Workers Control in the Years of Lead

Introduction

In the early 1970s, British socialists faced a difficult problem. It was clear that British capitalism was in trouble. The full extent of this trouble might be debated as would be its cause but there was little argument about the fundamental facts. The harsh economic measures undertaken by the Labour government in the dying years of the 1960s might have shored up the balance of payments difficulties and prevented the collapse of the pound, albeit at the expense of its electoral popularity, but this could not conceal the regular failures of sections of British manufacturing as it reeled under the pressures of international competition and the erosion of profit margins almost down to zero.[1] The position of the British left regarding this crisis was summed up by two contemporary observers:

> The attitude of the left in the British working class to the present difficulties of the British economy, in general, is that the poor performance of the economy is no concern of theirs and that they have no involvement in its causes. Poor economic performance is for governments and employers to sort out. The task of the working class is to assert its rights by means of industrial and political pressure - rights which it now regards as encompassing rising living standards, better social services, job security and so on. If capitalist governments cannot operate the productive system efficiently enough to prove these rights then capitalism must give way to a socialism which will.[2]

The key argument of these authors, both at the time members of the Communist Party, was that the power of the working class, expressed both in trade unions and in political influence, had developed to the point where its actions were able to play a significant role in the shaping of the economic performance of Britain. This impact found its expression in the increasing level of inflation which had emerged as the central problem of the economy.[3] They argued that the refusal by socialists to acknowledge this was based upon the premise that escalating economic activism in a time of economic crisis would lead to political pressure to change the system: that the economic struggle would shift to a political one led, of course, by active socialists. But against this, they asserted that:

> The most favourable combination of circumstances, ever, for this strategy occurred during the term of the last Conservative government [1970-74]. Yet, in this period, despite an escalating industrial struggle, which came close at times to provoking an explicit confrontation with the state…the final result was that the left made some real gains in terms of consolidation within the trade union structure, but that the transcending of the economic struggle by the political

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[1] The extent of this crisis is detailed in the accompanying background paper, *The Years of Lead: Politics in the 1970s.*

[2] B. Warren & M. Prior, *Advanced Capitalism and Backward Socialism*, Spokesman Pamphlet No. 46, 1975 p. 1

[3] The issue of inflation is discussed further in the parallel paper by Pat Devine.

failed almost completely. The scenario worked insofar as economic industrial struggle developed to the point where political confrontation began to emerge. The strategy then collapsed as the inherently economist nature of the organised left failed to provide anything more than a series of ever more strident calls for yet more economistic action.[4]

At the same time, in other sectors of society, in gender issues, the environment, education and so on, all manner of upheavals were taking place with a common theme, that of efforts to change the forms of control within capitalist society.

The first major concern is about the need for popular control at all levels of authority and over all areas of social life. We have stated that much social protest can be traced back to an increased social understanding of the processes of control within society...universally such controls have become a major target of movements calling for their democratic control. The principal contradiction which exists within these struggles is the disparity between the real power achieved over wage bargaining by the working class and the lack of control which they exert or even attempt to exert over other factors which affect social and productive life. This has meant that concern about 'control' has spread into the mass movement rather from the areas of social struggle which we have discussed than from the areas of struggle within the industrial sphere. Yet within these social movement, the issue of 'control' is of decisive importance.[5]

The strategy which was proposed was to replace unremitting confrontation over wages with acceptance of a form of incomes control to limit inflation[6] and, in return, to demand an increasing level of control over the productive process itself, that is workers' control, to develop and lead the other social movements concerned with various aspects of control within capitalism.

The workers' control movement

The idea of workers' control has a long, albeit fragmented and often contradictory, history. One established root was the producers' cooperative in which workers owned or at least had some kind of partnership with the enterprise in which they worked. This was usually associated with agricultural products but some examples of craft-based manufacture can also be found. A second and quite different conception was that of the workers' soviet, enterprise-based bodies set up to engage in active confrontation with the (capitalist) owners as part of a struggle leading to a socialist revolution after which the soviet would become the new managerial agent. A third process was a gradual involvement of workers, usually via their unions, in some degree of managerial control exerted by representatives within the hierarchy of management boards. This had become most established within Germany. In practice, in Britain in the 1960s, none of these ideas had much purchase. Although mutuality in the form of building and friendly societies

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[4] *op cit*, p.2
[5] *op cit*, p.16
[6] This is discussed in a parallel paper by David Purdy

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flourished, their roots, which were at least in part in working class self-help were largely forgotten whilst the retail Co-op movement had become a largely aimless consumer cooperative. Soviets were mentioned only by small sectarian groups as a utopian ideal whilst worker representation on management boards were scorned by active trade-unionists who could only see them fettering the process of free collective bargaining which had seen the unions flourish in the postwar period.

