful' employment?

Is there, or has there been, an explicit examination of local national or international social need that could be met with the potential resources or skills of the project?

Was this examination made in such a way to particularly identify those most in need to gear projects or policies specifically to them?

Were examinations of areas of social need collectively conducted or just by a few?

Was there, or is there, a dialogue with would be users or customers?

Does the project/counter plan operate collectively to publicize those of its own concerns which have a wider relevance?

Does it make available facilities to publicize or assist other campaigns or concerns not necessarily directly connected to its immediate operations?

Is the project a financial success, what is it doing with its surplus and how is this to be decided?

Social usefulness versus market criteria

Are the proposed project/policies viable in the market?

Would they still be viable if explicitly aimed at priority social groups and needs?

What is being done to promote collective organisation and campaigns to get financial resources from the state to fund work in areas of priority social need?

Is it possible to link up with other projects/campaigns to get state funds?

Is it possible to go 'up-market' to exploit opportunities in the market and generate a surplus to be used for funding radical initiatives that challenge capital and its economic priorities?

How can the group/plan maintain its political independence while financially dependent on the state?

Does the receipt of state money cool campaigning ardour so as to protect partial gains?

How have the different sources and availability of funds affected the form that the project took? (incl. from the state, banks, trade credit etc.)

How do suppliers affect the form and direction of project/policies and what can be done to counter any negative influence?

Management/Control

How far will the project/counter plan be controlled by workers and/or community and how far will it be controlled by the market/big customers/suppliers/banks/the state?

How does the project/planning process promote collective/democratic control?

Is it based on workers control or community control or both?

What is the relationship between workers control and community control?

How is a wider responsibility and accountability to society, users, the community expressed in the decision making structures?

Is there a role for advisory committees and if so what is it?

What are advisory committees?

Do the formal democratic structures correspond to the real structures of control?

If they don't what is the reason and how can they be brought into some correspondence?

Is there a problem of dominant members and quiet members in the decision making structures and process? How far is this inevitable and how far is it necessary and desirable to overcome this?

Does the collective decision making framework contain an equality of information for everyone? Is this possible or necessary?

Is there a distinction in the project/planning process between those involved in permanent 'thinking work' jobs and those in manual work type jobs? What is the consequence for collective decision making?

Can problems flowing from divisions between thinkwork jobs and manual jobs be overcome, should we try or are the advantages of this division of labour greater than the disadvantage?

What is the dynamic of the decision making structure? Would it survive expansion and new responsibilities/problems?

Does the decision making body have a place in a wider organisation or structure (e.g. federation of co-ops or combine committee)? How does this affect collective control?

Responsibility to employees

Does the project/plan propose or provide satisfying work?

Is there, or is there to be, workers control of the direct labour process (e.g. human paced machines rather than machine paced humans)?

What is being done to promote the development of skills?

Should there be rotation of tasks? If so which tasks?

What other factors affecting the equality of work should be considered?

How does one cope with the fact that many people have never been allowed to work on their own initiative?

Does the project have a health and safety policy?

Are wages/hours etc. based on union rates or on another

principle (e.g. equal wages for all)? What is the rationale for the choice?

Does the project have explicit non-sexist, non-racist, non-ageist etc. policies?

Are these policies cast in general terms or have they been thought out in detail e.g. embodying the principle of positive discrimination?

What child care facilities are available or being worked for and what are the difficulties of getting them?

Are there facilities and policies to assist the involvement of the disabled?

Strategy

Does the project/alternative plan seek to spread its approach to others?

How is, or can, this be done?

Do the internal discussions and problems of the counter planning process/project have a wider relevance in the movement?

Has the group/project discussed other initiatives or invited discussion about itself?

What links are there to other organisations or movements?

What supporting organisations is it connected to or is there experience of?

What supporting organisations and structures would be useful?

What relationship is there to local and national government? (e.g. through councillors, officials etc)

What relationship is there to the Labour Party and other parties and groups?

What relationship to the trade unions?

What is, or would be, the helpful and/or unhelpful sides of all these relationships?

What links could be made using the particular skills and resources of the project/etc to groups campaigning on social problems whose solution would involve generating work?

and so on around the dialectical circle

Answers on a postcard please to: Brian Davey, c/o 118 Mansfield Road, Nottingham.

