

**WORKERS**

**CONTROL**

SPECIAL EDITION  
No. 3

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NO MUTUALISATION WITHOUT  
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RICHARD FLETCHER

Co-Editor of "Voice" of the Unions 74

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Editorial Board - "Humber  
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FOREWORD"LEFT" - WORKERS' CONTROL NO. 3

Since the 2nd special edition "Left" on Workers' Control appeared 18 months ago, there has been a constant demand for more copies, from sources as far away as students in Budapest. A sufficient number of new papers have been submitted now to justify this 3rd special edition. It is hoped that the articles will provide a basis for discussion and a guide to action for all socialists in university, trade union or constituency Labour Party, who believe that the case for workers' control is the key issue around which the Left must focus its attention. In advanced capitalist societies the growth of large-scale bureaucratic organisation seems inevitable, and, therefore, the issue of industrial democracy becomes all the more urgent. The reformist position, which interprets the problem in terms of 'communication' and 'joint consultation', is prominent in Labour Party circles and academic discussion (for example, H.A. Clegg's "New Approach to Industrial Democracy"). The papers presented in this "Left" supplement provide a further modest contribution to the socialist conception of industrial democracy - workers' control.

This publication represents a useful example of co-operation between a student socialist society and the wider labour movement which could, and should, occur more frequently.

This 3rd edition is a synthesis and product of all that has been written on the question of workers' control so far, and attempts to create a total perspective, both of its theory and of its practice. Above all, it seeks to provide a comprehensive guide to the many aspects and problems of the subject, something that has been conspicuously lacking in such literature in the past.

Much of the material has been derived from recent conferences of trade unionists on industrial democracy, experts in industrial relations, and sociologists, in addition to the ideas and proposals of workers themselves.

The overriding purpose of this issue is to demonstrate that workers' control is no mere academic slogan - but; that it represents the conscious needs and sometimes explicit demands of an ever-larger number of workers - and that around this demand concrete sets of plans and proposals have grown up which convert socialist theory into practical alternative, to the present economic organization of society.

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## PART 1 - NEEDS OF SOCIETY

### SOCIALISM, DEMOCRACY AND WORKERS' CONTROL

Tom Fawthrop

One of the perennial problems that have afflicted socialist movements throughout the world concerns their inability to articulate in concrete terms a viable alternative type of society - i.e., a socialist society.

These conceptual inadequacies about the real nature of socialism have led to the prostitution of the term by all and sundry - especially "reformists" who should be referred to as either "liberals" or social democrats. A more serious result than semantical confusion has been the mergence of short-term aims with long-term ends. This is particularly true of nationalisation, essentially for the socialist just a means to the real end - of transforming the role of the worker in society. Whilst socialists find common ground in rejecting private ownership of industry, all too little attention has been devoted to the ALTERNATIVE - what form of public ownership? Do we want industry to be run by civil servants, by the former private enterprise managers of the industry (as for example - The National Coal Board) - or WORKERS THEMSELVES? Thus one CANNOT separate the issue of ownership from that of CONTROL.

The bureaucratic administration of the nationalised industries has led to a natural identification of socialism with bureaucracy in the popular mind. The experience of these industries has made it abundantly clear that even effective state paternalism cannot produce socialism; (never mind the ineffectiveness of the British public sector) - and that public ownership in this form results in no real change in the every-day life of the worker. The inevitable conclusion is that state ownership, though a necessary pre-requisite for socialism, is not enough in itself - and that socialists in this country have failed lamentably to communicate this fact to the public at large. Much disillusionment has resulted from this identification of state ownership and socialism; and the many short-comings of the former - in particular its complete failure to transform the social order - the structure and values of the society have grievously harmed the morale of the British Labour Movement which now lacks a sense of purpose directed towards a definite goal.

This apparent "impasse" is conducive to a re-examination of socialism

in terms of the active involvement of both producers and consumers in the decision-making process. Ultimately socialism can only emerge through the determination and will of the people to transform their society, meanwhile political democracy, a vote once every five years, has relatively little meaning for the ordinary citizen, amounting to no more than a periodical change of government personnel - elite rule legitimised by a popular vote. Democracy can only have substance and meaning beyond the appeal of liberal rhetoric, when the ordinary person has some control over the everyday conditions of work - it is the work-situation that affects every day of his life, thus if democracy is to become a REALITY, and not just an "a priori" assumption in this society, it must be extended to the factory-floor.

Economic democracy is fundamental to the concept of a socialist society, because the organisation of the economy is not only the basis of society itself, but also the basis of political aspirations. The ramifications of economic decisions are felt in all departments of social life - thus industry represents the engine-room of social change. The demand for WORKERS' CONTROL is the result of the conscious awareness of this reality; that socialism will not come just by having "good men" in the top positions in the hierarchy of power, as the latter become prisoners of their role in society - (the concept of a socialist Prime Minister being inconceivable within a capitalist system - as the latter is forced to compromise with and conform to the "dictates" of industrialists and bankers.) Democracy in industry requires an attack on the power structure itself, an undermining of the present hierarchy of authority - both in industry and society.

For the individual worker - a real stake in the processes of management will result in a radical reversal of his role in industry, and an end to his subordination within the firm, as just another factor of production.

The research work of social psychologists and sociologists has conclusively shown - that the alienation of the worker within industry today is not a mere Marxist dogma, nor a 19th century hangover - but a 20th century REALITY. One industrial psychologist, Friedmann has written, "one of the principle causes of modern man's alienation lies in the absence of conditions of work allowing him to satisfy the deeper needs of his nature". These needs - are the needs of all human beings in their work: a feeling of involvement and interest in what one is doing, that one is performing a worthwhile task, an opportunity for the fulfilment of one's own personality - in other words, meaning in work. Yet industry today fails to provide any of these satisfactions



for the worker - it only produces boredom and frustration. Thus the processes of work do not involve the ordinary wage-earner as a human being. The actual words of a Lancashire factory worker\*\* express the situation very well, "Inside a factory . . . the onus is on the machines to such an extent that they appear to assume the human attributes of those who work them. Machines have become as much like people as people have like machines. They pulsate with life, while man becomes the robot. There is a premonition of man losing control, an awareness of doom. The machines seem to squat restless in their oily beds awaiting the coming of some mechanical messiah". Thus the subordination of the worker to the machine, becomes the subordination of society as a whole - to the technological realm.

The issue of Workers' Control grows both in significance and urgency, in considering these great contemporary dilemmas - the depersonalisation of life, and the meaning and purpose of work. Industrial democracy confronts the first problem by asserting the value of workers as human beings; by providing a sense of purpose and fulfilment through a meaningful participation in running the enterprise - thus workers' control provides a basis for the humanization of work-relationships, and the establishment of responsibility and accountability of the workers' managerial committee to their fellow workers, through democratic elections - this provides a genuine sense of human control over events, things, and machines. Similarly democracy in industry provides a genuine motivation for work, which a financial incentive fails to achieve, (once a certain standard of living has been reached).

As Gordon Taylor has said, "You cannot expect men to take a responsible attitude and to display initiative in daily life, when their whole working experience deprives them of the chance of initiative and responsibility".

If then, we are going to overcome the alienation of the worker, and create a society fit for human beings to live in, then we must assert these humanistic values in the work-place.

In every industrial country, and probably in every agricultural country, the idea of Workers' Control has manifested itself at one time or another. In this country, a strong movement existed in the period around the First World War, which saw a resurgence in the 1930s. Now in the 'sixties the movement is growing up once again, with greater determination than ever before, armed with the ammunition of the social sciences. Certainly the need is now more urgent - and we have seen that from three different viewpoints - the needs of the individual, the needs of the economy (efficiency, work-

motivation), and the needs of society as a whole - that the concept of Workers' Control meets these requirements - and that this is the only means of creating a truly egalitarian classless society - other paths leading to the development of elites, and the establishment of a meritocracy.

Socialism above all, is concerned to shape society which fulfils human needs - material, aesthetic, intellectual and emotional - THESE NEEDS DEMAND the transformation of the power structure and the organisation of economic life - THROUGH WORKERS' CONTROL!

EDITOR

- \* G.Friedmann - The Anatomy of Work 1961
- \* \* New Left Review - Working and Living Series

Reading -

T.B. Bottomore - Elites and Society

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### WHY WORKERS' CONTROL ?

Brian Pilley

"(Alienated labour) alienates from man his own body, external nature, his mental life and his human life." (Marx, Philosophical Manuscripts, 1844)

"Time, rather than content, is the measure of factory life. Time is what the factory worker sells; not skill, but time, dreary time. Desolate factory time that passes so slowly compared with the fleeting seconds of the weekend. Monday morning starts with a sigh, and the rest of the working-week is spent longing for Friday night. Everybody seems to be wishing his life away. And away it goes - sold to the man in the nowler hat." (Factory Worker, New Left Review, 1965)

Both the above quotations are concerned with the same problem - the frustrations and conflicts which are experienced by work people in industry. The analysis by Marx over 120 years ago is no less apt in today's modern

industrial state, be it free enterprise or state capitalist. So that the call for workers' control, which appears idealistic to some, has a very realistic appeal for many workers.

Industrial conflict assumes many forms and appears to be derived from a variety of sources. Thus the solutions posed to strikes and disputes are themselves varied. Conciliation, arbitration, courts of enquiry, etc. are the accepted means of solving those irritations which interfere with the flow of production. The most obvious fact is that since the rise of capitalism and organised labour the disputes and conflicts keep recurring. Why is this so? The answer is that there is a dichotomy in the relationship between the worker and the organisation which employs him. The worker's wage has to maintain him and his family and yet to his employer the worker's wage is part of the 'cost' of production. The employers need to pursue efficiency and reduce cost, conflicts with the workers' desire for improving living standards.

The employer seeks to control the process of production and the speed of the conveyor belt, and this has resulted in certain sectors being more prone to stoppages than others. Thus, for example, the car factory and its workers are hardly ever out of the news. Dockers and, in the not so distant past, the miners, are also ready examples of industries which rely upon piece-work and payment-by-result systems. The common feature of industries using such techniques is that the wage is a regressive and unstable income. The worker's output at the upper margin is not reflected in his wage packet. It is not financially possible to measure what that extra bit of effort costs the worker in terms of his physical well-being. The failings of this method of working have long been appreciated by the most advanced industrial nation, America, and job-evaluation and job-input have been substituted. But the reliance on payment-by-results and bonuses to make up a living wage has continued apace in Britain. In the words of our worker quoted in *New Left Review* . . . "A wage to be earned becomes a prize to be won. Payment by results they call it. And the result of the result is yet another rise in the profits."

The mode of production has of course been reflected in the structure of the work-force. Long apprenticeships are now considered archaic and a recent Ministry of Labour survey found that over 50% of the youths now entering industry are receiving a training of less than one year. The intolerance of young workers to the older slower worker is a constant source of friction. As one worthy put it 'there are no old men on the production

line at Ford's, mate'.

As technology and automation are increasingly applied so the old accepted 'industrial' sectors become less easy to define, and they merge with the new. The manual element in the labour force is in the minority and more and more women are replacing men in industry. The phenomena of recent trade union history is the rise of the white collar worker and his organisations. Bank clerks, Insurance clerks, teachers and local government workers have all recently displayed militancy. In each of the jobs of the latter there has been a speedy introduction of machines precisely because it is in these sectors that labour is a high element of total cost. All the security, normally associated with the former occupations, is being supplanted by increasing doubt as their earnings and status are seen to be less important. They are re-acting in the time honoured way of the traditional working class.

The economic contradictions finds its counterpart in the social life of the workers. A society which is consumer-based provides its own frustrations for any worker whose position on the conveyor belt of affluence is unstable. The atomised family, alienation - that overworked word - are all the terms used by sociologists and psychologists to describe symptoms. The worker is asked to be responsible, to plan ahead and not to think of the short-term, to save . . . . to be bourgeois. But his society and his experience of work is just the opposite. He faces the problems associated with redundancy, he becomes 'too old at forty', technologically unemployed and unemployable, and in need of re-training. The worker sees an increase in scale, both within industry and his own organisations. Consequently he feels alienated, cut off not only by the ethos of an industrial consumer orientated society but disenchanted with his own leaders. He is the product of an education system which dismally fits the individual for the increasing leisure, voluntary and involuntary, resulting in boredom and disillusionment. All this is his experience and they are the direct results of the system of production. The basic problem cannot be solved by palliatives which only touch the surface.

As the society changes to meet the requirements of modern production so the social organisations themselves undergo change. Today the worker is faced with a government which finds it necessary to control prices and incomes. To do so it requires the co-operation of the working class leaders and here again a rift emerges. The organisation which was originally set up to advance his interests is now being co-opted into the state machine.

Voluntary collective bargaining is to be replaced. Calls for loyalty from the workers appear hollow when he experiences the inevitable attack on his living standards. To quote our worker in the *New Left Review*, 'Time after time the worker gets a wrong deal from those he has placed in a position of trust'.

