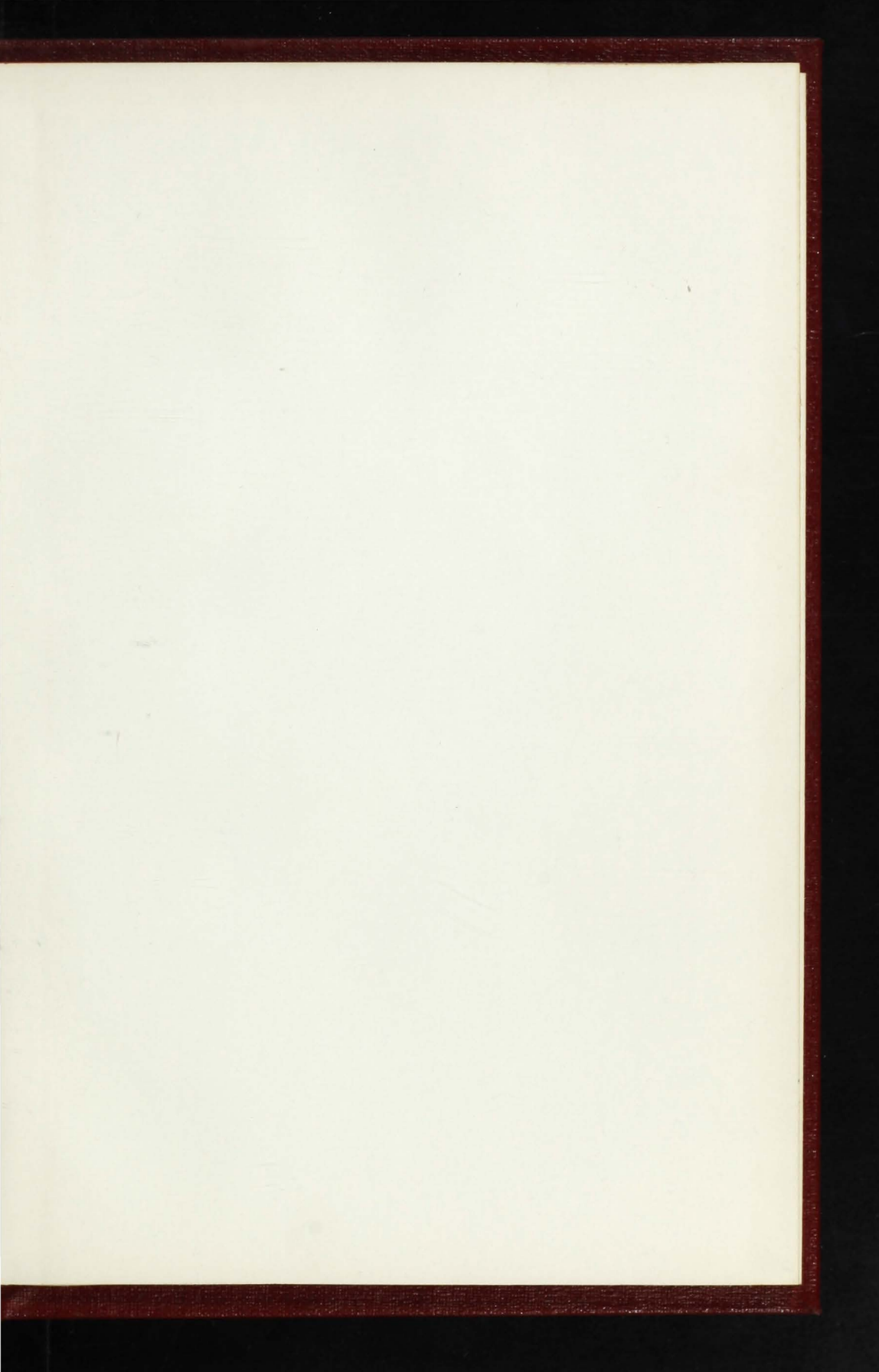
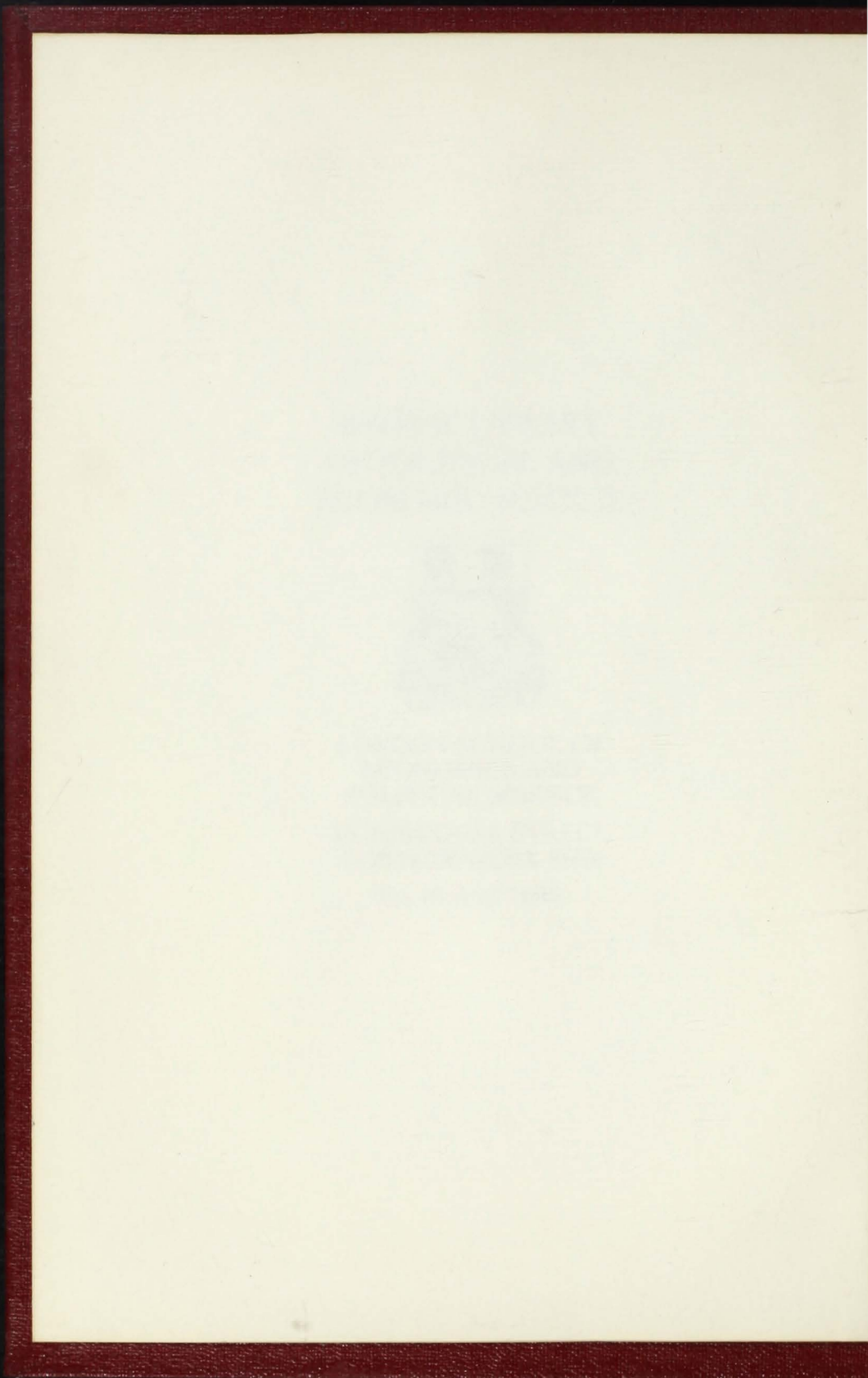