Knowing better: Acting more effectively

John Benington describes the growing Network of Labour Movement Research and Resource centres

Introduction

Since the mid 70's there has been a rapid increase in the number and variety of organisations offering research, specialist advice, educational opportunities, and organisational support within the local and regional trade union, community and womens' movements.

Locally oriented labour and community research and resource centres of this kind have been, or are now being, established in Bradford, Bristol, Coventry, Leeds, Liverpool, London, Manchester, Newcastle, Nottingham, Sheffield, Tyneside and in many other cities and regions, not only in England, but throughout the UK. We are also in touch with similar initiatives in Europe, Australia, Canada and the USA.

A number of the UK centres grew out of the experience of the British government's national Community Development Project (CDP) — a major action-research programme in the early 70's, involving the Home Office, twelve local authorities and several universities. Some have their origins in pilot projects financed by national voluntary organisations or charitable trusts (e.g. the generalist "resource centres" financed by Gulbenkian, Rowntree and the Community Project Foundation). Others have grown more directly from initiatives within the local labour community or women' movements (building on work done by trades councils, tenants' federations, women's groups, regional TUC's or the Workers' Education Association).

These differences in origin, and in local circumstances, has meant that there is considerable diversity in the forms of organisation established by the various resource centres, and in their particular focus. Nevertheless as the work of the centres has developed, it has become clear that there is much in common in their overall aims and perspectives, in the kinds of issues they are tackling, and in their methods of work. An initiative was therefore taken by a number of established centres in April 1979, to explore whether there was a sufficient basis for closer collaboration in their research and educational work, in their publications and in their overall organisation and development.

After a series of discussions throughout 1979, a common statement of working aims and principles was agreed, and the nucleus constituted for a national Network of labour and community research and resource centres. A committee was formed (with one delegate from each of the member centres) to co-ordinate the work of the network, and a grant has been obtained to allow the appointment of a national development officer.

Accountability within the Labour Movement

The network sees the work of the locally-based resource centres complementing and supplementing the work of existing research, advisory and education services within the labour and community movements, rather than in any way by-passing or replacing them. The centres can strengthen the overall pool of research and information facilities available not only to shop stewards' committees, tenants and residents' associations and womens and ethnic groups, but also to trades councils, union branches and district committees, regional TUC's etc.

Our aim is to develop these resources within, and accountable to, the labour movement and not in any way separate or independent from it. This applies both to the way in which we carry out our work in close and active dialogue with the trade unions, women's and community groups concerned, and also to the overall structure of our organisations. The majority of our centres are accountable to management or advisory committees elected from affiliated or subscribing organisations and individuals



within the local trade union, community and women's movement. These management or advisory committees are responsible for the development of policy relating to the centres' work, financing and organisation. The workers in the resource centres are all members of trade unions, and active on their own account in union branches, trades councils, womens organisations, etc.

The Need for Research and other locally based Resources within the Trade Union and Community Movement

The new labour movement research and resource centres have developed in response to needs and problems in three related fields:

Labour Research

Existing nationally based research and advisory services cannot always easily meet the needs of community and trade union groups at the neighbourhood or factory level. This is partly because even the very largest of these national research organisations within the labour movement are very limited in the staff and other resources available to them and this scarcity of resources forces them often to give priority to national policy issues. Our local units are not in any way intended as a substitute for these nationally based services, but aim to complement their work by carrying out detailed long term research and educational work, in close and continuous dialogue with local trade union and community groups, who often need very rapid responses related to their particular circumstances.

Workers' education and community education

The recent spate of legislation relating to health and safety, employment protection, equal pay, planning procedures etc faces tenants and workers with new responsibilities and a mass of complex information to digest. They are often at a serious disadvantage in trying to respond to these demands from a position of knowledge and understanding. There is a massive inequality in the facilities available to them compared with those on call to management and government, and compared with those available to the labour movement in other countries. The resources available for even the most basic education and training for tenants, residents and other community groups is particularly meagre in the UK. The local research and resource centres have begun to develop detailed education opportunities (including consultations, teach-ins and residential courses) for trade union and community groups, as an organic part of their campaigns.