It is in the overall context, described above, that the demand for workers' control becomes more meaningful. More frequently the demand for control by workers enters into the demands they make upon employers. The workers are in fact seeking to control the pace and flow of production. The lesson once learnt will be part of an on-going process and the area of its application will become more widely spread. However, there is a major difference from the previous great outburst for workers' control in the period 1910-1914 and it is necessary to appreciate the extent of this change whenever there is a discussion of the viability of workers' control. From the lessons of the various systems of joint consultation in the private and nationalised sector it has been appreciated that there is greater need for definition and forward thinking in workers' demands. No longer will it be the case of a few workers' representatives being consulted on the implementation of decisions already made by management. Rather the whole theory of workers' control has become more scientific. As an examination of the documents devoted to workers' control shows the aim is to take over the complete responsibility for a specified area of production and in this way to remove the direct influence of management. This encroachment on managerial prerogatives has continued since the onset of industrialisation and will do so more in the future as the worker seeks to control his total environment.

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## PART 1 - CONCLUSION

The first section provides an analysis of the nature of WORK, within a capitalist society, and demonstrates the intimate relationship between the human needs of the individual, and the socialist aspirations enshrined in the demand for the democratisation of industry - this essentially is the SOCIAL-PSYCHOLOGY CASE FOR WORKERS' CONTROL/SELF-MANAGEMENT. It also stresses the central significance of the work-situation, and industrial relationships from the socialist viewpoint, showing that a genuine socialist society is impossible, without a transformation of work, and also of the role of the worker in the process of production.

T.F.

PART 2 - PLANS AND PROBLEMS IN BRITAINDEFINITIONS: WORKERS' CONTROL AND SELF-MANAGEMENT.

Ken Coates

The term "workers' control" is commonly used to cover two quite distinctly different concepts. One, set out in the words of the German socialist Thalheimer, has it that "control over production signifies the management of the industries by the workers" and is wont to appear in discussion as an attempt to outline an ideal norm of administration for socialised industries. In this tradition, one finds that in Britain, throughout the nineteen-thirties, speakers in TUC debates on the popular administration of nationalised industries almost invariably used the term in this sense. But another tradition has produced a quite different concept which also recognises itself under the same label. This speaks of "workers' control" in those contexts where militant trade unions have been able to wrest some, or most, of the prerogatives of management from the unilateral disposition of managers.

It is misleading to use the same term to speak of two such different conditions. To do so implies that an unbroken continuity of democratic advance stretches away between the imposition of a trade union veto on dismissals, and the ultimate overcoming of capitalist property relations. This is a naive view, because it completely ignores the deforming power of such property relations in the generation of both ideology, and of state forces beyond democratic control. The continued power of private property, as we have seen in Britain since the war, constantly renews all the absurd prejudices which are rooted in commodity-fetishism: in a climate in which all human relationships are founded on cash-values the most flagrantly anti-social effects of the irresponsible use of capital appear as "natural" events, beyond the scope of social control. It requires very little shrewdness on the part of the manipulators of opinion who serve the controllers of this system of things, to elaborate, out of the reflex response to such acts, as they are conditioned in such a climate, the kind of results that Colin Hurry produced when he polled the 129 marginal seats on the issue of nationalisation in 1959. What appears to be "fair" in such a structure is very remote from what would seem so in a society uncluttered by the domination of institutions of property. Even active trade unionists, who will respond most vigorously to changes in

their conditions of work when these appear to be unfair, very seldom break through the given standards of our society to form any conception of the incomparably richer and more human standards which a classless society would evoke. Within the compass of this ideology, generated by it and constantly reinforcing it, lies the power of the state. This power, far from giving expression to democratic initiative, exists to inhibit, frustrate and overcome it. Nowhere is this more clearly seen than in the field of industrial relations, in which at every crucial time the state has intervened to side-track or transmute pressures for democratic control into harmless experiments permitting the sovereignty of property institutions to continue unimpaired.

But even if these things were not true, and the continuous encroachment of democracy in industry were assured, we would still require at some point in its progress the recognition of a qualitatively different set of problems. It seems incorrect to speak of "workers' control" where ultimate authority is supposed to rest with the workers, because "control" is a term which implies a more or less involved apparatus of checks, or even vetoes, by one party on the behaviour of another. If we search out synonyms, "superintendence" or "supervision" are typical words which flash to mind. The demand for workers' control thus literally interpreted, becomes a demand, explicit or implicit, for a reversal of roles in a class-divided society. The workers wish to limit the scope of the action of other persons, of managers or owners, and not merely, as is often implied, to "control" inanimate objects such as their machines and raw materials. Where inanimate objects appear to be at stake, commodity-fetishism is at work, because what the machines do is not the result of any will of their own, but of the outcome of a tussle of wills between people, whose relationships have been refracted through things and camouflaged in the process. Whether at the level of shop control of hire-and-fire, or agreements on one hundred per cent trade union membership, or at the level of detailed union inspection of a firm's account books, and a workers' veto on investment decisions and the distribution of profits, workers' control in this sense involves a balance of hostile forces, a division of authority between rival contenders. Of course, union control of the former prerogatives can be, and has in some cases been, relatively permanent: while in the latter cases it should be seen as likely to prove convulsively uncertain, shifting and temporary. To claim the right to intervene in the central decision-making areas of capital, the workers must have reached the last phase of a transition which can only lead either to a catastrophic regression

of trade union powers in an authoritarian putsch, or to sharp and severe modifications of the system of property relations itself.

Once property and its fetishes are overcome, this mobile, dual relationship ceases to exist. The new problem becomes one of democratic self-regulation. It is not to make light of this problem to suggest that it is a very different concern from that which faces the labour movement this side of the socialist transformation of private property into commonwealth. A recognition of this fact is implied in the most interesting experiences of the Yugoslavs and the Algerians. The Algerians invariably speak of the administrative system of their nationalised concerns as 'auto-gestion', while the Yugoslavs use the term 'self-management' to describe the government of their socialised sector. Following this usage, it seems sensible for us to speak of "workers' control" in connection with the aggressive encroachment of trade unions on management power in a capitalist framework, and of "workers' self-management" in connection with attempts to administer a socialised economy democratically. While insisting that there is most unlikely to be a simple institutional continuity between the two conditions, it seems quite clear that workers' control can be a most valuable school for self-management, and that the notion of self-management can be an important stimulus to the demand for control. Between the two, however it may be accomplished, lies the political transformation of the social structure.

1965

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## INDUSTRIAL DEMOCRACY IN THE NATIONALISED INDUSTRIES

### An Industrial Relations Expert

#### Note

The writer is an industrial relations professional with a quarter century of experience in his subject. He must for obvious reasons remain anonymous.

He proposes the appointment of employees to the Boards of nationalised industries as a step towards developing the nationalised industries as service industries for the nation instead of, as they are now, service industries for private industry.

Private industry was presented with control of the nationalised



industries in 1946 and now, after nearly twenty years' experience, it is possible to start taking it back.

There are many problems to see and solve. But the first move is with the Government who can, because of the nature of the nationalisation Acts, immediately set in motion the salvage machinery.

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It is not possible to consider here the many points that have been advanced in the current discussion about workers' control of industry. It is, of course, accepted that the extension of industrial democracy in our mixed (muddled?) economy must necessarily take into account the privately owned and the publicly owned sectors. But as two differing problems. The publicly owned sector can be dealt with by Parliamentary statute but any statutory interference with the managerial structure of privately owned industry could, and most likely would, lead to the ineffective participation in management that is evident in West German Co-Determination or the equally ineffective proposals for employee membership of governing bodies of private and publicly owned industry in Norway about which the Norwegian Government intend legislating this year.

These are consultative arrangements which because they do not extend employees' rights into decision making areas, represent no extension of industrial democracy.

For reasons of space, in terms of immediate practicality, by reason of the seventeen years' experience of industrial democracy in the nationalised industries we have in this country, it is here intended to consider the extension of industrial democracy only in those industries on the proposition of effective employee participation in the management of the nationalised section of British industry.

The wording of the proposition has been designed to offer as precise a statement of aims as possible and to exclude ambiguities.

If the proposed aims seem to be limited that is the exact intention because these limited aims could be achieved by simple statutory amendment of existing legislation.

None of this is to deny the value of discussing the broader areas of workers' control of industry, neither does it ignore the unfortunate associations that the term 'employee participation' have with management/employee partnership, profit sharing, joint consultation and the rest, all of which are

of the discredited, pre-adult past and none of which need ever be talked about again, any more than to wear woad or not to wear woad is any longer a conversational gambit.

A detailed examination of the experience of industrial democracy in the nationalised sector would possibly be a most valuable contribution to the current discussion, for this experience is unique in British industrial history.

The failure to extend industrial democracy does not reduce its value nor alter the fact that the 1946 Acts of nationalisation each contain a statutory requirement for a minor degree of industrial democracy in the great basic British industries. (One of the significant differences between privately owned and publicly owned industry is that in the latter the employees themselves have statutory rights of interference not conceded to the former.)

The extent of industrial democracy was not defined in the Acts and, within limitations, was left to be negotiated between the managements and the unions concerned in each industry.

All the agreed Constitutions include the requirement for discussion at workshop or office level through local councils or committees the membership of which is made up of locally employed staff and managers.

Because of this lack of definition some local councils find themselves with nothing but a consultative function. But others have functions of decision and settlement of local disputes as well as the right to raise and to refer elsewhere, matters of wider interest, although they cannot, of course, take decisions on other than local matters.

Despite these critical differences it is too frequently accepted that all these local joint councils have only a joint consultative function and this assumption has been continually and effectively encouraged by managements until in many cases the local councils that do in fact have deciding rights have been reduced to mere joint consultative committee.

The details of the constitutions of the local joint industrial councils and committees are too complicated to describe here. But the joint councils which did have a potential importance for the development of industrial democracy now have very little if any. Particularly, in emotive terms, they are discredited as talking shops or worse and have little potential value unless changes are made elsewhere in the management/employee structure.

The failure to develop the potential for increased industrial democracy was not due to sinister scheming but mainly due to plain nincompoopery. With the present composition of the nationalised Boards in mind, this may be

hard to swallow and of course, with the flow of events, the vested interests have consolidated their positions, although in the early days they were by no means sure of themselves.

It is a plain fact that in 1946 no one knew what to expect from the nationalised industries. Of if he did, he wasn't saying. Guidance consisted in the main of a few well chosen words and platitudes. The total experience of those in the newly nationalised industries was of private industry. Workers, managements and trade union officials alike.

There were also those workers in the nationalised industries who thought they were going to run the industries by elected committees and some managers who were afraid this was the case.

It really is important that these things are remembered if it is to be understood in some degree why industrial democracy did not develop despite the promising and exciting prospects of those days. Inexperience and lack of guidance was a vacuum into which rushed the established managerial practitioners with their established technique. In fact, the more things were supposed to change the more they stayed as they were.

A montage of a few actual incidents and conversations from those early days offers a revealing little picture of naivete, nincompoopery and worse.

One nationalised industry employing many thousands actually recorded in its Board minutes that all appointments and promotion of salaried staff (from about £900 a year present rates) would require the approval of the Chairman, the Managing Director and the Secretary.

A leading trade union official in negotiation with nationalised industry management said "If you think we're going to help you run your business you've another think coming". An official in the Industrial Relations Department of a nationalised industry remarked privately "What we want is some of the old owners back. They knew how to deal with this lot. (the employees)". A Cabinet Minister talking to a joint industrial committee of local employees and managers in the nationalised industry for which he was responsible said "I can see the old barriers of suspicion between employers and employed are coming down".

And the head of the Personnel department in the same industry encouraged an official of the Engineering and Allied Employers' Association to apply for and take a job in his Industrial Relations Department because "His experience with the Association is just what we need for our Industrial Relations Department". (... "it is no part of the trade unions' function to

decide how a factory shall be run" E. & A.E. Association handbook).

By 1951 the Ministers themselves were uneasy and set up a sub-committee of Parliamentary Secretaries to report on "Relations with Workers in the Socialised Industries". The report was next to valueless. Apart from any personal limitations of the sub-committee members and their necessarily limited experience, the Report was not made public and got no farther than the Boards of the nationalised industries. By some stroke of imagination, perhaps, the Parliamentary Secretaries reported among other things that they were not satisfied that all was well, that it was only to be expected that many managers would go on in the old ways and that the trade unions must share the blame for the existing inadequacies.

Nothing happened then or has happened since to change those views and the managers have continued going the old way but at a faster pace until today managerial policies in the nationalised industries are frequently day-to-day expedients that range from near Victorian industrial despotism to milk chocolate soft centre paternalism. Political discrimination, industrial security checks, are too often the substitute for a sound management/staff policy.

All this must be kept in mind not only as a background to the discussion on the extension of industrial democracy in the nationalised industries, but as the firmly established reasons for its failure so far and as an indication of some of the obstacles that will have to be overcome if there is to be any real industrial democracy in those industries.