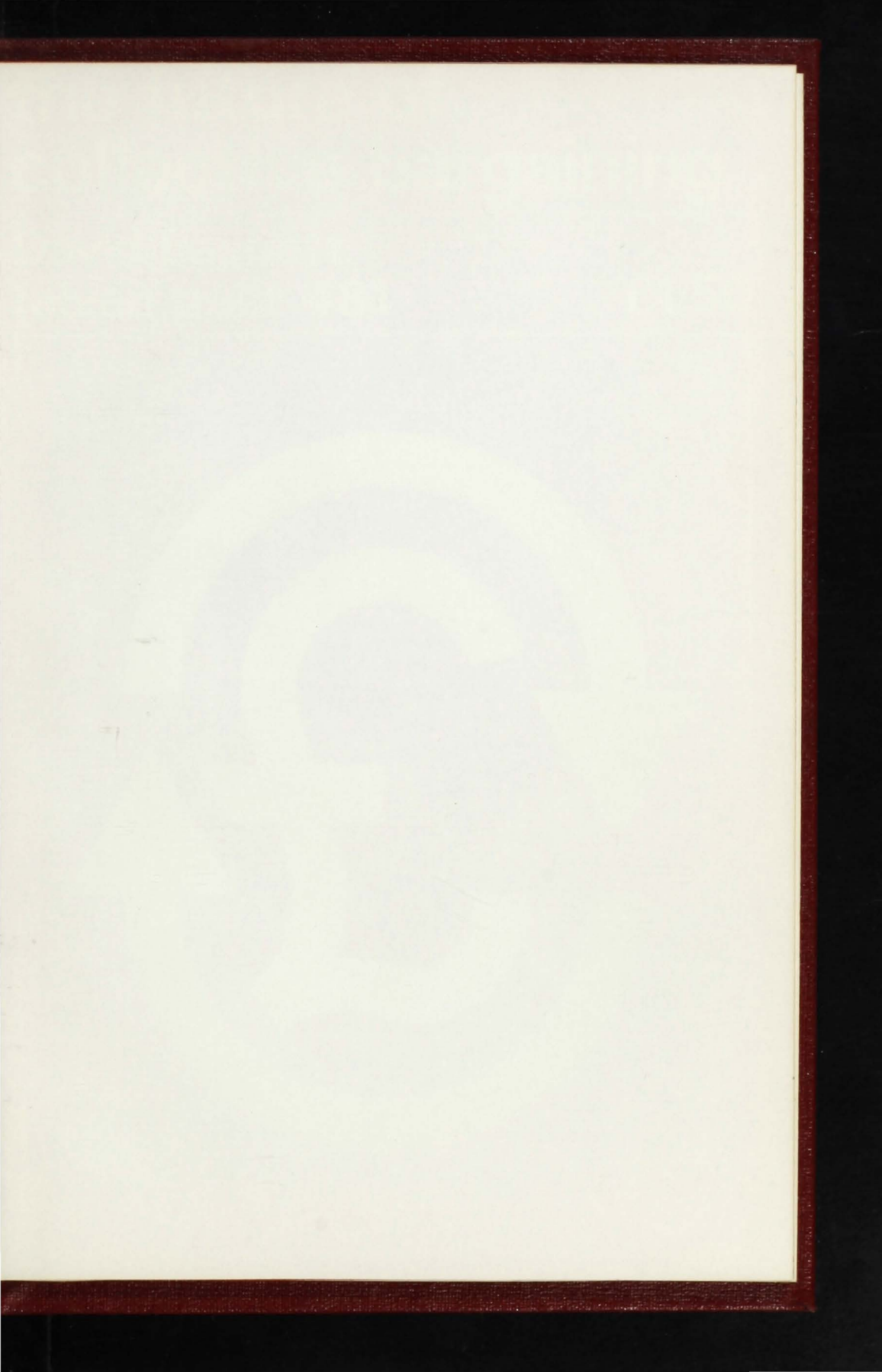
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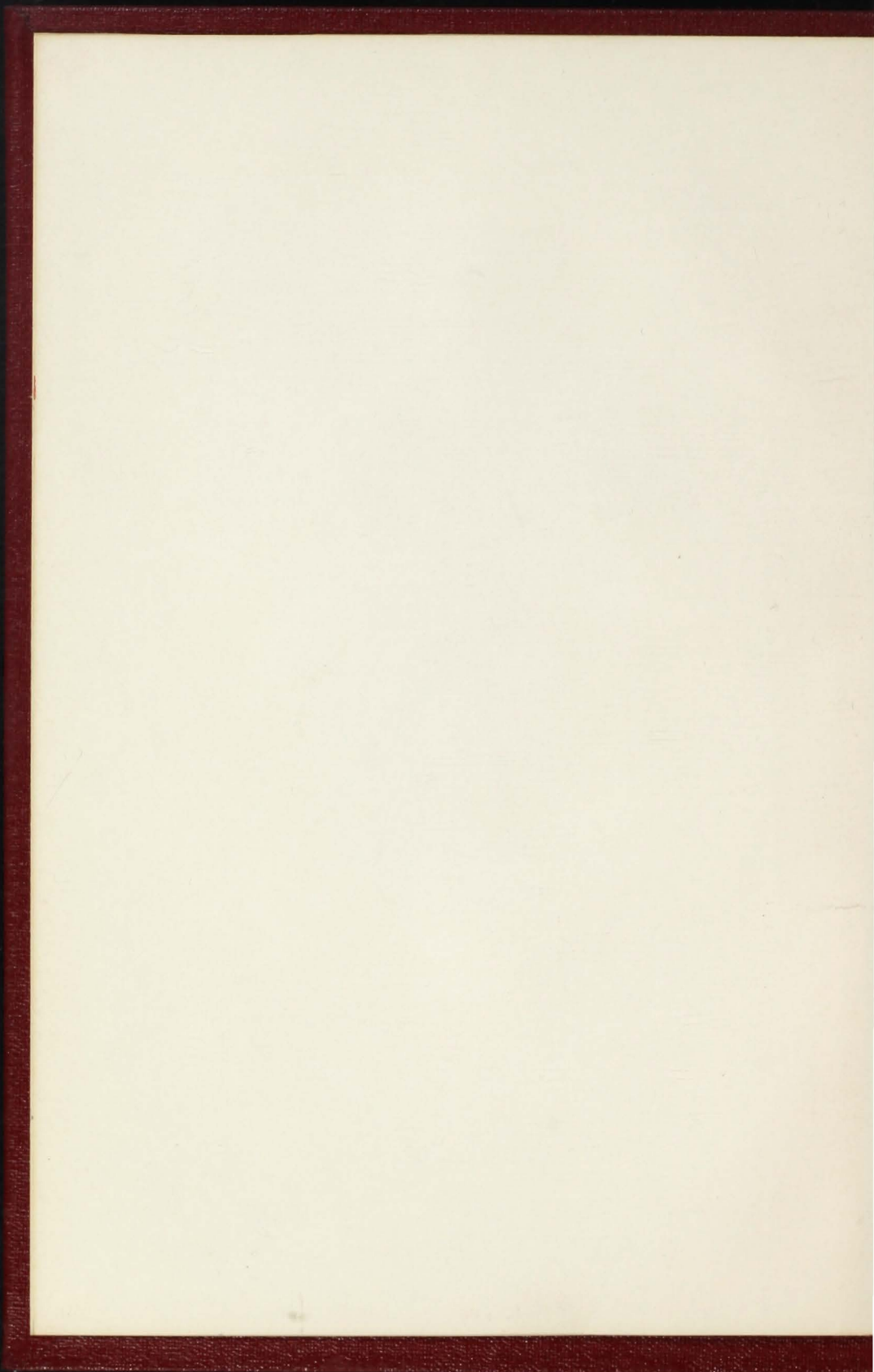