Community action

Over the past decade there has been considerable exploration of the ways in which community development and voluntary social action can contribute to the involvement of groups and individuals in tackling local neighbourhood problems, and in influencing the quality, distribution and delivery of central and local government services. However there have been fewer attempts to extend this community development process beyond the neighbourhood level, to link up groups facing common issues (e.g. dampness) or in similar circumstances (e.g. temporary tenants) into broader campaigns which challenge policy at many levels. Even less common have been attempts to involve the trade union movement in joint efforts with other community organisations to tackle common problems. The strength of the trade union movement at the local level has traditionally been directed mainly at the problems of wages and conditions at the workplace. The plant based organisations which effectively represented workers at the factory are

not so well geared to meeting the needs of the redundant or unemployed, let alone tackling the problems of their members in relation to housing, the environment or other aspects of their lives outside the workplace. Nor is this just a matter affecting individuals. Decisions made by firms now have more obvious consequences not just for those who work there, but also for the whole local population and the wider community.

Since the early 70's many working-class communities have been heavily overshadowed (particularly in the older industrialised cities, and inner urban areas) by wider economic, social and technological changes: the run-down, relocation or complete closure of many workplaces and the rapid replacement of traditional industrial and commercial processes by new micro-electronic systems. These have led to large-scale losses of jobs, sharp rises in unemployment, and the decline or dislocation of whole industrial communities. The repercussions have affected not just unemployment, but also housing, the environment, education, social services, and the overall quality of local community life.

There have been relatively few examples where factory shop stewards committees or trade union branches have linked up with other local organisations to tackle common community problems like de-industrialisation, new technology, unemployment, housing decay and local economic and social decline. The local research and resource centres are attempting to contribute to a fuller understanding of the inter-relationships between the issues faced by people in their workplace, homes or in the community, and to help overcome some of the existing divisions both in concept and in practice.

Services Provided and Methods of Work

We work in close co-operation with groups of tenants and residents, ethnic groups, women, the unemployed, non-organised workers and trade unionists. We aim to assist and support them by offering the following range of inter-related resources.

Research and Investigation

We carry out background research to help workers and community groups to investigate the facts about their industry, workplace or neighbourhood; and how economic and political decisions affect their jobs, housing, health and other services, and the wider community.

Specialist Advice

We provide groups involved in campaigns with advice on legal, economic, accountancy, planning, housing, health and other issues or arrange for them to get the relevant advice from other specialists. We can also help in organising international contacts and exchanges of information, translation of documents, interpretation at international meetings etc.

Education

We help groups in analysing the issues they face, in order to develop a collective understanding of how their situation can be changed. This involves working alongside groups, jointly examining and learning from the day to day experience of trying to tackle concrete issues. It may also involve more formal educational work-preparing teaching materials, arranging discussions, teach-ins and residential courses.

Organisation and Action

We assist groups in building their campaigns by working with them to develop the necessary strategies and organisation to achieve their aims. We help develop links and the sharing of experience between trade unions and community-



based groups in order to try and bridge the traditional divisions between workplace, home and community issues so that campaigns are not seen as fragmented but taken up by the labour movement as a whole.

Library and Information

We keep a wide range of reports, pamphlets, books, periodicals and newspaper cuttings, and other relevant information for labour movement groups to use in their campaigns. We also publish fact sheets, briefing notes and bulletins on new legislation, developments in the local and national economy etc. for circulation to subscribers.

Duplicating, Typing, Printing and Media Services

We help groups to produce leaflets, newsletters, minutes and reports. We have typing, duplicating, photocopying, printing, photographic and layout facilities, and have access to video, film and other media resources.

Working Principles and Methods

The way we provide these services is as important as the services themselves. Our twin aims are to help groups we work with

- (i) to gain practical improvements in their immediate circumstances;
- (ii) to learn more about their situation while trying, collectively, to change it, thereby developing a fuller understanding of the factors which prevent them gaining control over their lives.

To this end we base our work on a number of principles:

- (a) We do not come in as 'outside experts' but work as committed advisers with the groups whose aims we share. We work *with* them and seldom advocate or negotiate *on their behalf*.
- (b) We attempt to build up the strength and skills of the organisations we work with by passing on the knowledge, skills and experience of how our work is done, the principles on which it is based, where and how information is obtained and so on.
- (c) We attempt to develop links and the sharing of experience between different parts of the trade union and community movement.

- (d) We attempt to contribute to a fuller understanding of the inter-relationships between workplace, home or community issues, between industry and the community, the economy and the state.