And more. The nationalised industries have well established managerial training colleges, the courses at which are designed by those who have no understanding of the social responsibilities involved in nationalisation. These courses could just as well be used for managers of I.C.I. They show a frightening, because unrecognised, power in the hands of the Directors of Training and Education who are almost in the godlike position of creating managers in their own image. As recently as May, 1964, one nationalised enterprise was brightly recounting in its house journal how training for its top managers included the exercise in which they had to run an imaginary similar enterprise and "... obtain its capital at lowest cost..." (That highly paid and high ranking officials of a nationalised Corporation should be so ignorant of the financial facts of life really steps across the border between farce and tragedy).

The managerial organism is self-generating. Mutations are quickly

recognised and outcast. But this dismal picture of the rake's progress of industrial democracy in nationalised industry is not exaggerated. It is understated.

The managerial techniques in the nationalised industries are cluttered with the detritus of seventeen years undirected, misdirected and misapplied managerial policy. It is impossible, satisfactorily to employ the ethos of private industry in nationalised industry and the only way to overcome the confusion of aims, intent and practice is to sweep the lot into the corner to clear the way for a direct and clear move away from the lowest levels of participation to the highest.

A clear move away from the lowest levels of participation does not suggest that there is no value in participation at workshop level. The suggestion is that any value there might have been has become so debased as to be next to valueless at this present time. Decisions handed down from on high for local discussion are decisions that cannot be readily changed, if at all, and where the employees have objections to the decisions their only means of expressing their objections is by obstruction. The management will always insist upon the 'managerial prerogative' of the last word, which in practice really means the first and the last words.

If obstruction is the only contribution that can be offered by the employee, then this is an intolerably negative form of participation which makes nonsense of the word.

Later there must be time for sorting and salvaging and reviving and developing but there can be no intermediate stopping place for gaining experience and there can be no improvement at the lowest levels until the highest levels have been dealt with. Nothing short of appointments of employees to the Boards of the industries, the beginning of the decision-taking process - will gain even an element of increased industrial democracy.

It is plain nonsense to suggest that membership of committees at workshop or office level can be positively effective unless they are a continuous part of the total decision machinery. All the same the process of appointments to the Boards is not as simple as it might at first seem.

It would be reasonable to appoint by democratic vote with some system of indirect voting to ensure that one preponderating category of employees was not always appointed. It would certainly be necessary to decide upon qualifications for candidature. Membership of a trade union is the first but although everyone working in a nationalised industry is an employee it does

not follow that every employee is suitably qualified.

Remember, the managers have mostly been through the managerial training schools, formal and otherwise, and remember too Sir Basil Smallpiece who was an employee of B.O.A.C. before he became a member of the B.O.A.C. Board. During his period on the Board a hefty slice of the Corporation's profitable North Atlantic business was handed over to Cunard and later after he had left the Board of B.O.A.C. where did he end up? On the Board of Cunard Shipping.

Inevitably, the mysteries of the Board room suggest the need for administrative qualifications but in fact Board members acquire any ability they may have, in the Board room. The number of Board members who have had administrative training could probably be counted on one finger of one hand. They go to the Board room as a matter of right because of their social background, which is a most emphatic reason for employee membership of the Boards.

Sitting through the sessions of the 1964 public Enquiry into the electricity supply industry dispute or even reading the report are sufficiently convincing evidence that the management, particularly at the higher levels, because of their total social environment, were incapable of dealing with the political and industrial situations that developed. Similarly, employee representatives on the Board of B.O.A.C. would not have permitted the handover to Cunard to say nothing of the 1964 politically inspired dismemberment, in which the Corporation's Old-Etonian, merchant banker chairman seems to be trying hard to assume the not unsubstantial mantle of a Beeching.

All this indicates the selection of representatives from a limited range of employees, no higher than Foreman perhaps. And because of the well-established and regrettably accepted rights of most present Board members, the move of employee representatives from office or workshop to the unaccustomed, plasticised surface urbanity of the hostile surroundings of the Board room cannot be undertaken in safety except by the most case-hardened and singleminded employees. In fact representatives, for their own protection and that of their electors, should be elected in pairs.

This is a commonsense precaution in the general interest as is also the requirement for reporting back to their constituents and the need to limit their total run of Board membership without a break for environmental refreshment, to, perhaps, two periods of five years each.

The elected employee representatives should have the right to choose

an advisor, preferably a full-time trade union employee, and they would have the right to use his services or not, just as they wished because they would be full Board members with full rights of decision.

It is recognised that the provisions for reporting back to constituents is not easy to implement. Apart from the physical difficulties involved there is always the question of, really and necessarily, confidential matter. It is probable that much of the so-called confidential material is only designated as such because the Board is ashamed or frightened of publicity (the report by the Committee of Parliamentary Secretaries mentioned earlier which got no further than the confidential minutes of the Boards is a case in point. Here, publicity was undesirable from the point of view of the Boards but highly desirable for the advantage of the nationalised industries.).

The question of payment for elected employee representatives is bound to cause some hot discussion but there seems no reason why a Board member should not be paid the Board member's rate while he holds the job.

There are many other detailed considerations which cannot be dealt with here because of limits of space and limits of detailed discussion. Among them would be the proportion of employee Board members. Research into the existing composition of the Boards - national, area, district, is too great to be undertaken at this stage.

Membership of the Boards sometimes includes technical members but in no particular proportion despite their obvious importance. One nationalised enterprise in 1955 had no technical Board members. By 1963 it had four - all of them additional to the previously existing membership of bankers, merchants, industrialists and the like.

It seems reasonable, therefore, at this stage to appoint employee Board members in addition to the existing membership. Later, with increasing experience the right people would doubtless be sorted out from the wrong positions. The essence of the suggestions put forward here lies in their flexibility and the opportunity they present for development into the area already indicated. At first, probably the most important function of an employee Board representative would be that of watch dog with a bite as well as a bark.

The employee member of the Board would have his job held open for him with his full previous rights as an employee and there would be no anxiety on that score for him or his family. For, believe it or not, where managements at Board level, contract ulcers or thrombosis due to anxiety,

the anxiety is not due to the strain of absorbing expense account lunches or the strain of administering a business. It is due to the possibility of being inched out of their jobs by loving colleagues.

The question will inevitably arise about the position of the trade union officials who are appointed to the Boards of the nationalised industries.

These appointments are a separate matter and have little or no connection with the spread of industrial democracy in the industries. Full time Union officials, by the very nature of their employment, are separated from the environment of the office and workshop and cannot properly be regarded as a substitute for employee representation on the Boards. This in no sense denies the importance of official trade union membership, which should be increased, as has been repeatedly requested by the T.U.C.

And in no sense is there any implication here that there is a difference of ultimate aims. There is merely a difference in experience and environment and from these springs a difference in function.

The process of nationalising Britain's basic industries was an immediate reality with the Labour Government in 1946. The process of developing industrial democracy in the nationalised industries is an immediate prospect with the new Labour Government of 1964.

The nationalisation process of 1946 had no experience upon which to build. There is now seventeen years of experience which it is perilous to ignore. If it is intended to attempt the impossible, the attempt to run the nationalised industries with private industry means and methods can continue. If it is intended to develop the nationalised industries in the service of the nation, the process can be started now by a stroke of the statutory pen. It really is as simple as that - if the intention and the will are there.

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### STEEL NATIONALISATION

Report of Conference of Steelworkers which met in Sheffield on Sunday, February 7th and 14th, 1965.

For some considerable time, a Study Group has been meeting in the Sheffield district to discuss problems of steel nationalisation.

It has consisted of Trade Union members and Officials (in their personal



capacity) drawn from several of the different Unions in the steel industry. A few weeks ago they circulated a document to steel workers in other Areas, Members of Parliament and a few University Lecturers and others, calling them to attend a meeting in Sheffield. Sixty-five people attended the meeting coming from Sheffield, Rotherham, Stocksbridge, Scunthorpe, Staveley, Stanton, Manchester and elsewhere. A detailed exchange of views took place which was carried on from one Sunday to the next.

Those present were not official delegates, apart from four delegates sent from the delegates Council in one of the works of the still not de-nationalised firm, Richard Thomas & Baldwins. Leading members of Steel Unions attended in a personal capacity. One M.P., Eric Varley of Chesterfield, attended on behalf of a group of members interested in the problems.

Very great concern was expressed by men who claimed to represent the feelings of the workers in the industry at the possibility that the industry might not be nationalised in the present session of Parliament. Any one who doubts the interest of steelworkers in nationalisation would have had his doubts dispelled. Those who attended the meetings agreed to go back to their Union branches, Constituency Parties and Trades Councils to organise meetings up and down the country in favour of early nationalisation.

At the same time, almost equal concern was expressed at the possibility that the 1949 Act might be re-enacted. The following main reasons were put forward:

1. That this would seem to be a mere act of revenge and would make the necessary rationalisation of the industry exceedingly difficult.
2. This would not break up the British Iron and Steel Federation - with its control over ore and scrap supplies, prices and other policies - the rock on which the last nationalisation attempt foundered.
3. This would leave the present companies and directors with great power not only to hive off profitable bye-products but to subcontract profitable parts of the industry, leaving the state corporation to supply cheap bulk steel to private enterprise.
4. This would do nothing to bring workers in the industry into the sphere of management, where the crucial changes required by rationalisation and growing automation are going to be made.

The third aspect of nationalisation that aroused strong feelings especially from Sheffield workers is the possibility that only bulk steel

producers, producing over half a million tons, will be nationalised. This would leave out all Sheffield firms, yet they produce probably as much as a fifth of the value of national steel output, in the form of special steels. Again this is the more profitable section of the industry where firms often have a true monopoly of special products. To leave them out of nationalisation is both to miss the chance of economies of integration and to leave the state with only the least profitable end of the industry. Steel making firms that were not brought into national ownership should operate under licence.

In the matter of the participation of workers in management, the general view was expressed that despite the risk of finding themselves saddled with unpopular national policies which they could not alter, trade unions should take responsibility for electing men to sit on the managing Boards at every level of industry. These would not be trade union officials in collective bargaining on Wages and conditions; except on the national board they would not be full time, but they should be elected at least in part through trade union organisations. One way of doing this which seemed satisfactory is suggested on the report that goes with the document. Workers Councils representing Trade unions and wider Shop and Department Committees should also have some power of veto on management appointments. The lessons of the powerlessness of workers in the coal industry to influence management decisions, which they had nevertheless to defend in the general interests of a nationalised industry, were not lost on members who raised these questions. The right to ask for detailed costings was essential if fair and correct decisions on rationalisation were to be made.

Many delegates spoke of the importance of taking steps towards uniting the various Unions working in the steel industry. It was agreed that the best way forward was for a Federation on the same principle as the Confederation of Shipbuilding and Engineering Unions. Great emphasis was also put on the importance of persuading white collar and technical workers to join their appropriate unions. A nationalised steel corporation should be required to negotiate on wages and conditions only with bona fide national unions.

The following document was the result of many revisions and is being sent for wider discussion to unions and workers throughout the industry and also to members of Parliament and others to emphasise the strength of feeling of the men inside the industry on these questions.

All communications should be sent to Councillor W.E.Meade, 31 Far Lane, Sheffield, 6.

## THE STRUCTURE OF A NATIONALISED STEEL INDUSTRY - A DRAFT OUTLINE

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The 1949 Act does not provide a proper basis for renationalising the industry because:

### ARGUMENT:

1. The Steel Industry must be rationalised and concentrated into five or six main groups;
2. The Steel Industry must be brought under national control by Parliament as part of the basis of national economic planning.
3. The power of the BISF and the interlocking directors must be broken and private monopoly replaced by public control;
4. The hiving off of profitable sections and the subcontracting of profitable work left the state with the least profitable parts of the industry.
5. Steel must be integrated with coal, power, transport, ports, etc., into regional economic planning and development.
6. Parliament, the Steel Workers and the Public must be supplied with maximum information on the costings which lead to location, investment and pricing policies; detailed costings to be made available to workers representatives at all levels;
7. Representatives of Trade Unions in steel must be associated at national and plant level, not only with control decisions but directly in management, subject to not prejudicing the present rights of Unions in collective bargaining over wages and conditions.

### WHAT TO TAKE OVER:

1. All iron ore deposits shall be vested in the nation;
2. All Companies engaged in steel manufacture to be registered: some to be operated under a State Corporation; others to operate under licence. Those under the State Corporation to include (a) the larger companies in both bulk steel and specialised steel sections of the industry, (b) other companies necessary for rationalisation of production and to protect the public against monopoly positions in special products, (c) all subsidiaries of such companies at home and abroad.
3. All iron ore workings in the U.K. or overseas belonging to British companies;
4. BISC and BISC (ore) Installations, ships, offices, etc.
5. BISRA.

COMPENSATION - to be paid to ordinary shareholders according to average Stock Exchange prices over the last two years and in the form of Government fixed interest stock;

- to be paid to directors for loss of office (to encourage them to go).

#### WHAT TO SET UP:

A Public Board of twelve full-time members not holding other private directorships, responsible to Parliament through the Minister. Members to retire in rota, after a maximum term of five years but may be eligible for reappointment. The Vice-Chairman and four members to be appointed like the other members by the Minister, but from a panel of names submitted by agreement among the various trade unions engaged in the industry. Fresh panels of names to be submitted at retirements.