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the future of collective bargaining

David Basnett

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The future of collective bargaining

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This pamphlet, like all the publications of the Fabian Society, represents not the collective view of the Society but only the views of the individuals who prepared it. The responsibility of the Society is limited to approving the publications it issues as worthy of consideration within the Labour movement.

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1. The Context

The central function of trade unions is to organise and bargain in order collectively to improve the living standards of our members. The right to organise and bargain has always been subject to economic, legal and social constraints. But we are now in a situation where the fundamental right to organise, bargain and take industrial action is under attack not only in saloon bar arguments, but also in the deliberate policies of major political parties, now being translated into law under Tebbit's misnamed Employment Bill.

In countering that attack trade unionists must also recognise the shortcomings of our own narrow industrial view of bargaining and organisation, and our failure to develop that role. So while stating some old (but all too often forgotten) facts about the benefits of collective bargaining, this pamphlet introduces some new proposals to extend and build on that system. The aim of trade unions should not only be to improve real wages and conditions but also to reflect more accurately the wider aspects of what are the real determinants of the living standards of our members – the social wage and the role of economic management in returning this country to prosperity and full employment.

Traditionally the focus of trade union influence and power has been extremely narrow. Whilst unions have had historically much wider political, social and supportive perspectives, the area of collective bargaining with employers has confined itself to relations between workers and employers with the aim of regulating the minimum terms of the employment relationship – hours and time rates. In many circumstances, that focus has not significantly expanded. There are many areas of employment where trade unions are only recognised for the limited purpose of negotiating on those minimum terms. To some of our enemies, that focus is the *only*

legitimate area of trade union concern. Until very recently, it was also true that a substantial number of trade unionists, from both Left and Right of the political spectrum, shared that attitude.

Yet in practice in many areas both the focus and the relationship with employers have changed and expanded considerably. In most cases, of course, we are not dealing with a single employer, but with employers' associations, both in the public and the private sector. This was a very early development, and indeed the extension of the bargaining relationship to employers' associations was a move by the employers themselves to circumvent trade union advances; some authorities claim that the term 'collective bargaining' referred to collective action by *employers* before it was also applied to trade unions.

The structures within which trade unions nowadays bargain are extremely complex and vary widely from industry to industry. There is the *two tiered* bargaining structure – sometimes called the 'Donovan pattern' after the Donovan Commission Report (1966). This prevails in most manufacturing and consists of two focuses: – at workplace level and at Joint Industrial Council (JIC) level between unions and employers' associations. In some cases this is varied to workplace level and multiplant corporate level.

There is also *single tier* corporate level bargaining in some of manufacturing and

in many parts of the more recently organised service industries such as distribution, security, transport and insurance. On a slightly different basis that is also the pattern in nationalised industries.

In most of the public services there is a complex machinery with several levels of bargaining, but in practice the mechanism is highly *centralised bargaining*.

Bargaining structures and trade union structures differ widely as a result of efforts to cope with these complexities. And so does the organisation of the employers' side. This variety is particularly noticeable to a general union such as the General and Municipal Workers' Union (GMWU) which deals with such a wide range of different industries and types of employer and employees. It makes any generalisation about the nature and effectiveness of collective bargaining in the British industrial relations system extremely difficult to formulate.