That workers' control had retained a small hold in British socialist thought really depended upon a now largely-forgotten byway of socialism, the experiments in self-management conducted in Yugoslavia (itself an almost forgotten idea) in the 1950s. Yugoslavian socialism seemed to some on the left a possible alternative to Stalinist communism. Although not undeformed by oppressive control, Yugoslavia seemed relatively free in comparison with the other Communist states of eastern Europe particularly given its uneasy position with regard to the Soviet Union after Tito's decisive break with Stalin. One aspect of Yugoslavian economic policy, which was particularly attractive to some British intellectuals, was the effort to break with the rigidity of central planning by handing over a degree of autonomy to individual enterprises based upon management committees elected, in principle, by the workers employed by the enterprise. Attacked by hard-line Communists as a return to capitalism, these experiments in self-management were seen as a possible way out of the reform/revolution dichotomy by a kind of inversion. If self-management was a return to capitalism in one enterprise then perhaps workers' control in enterprises under capitalism could form a turn to socialism in one enterprise. As one prominent exponent of this view put it:

> *the two-sidedness of the movement for workers' control...[is that] in one sense workers' control does no more than 'restrain capital', modify the power of capital without being able to put workers' power in the place of capital's power. In this sense workers' control is 'within the system' but in another sense it manifests itself as the embryo of 'a new society within the old'.[7]*

This was, inevitably, a fuzzy concept at best but it provided enough impetus for the first National Workers' Control Conference to be held in 1962 and for the Institute for Workers' Control to be founded in 1968. Thereafter, people like Bodington, Ken Coates, Bill Jones and Tony Topham produced a stream of pamphlets and books focussed on just how workers' control might be implemented in a variety of economic sectors. These had a patchy impact within these sectors, in truth most union activists were probably unaware of their existence, but they did find their way into the political consciousness of the major left leader of the time, Tony Benn. In 1970, after Labour's ejection from power, Benn wrote a Fabian Tract entitled **The New Politics: A Socialist Reconnaissance** which contained a key section entitled *Towards workers' control* which contains effectively all of the industrial and economic policy in the document. Benn is very vague about the actual concrete process he envisages but it is evidently very sweeping.

> *Here in Britain the demand for more popular power is building up most*

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[7] Steve Bodington (writing as John Eaton), *At The New Society: Planning and Workers' Control,* Institute for Workers' Control Pamphlet No. 33 1972 p.6

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insistently in industry, and the pressure for industrial democracy has now reached such a point that a major change is now inevitable...Workers are not going to be fobbed off with a few shares...They cannot be satisfied by having a statutory worker on the board or by a carbon copy of the German system of co-determination.

The claim Benn makes is for the same relationship between government and governed in factories, offices and shops as was finally yielded when the universal adult franchise brought about full political democracy.

Benn's rationale for introducing this rather vague though far-reaching reform is interesting for although he asserts that it would produce "*real gains in self-respect, self-fulfilment, improved working conditions, better management and productivity*" he suggests that:

One of the real potential beneficiaries will be the community itself, since an effective workers' control system probably stands the only chance of creating the sort of responsibility in industrial affairs that is now lacking and that the legislative proposals for dealing with prices and incomes or industrial relations seemed or seem unlikely to achieve.

Benn's rationale is interesting in that he approaches workers' control essentially as a way of avoiding the kind of disruption to the grand plans for industrial modernisation which he had championed when Minister of Technology. His diaries reveal constant irritation with way small industrial disputes could hamper, sometimes halt, production in many factories particularly in the car industry. 'Responsibility' was hardly a word to endear him to the trade unions or at least to the activists who in the early 1970s were making the running in many unions and after he had walked through the gates of an occupied UCS shipyard in 1972 it seems as if this perspective took a lurch to the left.