The Minister to be responsible for issuing general directives from time to time for pricing and investment policies, taking into account NEDC recommendations, and for ratifying the Group structure which the Board recommends.

#### WHAT POWERS:

To mine, import and sell iron ore;

To manufacture and sell iron and steel;

To fabricate and sell iron and steel products;

To manufacture and sell chemicals, gas, electric power, slag and other subsidiary products;

To operate engineering, processing and other associated undertakings;

To develop joint operations with state and private companies operating overseas;

To carry out research; and establish training colleges for management at all levels;

To build, own and manage housing, recreational and other allied activities either alone or in association with other nationalised undertakings;

To carry on any other operations necessary to the successful work of the Board.

#### WHAT ORGANISATION:

To rationalise and reform the industry by grouping companies, establishing Group Boards and developing powers as appropriate to them;

Subject to the above, to retain company and brand names where all the workers desire this; otherwise to introduce new names based on local

associations.

To provide for joint conciliation machinery between management and Trade Unions at national, group and plant level;

To provide on enterprise boards and at lower levels of management for a significant element of representation of the workers by lay members, without prejudice to the negotiating rights of their trade union representatives;

To make the appointment of chairman (or managing director) of Enterprise Boards and of lower management subject to the agreement of representative Workers' Councils and for five years only with the possibility of further terms subject to reappointment.

Negotiations on wages and conditions of all workers whether on staff or weekly wage terms of contract to be made only through the appropriate trade unions.

To provide for a system of shop, mill or office Committees elected by secret ballot, with all members eligible to vote and stand as candidates. Nominations and elections to be organised by Trade Unions. Shop managers' appointment and the deployment of labour, promotion, hiring and firing and safety, welfare and disciplinary matters to be subject to ratification by these committees.

Where necessary Department Committees elected from Shop Committees should be provided for with appropriate higher powers to the Shop Committees and with special responsibility also for training and education.

One half of the Workers' Council to be elected through the Shop and Department Committees, the other half through Trade Union branches in proportion to the strength of each Union in the Enterprise. The Workers' Council to be responsible for electing representatives to the Enterprise Board, for ratification of the Chairman's appointment and for receiving reports on all enterprise policies, with power to ask for detailed costings of all departments.

#### RELATIONS BETWEEN SECTOR AND REMAINING PRIVATE COMPANIES:

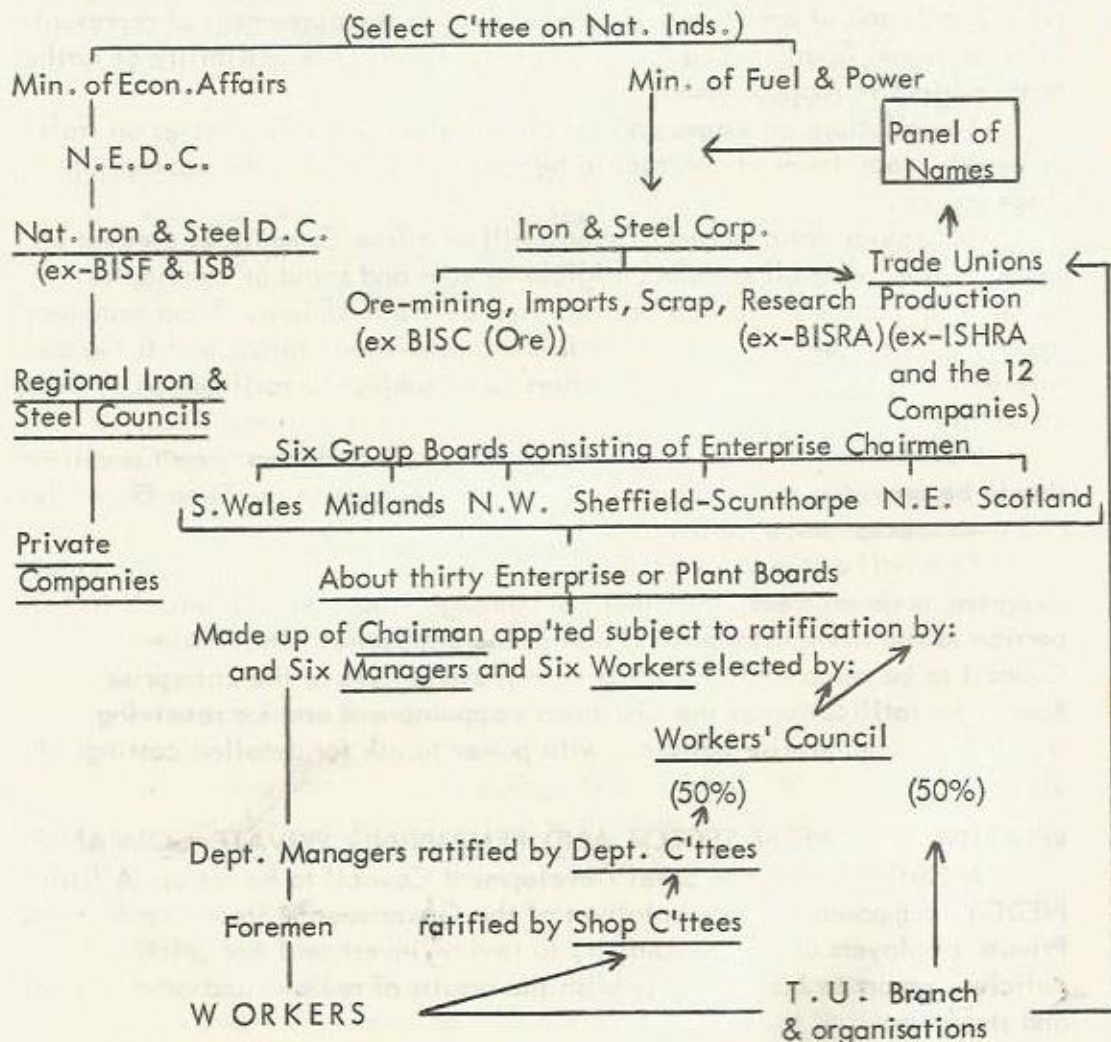
A National Iron and Steel Development Council to be set up (A little NEDDY) composed of representatives of the Government, State Corporation, Private Employers and Trade Unions, to review investment and pricing policies, report to NEDC and publish the results of reviews and other reports and statistics;

Regional Iron and Steel Councils to be set up reporting to Regional NEDDY's, to co-ordinate state and private sectors and collect statistics.

Staff for all these councils to be drawn in part from the present staff of the BISF and Iron and Steel Board, to whom guarantees should be given of no worsening of conditions of service.

## STEEL INDUSTRY STRUCTURE

### PARLIAMENT



Report of Nottingham Conference on Workers' Control 1966

STEEL REPORT

by Cllr. Arthur Bryan. E.T.U.

Chairman: Michael Barratt-Brown

The aim of this group was to examine the submitted paper with the idea of drafting an amendment to the Iron and Steel Bill that will give a basis for democratic participation by the workers in the industry.

Two major types of proposal emerged. The first relied upon the Productivity Committee to be established in each works section, to be elected by the workers of that section. To this must be added a further Works Council, as detailed by the papers, elected from all workers of different grades. As an alternative to this it was suggested that Shop Stewards should be given a different and increased status and legal protection. Since these are elected by the worker in the first instance, they could be at section level. The Works Council could be elected from the Shop Stewards Committee and they could be given Executive Powers.

However, it was felt due to the shortness of time before the Bill becomes Law, that a working basis must be found to ensure that ample time is available once the Bill is Law, for a democratic structure to be created within the industry.

Therefore it was suggested that the following principles should be written into the Bill.

1. The Bill should give an element of democratic control of appointments at all levels, to all workers.
2. No permanent machinery of consultation should be imposed until full discussions have taken place with all the workers.
3. It was felt that experiments should take place at various plants, to see if an ideal solution can be found for workers' participation, based on the paper submitted to the seminar, and that this paper be submitted to the Ministry of Power.

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Editorial Note: An important workers' organisation, the Scunthorpe Steelworkers Society for Industrial Democracy was set up early in 1967. It has a Committee made up of workers from Scunthorpe's three large plants which employ 20,000 men.

ASPECTS OF PARTICIPATION IN A COMMON OWNERSHIP FIRM

Roger Hadley

(This article is based mainly on the preliminary findings of a study carried out at Scott Bader between 1960 and 1962. Roger Hadley also worked with the firm as personnel and training adviser from 1962-4.)

This article examines some aspects of participation by employees in the management of a communally owned firm, Scott Bader & Co. Ltd., and considers the significance of this experience for plans for the development of workers' control in industry. The relevance of the experience of a single firm for the organisation of workers' control on a national basis is clearly limited, yet such experience may be able to teach us something of the problems of the crucial first stage in the transition to a more democratic organisation of industry.

The organisation of the firm

Scott Bader was founded in London in 1920 by Ernest Bader as a one-man merchanting business in chemicals; later a manufacturing side was added. In 1940 to escape the blitz the firm moved from London to its present site in the Northamptonshire village of Wollaston. Today Scott Bader employs about 300 people in the manufacture of synthetic resins and polymer emulsions for the surface coating industries. About half the employees are in the factory, many on shift work. The remaining 150 are divided between laboratory and office.

Ernest Bader is a Christian and a pacifist, who came to believe that the destructive and materialist influences of industry could only be reversed if there was a revolution in ownership and control. In 1951, Bader signed over 90% of the share capital of Scott Bader & Co. to his employees, constituted collectively as a holding company, the Scott Bader Commonwealth. He and a few others, the Founder Members, retained 10% of the shares, the right to appoint new directors, and a veto power over certain actions by the Commonwealth. In 1963 the veto powers were transferred to a Board of Trustees and the 10% shares passed to the Commonwealth to make its ownership of the operating company complete.

Certain aspects of the structure of the firm were changed in 1963 and the organisation which is briefly outlined in the following paragraphs refers only to the period 1951-63.\*



\* The most important change in the organisation in 1963 was the transfer of the power of the Founder Members to the Board of Trustees. There are now seven trustees, two represent the management and founders of the firm (Ernest and Godric Bader, Chairman and Managing Director), two are elected by the Commonwealth, and three are appointed jointly by the Community Council and board of directors from outside the firm. Another important innovation was clause in the constitution requiring managers to join the Commonwealth as soon as they became eligible. This has given members of the firm through the Community Council, which governs membership of the Commonwealth, the power to control all management appointments.

### The Scott Bader Commonwealth

Members of the Commonwealth had no individual shareholding but exercised control over the operating company collectively, each member having one vote at meetings regardless of his position in the business. All full time employees could apply for membership of the Commonwealth after successfully completing a probationary period. The Commonwealth had full power to dispose of the profits of the operating company within limits laid down in the articles of association; a minimum of 60% had to be ploughed back into the business, a maximum of 20% could be voted in bonus, and a similar percentage to be voted in bonus had to be allocated to charitable purposes. Members elected nine representatives to a Committee, the Community Council, to run the day to day affairs of the Commonwealth. The board of the operating company nominated two of its members to sit on the Council. Members of the Commonwealth on their side elected two Commonwealth Directors to join the five ordinary directors on the board.

Membership of the Commonwealth carried with it entitlement to a high degree of security of employment: (1) full pay in sickness for at least six months in any one year, (2) security from arbitrary dismissal, (3) a measure of security if the firm should run into financial difficulties (redundancy would be worked out by the community as a whole and would only be a last resort after the expedient of pay cuts, starting with the highest earners, had been tried).

### Scott Bader & Co.

The operating company retained the main organisational features of a traditionally run firm. The control of the day to day business remained in the hands of the board of directors, chosen by the Founders. Executives and

managers were still appointed by the board and were responsible to it. Changes introduced with common ownership were limited to the election of the two Commonwealth Directors and the addition of a consultative and judicial structure. Departmental and management committees were elected to represent members below executive level and discuss and make recommendations on any aspects of the business they chose. In addition, the General Council was created. This was made up of eight representatives from the departmental committees, four from the management committees and four appointed by the board. It could discuss any matters affecting the business and make recommendations directly to the board. It was also a judicial tribunal and could consider any disputes or disciplinary matters referred to it after the usual channels had been exhausted. In these matters its decisions were final and over-rode any previous management decisions.

#### The trade union.

A branch of the Chemical Workers' Union was established in the firm in 1948. The branch is still in existence but has taken no active part in the negotiation of wages and conditions in the last ten years.

#### The extent of participation.

Participation was examined both historically, since the beginning of the Commonwealth, and through surveys and observations during the period 1960-2. For this limited discussion it is defined rather narrowly in terms of (1) activity and influence of elected representatives, (2) the flow of information and exercise of pressure between representatives and electorate, (3) the activity and influence of the membership as a whole, especially as exercised in general meetings.