The Scope of Collective Bargaining

While the structure and machinery of collective bargaining has changed over the years, it has not kept up with the changing nature of employment and technology within the workforce.

“There has been a substantial but uneven extension and change in the scope of collective bargaining.”

On the other hand there has been a substantial but uneven extension and change in the *scope* of collective bargaining in many parts of industry. We now negotiate not only time rates and hours, but also a large number of other conditions – shift and other premia, holidays and holiday

pay, sick leave and sick pay, maternity and paternity leave, and all the other plus payments and conditions which are a normal part of bargaining in most industries. We have also belatedly gone into what is *de facto* a bargaining situation over occupational pensions, although employers and pension fund managers refer to it as ‘consultation’. But perhaps most important of all, and most fundamental for trade unions has been the development of what came to be known as ‘productivity bargaining’ in the sixties. This covers a large range of other negotiations which relate to changing work patterns and changing technology, and has brought unions into negotiating at the very heart of management’s main function – the organisation of work.

So a number of changes have taken place both in the nature of the relationship with employers and the machinery which governs it, and in the scope of the issues that are bargained. But there is no law of nature or of economics or sociology which requires either that trade unions should confine their attention to their original areas of concern, or that the present boundaries and structures should represent the outer limit.

In terms of the scope of bargaining, workers’ organisations and trade unions in other countries have in the course of time defined their role very differently. In the United States and Canada, and in many other countries as well, the unions have historically not only negotiated but also administered pension funds and sick pay schemes for their members, not on the basis of ‘benefits’ out of union contributions, as some craft unions have done here, but on the basis of employers’ contributions and separate contributions from wages.

In other countries, particularly in more collective or authoritarian regimes, such workers’ organisations as are allowed to exist have often been involved in areas

which in this country would be regarded as 'managerial prerogative'. Unions have not limited themselves to reacting to management proposals and decisions, but have actually taken over some of the management function themselves. It is noticeable that much of the difference between the Polish regime and *Solidarity* was not so much about terms and conditions, as about how this role in management could be carried out when the trade union had become independent of the state and party.

“Some overseas trade union movements, including some much praised by British commentators, define their function much more broadly than the British trade union movement does.”

The advances made by *Solidarity* in the broader social and political sphere before the military regime intervened also indicated that some overseas trade union movements, including some much praised by British commentators, define their function much more broadly than the British trade union movement itself does, and certainly more broadly than would be allowed us by the editorial columns of the vast majority of our newspapers. But it is not simply that in Poland the trade union movement was, by default, doing the job of an opposition political party. In Italy and France the unions have often seen it as their job to organise political pressure, and on occasion, industrial action, to persuade Government to improve its provisions on social security, the health service, or systems of industrial and employment support. In both countries, trade union action on these parts of the 'social wage' have been regarded – by unions of all political ideologies – as of equal, or at least parallel, importance, to the pursuit of enhanced

wages and better conditions through the conventional route of direct negotiations with employers.

Nevertheless, it has to be recognised that the *primary* concern of *all* trade union movements remains their freedom of action relative to the direct employer. The reasons for this are clear: this has always been the historical point of influence, and the point at which the members expect their unions to deliver. It is also a process through which members can become most easily involved, and where successful negotiations lead to the most obvious satisfaction of need – both in physical terms and in terms of gaining control over the work situation.

Free Collective Bargaining or Incomes Policy?

The exercise of the basic collective bargaining function to the satisfaction of the unions requires a very flexible approach. This is also true from the point of view of economic managers and the direct employer with their need to relate wages structures to the requirements of industry. We need to take into account productivity, changing patterns of work and technology, changing skills and the changing nature of the workforce available, as well as the conditions of the relevant labour markets, profitability and market prospects. These and a whole host of other considerations will enter into the perspective both of the employers and of the trade unions' side. The benefits of having a very flexible environment in which to pursue these multi-dimensional goals through a process of bargaining and negotiation is obvious. Rigid controls such as most of the incomes policies we have experienced in this country destroy or severely limit this flexibility.

From the trade union perspective, of course, but also for the employers, the term free collective bargaining is always a

misnomer. Bargaining, at this level, as all others, is about resolving the conflicts that inevitably arise in the employment relationship. The bargaining structures we establish are designed to resolve these problems. Trade unions are not 'free' to demand the moon and get it. Nor are employers free unilaterally to set their terms and conditions in a way which 'objectively' would maximise efficiency. Both sides operate within a given social environment and a given market environment.

“Neither side is ‘free’. Bargaining is by definition about compromise, a definition which applies equally well when you are bargaining with the state as with the direct or indirect employer.”

Neither side is 'free'. Bargaining is by definition about compromise, a definition which applies equally well when you are bargaining with the state as with the direct or indirect employer.

The imposition of 'incomes policy' on top of this highly complex and flexible system has often had damaging side effects. It has decreased the pace of the adaptation process, and has instead created rigidities and anomalies which have caused rather than resolved conflicts. Every form of incomes policy so far imposed in this country – whatever its apparent flexibility or its apparent provision for 'exceptions' and 'anomalies' – has in practice had a number of damaging effects, notably:-

- ☆ the removal from local unions and management of the ability to reorganise work patterns with adequate changes in compensation to benefit from developments in the market or the technology, or in the labour force;
- ☆ the creation of discontented groups who appear to have been treated more

severely than other groups – either by the nature of their wages structure, or simply by the date at which incomes policies have been imposed or changed. To take a couple of examples – those on fixed wage rates have always regarded it as unfair that incremental scales were allowed to proceed under every incomes policy since the war; and the fact that the 1972 wage freeze just about allowed the local authority manuals through, but blocked the increase for NHS ancillaries, thus causing a major dispute in the Health Service in 1973. This fracturing of established relativities between groups of workers inevitably leads to a sense of grievance.

- ☆ the distortion of differentials within wages structures in a way that fails to reflect the relative jobs people are doing within the same workforce – in terms of skill, training and responsibility.