The UCS occupation was a seminal event in the progress of workers' control as an effective and immediate agitational tool. When these Clydeside yards were threatened with closure, they were occupied by the workforce. This tactic was unusual in British industrial action but had been developed both from Continental agitation and from student occupations in the preceding few years. The workers in UCS went a stage further in their expressed desire to continue production in the yards under their own management, a hope largely unfulfilled in practice but with an immense publicity resonance. After huge demonstrations, the Heath government put in a rescue package which effectively nationalised the yards. UCS was followed by a number of similar occupations at Plessey's Alexandra works, Fisher Bendix and the River Don works of British Steel, all threatened with closure. The tactic of attempting to continue production was followed more in hope than actual output but it did provide considerable scope for arousing public sympathy and in Benn's brief tenure at the Department of Industry, he tried to implement a number of support measures for workers' cooperatives taking over production at plants threatened with closure. The most wide-ranging effort along these lines, though it ultimately remained only a paper exercise, was the alternative production plan produced from 1974 onwards by the shop stewards' combine at Lucas Aerospace

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which, when faced with closures of plants mainly concerned with defence contracts, went into some detail about 'socially responsible' products which could be developed as alternatives in these plants. The Lucas Aerospace combine was notable for the dominance of highly-skilled workers in a high-tech industry who could point to the obvious waste of human resources in the proposed redundancies.

The Achilles heel of all these actions was obvious. The tactic of resisting closure by occupation was evidently aimed in most cases at obtaining government financial support for industries which were failing financially. The generally parlous state of British manufacturing was such as to make it very difficult for industries receiving limited state support to survive even as workers' cooperatives willing to take cuts in wages. The fate of the Meriden cooperative, a particular object of Benn's policies, which struggled to survive making motor-bikes which were essentially obsolete after years of poor product development by the preceding management.

Even so, the impetus of the idea of workers' control was sufficient to place it into the Labour manifesto on which they won re-election in 1974 which led to the setting up of a Royal Commission in 1975 whose brief was:

> *Accepting the need for a radical extension of industrial democracy in the control of companies by means of representation on boards of directors and accepting the essential role of trade union organisations in this process to consider how such an extension can best be achieved.*

The Bullock Commission reported in 1977 with its principal recommendations being:

- Trade union representation on the boards of directors in companies with more than 2,000 workers;
- An equal number of seats on the board for worker and shareholder representatives with these two groups jointly appointing an independent and smaller third group;
- After a confirming ballot, these should be appointed solely through trade union channels;
- A reform of company law obliging directors to act in the best interests of employees as well as shareholders;
- Creation of an Industrial Democracy Commission to advise on new legislation and issue codes of practice

This was as radical a reform as could be expected, particularly given the ebbing of the flow of militancy since the early 1970s. However its reception within the trade unions was, to say the least, mixed. The most left-wing activists were usually the most opposed to the reforms. In a later book, Arthur Scargill asserted that:

Industrial democracy and workers' control in a capitalist society are unobtainable and unworkable. In addition, as strategies for change, they can be positively harmful. They are dangerous myths which divert and weaken the class struggle.[8]

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[8] Arthur Scargill and Peggy Kahn **The Myth of Workers' Control** University of Leeds/Nottingham Occasional Papers in Industrial Relations, 1980 p.22

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This summed up his position on the Bullock report. Jack Jones, leader of the Transport Workers, supported it but Hugh Scanlon, leader of the crucial engineering union, summed up the position of most left union leaders, including the Communists, when he wrote in the Morning Star:

> *We think that industrial democracy can best be strengthened by an extension of collective bargaining, to which we know no limit.*[9]

The Labour government of the time was, to say the least, apathetic about the issue and, caught in the cross-fire of union acrimony, the Bullock Report sank without trace and ended the brief period of five or six years in which workers' control in some form had been part of the socialist lexicon.

Discussion

Given the positions of two prominent left union leaders quoted above, and although there were supporters of Bullock in the trade unions there was no obvious rallying point to present an opposing case, it now seems hopelessly naïve to have expected any success for the ideas of workers' control in Britain. The central problem was that left politics of the time was centred around unions and industrial action. At times, this seemed to lead on to issues around the control of production but usually only when the particular factory was under threat. Normal union activity consisted in piling the pressure on to employers and regarding claims that particular demands were unsustainable to be simply a negotiating tactic. Union activists were well-versed in reading company accounts but only to extract from them information about profits in a form suitable for justifying wage-claims. The perspective of Scargill, one of the few union leaders who did appear to have a political strategy interwoven with the industrial, was that unions should take every opportunity to drive employers to ruin, a policy which, if repeated nationally, would allow a socialist alternative to emerge as the alternative. Scargill's position was essentially based on a syndicalist version of socialism, something with a long history in the mining unions. Scanlon, a socialist in the sense that he would attempt to place his union's block vote behind left resolutions at Labour party conferences, appears to have avoided the problem by denying any link between 'free' collective bargaining and company performance. In a way, his position was the diametric opposite of Scargill's in that it avoided even a trace of syndicalism, that it the direct erection of socialism by trade union action. His assertion that collective bargaining was able to drive some areas of industrial democracy as far was desired could be justified by looking at industries such as the London print-workers and the miners whose unions had obtained control over areas like manning levels, health and safety, retirement and sickness benefits which amounted to a form of workers' control. Thus both wings of the loose grouping of left union leaders were able to justify their opposition to any formal kind of workers' control from within their ingrained political views. The Bullock proposals, if implemented, would certainly have brought about a major shift in the power balance inside companies. However most union activists simply did not possess the political framework which could see how such a shift could begin a