In the general field opened up to participation by the new structure considerable variations were found in its development in each of the three areas listed above. For example, representatives on the Community Council were markedly more active and influential than representatives on the other committees. At the other extreme, the departmental committees scarcely ever met. On the board, Commonwealth Directors claimed some influence on policy decisions concerning personnel but little or none on technical matters.

Relations between representatives and electorate also seemed to vary with the different bodies. Commonwealth Directors seldom discussed what took place at board meetings with members, Community Council representatives

were willing to divulge a certain amount, while those elected to the General Council were usually very free with information. On their side, members did not usually press their representatives for more information or greater activity on any of the bodies.

In the general meetings of the business company the greatest part was played by the executives of the firm and in the meetings of the Commonwealth by some of these executives and by officers of the Commonwealth. Every meeting offered opportunities for other members to raise matters and express their views but only a small minority did so, although a substantial proportion usually attended.

Within this general pattern wide individual differences in participation existed. During their first two or three years with the firm, few people took much part in the Commonwealth. After the initial period factory workers and clerks generally participated less than members of other occupational groups. Fewer were elected to office where the body concerned was not constituted to be drawn proportionately from each department. When they were elected they usually took less part in initiating and discussing business than representatives from technician, junior or middle management groups. As ordinary members they knew less about the participative machinery, put forward fewer proposals, and spoke less at meetings.

There was some evidence that the general level of participation had slowly increased since 1951 and was continuing to do so. Even so, members made only partial use of the opportunities open to them through elected bodies and general meetings. Contact between representatives and electorate was often tenuous, sometimes non-existent. Finally, there were few signs of strong pressure in any quarter to extend the area of control.

#### An approach to the analysis of participation.

It is suggested here that some of the variations between different representative bodies can be accounted for in terms of differences in their structure. But the overall level of participation and variations between different groups of members are apparently related to more fundamental factors, especially the past background and experience of members, their present attitudes, the alienating forces persisting in the business organisation of the firm, and certain new developments which have undermined some of the traditional motives for participation. In the following discussion a distinction is made between two 'power' groups in the general membership.

Those traditionally holding authority, the senior managers and directors, are referred to as the 'executives'. The rest of the employees are called 'members'.

The structure and function of democratic organs as an influence on participation.

There is some evidence that certain factors in the way the democratic organs were designed and the relationships between members and representatives established, influenced the level of participation. The following are examples of conditions which appeared to affect participation on committees favourably: (a) relatively long periods of office for representatives (e.g. three years, as opposed to one); (b) overlapping periods of office so that a substantial proportion of the representatives was experienced at any one time; (c) frequent meetings; (d) membership of the committee small (e.g. ten as opposed to sixteen); (e) advance notice of business circulated to all representatives and ready access to relevant information; (f) where decisions involved technical or commercial knowledge outside the scope of representatives, availability of expert advice to committee as a whole; (g) committee vested with functions likely to seem important to representatives.

All these factors applied to the Community Council where there was a relatively high level of participation. Few, and sometimes none, applied to the General Council, where participation was much lower. Commonwealth Directors on the board were in an intermediate position. They had a long period of office, but no overlap; meetings were fairly frequent and numbers small, but they did not have equal access to information with the ordinary directors nor was there any provision for independent technical advice. It is not surprising that they felt their influence was mainly confined to personnel matters.

Structural factors which seemed to encourage active relationships between representatives and the electorate included (a) accessibility of representatives; (b) committee vested with functions likely to seem important to electors; (c) clear ruling that the committee's proceedings could be communicated to the electors. For example, members were as well informed about the infrequently meeting General Council as the frequently meeting Community Council, probably because representatives of the General Council were more easily available, being elected on a departmental basis, and because they seemed to regard themselves as delegates rather than representatives.

The very nature of a general meeting of any size excludes the majority from participation in discussion. However, participation was noticeably higher at business meetings when more time was left for it and when the difficulty many find in speaking in public was met by providing for written questions. It was also higher at special meetings called to discuss a single item and at any meeting when issues had already been discussed on a previous occasion.

Although some of the differences in participation between various bodies can be explained in terms of differences of structure and function, it still remains to answer the more fundamental questions such as why the general level of participation was limited on bodies like the Community Council where the structure left little to be desired, what prevented the members from exerting pressure to change the structure where it needed improvement, and why different levels of participation should exist amongst the members themselves.

#### Background and attitudes of members.

An examination of the members of the firm's backgrounds and attitudes suggested that the large majority were typical in their experience and outlook of the surrounding society and were very ill prepared to take advantage of the opportunities presented to them at Scott Bader. In the institutions to which they had belonged, from school, through the armed services, to the 'normal' business organisation, they had become accustomed to authoritarian, non-participative relationships and to narrow, unchallenging work. There was little in the experience of most which could lead them to look for equality and self-fulfilment in their jobs. Instead the need to come to terms with their environment had led the majority either to accept many of its values or to withdraw all interest and commitment.

#### Factors in the business organisation reinforcing existing attitudes.

The main purpose of the business company remained to produce goods at a profit and so earn a living for its members. The methods by which this purpose was achieved continued to involve traditional structures and incentives and there was still a hierarchy of command, training, knowledge, and reward. The tasks at the lower end of this hierarchy were still often repetitive and unchallenging, while the management function remained discreet. These factors influenced most aspects of daily work. In other words, a democratic framework had not succeeded in replacing the autocratic structure of the organisation.

### Factors in the new organisation weakening traditional motives for participation.

At Scott Bader, the achievement of many of the traditional objectives of trade unions such as the right to consultation, the right to challenge, management decisions, continued pay in sickness, security of employment, seemed to have removed or greatly weakened the forces normally uniting workers. In this situation the trade union, which had never been particularly strong either in the firm or in the local area, was unable to give a lead in defining new areas of advance. The very concept of the factory workers as a separate interest group was challenged in the context of an employee organisation consisting of members from all occupations in the firm. Factory workers were 'diluted' on representative bodies and in general meetings by representatives and members of other occupational groups, people who often possessed more highly developed participative skills. Further, management acquired a new authority, its power now being sanctioned and the stake of all members in its success was greatly increased, at the very time that the traditional forces of criticism and opposition were weakening.

### Analysis applied to some of the differences in member participation.

The alienating influences outlined here go a considerable way to account for the different levels of participation described within the membership as well as helping to explain the general limits of its development within the firm.

Of all the occupational groups in the firm, the factory workers had received the least formal education and technical training, and held the most repetitive and unchallenging jobs. They had the lowest estimate of their own skills, were the most lacking in self-confidence, had become the most accustomed to subordinate positions, and saw the least chance of being promoted. They had apparently also had the least experience of belonging to voluntary democratic organisations. Unsurprisingly in these circumstances, their expectations of work were low. The stated aims of Scott Bader may have raised their hopes somewhat and the security provisions of the Commonwealth certainly represented a real advance to them. However, while the traditional forces working for collective action had been weakened, other alienating conditions remained much the same. As a result the democratic machinery had little reality, particularly when so few of their number had developed participative skills and the purposes for which the machinery could be used often seemed unclear or irrelevant.

In contrast, the technician group had a higher standard of education. Their jobs were less routine, their treatment more equal, their prospects of promotion better. Many belonged to voluntary organisations and had some experience of responsibility in them. But even amongst the technicians the general level of participation was only moderate and some technicians were as inactive as the least participative in any occupational group. One factor which seemed to be involved could be called 'career commitment'. Those who were unsure whether they would stay with the firm often seemed reluctant to get involved in the Commonwealth even though they might have been with the company for several years, while those who had decided to remain permanently seemed to feel they should make something of the opportunities presented, even though they might have little sympathy for the ideals of industrial democracy. But a complete account of individual differences in participation must certainly give considerable weight to many largely personal differences.

No detailed study has been made yet of the 6%-7% of highly active members. However, it is clear that they had no common occupational background but did share some kind of ideological commitment to industrial democracy and were all sufficiently extrovert to express their beliefs in action. Their commitment sprang from several different inspirations, socialist, trade union, Christian, pacifist, but had been formed in most cases many years before coming to Scott Bader and seemed to have given them the strength to resist alienating forces which had impinged on some of them as strongly as on any other members of the firm. What is clear is that the small numbers involved compared with the total membership gives some measure of the strength of the alienating influences in our society and of the size of the problem facing those concerned to widen participation.

#### Some factors affecting executives' attitudes to participation.

In terms of the day to day functioning of the firm, the executive group still held effective power in most matters. Yet it was the leaders of this group, the owner-managers, who in 1951 had taken the initiative in starting the Commonwealth. Why had they been unable to realise more fully the ideals that had motivated them?

Like the members, the executives had little experience of democratic work organisations whether they were with Scott Bader before common ownership or joined it from other firms since. Their training had been predominantly technical or commercial. If they had learnt anything about

human relations it was as a means, not an end. A minority were attracted to the firm by its social policies. Most came simply to do a job. Their first task was still to 'deliver the goods', and their success was measured by this standard. The structure through which they worked was basically similar to that of conventional firms. The common ownership basis and the influence of a small number of committed members encouraged the development of more democratic leadership but formidable forces remained which supported traditional methods of management. In these circumstances, a considerable variation in response was shown by the executives. However, for simplicity it is desirable to distinguish only two broad groups, the 'committed' and the 'incommitted'.

(1) The uncommitted. The executives in this group were in a majority. Most appeared to have a rather limited conception of the possibilities of the Commonwealth. They were likely to applaud the security and harmony it aimed to provide but to feel that attempts to involve the rank and file more fully were unrealistic.

(2) The committed. The contribution of this group to the survival and development of the Commonwealth was crucial but its effectiveness was limited by a number of difficulties. These included the lack of a clearly defined programme, the difficulty of increasing the proportion of executives sympathetic to the social aims of the firm, the need to carry their less enthusiastic colleagues in any changes they might propose in the structure or methods of management, and finally the priority they themselves had to give to the technical and commercial sides of their own jobs. These difficulties were considerably increased by the pioneer status of the firm. There were no other business of comparable size in the country run on similar lines. They could not draw inspiration from the success of others, nor learn from other setbacks than their own.

### Conclusions.

Common ownership of the means of production and a share in their control have provided no answer of themselves to the problems that Scott Bader set out to solve. Essential as these steps may be as a pre-condition to progress, they are only a beginning. Response to opportunities for participation and control seems to be related to the far broader influences of the individual's whole life experience. In other words, it is his level of consciousness that counts and this is largely determined by the stage of develop-



ment of the whole society. In our own society powerful influences encourage the majority to passivity and only the minority to self-fulfilment or more often to a distorted individualism. Although new forces have been set at work at Scott Bader which foster the development of a creative and responsible community, other more powerful influences still exist in the organisation of the business firm which reinforce the negative conditioning of the wider environment. The real test will only come when the daily experience of work itself is made compatible with the ideals of democratic participation. A change of this kind must involve not only changes in the character of leadership and the development of greater autonomy in the primary work group, but also an increase in the content of individual jobs so that they correspond more nearly to the potential of members and given them work worthy of their interest and enthusiasm.

#### Some implications for the transition to workers' control.

While there must be many reservations about the general applicability of Scott Bader experience, several of the problems it has met have been encountered in other experiments (i), and there is much of value to be learnt from it. The underlying implication for the design of organisations to be brought under workers' control in anything like the existing social environment is that the concepts of participation and individual self-fulfilment must influence all aspects of the structure of the firm.

#### An extended concept of participation.

If participation is applied to all aspects of the social structure of the firm, in addition to participation in the general government of the organisation, two other areas will be of particular importance, the nature of the individual job and the organisation of the primary work group.

(a) The nature of the job. There is a considerable body of evidence to suggest that the experience of working day after day at a job which is well below a man's ability is likely to limit not only the interest he takes in the job and firm but also the very development of his personality. (ii) It becomes then an essential part of any plan to increase participation to try to extend the work tasks of the individual workers until they measure up to their capacities. How far this can be carried in a business that must still make a profit is open to question but there is considerable evidence in the literature on job enlargement that it can go much further than most firms have tried to take it. (iii) Sometimes jobs can be extended without radical

reorganisation but usually technical aspects need careful planning and the individuals involved need to be trained or retrained.

(b) Organisation of the primary work group. Often as important or more important than the individual's job is his experience of the primary work group. The most democratic structure for controlling top management can seem quite irrelevant to a man if his own chargehand, foreman or manager runs his section autocratically. (iv) If democratic principles are to have any meaning to the individual they must start here with the people he spends most of his time with.

Scott Bader experience suggests that in the early stages of transition it is at this level that opportunities for participation are most likely to meet a positive response. For example, process workers who have taken little part in the formal democratic structure, welcomed opportunities to work out their own shift schedules, to discuss plans for new equipments, and to have training in the elementary chemistry of their jobs. But developments of this sort are only a beginning. It is difficult to see any radical progress being made until the leader of the group, whether chargehand or manager, is appointed by its members. (v)

(c) Participation in the government of the firm. It has been implied that a high level of participation in the government of the firm cannot be expected unless there are fundamental changes in other aspects of work organisation, but all representatives can benefit from training in committee work and specific training in the field they have been elected to. Such training has particular importance where representatives are sitting on management bodies. There is also a good case for providing training for managers in their responsibilities to representatives and in effective committee work in this new situation. (vi)

It is more difficult to suggest improvements in structure which may increase the value of the general meeting. Other democratic communities, better integrated than Scott Bader, have found it unsatisfactory as a means of exercising effective control over management by the membership. (vii) The most hopeful experience at Scott Bader of involving the general membership in policy formulation has been outside the general meeting through the development of discussion groups.