Some of these damaging side effects of incomes policies could be forgiven if the original apparent intention of such policies – the control of inflation – had actually been achieved. But the record shows that only the very 'short sharp shock' type of incomes policy – a wage freeze or a crude limit such as the £6 in 1975 – have a real impact on the underlying rate of inflation. In many cases – for example in 1969, 1975 and 1979 – the period of control or restraint was followed by a 'wages explosion' with the result that the wage contribution to inflation was as high – and according to some economists even higher – than the underlying rate would have been without the incomes policy. Moreover, because of lack of control over the prices side during most incomes policy periods, the abatement of inflation which was held out as the carrot to workers required or requested to restrain their demands has very rarely materialised.

The Limits of Collective Bargaining

So much for the debit side of incomes policies. On the other hand, it has to be acknowledged that there are many things which 'free collective bargaining' has failed to deliver either. The position of the low paid has hardly improved at all in relative terms over a century. While the passage of legislation to interfere with free collective bargaining under the Equal Pay Act has improved the minimum position of women workers, the figures still show that they are not benefitting in due proportion from the bargaining process.

Thousands of workers – many of them in trade unions – in practice have very little influence over any of their terms and conditions, let alone the way in which their work is organised, beyond the very minimum rates. Thousands of others require Wages Councils to provide an often inadequate safety net even on minimum wages. On other aspects of terms and conditions, the unions have indeed enthusiastically supported state intervention at least to set minimum standards – on redundancy pay, on maternity leave, on protection from unfair dismissal, and in such areas as health and safety. Unions are also now beginning to look more positively at proposals for legislation in areas such as the limitation of total hours, where most continental countries currently have rigid – if not always well enforced – restrictions.

“The British trade union movement has never totally rejected the role of the state.”

So the British trade union movement has never totally rejected the role of the state. Moreover, it would in my view be impossible for us to do so. Three further obvious but key factors affect the situation.

☆ *First*, there has been since the war a responsibility by the state – not entirely abdicated even by the present government – for the management of the economy as a whole, including attempts to control the level of inflation. Trade unions have recognised and supported the intervention of the state into this area. In their political manifestation, unions have been the most positive advocates of systems of planning and control. While not necessarily giving incomes policy the primacy it has been given under recent governments of both major parties, if we are discussing a system of state intervention and planning, then the question of planning of incomes inevitably arises.

☆ *Secondly*, and even more obviously, the state has become the direct or indirect employer of over a quarter of the workforce. Nearly one in five people are employed directly by Central or Local Government or its agencies in the public services. The context in which such groups negotiate is determined by government attitudes – whether expressed through such formal mechanisms as cash limits and the Rate Support Grant or less directly. For these people – most of whom are well organised in trade unions and who indeed represent the growth area of union membership in the past two decades – there is always a government incomes policy. Less directly, but often equally acutely, their colleagues in the nationalised industries are directly affected by the Treasury's attitude to nationalised industry financing, and to the Treasury's notion of what is a 'desirable' ceiling on wage and salary increases. These workers, therefore, are also permanently under the shadow of a formal or informal government incomes policy.

☆ *Thirdly*, and equally importantly, workers and their families are more and more concerned with the social wage aspect of their standard of living. Housing, transport, education, social services and, for

many, social security are important aspects of their lives. They look upon the trade unions as one – but only one, an important one nevertheless – of the mechanisms whereby they seek to improve these aspects of the quality of life. Sometimes they recognise the trade-off between the individual wage and the social wage and are prepared to sacrifice the one for the other. Under the *Social Contract*, wage restraint was accepted because we hoped for – and in the early days at least received – improvements in the social wage. But when the improvements in the social wage were reversed, and at the same time the constraint on the individual wage was intensified, the trade-off appeared to go the other way and hence ushered in the ‘winter of discontent’.

“The concept of direct negotiation on the social wage was actually a very radical one in terms of British trade unionism.”

But whichever balance workers as a whole, or as separate groups, draw at any given time, there is a general recognition that both the individual wage and the social wage have an importance. Historically, the close link between the British trade union movement and the Labour Party has meant that unions have generally seen conventional political processes as the means of achieving improvements in the social wage. So we have tended, therefore, unlike the French and Italian unions, to use indirect political influence rather than direct trade union action to achieve those aims. But

the ‘Social Contract – in its original conception at least – marked something of a departure from that perspective. Trade unions during the period 1974-1979 were actually involved in *direct* negotiation with Government on a large number of aspects of the social wage. There was significant, albeit limited, success in pursuing these objectives – in particular in relation to provisions for social security. But these successes were overshadowed by continued and growing adverse economic factors, and the ultimate breakdown in relationships. But the concept of direct negotiations on the social wage was actually a very radical one in terms of British trade unionism.

For all these reasons, it can be seen that traditional concepts of ‘free’ collective bargaining are not enough. Workers expect the government to have anti-inflation policies, and accept that wages will form part of this. The present Government’s anti-inflation policy is simply recession and unemployment. That is an unacceptable form of wage control, achieved through misery and the undermining of the strength of trade union organisation. But any alternative government must have a more acceptable alternative policy.

Likewise workers accept that there must be new mechanisms for determining the wages of public service workers which the state can accept as compatible with its overall objectives on public spending and on inflation. And which can fit in with a more interventionist and planned approach to overall economic strategy.

But above all, workers now expect their unions to have some influence on the social conditions in which they work, and what is broadly known as the social wage.

2. The Way Forward

How then should these attitudes be transformed into positive policies which would benefit the bulk of trade union members? And how are they compatible with the insistence of the TUC and Labour party conferences that there will be no interference with 'free' collective bargaining?

“The opposition expressed within the unions to interference with 'free' collective bargaining is more a rejection of traditional style incomes policies than a declaration of faith in the justice and efficiency of untrammelled collective bargaining. To the extent that it rejects traditional forms of incomes policy, I completely go along with it.”

To take the last point first. The opposition expressed within the unions to interference with 'free' collective bargaining is more a rejection of traditional style incomes policies than a declaration of faith in the justice and efficiency of untrammelled collective bargaining. To the extent that it rejects traditional forms of incomes policy, I completely go along with it.

Incomes policy should not be seen as the major economic regulator or as a test of any government's economic 'machismo'. Planning of real resources – investment, public spending, manpower, training, imports and exports – are much more important objectives of a planning oriented alternative economic strategy. But the control of inflation, which must have within it an attitude to wage levels, is an important corrective mechanism for ensuring that planning of real resources can indeed be

achieved and not be jeopardised by hyperinflation.