The network has been established to facilitate the following forms of co-operation:

- (a) to give wider coverage to investigations being carried out for local groups, by a more systematic exchange of information between centres (e.g. on the loss of jobs in an industry common to a number of localities or the operation of different subsidiaries of the same parent company or on the effects of government policies on public sector housing).
- (b) to exchange experience of particular campaigns (e.g. legal action under the Public Health Act, or unemployment) both between centres and members of community action and trade union groups with whom we are working.
- (c) to discuss and develop an analysis of key issues (e.g. the impact of microprocessors upon skills and jobs), to sharpen the theoretical perspectives and evolve collective viewpoints on local manifestations of the problems.
- (d) to share in critical discussion of our working practice, and to develop a better understanding of its contribution to, and relationship with, parallel developments in trade union research, workers' education and community action.

Liaison between the various centres in the network is achieved through a committee consisting of one delegate and one observer from each centre, elected by the local management or advisory committee. Membership of the network is open to any centre which:

- (a) accepts this basic statement of aims and principles
- (b) is accepted for membership by the network committee
- (c) contributes £100 to a fund to cover the costs of inter-centre meetings with the proviso that any centre may ask the network committee to waive this sum in full or part where this seems to cause hardship to that centre.

Further details about the network can be obtained from the development officer,

John Benington,
40 Binley Road,
Coventry CV3 1JA
Tel: 0203 27772

or from any of the founder members:

- (i) Bradford Resource Centre
93-95 Little Horton Lane
Bradford BD5 0BU
Tel: 0274 25046
- (ii) Bristol Resource Centre
62 Bedminster Parade
Bristol BS3 4HL
Tel: 0272 667933
- (iii) Coventry Resource and Information Service (CRIS)
Cox Street
Coventry CV1 5LW
Tel: 0203 56149
- (iv) Coventry Workshop
40 Binley Road
Coventry CV3 1JA
Tel: 0203 27772
- (v) 118 Workshop (formerly Nottingham Workshop)
118 Mansfield Road
Nottingham
Tel: 0602 50428
- (vi) Joint Docklands Action Group
2 Cable Street
London E1 8JG
Tel: 01 480 5324
- (vii) Services to Community Actions and Tenants (SCAT)
31 Clerkenwell Close
London EC1
Tel: 01 253 3627
- (viii) Tyne and Wear Resource Centre
c/o The Unemployed Workers Centre
5 Queens Street
The Quayside,
Newcastle
Tel: 0632 615315
- (ix) Leeds Trade Union and Community Research and Information Centre
6 Blenheim Terrace
Leeds 2
Tel: 0532 39633

Workers Plans: What they mean and what they might mean

Mike George

The Employers' Offensive

Amongst many (if not most) of Britain's larger companies there is a new, politically-minded, offensive being waged by employers — British Leyland is only the most obvious example. A couple of years ago the head of STC (part of ITT) called upon employers to mount a *political* offensive in order to curb the power of trade unions. This call has been heeded, for instance over the past 18 months there have been a number of high-level conferences of employers' representatives, all debating ways and means of reversing the supposed growth of union power. A recent conference made it clear that

employers expect to have another 18 months or so in which to carry this out.

Obviously the existence of a Conservative Government more radically committed to a free market economy than any since World War II is a very major factor in this offensive. The Tories' adherence to major policy decisions means in practice much more than so-called monetarist policies. Monetarism provides a useful populist approach to the economy — putting it into the realm of 'good housekeeping'. It also provides one of the mechanisms for putting the economy into a political framework which denies power to organisations in

society which do not represent finance capital.

This *political* reconstruction of the nature of the economy means that industrial capital — those that control industry must 'shape up' into a more political force which owes long-term allegiance to finance capital. So, we've seen the CBI upset over the continuation of high interest rates, the overvalued £, and over the 'market' pricing policy of energy. None of these factors directly aids industry, quite the reverse — adding to industrial companies' oft-quoted difficulties in the current trading recession. Yet many top industrialists declined to support the CBI's position, some even leaving the CBI altogether. Why is this?

It is clear that the Stock Market and other financial institutions have not suffered the decline in confidence which appeared in the mid-1970s, indeed the Stock Market in general is 'bullish'. Finance capital, it is presumed, will be aided by Tory policies.