A further need in the formal structure indicated by Scott Bader experience is for an independent information function. It is not enough that information on anything is theoretically available to anyone who asks for it. Managers may be reluctant to make free with the facts for a variety of

reasons, members may be reluctant to ask for them because they are unsure of their rights or realise that their request may imply criticism. (viii)

### Dynamic for change.

In a traditional business enterprise the drive for growth and change is usually provided by the management. It is clearly the aim of a common ownership firm such as Scott Bader as it is under workers' control that this dynamic should no longer be supplied exclusively by management but should come from the membership as a whole. At Scott Bader this aim has not yet been achieved. Some reasons for this failure have been suggested and various changes proposed. But where is the motive power for these changes to come from? In present day society it seems unlikely that the general membership of any firm can provide it unaided in the early stages of transition from a traditional organisation. Experience at Scott Bader and elsewhere seems to point to the need at this stage for (a) changes in the nature of management leadership and (b) the conscious development of non-management leadership, particularly as focussed on the responsibility of developing broader participation.

- (a) Management leadership. The problem underlined at Scott Bader is that relatively few managers have been able to evolve a democratic style against the tendencies of industry and society to produce the authoritarianism. While a democratic management must inevitably play an important part in the introduction of the changes in structure of the kind that have been outlined in this article, it is doubtful if even the most committed body of managers could alone carry such changes through in the transitional phase, even if it were desirable. For as long as the enterprise is run on a profit making basis the conflict of material and human productiveness will persist, and in the last analysis the manager must always give priority to the material.
- (b) Non-management leadership. An institutionalized force independent of management is needed in the structure which recognises and works for participation and human productiveness as ends in their own right. The trade union might seem the obvious answer but there are strong arguments for keeping the trade union separate from the formal structure of the firm since its basic function of protecting its members' rights is likely to be needed under any system of control. A possible solution would be to establish a democratic development section within the firm, responsible directly to the general meeting of members and with staff appointed by them. This section could be

charged with all aspects of technical and social training, job enlargement, etc., in addition to its basic task of advising on the development of democratic processes. A section of this kind is no substitute for an active membership but should on the contrary greatly aid its growth and strengthen its effectiveness.

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NOTE. Some new developments at Scott Bader. Since 1963 there has been increasing interest at Scott Bader in the implications of the aims of the Commonwealth for the organisation of work. Illustrations of this can be found in developments in selection and training. New methods of selection have been adopted in an attempt to achieve greater compatibility between applicant, job and work team. Decision taking in selection has been decentralised and tentative beginnings made in some jobs in involving people at or below the level of the vacancy. With the targets of job enlargement and greater work group autonomy in mind, various training projects have been started to give the semi-skilled the new knowledge these changes will call for. More recently the departmental and management committees have been revived and in the factory plant committees have been introduced. However, the initiative in most of these changes has still come from the small 'committed' section of the executives.

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- (i) See for example Darin-Drabkin "The Other Society" Gollancz, 1962, especially Chapter 4; A. Meister "Les Communautés de Travail", Entente Communautaire, Paris, 1958; Jiri Kolaja "A Yugoslav Workers' Council", Human Organisation, Vol. 20, Spring, 1961.
- (ii) e.g. Brennan, M., "The Making of a Moron", New York; Sheed and Ward, 1953, Herzberg et al "The Motivation to Work", New York: Wiley 1959, p.128.
- (iii) For a summary of some of the relevant literature see Argyris, C. "Personality and Organisation", Harper, 1957, pp. 187-197.
- (iv) Evidence on the importance of supervisory attitudes in the development of participation is given in J.A. Banks' "Industrial Participation", Liverpool University Press, 1963, pp. 125-126.

- (v) Experiments where group appointment of the leader has been successfully practised include the Kibbutzim and another British experiment in common ownership, Farmerservice, a printing works in London. See Darin-Drabkin, *op cit.* p. 120. And Work Rules of Farmerservice, Rule 6, Appointment of Executives.
- (vi) Various examples of training of this kind can be found in the French communities of work, the Kibbutzim, and Yugoslavia. See Meister *op cit.* pp. 70-71; Darin-Drabkin *op cit.* p. 101; I.L.O. "Workers' Management in Yugoslavia." Geneva, 1962, pp. 189-194.
- (vii) See for example Darin-Drabkin *op cit.* pp. 109-110; Meister *op cit.* p. 71.
- (viii) The French communities of work have tried to meet this need by electing 'information delegates' in each enterprise whose particular responsibility it is to become fully informed about management policies and activities and to hold regular report-back meetings for members. The Entente Communautaire holds special training courses for these delegates in subjects such as management, accountancy, and business economics.

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## PLANNING AND WORKERS CONTROL

Walter Kendall

### THE PROBLEM OF THE PLAN

State ownership and economic planning do not of themselves create socialism. Socialism demands working class control over the productive process. Failing this its aims and objects may be subverted and a new form of tyranny arise.

Workers' control at the point of production can have little meaning if every important decision regarding the production process has already been taken at a high level and has become mandatory for the plant, this quite apart from the broader critique raised in Part I. When everything is decided above, nothing is left to control below.

Equally it needs to be stated clearly that a plan is a plan. An economic

plan has meaning only in the sense that it is a co-ordinated whole. The freedom to make a plan involves the discipline to accept and carry it out. The freedom to decide what seems best at plant level, unhindered and restricted, means that no plan is possible. If everyone decides their own output norm the result will be chaos. Socialism will create a crisis of dis-balance in the economy which will make 1931 look like a Sunday school picnic. In an industry with 200 plants, there cannot be 200 plans but only one.

This fact is too often overlooked. Workers' control at the point of production is essential. Yet unless its advocates can relate this demand to overall conception of the economic process it can never reach reality. Advanced as practical policy, it will end in the realm of utopia.

A number of proposals have been advocated. A single national plan, passed down to the individual units for revision and then returned to the centre for application. Ideal in theory this leaves unsolved the dilemma of proportionality in the economy. Any given overall output will demand an optional relation of productive resources between coal, electricity, machines, coal transport, housing, etc. Without proportionality the system seizes up. Proportionality can be discerned at the centre but not the periphery. As a direct result individual plan amendments can only be accepted to the extent that they mesh in with the overall proportionality mix. One imagines that in real terms this difficulty largely invalidates the original conception.

Can one start then at the other end? Can plans formulated in the plants and productive units be forwarded upwards for co-ordination? Such a proposal would seem to repeat the previous dilemma in even more acute form and to be quite unacceptable.

Can we then resolve the problem by maintaining social ownership and producing for the needs of the 'socialist market' influencing demand by some method of adjusting income distribution? Such a scheme would resolve one problem, only at the expense of creating others more dangerous and troublesome. The undoubted gains of planning would be lost, the problems of instability, social waste, inbuilt bias against social expenditure inherent in a free market economy would be reintroduced. At the same time rich plants might exploit poor and the tendency towards a rebirth of capitalism would soon appear.

A proposal to abolish money is merely irrelevant since this only introduces the problem of physical planning in a far more acute form.

A solution to these difficulties would seem to be possible only by reducing the planning process to its component elements.

### AN ATTEMPTED SOLUTION.

A national economic plan, must by its very nature, be national and not sectional in character. It involves a decision, or a series of decisions, about the allocation of national productive resources between different ends; it involves a decision regarding the rate of growth of the economy and thus of the rates of growth of its sectors; it involves as a direct consequence decisions regarding the relationship between consumption and investment, jam today and jam tomorrow, both overall and in the sectors; it involves decisions regarding the amount of wealth to be tapped off for the production of social services like health, housing, pensions and also necessary state expenses including maybe defence.

The crucial decision is that regarding the rate of accumulation. When this is settled every other factor falls into place. As a result it seems vital, that the decision regarding the rate of accumulation should be the subject of the widest and most thorough going public discussion. Indeed, the problems involved in planning are so great that there would seem to be justification for the establishment of a special House of Production solely to deal with them.

Let us presume that a decision regarding the rate of accumulation becomes a primary function of national government. This settles allocation between capital and consumer goods industries. Yet it would be folly to imagine that these are as separate in reality as they seem in words. What remains? The task of a planning commission is presumably to ensure the optimal allocation of productive resources for a given end. Yet here social factors may be involved. The social costs of closing pits, moving population, abandoning housing in one place to erect it in another, may outweigh the cost advantage between coal and oil for example. There would seem to be a need for a degree of national representation of industry, each sector with a representative body able to raise such questions, to see that they are properly considered both by planning commission and national government itself.

## SECTOR ADMINISTRATION

What form should sector administration take? There would seem to be no easy answer. All industries are not equal either in kind or in structure. Primary industry like coal, produces a homogeneous product in essentially comparable units. Single product service industries like railways and electric power are, although more integrated in some ways, similar. Engineering is vastly more complex, since manufacturing units are not commensurable, products are diverse and changeable, with one factory capable of making many different products. Engineering has numerous branches, machine tools, aircraft, motors, textiles, machinery, etc., few of them homogeneous, with single firms often crossing the diversification barriers many times. The working class maybe one, and have common interests. It would none the less be folly to overlook the vested interest that one sector may have against another when roads/rail/ship/air, or coal/gas/electricity/oil, are concerned.

An initially attractive proposition would seem to be the grouping of primary industries such as coal and steel under a single unit as now. A similar method would seem to be applicable to services diversified under Power (coal, gas, electricity, oil, etc.) each with a separate division. Manufacturing industry could then be broken down in rather more elaborate fashion. Aircraft, engineering, machine tools, motors, etc. Vertical integration of each sector accompanied by some form of multi-grade regional linkage would seem desirable.

Such a system would give scope for a democratic check on the feasibility and advisability of plan target levels. After a while there would develop a form of informed economic "public opinion" on key questions which would be of considerable importance. Periodic sector, industry and regional conference would be necessary and obligatory from time to time. Assessments of the approximate range of productive capacity over short and long term periods would then be possible. Once the system was operating properly the plan centre, after consultation, could hand out overall figures to the sectors for democratic internal allocation thus avoiding a great deal of bureaucratic waste and inefficiency. The existence of sector opinion and delegated power would be a direct check on the growth of a central oligarchy on the stalinoid model. At the same time, it would prevent the catastrophic waste involved. Adventures such as the virgin land schemes and grandiose projects for "transforming the face of nature" which come to nothing only after colossal



waste of productive resources.

### CONSUMER GOODS

This still leaves quite unresolved the problems of consumer goods economy. 1,000,000 records of Donald Peers at a time when everyone wants the Beatles are not useful products, but just so much social waste. Public taste in certain basic commodities, meat, butter and articles of basic consumption is relatively constant, capable of physical planning, requiring only that buffer warehouse stocks be held to accommodate varying demand patterns. The increasing range of consumer goods, appropriate to a rising standard of living are not of a similar order. Theatre consumption can be planned by social decisions regarding building and pricing (and subsidy). Shoe styles, women's and men's fashions, furniture design, a whole range of goods in which consumer choice shifts unpredictably between different models of the same article, or between different products in the same range, or between one range and another, raise problems, whose resolution is an important test of social welfare. There is no easy solution. The Russian style exemplified in Komai's book is quite inappropriate. There seems to be room for considerable experimentation. As a first step one would propose an overall allocation of social expenditure to the consumer goods industry, later to be broken down by consultation within the trades involved. Warehouses would hold stocks between producers and consumers. Price varying in relation to demand within pre-determined limits would be used as a production indicator. A great deal of work nevertheless plainly needs to be done here.

### OWNERSHIP, PRICING AND EQUALITY

A further problem arises. Who will own the plant? To reply the State, is to assume a unitary national direction as in the case of railways and the National Coal Board. In some cases, as in that of coal this may well be appropriate. The diversified character of engineering on the other hand would be likely to render such a system top heavy and inefficient, with a bias against innovation into the bargain. A varied pattern of state, municipal and co-operative ownership might well be suitable. The same is likely to be true of consumer goods industry.

There remain further points which require consideration. How will prices be determined? At present market prices subject to monopoly manipulation determine the allocation of productive resources. Such a system will be inappropriate to socialism and workers' control.

1. Because if market demand decides output this is equivalent to abandonment of the plan. A plan involves the subordination of market forces to planned intentions.
2. This involves that prices will be planned prices and not 'objective' prices.
3. One presumes social overheads (state budget, etc.) will be recovered out of production income and not individual taxation since it would be foolish to give with left hand and take away with right. This means that prices will be increased by whatever share of state budget individual commodities are expected to carry.
4. To direct demand and control resource allocation it may be necessary to reduce certain prices. This must of necessity involve raising others.