I would suggest that there are four areas in which progress could be made with a more sympathetic government, and which would be supported by the majority of the trade union movement, without being seen as a reversion to old fashioned incomes policies.

All would incur some opposition; but it would not be majority opposition. And if the overall policy was effective, they could probably gain the support of the vast majority of trade unions.

An Economic Forum

First, the setting of wage bargaining into a broad and agreed *economic context*. This is not the same as 'concerted action' on the West German model so beloved of some of the 'wetter' elements of the Tory Party, but a much more substantial commitment to the involvement of the trade unions in the whole planning process. The now largely forgotten 'concordat' between the last Labour Government and the TUC, reached after the bitter experiences of the 'winter of discontent', set out the outlines of such an approach. The subsequent work by the TUC/Labour Party Liaison Committee has taken this a step further.

But much work remains to be done. What is envisaged is the establishment of an economic forum for an *Annual Economic Assessment*, at which the targets and

expectations for the economic variables could be agreed. Some indications of the broad parameters establishing the atmosphere under which local and industrial bargaining could take place would also be agreed. Only in this way can we create the climate for some sort of consensus in our industrial negotiations. As well as establishing agreed economic parameters, the assessment would have to include an outline economic plan, and agreed social priorities which the Government would pursue, and the industrial relations policies and legislation it would implement. This annual assessment would have to be followed through vigorously by, say, monthly meetings between the TUC and the Government and quarterly meetings of all parties to monitor progress on these fronts. The early months of the last Labour administration did see monthly meetings between the TUC and Government ministers and had they been continued throughout the period, instead of being abandoned as the economic squalls of 1975/6 hit us, we might have avoided the catastrophic problems that befell the final years of that administration.

We need agreement on ends and on means. And that necessitates a consensus between the Government and the unions on the whole range of social and economic policy *and* the will to follow that consensus through. In practice such a consensus, and the expression of such a political will, could only be achieved with a Labour Government. This is not a serious political possibility under a government, party or coalition which included elements hostile to trade unionism.

A Change in the Structure of Bargaining

Secondly, the Government, unions and representatives of employers need seriously

to look at the *structure* of collective bargaining. Although I said at the beginning that the structure had developed over the years and had become extremely complex, in many ways it suffers from a 'super-structural lag' relative to the problems that unions and management have to deal with. The two-tier, or even multi-tier bargaining system has many merits. You can set minimum terms and conditions at the national level, and local terms and conditions can reflect local work organisation and priorities. But all too often, one or more of the tiers is unrelated to any real economic unit. Decisions on wages were therefore at a different level from other decisions of the enterprise. For example, in much plant level bargaining, the management really are not free agents in any real sense because they are answerable to management higher up. Yet unions are denied access to the point where real power lies. In other cases, for example in the public sector, bargaining structures reflect regional and geographical boundaries which do not relate to economic boundaries, or even political ones. Again, the bargaining structure is out of key with the real structure of power and economic reality.

I do not suggest that the Government itself should take the initiative in reforming bargaining structures. This is a job for the TUC, although I concede they will run into all sorts of diplomatic and constitutional difficulties with their affiliates in carrying it out. But it seems to me the proper function of the TUC if trade union priorities and objectives are to be placed first.

This may indeed mean a change in the role of the TUC itself – in its priorities, its information system and perhaps in the authority it is allowed to exercise over its affiliates. In my view such a change in emphasis for the TUC is long overdue. The recent review of TUC organisation structure and services began to take some

tentative steps in this direction; we must build on these beginnings.

From the point of view of unions and employers, it would be better if 'second stage' bargaining was conducted within a framework where the economic consequences and the realities of economic power could be appreciated. Such developments would greatly assist the process of what in the jargon has been known as 'productivity/price bargaining' whereby negotiations relate not only to organisation and output and the rewards attached to them, but also the selling price and, therefore, the benefit which might accrue to the consumer. The effective development of such forms of bargaining, which are virtually unknown at present, requires two things: a change in the structure of management and economic decision making; and the re-institution with enhanced powers of an effective Price Commission.

A New Price and Monopoly Commission

The *role of the Price Commission* is the third main point of my policy. Under the last Labour Government the role of the Price Commission transmogrified from an attempt to control virtually all prices on a mechanistic formula, to a body increasingly concerned with efficiency, costs and pricing and audits of major markets and companies. In my view a systematic 'norm' for price control enforced on the basis of mechanistic rules will be unlikely to last long. Rigid short term price controls may however, be needed, and have to be rigorously enforced in the kind of crisis the next government will inherit. But the important element in any continuing price control is the restraint of monopoly and administered prices in key markets – the 'pace setting' prices of our economy in both the public and the private sector.

In order to control these prices, the role

of the old Price Commission in its forays into efficiency audits could be of vital importance. But that role tended to overlap with that of the Monopolies Commission and of the Office of Fair Trading. A merger between the three bodies would enhance control over abuse of market power and provide a real basis for the control of inflation.

“The trade unions would have to recognise the authority of the proposed new Price and Monopoly Commission.”

While not quite amounting to the kind of full-scale 'indirect incomes policy' that some trade unions advocate (and others would automatically oppose) the establishment of a Price and Monopoly Commission, whether or not backed up by an annual 'Price Norm', would obviously have implications for wage levels and collective bargaining structures. The trade unions would have to recognise the authority of the proposed new Prices and Monopolies Commission. The fact, or threat of, the Commission's intention to intervene would indeed provide a formidable impetus towards the changes in bargaining structures and moves towards 'productivity/price bargaining' above.

These are all very tentative ideas, requiring detailed consideration in TUC and Labour Party circles, possibly in the context of the current work of the TUC/Labour Party Liaison Committees on Planning and Industrial Democracy.

Comparability for Public Service Workers

Any progress in the development of collective bargaining has to include a new

basis for the determination of pay for workers in the non-trading public services. I separate out 'public services' from nationalised industries (which are engaged in trading) and from other areas such as water supply which fall between the two categories. There is much in common between the two parts of the public sector, and in the face of hostile governments, and possibly in the face of more progressive ones too, it is necessary that on many issues they agree a common perspective and strategy. But ultimately, most of the nationalised industries will be judged by their economic performance, and pay rates will reflect to a greater or lesser extent that performance. Both 'productivity/price bargaining/ and any proposed Price and Monopolies Commission intervention would apply in the nationalised as well as the non-state sector. However, in the public services, it is difficult to see any similar basis for development.