It would be wrong however to assume that it's only a matter of the industrialists "having to shape up", for there is more than just a coincidence of interests between the Tories and Big Business. Business leaders like Edwardes of BL, Scott of Lucas and Campbell Fraser of Dunlop have operated on the trade unions in a coherent, political way themselves. Trading difficulties are used by them to create quite comprehensive strategies in relation to labour and the unions. For instance it was *no coincidence* that Derek Robinson was dumped, the combine shop stewards committee undermined, that new working methods were introduced at Longbridge, and that the Mini Metro's 'success or failure' was held up as a symbol of Britain's success as an industrial power. At Dunlop the latest redundancy threat (to 1,800 jobs) is being directly used as a lever to try to reduce the power of shop stewards at a number of plants.

The Tories' philosophy also means a withdrawal of support from various parts of society, including unemployed, sick and disabled people, and urban areas suffering from economic and social deprivation. And no longer is the State employer of last resort, it is one of the toughest employers around now. Obviously not all of these features are completely new (the last Labour Government operated monetarist policies), but the clarity of political will certainly is.

Whilst a change in the 'terrain' upon which Government aid is given to industry remains the main direction of policy, albeit tempered by certain tactical necessities, this is being achieved in a way which integrates well with the Tories' interventions in another part of industry. Conditions are being created whereby one major organised sector of society is being made marginal — because it has historically held a very different view of society and industry, namely the trade union movement. Some of these conditions are being created through direct legislative attacks, such as the 1980 Employment Act, but others are brought about indirectly. The Tories are removing trade union power via the employers. The odd, politically expedient gesture of support for small businesses, or the maintenance of certain regional incentives cannot be read as a 'U Turn'. The post-war forms of political involvement allowed to trade unions, albeit to achieve consensus, are being swept away.

Those employers who understand the longer term aims of the current Tory philosophy and politics can therefore find a happy coincidence of interests! The recessionary trading conditions, the overvalued £, high interest rates are combining to create the need for companies to radically restructure and slim-down their

businesses. This is releasing money internally, which is needed to cover overheads (as production levels are cut), and for investment in labour-saving and other new technologies. The 'internal' conditions created by restructuring, rationalisation and redundancy are of course detrimental to trade union power, but many employers are taking advantage of these conditions to directly attack shopfloor trade unionism as well.

So the trade unions are facing a many-sided attack. Legislation is curbing many trade union activities, such as secondary action and picketing. Job losses, short-time working and closure threats are undermining militancy and affecting bargaining activities. And there is a continuing ideological attack on unions, through the media and elsewhere, which attempts to portray unions as irresponsible and destructive at worst, irrelevant or useless at best.

The sheer size of the labour shake-out in industry has surprised the Tories, but pleasantly we must presume. The Government has had to put millions of pounds more into the redundancy payments fund to avoid it going bankrupt. These shake-outs are on a much bigger scale than in the mid-1970s — when companies' liquidity problems were greater than they are now. Reductions in labour have commonly occurred "across the board", affecting many plants (sometimes via complete closure), and often taking the form of enforced redundancies. The effects of this scale of job losses was reflected in the strike statistics for 1980 (the lowest for decades). Trade unions have 'had to' relinquish many shop steward and other union rights and practices. And as the unions have backed down in the face of job losses so have many employers taken the opportunity of 'explaining' to employees why they must make sacrifices for the good of the company (and for themselves, of course) — often by-passing union channels altogether by writing direct to employees or producing special 'employee reports' on the business.

The companies' lectures on 'business realism' have of course been directed towards wages too, the downwards pressure on wages has been aided by threats to jobs — wage cuts or even bigger job cuts. Companies have been only too anxious to explain their view of economics to their employees during this recession. This has been markedly successful in certain sectors such as engineering and a lot of manufacturing industry. Trade unions have been told that there will be no wage negotiations — for the first time in decades some unions have had to forfeit their collective bargaining rights and functions! Wage awards which go nowhere to meeting cost of living increases have effectively undermined unions' major contribution to the membership — the longer term consequences of this are grim.

Changes in the work environment and in working methods, often via the introduction of new technology, are being pushed through on the back of job cuts and the 'necessary' reduction of labour costs. The most obvious example of this is of course the Longbridge plant of BL — this is being used politically as a symbol of the 'new economic realism', and it's no wonder that BL 'welcomes' Nissan to Britain for it hopes it will bring in to the country's car industry yet more changes in work methods. Hand in hand with these new methods is an attack on shop stewards' control, rights and organisation (BL, Ford, Dunlop etc.).