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[9] *Morning Star*, 27 January 1977

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move towards socialism. The possible shift towards 'responsible' behaviour espoused by Benn in 1970 had been long abandoned in Benn's leftward move whilst the possibility of a Gramscian strategy of developing a hegemonic struggle led by the trade unions in alliance with other social forces was little more than an intellectual exercise.

The problem for unions at the local level was similar to and in some ways even more acute than at the national level; that if they were to accept responsibility for the consequences of their actions then how could they ensure that pain as well as reward would be distributed equally. The "*self-respect and self-fulfilment*" which Benn could advance as the rewards for workers' control could seem flimsy compared with the reality of the redundancies which had invariably followed Benn's own ventures in industrial rationalisation between 1964 and 1970.

The years between 1970 and 1974 when the social-democratic left was fighting and largely succeeding in obtaining control of Labour Party policy-making, it required support of exactly those left union leaders and activists who were most suspicious of the possibility of workers' control limiting their scope for shop-floor engagement. As a consequence, that side of workers' control which laid emphasis on autonomous decision-making by workers at the level of basic production level drifted into a conception of unions participating in a tri-partite negotiation within the framework of planning agreements for whole combines, a particular brainchild of Stuart Holland whose book, *The Socialist Challenge*[10], was very influential at the time. Holland had been very impressed by the apparent success of Italian corporatism in the 1960s and had developed what in effect was a left-leaning version of the postwar tripartite settlement. This very much downplayed the possibility for workers' control to be both a way of achieving immediate gains and to introduce the seeds of a new order and emphasised the increase of formal union negotiating power.

> *At the level of democratisation, little or no progress will result from state legislation alone. Workers in firms, industries and services in both the public and the private sector must decide for themselves on the nature of any increased power which they want to exercise. Moreover, such power must in practice be negotiated between them and other representative institutions in the public sector which reflect the more conventional exercise of democratic processes, i.e. central and local government.*[11]

> *Workers in either public or private enterprise are unlikely to attempt new forms of self-management within a system which remains profoundly unequal in economic and social opportunity. Socialism is one country may be difficult, but socialism in one enterprise is impossible.*[12]

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[10] Published in 1975 and based upon work done to develop the 1974 Labour manifestos under the leadership of Benn.
[11] S. Holland, The Socialist Challenge, 1975, p. 161
[12] *ibid*, p.155

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This kind of corporate planning might have been an effective tool if initiated in 1964 at the start of Wilson's great new world. In 1974, it was virtually ignored amidst the general crisis of British industry. The only planning agreements actually agreed were with the National Coal Board which with the enthusiastic participation of the miners' union began a huge and hugely wasteful investment programme and Chrysler in Coventry, as part of a government rescue package.

As Warren and Prior noted in 1975, the issue of 'control' was much wider than control over production and in other social areas, it remained a live arena of contestation. Gender and race in particular and the area of personal as well as community 'empowerment' in general were to be pursued by different groups throughout all the years of Thatcherism, often with surprising success. Yet despite such success, it is often difficult to see within such campaigns, the seeds of a new society. One reason for this has to be that control within the sphere of production has been virtually eliminated as a political possibility. There is no need to give this sphere a totally dominant role in social relations to derive this conclusion just to assert that it has an important place, in particular in forming how people see themselves with respect to society at large. The campaign by Lucas Aerospace workers to shift their combine away from defence products into areas off socially responsible production has an obvious resonance with the need now to develop a society whose basic production processes as well as life-styles conform with sustainable and environmentally-sound practices. To extend Trevor Griffiths' phrase, these were not just real dreams they were also real ideas.

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