There have been many attempts at establishing some form of what is now known as 'comparability' for public service pay. By and large, with the exception of higher paid civil servants, judges, the armed forces and the police, the present Government has abandoned all such mechanisms for resolving the problem. Whilst many of the existing institutions and methods were admittedly inadequate, by dropping them, this Government has made absolutely certain that at some point it will face a massive confrontation from its own public servants.

Probably the most effective and detailed form of comparability so far devised was the Pay Research Unit (PRU) system for the Civil Service. That has been subject to all sorts of criticism, but by as near as possible a scientific approach to the subject, excluding comparisons with clearly exploited sections of workers, the PRU did come up with results which were thought by all sides to be reasonably acceptable.

The Clegg Commission set up by the Labour Government after the 'winter of

discontent' in 1979 also, though slightly more controversially, was beginning to do a similar job for the other parts of the public service. Its first reports dealt with the lower paid manual workers in local government and the health service. In these, and in subsequent reports covering clerical staff, the comparability exercise ran into a 'chicken and egg' problem by comparing low paid women workers in the public sector with low paid women workers outside.

The results, although beneficial to some of the higher paid workers were, not surprisingly, not much help to the low paid. The PRU method would have been better in this respect. Any new systems of comparability introduced under a future government must try as far as possible to remove this sex bias from the comparability process. Nevertheless, the Clegg Commission was better than the arbitrary imposition of cash limits and percentage ceilings adopted by the current regime. In addition to comparability of wage rates, there is the problem of productivity measurement in the public services. It is noticeable that in the past, in local authorities for example, it has often been the unions which have had to press the employers into measuring and regulating work on a productivity basis. Yet the LAMSAC unit available to local authorities to carry out these exercises has rarely been used, and the basis of bonus payments in local government is very much up to local negotiations. In the present economic climate, with job cuts on the agenda all the time, public service workers are less keen to talk about productivity deals. But in a better climate for the public services, we would envisage a major role for such bargaining and for the more effective use of the LAMSAC manual in local government. Indeed we would hope to see the creation of similar machinery in other parts of public service employment.

“It would be disastrous if we established a new system of comparability for the predominantly female public service area of employment which simply reflected and reinforced the sex bias and tendency to a dual labour market that prevails in the most backward areas of the private sector.”

The PRU system in the Civil Service had a number of drawbacks. But in general over the 25 years and more in which it was operating there were relatively few disputes about its findings. Those findings did not bind the negotiators, and the PRU did not even make recommendations let alone awards. But it did define the ‘ball park’ for negotiations. A similar system, overseen jointly by unions and public service management, could be constructed for both the Civil Service and the rest of the non-trading public sector. It need not be as sophisticated as the PRU system became in identifying particular jobs and hierarchical structures in the white-collar area. Comparisons need to be made on a broad ‘skill for skill’ basis rather than to be over-specific as to particular jobs. And comparisons need to be made that eliminate as far as possible the sex bias of the labour market in the outside trading sector. This would mean that manual women workers such as cleaners and catering staff could be compared not just with low paid women workers in the same jobs outside, but also with other kinds of jobs at equivalent levels of skill, or semi-skill in the economy more generally that is including mainly male non-skilled grades. Similarly, predominantly female semi-skilled and skilled clerical workers should be compared with the equivalent levels of skill and training that

is required of jobs in predominantly male areas. A shorthand typist should not be compared with anything less than a skilled manual craftsman. It would be disastrous if we established a new system of comparability for the predominantly female public service area of employment which simply reflected and reinforced the sex bias and tendency to a dual labour market that prevails in the most backward areas of the private sector.

It is surely not beyond the wit of trade unions, government and public service employers to devise a new style PRU system that takes account of these principles.

Meanwhile there are other things which the trade union side can do to improve the bargaining position and the coherence of industrial relations within the public services. Following decisions at the 1981 TUC there has been substantial progress in co-ordination amongst public service unions. The Public Services Committee of the TUC, set up two years earlier, together with the Local Government Committee and the Health Services Committee began to establish a newly co-ordinated strategy during the 1981-2 bargaining round. In these early stages, co-ordination has concentrated mainly on the submission of ‘core claims’ covering principally the rate of inflation, and on the co-ordination of response to the offers from public service employers. In subsequent wage rounds, the question of synchronisation of dates, co-ordination of timing of claims, and of more wide-ranging co-ordination on the substance of claims, as well as the reaction to Government offers are now on the agenda. There is a much greater chance of coherence and development on the trade union side as far as public service pay is concerned. This present Government will have to come to terms with that. Any future Government will need to recognise it and put it in a more positive light by re-instituting the kinds of comparability systems that I am

talking about as soon as possible; if we do not do so, then another winter of discontent is clearly on the cards.

Since public service workers comprise over 20 per cent of the workforce, the method of determining their pay and the degree of agreement that can be reached between a government and its public service unions will be vital. We shall need some degree of stability and direction in the wage deal while engaged in the formidable task of planning for an economic reconstruction of Britain.

This brings us back to the centre of economic management, as the wages bill for public servants forms a major part of public expenditure. Obviously, the effects of comparability awards could have a volatile effect on the Treasury's need to control inflation.

This is a central problem, but less serious than it seems. The present monetarist obsession appears almost to have abandoned real resource planning (as under the Public Expenditure Supply Committee or PESC system), for reliance on cash limits. The fact that this is not working implies that the Treasury will eventually be pushed back to real resource planning, though the retention of some monetary controls are obviously a useful adjunct. But monetary targets must never again become the single overriding criteria.

In planning real resource use in PESC, (Public Expenditure Survey Committee) the Public Expenditure White Paper (and in local government the assumptions made prior to the Rate Support Grant – RSG – settlement) the wages element must be taken out. Only after comparability awards have been made should it be reflected in any 'cash limits' introduced to back up the real resource targets. This has implications for the timing of public service settlements, and of public expenditure planning that would have to be taken on board by all parties.