So trade union organisation is being hit by redundancy and closure threats, short-time working and the breakdown of conventional bargaining rights and prac-

tices over wages and conditions. Shopfloor organisation is in great danger, both directly through curbs on shop stewards, and indirectly through the narrowing of areas of negotiation. This is reflected at all levels in unions, right to the level of the TUC.

In general terms there has been only one major change in the areas of intervention and activity allowed to trade unions over the past half century. Bargaining and related activities over wages and certain conditions relating to employment contracts was joined by participation in indicative planning of certain industries. This occurred in World War II, and has continued (at different levels of involvement and activity) up to the end of the 1970s. Bargaining is under attack, and now, despite the continued existence of the Neddies etc., unions' involvement in industrial and economic planning is also at an end — except in the most formal sense. The trade union movement and the labour it represents is being effectively displaced — in economic and political terms. Large areas of economic (and social) life are becoming non-negotiable. If the Tories have their way trade unions are to become like most other voluntary bodies in society. They will be allowed to exist subject to 'normal' contract and property law, and their sole function will be to provide a certain coherence to what might otherwise be a somewhat too anarchic style of employment and wage regulation.

A Response to the Offensive?

Many people in the trade union and labour movement seem surprised at the lack of militancy amongst those large groups of organised workers who have faced massive job losses, closures, and attacks on trade union organisation and activities. The lack of a believable alternative to fight for must figure largely in this, for without a clear aim the trade union and labour movement has few effective weapons to fight the many-sided employers' offensive.

"But", some would argue, "we've got an alternative, it's the Alternative Economic Strategy". In some ways it certainly *is* an alternative, for it proposes that we spend our way out of recession through a £6bn increase in public spending, and it's presumed that some of the jobs will come back — directly in the public sector, and indirectly through increased spending and therefore home demand for goods. It tackles the imports 'problem' by calling for planned trade. It demands that some exchange control measures be introduced in order that capital outflows from the UK can be curbed. It proposes new Planning Agreements in companies, which will integrate into national economic planning. It raises again the use of Price Controls.

But it also demands more Government aid to industry, and a lot more money to be put into job-creation-type schemes for the unemployed. It proposes a new National Investment bank to back up a reconstituted National Enterprise Board.

There are many detailed arguments around each of the points in the Alternative Economic Strategy and there's not space here to explore them. However there are a few matters which should be considered which are in the end crucial to the question of whether this really *is* a viable alternative.

Firstly it doesn't mention anything about *how* these measures are to be effected, and that's because it's assumed that it's simply a matter of having a Left Labour Government in power. This assumption was made in 1973 and 1974, and look what happened: all the

rhetoric remained but none of the measures were carried out, except in the most formal, 'top-down' manner. All the Civil Service power, all the *managerial* Neddie-type bodies were unchanged — Planning Agreements foundered and the NEB became a merchant bank. The fact that certain trade union leaders served on the many planning and other industry bodies made not one jot of difference; the bodies themselves worked on the battle of the employers' interests, and trade unionists were nearly always in the minority on these bodies anyway.

It's no accident that there's nothing in the Alternative Economic Strategy about this. For if you look at it closely it is firmly based on the assumption that workers can *only* pursue their interests within an expanding and productive private company sector. The only claim made on the employers' power is that they sit round tables discussing with trade unionists and Government representatives ways and means of increasing efficiency and competitiveness. The Planning Agreements, planned trade and exchange control measures will be applied *within* this framework of business efficiency, for despite various statements about trade union involvement at national and shopfloor level there is no clear statement about any possible conflict of interests. If you will recall, exactly the same sort of vague commitment to democracy in Planning Agreements was evident in Labour's 1974 programme.

On this basis the Alternative Economic Strategy looks very much like a straightforward return to Labour's Industrial Strategy as pursued in 1974-1979, and we all know that that did nothing to aid the 'irreversible shift' of power to working people. In that time company taxation became a joke, with all major manufacturing companies being relieved of the duty to pay tax (in effect), and companies got £10 millions a week of public money through the Industry Acts — with little or no discernible benefit to workers. There's nothing said about tax now, and the proposal is to give yet more public money to companies with no trade union or public accountability over its use (which in many instances is supposed to create jobs).