There are other applications to be considered, but the point is adequately made. If individual plants do not decide prices, who will? Or is there to be a process of consultation? Free market prices is scarcely in order. Yet every derogation from free market pricing is a derogation from powers of workers' control. Prices will determine 'demand' and 'profits' and thus the plant wage funds. An attitude to pricing policy is therefore essential to a theory of workers' control.

Another matter needs to be considered. If all industry were statified tomorrow the fact would remain that some plants are more favourably situated in regard to markets than others, some enjoy more modern plant and more scientific layout, some have better managerial talent than others, whilst frequently the skill and ability of the labour forces varies between one location and another. Left to themselves these forces would lead to increased differentiation between sections of the working class, some growing richer at the expense of others. Modifying facts are needed. Whatever they may be they are bound to intrude on the sphere of plant autonomy. Are there to be compensating funds, levies, differential taxation? We ought at least to have some appreciation of our solution to the problems.

## CONCLUSION

Enough has been written to illustrate that the problems of integrating workers' control with national planning are very considerable and so far largely unacknowledged.

This paper sets out only to indicate some difficulties and suggest some possible solution. No doubt some of the problems will prove on further

examination as illusory as the solutions to others are fallacious. That does not really matter. By beginning to examine the matter we will already have gone far towards finding a solution. For one thing is certain. Sufficiently widespread and effective application of democracy at plant level will never be forthcoming until we can convince the sceptics that what is desirable, is also necessary and above all PRACTICAL.

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Although this material appears under my name it is a large extent the outcome of collective discussion by Ruskin students to whom attribution is equally apposite as to me.

The author would welcome comments and criticism from any interested reader. The address is: Walter Kendall, 73 Ridgway Place, Wimbledon, S.W.19.

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## REPORTS FROM NOTTINGHAM CONFERENCE ON WORKERS' CONTROL 1966

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### (A) DOCKS

#### Port Employers are not Necessary

The change from private stevedoring to a nationalised undertaking can be carried out swiftly and smoothly without any fundamental disturbance. The private stevedore will fight to the bitter end against this, but no quarter should be given. The cutting out of the stevedores should be final. They are not needed, being middlemen who put nothing into the industry, but take all unearned profits out. The existing labour force carries out all essential work in the industry.

Labour in ports is made up of the following:

National Dock Labour Board Registered labour

- shipping clerks, foremen, riggers, deckmen, tallymen, labourers, forwarders, samplers, fork truck drivers, drivers, lightermen, warehousemen.

British Transport Docks Board labour

- shore crane drivers, mobile crane drivers, wagon shunters, porters, maintenance men.

(This structure is taken from the example of Hull: other ports have different employment structures, but the basic functions carried out are everywhere the same.)

The shipping clerk is in full charge of the loading and discharging of the ship, using the ship's manifest and in conjunction with the ship's master. He is the administrator ordering transport, receiving cargo, etc., and co-ordinating the whole operation.

In some firms it is his job to make out the daily piece-work returns for the gangs engaged on his ships.

The foreman is in charge of the setting on of gangs and supervises their work.

Riggers carry out any necessary work under the direction of the foreman. Deckmen are competent in the driving of winches, use of rope, etc.

Tallymen carry out a competent job in tallying cargoes, numbering and classifying different makes, etc.

Forwarders carry out the complicated operation of allocating commodities to transport ex-shed.

Thus the following operations are carried out by the labour force:

- discharging and loading ships
- sorting to marks and ports
- stowage in warehouses and sheds
- forwarding to inland destinations.

In fact the whole operation, ex-ship, is under the direction and supervision of the experienced labour force.

The stevedores are nothing more than labour contractors. In fact, their existence is extremely wasteful of manpower since their office staffs are duplicated over and over again. The small amount of gear and equipment they possess is likewise duplicated and therefore not utilised to the full.

To illustrate our argument, let us take for example a vessel entering port. The name of the vessel is fictitious, but the facts are accurate. The m.v. "Alpha" enters the dock and is berthed by the Port Authority's employees. The ship's agent has passed the work of stevedoring to a firm of local stevedores. This firm proceeds to engage a foreman (a docker may be a labourer one day, a foreman the next) who in his turn engages men from the reserve pool of the N.D.L.B., unless they are weekly workers. These men are directed to work in a particular hold, and after work has started they continue without further supervision. The paper work is being done by a

shipping clerk, who is a registered dockworker - he is responsible for ordering all types of transport. Each gang has a registered tallyman, who takes all details of discharge which are passed on to the shipping clerk at the end of the day.

In the case of the "Alpha", the cargo is of 400 tons of pulp, 200 tons of paper, and 600 tons of silicon in drums. The shipping clerk has the craft laid on, many of which belong to British Waterways. The rail traffic is ordered - again owned by a nationalised authority. The road transport for the paper is also probably British Road Services.

Briefly, the fact is that a vessel such as this can be worked by a stevedoring company with no financial burden whatsoever. His men are drawn from the N.D.L.B. and then returned there when the ship is finished. All he is left to do is collect his profit from the shipowner.

Where is the need for a private stevedore?

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### THE DOCKERS' CHARTER - REPLY TO DEVLIN REPORT

The essence of our proposals - embodied in the following "Charter" - lies in resolving this contradiction in the socialist direction - workers' control, with a definite area of full workers' self-management, in a nationalised industry.

#### The Charter

- 1) A NATIONAL PORT AUTHORITY
  - all port installations to be under public ownership.
- 2) NO MORE PRIVATE PROFIT
  - the abolition of all private employers of dock labour.
- 3) DEMOCRACY FOR THE DOCKS
  - self-management of labour by Portworkers' Councils elected from the trade unions.
- 4) NO BEECHINGS ON THE DOCKS
  - Portworkers' Council to supervise the National Port Authority.
- 5) TRADE UNION FREEDOM
  - fundamental rights of trade union on wage negotiations and strike action to be fully maintained.

Note: the Charter first appeared in Humberside Voice, December, 1965, and subsequently in Voice of the Unions, February, 1966.

The Charter is based upon discussions which took place (i) at the second Voice conference on Workers' Control, held in London, May 8-9th, 1965, and (ii) the third conference in the series, held in Manchester, June 19-20th, 1965. On the latter occasion, a resolution was adopted, which became the basis of the Charter, and of the subsequent widespread discussion which has led to the preparation of this report. The participants have included London, Bristol and Hull dockers, editors of Voice of the Unions and Labour's Voice, members of the Hull study-group on workers' control, and the National Committee of the Centre for Socialist Education.

Wider questions of the transport industry were also raised by the group. The hub around which the co-ordination of road, rail and sea transport revolves, is the dockside. Dockers are in a better position than most to observe the appalling wastes and inefficiencies which follow from the separation of the different sectors of transport from each other. The germs of wider claims for workers' control bringing together workers in railways, road transport, and docks, were present in this discussion. The difficult problem of inter-union relations was of course discussed. It was felt that the proposing of blue-print solutions such as a loose confederation of unions catering for dock workers was premature, and that dockers in different unions would in fact come closer together, and eventually force the abandonment of mutual prejudices and suspicions, by first working out and then campaigning for, a programme, a solution to the docks problem, of the kind we have described here.

### The dockers' goals

We think that the programme presented above, and in what follows, coincides strongly with certain well defined conclusions that the dockers as a whole have reached out of the discussions which have followed the Devlin report. These are:

1. Decasualisation as such, and as seen by employers and Devlin, is not a dockers' goal. If it is offered as part of a deal under which the dockers have to sacrifice the powers and controls which they have today, the price is too high.
2. Decasualisation of earnings is a dockers' goal. Their main complaint about the present system is the extreme variability of earnings from week to week, job to job, and port to port. The solution depends on a number of factors: (i) greater inter-union harmony on the docks, (ii) more effective,

militant trade union activity for their members, (iii) arising from these, a co-ordinated drive to raise and rationalise the wage structure, and (iv) the ability of a single employment authority to achieve uniformity and equality of treatment of cargoes, ports, etc. None of these depend on the Devlin solution; they would in fact be rendered more achievable by our proposals for nationalisation, which could provide a higher degree of stable employment than any other conceivable system.

3. Rationalisation of port employment is an aim which the dockers will support if it leads to the logical conclusion of a single, nationalised authority. Rationalisation through the reduction of the number of private employers is definitely seen by dockers as a step towards strengthening these employers' powers over workers. The whole history of port employment is such that dockers positively and wholeheartedly distrust the private employers.

4. At the same time, we believe that there is a marked scepticism amongst dockers about the value of orthodox nationalisation. They are able to observe the experience of other nationalised industries, and their failure to alter the status of workers. They argue from that experience, that a nationalised Board could rationalise as ruthlessly, and with as little regard for dockers interests, as could private employers. (Witness the current treatment of railwaymen and coal miners, suffering from the rationalising priorities of road and oil interests, which have been accepted by the State. Hence "No Beechings on the docks".) The dockers know very well that "business men's syndicalism" is a common form in the nationalised sector.

The programme offered here meets these convictions in an unambiguous socialist manner. In what follows, it should be borne in mind that we do not see the programme as "negotiable" in its essentials. We are well aware from the history of modern capitalist society that at certain times, employers and the state make concessions in the direction of what is known as "workers' participation".

By providing for a minority presence of workers on the Boards of industry, these produce an appearance of democracy, but have the effect of incorporating a militant and 'difficult' section of the working class into the existing framework of power. We shall therefore scrutinise any proposals of the State or Labour Party, in connection with workers' participation on the docks, with the closest attention.

Reading - The "Anti-Devlin Report" - (9d post paid)

Hull Dockers - obtainable from 1 Plantation Drive, Anlaby Pk, Hull

(B) REPORT ON THE MINING SEMINAR

The seminar felt that workers were strangled by economic decisions made elsewhere in a nationalised industry. This could be seen on safety committees at a local level when the manager has a certain economic position to fulfil for that particular pit, e.g. that the pit must close in 5 years or that it must either pay its way or be closed. To this problem must be added the ageing labour force in the mining industry.

It was agreed that a fuel policy should still be based on coal. Local committees would need to look at the economic position locally in their own pits, and therefore the books must be opened locally, especially when pits are due to be closed. On the question of whether the management should be elected by the workers, there was some hesitation, since it was felt that the miners were not ready for this, and the present management was, in any case, for the industry. The workers are safe with local committees, but the managers should remain responsible to the N.C.B.

The amalgamation of unions was recommended. This is now easier, as all the different categories of miners are now working together as a team. Re-deployment would be more acceptable if the N.C.B. could manufacture its own switchgear and machinery and therefore cut down unemployment. This is a more just social policy than killing mining communities by moving miners to other areas.

Preventive precautions against ill-health should be strengthened, especially for miners over the age of 50.

Workers' control is necessary in the mining industry. Nationalisation has failed unless benefits in wages and better conditions have been transferred to the workers.

Reading - "Plan for the Miners" (by Derbyshire Miners) obtainable from:  
N.U.M., Saltergate, Chesterfield. Price 6d.

"A Plan for the Mines" - South Wales Socialist Society, c. 1916

(from C.S.E. 19, Greenfield Street, Dunkirk, Nottingham.)

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"Workers' Control in the Mining Industry." Ruskin College group. (from W. Kendall. 73, Ridgway Place, London, S.W.19.)



(C) REPORT ON THE BUSMEN'S SEMINAR

It was felt that one of the problems in implementing workers' control in the transport industry was the attitude of the workers to authority. It would be especially difficult to ensure discipline and security of jobs in the railways, where the unions already have negative control. On the question of managerial function, would supervisors be simply experts or would they carry out workers' policy decisions made by workers' committees, or would the workers take decisions on the shop floor. It is important that the right type of officials be chosen to make workers' control effective.

However, it was felt that workers' control was a most important step towards socialism. The allocation of resources in municipal services must be made by city councils. There was no other way. There seemed to be some confusion in the busmen's model in bringing in trade unions at workers' councils level. The Trade Unions should be kept outside this, with their own functions. One difficult decision to take was where officials should be advisers, and another difficulty was the complexity of the proposed councils.

Reading - "Four Steps for Progress" - C.S.E. Pamphlet - by Hull Busmen.  
1/6d

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(D) REPORT OF THE AIRCRAFT SEMINAR by Philip Higgs, Joint Shop Stewards Committee, Siddeley's.

Potential projects for the British aircraft industry are the manufacture of airbuses, light aircraft, helicopters and vertical take-off and hover-craft. European co-operation is needed to stand up to the competition of the American industry.

In general aircraft workers are in favour of nationalisation of the industry, and want much more workers' control than exists in the industry's present form. Shop floor gangs with elected leaders already organise work on the shop floor, and this is a rudimentary form of workers' control.

The industry could operate under workers' control if its structure were broken down as follows:

1) Ministry; 2) National Board, as in Steel, one for each section of the industry; 3) National Production Board - 50% from the National Board, 50% from the Workers' Council; 4) Workers' Council - 50% departmental, elected by workers, 50% management.