A Charter of Minimum Wages and Conditions

Lastly, there needs to be new legislation agreed with the trade union movement in setting minimum standards. We need to agree a Minimum Terms and Conditions Bill, or perhaps a series of Bills, covering and greatly improving minimum terms on pay, hours of work, job security, holidays and leave, sick pay and pensions. We need such legislation because we have to face the fact that in too many of these areas free collective bargaining has failed adequately to protect the most vulnerable of workers.

For the low paid, any incoming Labour Government will need to look, with the trade union movement, at the operations and efficiencies of Wages Councils, and at the re-institution of a more effective system of Schedule 11 for workers outside the Wages Councils. I also believe we should look at the lessons provided by the French example and re-open the question of statutory minimum earnings levels.

The kind of areas where a Minimum Terms and Conditions Act could introduce or enhance this kind of safety net could include:

- ☆ A minimum hourly earnings level;
- ☆ Maximum weekly hours restrictions;
- ☆ Restrictions on pattern of working and minimum unsocial hours payments;
- ☆ Minimum holidays and other low pay entitlements;
- ☆ Minimum sick pay provisions (currently under severe attack by this Government);
- ☆ Minimum maternity, paternity and childcare provisions;
- ☆ Minimum training leave entitlements;

☆ Minimum job security and notice periods;

☆ Minimum redundancy pay provisions.

For low paid full-time and part-time women workers (and also women workers who are under-paid relative to similarly employed and similarly skilled men) the glaring gaps in the Equal Pay Act and the Sex Discrimination Act will also need to be closed. There are also wide areas of health and safety legislation which need tightening up.

On the other hand, except for provisions on disclosure of information and rights to consultation and industrial democracy, I am not particularly in favour of using the law to impose standards of industrial relations and collective trade union rights. The two Tory Employment Acts of 1980 and 1982 are clearly fundamentally anti-trade union measures and must be repealed in their entirety. But the provisions of Labour's well-intentioned Employment Act 1976 in the areas of collective bargaining did not help a great deal – for example the provisions on union recognition were, after the first few months of euphoria, proved to be almost totally un-

workable. It is unlikely that the lawyers can devise effective measures in the area of collective rights which do not involve very substantial incursions of litigation and decisions by the courts and judges which are unlikely to be of great benefit to the trade union movement or the workers affected. The area for legislation that I am advocating is therefore principally in the area of minimum *individual* rights and protection.

“Unlike some of my more traditional trade union colleagues, I do not see any conflict between state intervention in these areas and enhancing trade union membership.”

Unlike some of my more traditional trade union colleagues, I do not see any conflict between state intervention in these areas and enhancing trade union membership.

With a ‘safety net’ fixed at a reasonable level, collective bargaining and trade union organisation can make real strides, particularly for those who join from the growing numbers of workers in private services.

Conclusion

If we have a government which is prepared to plan the economy, to expand the social wage, and to legislate on minimum terms and conditions, to give a positive role at all levels to the trade union movement and their members, then there will be a clear need for some changes in the system of bargaining which we currently operate.

In the past, the controlling mechanism has normally been in the form of a crude incomes policy – which has made the job of trade unions and managers at local level so difficult. While the planning of real resources must take primacy, some agreement on the wages and prices side is also necessary. If some of the changes I have outlined are adopted, the loss of flexibility at local level will not be so severe, nor will the stronger groups necessarily lose their influence. But the movement as a whole will have achieved a greater influence on the broader economic and social priorities through some new form of concordat with a government which is prepared to co-operate in such an approach. In this way, it is possible for trade unions to restore and maintain their ability to respond to im-

mediate membership pressure on wages and conditions, while also reflecting the membership's increasing demands for greater control over the wider aspects of working life, the social wage, and society itself.

The programme I have outlined will mean major changes in the role and perspective of the TUC and of trade unions at all levels. These are ideas which need to be discussed throughout the Labour movement with an openness of mind which, regrettably, has not been overwhelmingly apparent in our recent history. I hope this contribution will at least help to set the agenda for such a discussion. Once we have made up our own minds, real change cannot be ignored by governments – nor by the more conservative-minded in the ranks of the trade unions.

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Conclusion

If we have a government which is prepared to plan the economy, to expand the social wage, and to help achieve economic growth and conditions, to give a positive role at all levels to the trade union movement and their members, then there will be a clear need for some changes in the system of bargaining which we currently operate.

In the past, the controlling mechanism has normally been in the form of a crude income policy - which has made the job of trade unions and managers at least to a certain extent. While the planning of such policies may take place, these cannot start on the wages and conditions which are necessary. If some of the changes - some outlined above - are put into effect, at least in a wide way, it may be possible for the stronger groups to make up their minds. The old government as a whole will have inherited a greater influence on the broader environment and response through some new form of response with a government which is prepared to co-operate in such an approach. In this way, it is possible for trade unions to retain and maintain their ability to respond to an

unlike productivity pattern of wages and conditions, while also reflecting the membership's increasing demands for positive control over the wider aspects of working life, the social wage, and society itself.

It is my hope that we shall meet together again in the not too distant future. To do so we must be in a position to discuss the future of the trade union movement with a confidence of mind which, especially, has not been experienced in our long history. I hope the next meeting will at least help us set the agenda for such a discussion. Once we have made up our own minds, real change cannot be ignored by governments - not by the more conservative-minded in the ranks of the trade union.

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The Future of Collective Bargaining

In this pamphlet David Basnett argues that whilst there has been a change in the structure and scope of collective bargaining there need to be radical changes in both the method and content of negotiations and the relationship between trade unions and government. Simplistic arguments about 'incomes policy' vs 'free collective bargaining' are not relevant. Unionists need to be free to bargain about *more* issues with their employers including what has hitherto been regarded within the 'managerial prerogative' and wage bargaining should be extended to negotiations with government over the social wage.

The author calls for developing the 'national economic assessment' approach of the TUC/Labour Party Liaison Committee, the linking of productivity bargaining to the economic and managerial decisions of the company, a more equitable system of pay comparability for public sector employees which eliminates bias against women and a comprehensive Minimum Terms & Conditions Act setting statutory minimum standards over pay and conditions of work.

David Basnett believes that these proposals should be discussed by the TUC and Labour Party and that they will eventually receive the full support of most trade unionists.

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