It has been said that the last Labour Government's Alternative Economic Strategy (the basis of the present one) had the political advantage that it commanded popular support (right up to the day of the election). But is this so? Over 20 trade union organisations directly affected by the Strategy, and representing perhaps 100,000 or so workers have recently collaborated on a book* which condemns Labour's strategy — and this is only the tip of the iceberg. Another way of looking at this 'popular support' is that it formed the cement of the Social Contract, and bought a few years' consensus between Government and trade union leaderships. Few would deny that a certain degree of consensus might at times be necessary or useful, but that consensus was then and is now based upon a managerialist view of industry and the economy in which workers' only involvement is in the form of 'lobby fodder'.

What is also very evident is the fact that the Alternative Economic Strategy ignores the employers' current offensive. It provides nothing for today's struggle, just a set of outline policies for the future, and the political struggle is actually an 'internal' one in the Labour Party and certain unions over the precise form of these policies, not actually a political struggle against the forces and agents of the current offensive against the

* *State Intervention in Industry: A Workers' Enquiry*, Coventry, Liverpool, Newcastle and N. Tyneside Trades Councils.

trade union and labour movement. This is not to deny the need for political struggle within the organisations of the labour movement, but it is crucial to recognise that this form of politics has done nothing to reverse the erosion of trade union and labour rights. If the employers' offensive is not checked and reversed the operation of the Alternative Economic Strategy will occur in a situation where workers and their representatives have been thoroughly beaten down — this would hardly be a situation which would ensure that the Strategy is operated in the interests of workers (surely history has taught us that!).

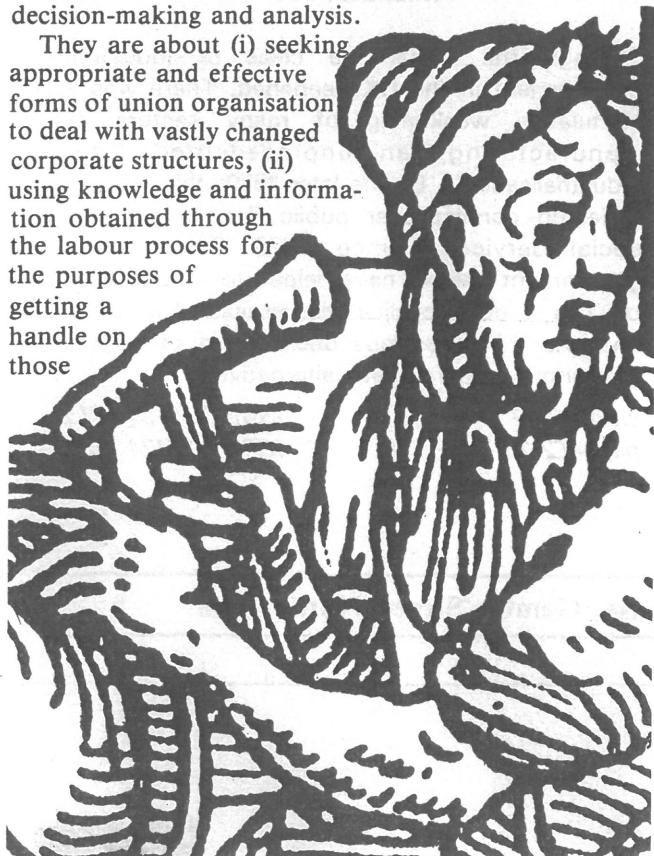
This brief and, some might think, rather brutal attack on the Alternative Economic Strategy, is not designed to destroy its credibility completely, for certain elements, like increased public spending would have to be defended. It should however help to show that it is not *the* alternative to fire and mobilise the trade union and labour movement against current policies and practices (Government and employers) and for a real alternative to unemployment and the rest. Some of its 'empty boxes' don't look too bad, but what goes into them must unequivocally be *our* proposals and demands, not the country's managerial elite.

Workers' Plans

The current employers' offensive should be looked at squarely, for the trade union and labour movement has much to learn from it, and not to do this simply engenders defeatism and a lack of informed industrial and political action. How the fight against the employers' offensive is mounted *now* could have profound implications for future industrial and economic strategies.

Workers' Plans are not simply about socially useful products, they represent workforce and community initiatives which are truly *independent* of the managerialist framework of industrial and economic decision-making and analysis.

They are about (i) seeking appropriate and effective forms of union organisation to deal with vastly changed corporate structures, (ii) using knowledge and information obtained through the labour process for the purposes of getting a handle on those



corporate decisions which affect jobs and other employment matters, (iii) using this knowledge and information to build up an *independent* bargaining position based firmly on the workers' view of what they require from the enterprise, (iv) extending the boundaries of collective bargaining and related activities, not accepting managements' definitions of what is or is not negotiable, (v) overcoming traditional divisions between industrial, economic and social policy, partly through production proposals to meet social needs in communities, partly through demands on company taxation, Government grants and the rest.

These plans have in practice represented effective counters to corporate power, mainly by cutting through the fabric of the employer's arguments about 'necessary' sacrifices for the good of the company. There are a number of examples available, covering wages, new technology, job losses and pensions.

In Lucas some 2,000 jobs were saved in this way. The introduction of new technology is being carried out very much under the Combine Committee's terms, these terms are largely embodied in a New Technology Alternative Plan, and a subsequent Model Agreement. Meanwhile work is in hand to prepare a wages claim which analyses the company's 'ability to pay'; with so many companies formally declaring poor results it's doubly important to look closely at their Accounts — Lucas last half-year results showed an apparent profits drop of over 40%, but the real drop was only some 10%.

In Metal Box, the Combine Shop Stewards Committee is similarly considering a 'Value-Added' wage claim, which takes little account of 'declared' profit, and looks instead at the rate of extraction of value from each employee. The Committee has also engaged in a number of advance planning procedures, in which 'getting a handle' on the company's intentions and policies has been crucial in various redundancy and closure situations.

In Dunlop the Combine Committee is preparing a workers' plan response to a current redundancy situation, and has started on a longer term development of shopfloor bargaining strategies in relation to new technology — especially in tyre manufacture.

There are many other examples that could be quoted, which makes it clear that a growing number of shop stewards' committees do not see their members' salvation in some new version of the NEB — it couldn't help *now* and it won't help in the future. And this view is shared by a growing number of Trades Councils and other local bodies (including some local Councils) which need solutions *now*.

The Trades Councils are trying to join up to present a unified view on industrial policy, a view which is based firmly on the experiences of a great many shop stewards' organisations in their various areas. Similarly, the Joint Forum of Combine Committees (involving some 15 Combines) is bending its collective mind to the need for rank and file based initiatives.

It is no longer true to say that Alternative Plans or Workers' Plans are isolated 'events', although four or five years ago this would have been true. Experience of Labour's Industrial Strategy, and now experience of the Tories and of the employers' offensive is changing the situation to a point where there is emerging a coherent and substantial trade union-based alternative — both to current economic and political policies, and to the so-called Alternative Economic Strategy.

This alternative is based on:

- i. The development of new organisational forms, which are more effective in relation to the structures of large enterprises.
- ii. A new approach to getting and using company information, which avoids the 'Catch 22' of normal Information Disclosure provisions — "how do you know what information you need if you haven't got any anyway?"
- iii. The development of community-based social and economic audits, which make clear the concrete effects of corporate policies and actions.
- iv. The development of Plans for running enterprises in different ways, which are based on the assumption that they should be run for those who work in them and for those in the community that are affected by them.

This alternative can provide effective trade union and labour movement policy and action now against the employers' offensive, but it also lays the basis for a much more radical and far-reaching 'alternative economic strategy'. It doesn't make the assumption that workers' interests can *only* be met via a conventionally profitable and competitive private sector, it doesn't

assume that the State will provide all, via its tie-up with big business. Rather it assumes that future industrial policy or strategy should be based squarely on the interests and the initiatives of those who are most directly affected by those policies and strategies — workforces and their communities.

What is being said is that working people *are* quite capable of determining industrial policy, and by implication other policies, such as those relating to the operation of nationalised industries, public corporations, the NHS etc. It is the workers' plan type of educational and politicising experience which will make this real, not forgetting the crucial point that mobilising *now* against the offensive stops all this from being 'airy fairy'.

A new political territory is being opened up — as a result of the frustration and anger of a great many people over what they see as a tired re-run of limited and limiting policy options. They don't want to be offered those nice-sounding but *empty* policies again, they want to put into them policies and strategies which are more than a sell-out. But of course much will depend upon who in the labour and trade union movement will see this energy and initiative as a threat . . .

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