CSE should call a national meeting in September to draw up a plan for the industry. (The national joint shop-stewards' combine of Bristol-Siddeley Engines now Rolls-Royce, is aiming to produce a workers' control plan for the industry.)

## PART 2 - CONCLUSION

The second section has discussed the practical problems, and proposals of the contemporary scene in this country. Roger Hadley's account of the small, experimental common ownership firm seeking to implement democratic values, in a society hostile to this ideal, has a double value. It reminds us that the problem of alienation cannot be solved by an act of will or by the elaboration of democratic institutions, but rather that it lies deep-rooted in our society's methods of work, and its educational and class system. These in turn derive from the private property relations which surround the enclave of Scott-Bader. But his paper also shows that it is worth while to study the precise forms of machinery which we may devise for democratic self-management, since the machinery itself has an influence on attitudes. In general it is clear that those industries that are already nationalised, are the ones in which the question of workers' control is a positive issue directed towards the qualitative structural change which results in - Workers' SELF-MANAGEMENT. Such a development within the sphere of private industry is scarcely conceivable, thus state ownership remains the basis pre-requisite to the development of industry democracy. Within the private sector the demand for workers' control will centre largely on the defence and enlargement of workers' rights, and a gradual encroachment upon managerial prerogatives. Thus the studies of various industries are mainly within the "public" sector (from the Nottingham Conferences) - or soon will be (we HOPE!).

Walter Kendall's article is a particularly important contribution to what will always remain the ultimate sphere of controversy, once the concept of workers controlling industry has been accepted - What is the point of compromise between national planning and local democracy (workers' self-management)? It is obvious that total planning and workers' control are incompatible, but no workers' movement can expect to achieve success unless it can link schemes for democratic control at the point of production with an appropriately related theory of planning. Thus workers' control demands a form of planning which is both flexible, general and democratic (as opposed to the rigidity of plans of state socialist countries, e.g. U.S.S.R.).

With regard to this problem, the next section is of particular interest, and the case of Yugoslavia demonstrates the acute nature of this dilemma of national planning/local autonomy.

EDITOR

Reading - The Annual Conference on Workers' Control - now organised by the Centre for Socialist Education - 1967 Conference,\* June, Coventry - for further details write to: Tony Topham, 1 Plantation Drive, Anlaby Park, Hull.

\* June 10-11th, 1967, T.G.W.U. Offices, Coventry.

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## PART 3 - THE PRACTICE OF INDUSTRIAL DEMOCRACY ABROAD

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### WORKERS CONTROL IN YUGOSLAVIA

Peter Wyncoll

Peter Wyncoll spent a month in the summer of 1965 as one of a group of Ruskin College students who as the guests of the Yugoslav Trade Unions studied the operation of workers' self management in that country.

"The transition from Socialism to Capitalism." This is how the workers' self management experiment as it is practised in Yugoslavia is described by some of the more cynical of the British Left. "Workers' Capitalism" is how the Chinese have always characterised the venture . . . . both descriptions are gross distortions of the truth.

"We are industrialising our Socialist country to make it richer, to make the unexploited wealth accessible to all our citizens, so that people can make use of these riches." So spoke Tito on 26th June, 1950 on the occasion of the passing of the law which established workers' councils. But in fact Tito's aim was far more fundamental than this simple statement would indicate. Having split with Stalin in 1948, Tito was now intent on rejecting much of the apparatus of a Russian pattern repressive state machine. Since that date in 1950 his country has rejected more and more of the traditional communist dogmas, until today she is the established leader of all those countries behind the iron curtain who are willing to experiment with political as well as economic freedom.

"To build an 'administrative system' as we did in 1945-50, one can do that in four to six years, one can do that very easily. The whole economy becomes one enterprise all workers are employees, the state takes all the profits, the system is complete and does not need much history." This was how a Yugoslav described the early Russian type economic organisation of Yugoslavia. The disadvantages of this kind of economic arrangement are as Yugoslavia discovered to her cost, an institutionalised inflexibility, which ensures that ordinary workers' status does not really improve, faced with one giant employer their bargaining power has in fact declined, prices are fixed from above, and a vast state bureaucracy appears. The decision making process is clumsy and often retarded, the scope for waste as a result of faulty

decisions is tremendous ... but worst of all power concentrated in the hands of a remote and independent state machine, provides the soil from which can grow a Joe Stalin. Recognising all this Tito and the partisans who had fought with him against German dictatorship during the war, had the courage to reject Russian dictatorship and to launch their own experiment in practical Socialism ... with workers' self management as their main tool.

The basic unit of their unique experiment is the enterprise ... all the workers in the individual enterprise form a collective and elect from amongst themselves a workers' council. Once elected this council becomes the supreme management body of the enterprise, taking all the decisions affecting its long term, and day to day running. Any worker is able to nominate any other member of the enterprise for election to the workers' council, as long as he has the support of at least ten other members of the collective. The actual procedure for election varies according to the size of the collective, large enterprises with several plants stipulate that each plant should elect a certain percentage of the total workers' council, so that one plant does not dominate the others. Sometimes this system is applied within a certain plant in order to ensure balanced departmental representation. No member of the workers' council is allowed to serve more than two, two year terms, and the council's size ranges from 15 to 120 members depending on the size of the enterprise.

The executive body is the Board of Management elected by the workers' council, it controls the day to day running of the plant along lines laid down by the workers' council, those who serve on it are forbidden from doing so for more than two consecutive one year terms. Finally, the enterprise through its workers' council appoints a Director, who can be dismissed at any time, and who must at any rate stand for election at least once in every four years.\*\*

Basically pragmatists, the Yugoslavs have made many changes and adaptations to the basic institutions of workers' self management since it was first introduced in 1950. In the seventeen years which have followed Yugoslavia has undergone a series of changes unprecedented under a Communist government, until recently Tito was able to declare an end to party "commandism" declaring that Communists must henceforth chart Yugoslavia's course by the force of their argument and ideology rather than by the display of naked power. This willingness to be non dogmatic, the desire to change and adapt the system to the needs of their country, has certainly brought the

Yugoslavs plenty of abuse from those who believe in absolute truth, but I am certain that the flexibility of the workers' self management system is much to be preferred to the repressive centralised systems of the rest of Eastern Europe.

The problem of striking a balance between the need for planning, and individual freedom is plainly a very real one in Yugoslavia, it may be that as some would have it the Yugoslav's have swung too far towards the market economy in their concern for individual freedom, to my mind even if this is true it is much to be preferred to the alternative of individual suppression. Certainly the problem is one of balance, and I'm sure that the Yugoslav's realise this as much as any of us. Planners have always wanted to "get there the fastest with the mostest" but the Yugoslav worker no less than the British worker is understandably more immediately concerned with the day to day problems of their working life, and living conditions.

The success of democratic socialism must of course in the last analysis be decided by the culture and interest level of ordinary work people, Yugoslavia has certainly demonstrated this, today seventeen years after workers' self management was first introduced the country is still largely agricultural . . . . the fight for literacy has been a difficult one, but against all the odds the Yugoslavs have succeeded in creating a real and meaningful socialist experiment, much of it is still in a state of flux but it is possible already to list some triumphs. Many of the cultural barriers which separate qualified educated managers, technicians, and artisans from the mass of the unskilled labour in Britain no longer exist in Yugoslavia, status as an issue has disappeared . . . so has the question of differentials . . . they still exist in Britain and in every other capitalist country. Of course the Yugoslavs in their development of the workers' self management principle realise that in their attempts to improve and develop it, they run the real danger of encouraging a kind of "collective capitalism" with groups of workers competing and undercutting each other in a free market. But their awareness of the danger is sharp. Their belief in Socialism too deep for it to be even remotely possible.

I didn't think that workers' control in Yugoslavia was "collective capitalism" eighteen months ago, I don't think so now. I did think that they were creating a real positive, meaningful socialist society, sure there was some dissatisfaction amongst different froups of workers, but who is surprised at that? It didn't represent anything like so serious a problem as the intellectual disagreements of Communist theorists . . . but these too, like

everything else in Yugoslavia are in a constant state of flux, there has been some repression of ideas, but this has never reached anything like the serious proportions of that operated in the rest of Eastern Europe.

Workers' control as it is now operating in Yugoslavia is far from perfect, but nothing ever is perfect in politics, but at least they are trying, which is more than a lot of us can say . . . they deserve all the support we can give them.

\*\* For fuller though "dated" details of the institutions of workers' self management read "Workers' Control in Yugoslavia" (Fabian Research 233)

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## REPORT ON A VISIT TO ALGERIA - 1965

Councillor J. Spencer

Together with my wife, I went to Algeria as a "tourist" and not as official delegation, at the time of the ten years' anniversary of the start of the revolution. That had the advantage that we were usually the only observers at inspection arrangements, laid on for us, and had therefore more opportunity to ask questions than members of big delegations. We had also plenty of time to talk with people on our own, including critics of the regime.

What makes Algeria such fascinating subject for social studies, and is bound to bring it nearer to the English mind, is the fact that the variety of forms of public enterprise has not come about by putting blue prints into practice, but by the practical necessities of day to day events. The various forms of public enterprise were spontaneously created by the people in the situation they found themselves and were codified only at a later stage.

Leaders will freely admit that they studied many social theories and that they learned from the experiences of other socialist countries, mainly China, Russia, Yugoslavia, and British nationalisation. But they maintain that they are neither Marxists, nor Communists, nor Trotskyites. They quote the Koran freely to justify their actions and they stress that what happened, was done spontaneously by the masses.

To understand and appreciate the new Algeria, it is essential to keep in mind the raves of eight years of civil war, and the vast and wanton

destruction perpetrated by the French terrorists after the peace treaty with the French government. One in eight of the population killed, hundreds of thousands of orphans to look after; the vast majority of civil servants, teachers, and skilled workers had left the country being French and many of them involved in political activities or terrorism; the biggest library in the country burnt down completely; the Town Halls of Alger, Oran and many other cities burnt down and all public records and archives destroyed; all forests down to the smallest woods had been burnt down by the French army to remove possible hide-outs for guerillas with the effect that from the moment of the liberation onwards, agriculture has been exposed to rapid erosion of soil and re-forestation has become a most urgent task with gigantic dimensions.

Mr. Boudissa Safi, one of the secretaries of the U.G.T.A. (the Algerian equivalent of the T.U.C.) in charge of the task of assisting the Co-operative movement explained to me that there existed at present in his country five different types of Co-operatives:

1. Consumer Co-operatives: Most of these are small co-operatives, each serving the members of a certain union, e.g. one serving the members of the Union of Post and Telephone Workers. There are general consumers co-operatives in existence also, which are, however, small organisations. Membership shares are expensive, e.g. 75s. 0d. in one case and can be paid in instalments. These co-operatives do not pay divis owing to the lack of skilled administrative staff, but rather aim at selling cheaply. The A.G.M. elects the board which in some co-ops is honorary and in some paid full time. The shops we saw looked like L.C.S. grocery shops, some small and old fashioned and some modern.

2. Artisan Co-operatives: Such as makers of carpets, builders, plumbers, carpenters, etc., exist in two stages: (a) those where only sale or service contract to the public is on a Co-operative basis, while equipment, materials, etc., are owned privately and (b) where equipment, materials, etc., are also owned by the co-operative and the members contribute their labour only.

It is hoped that propaganda and example will induce independent artisans to join, and stage (a) co-operatives to develop into stage (b).

3. Farmers' Co-operatives: The individual farmer owns his field and cattle, and uses the Co-op. as sales organisation, as in Denmark. This system is specially in use with regard to tobacco plants. Some Co-ops. share



out the profit as divi to members, others - owing to the lack of administrative staff - do not pay divi and aim at paying maximum prices to members.

4. Producer Co-operatives: Set up by workers in any trade who possess some money which they put in as loan capital. Irrespective of difference in capital invested, there is one vote for one man and equal share in profit. (Interest being paid separately on capital.)

5. "Auto-Gestion" (Workers' Self-Management): This is by far the most important application of co-operative principle in Algeria. It comprises a large sector of the whole country including large farms and big industrial enterprises.

When the French owners or directors of the industrial or agricultural establishments left the country, in many cases together with their French or foreign specialists, supervisors, administrators, etc., the Algerian workers were faced with the necessity to carry on somehow in order to earn their daily bread. Thus the Algerian form of Workers' Self Management was created, which was regulated later on in a law promulgated on 29.3.1963. According to the law, there is a General Assembly of workers comprising the permanent workers of the enterprise. This assembly elects annually the Workers' Council whose members serve normally three years and of whose members a third are annually retiring. It meets at least once a month and decides on matters of policy, admission of new workers, examines the accounts and elects the Executive Committee.

The Executive Committee consists of 3-11 members of whom one third retire every year. It has practically the same function as the board of directors in private industry. It elects a president for one year and it decides on methods of sale, production, purchase, engagement of seasonal workers, etc.

The position of the president of the Executive Committee corresponds to that of the Chairman of private companies.

On the other hand, the government appoints a "director" who represents the state inside the enterprise, and watches over the legality of the business activities. He is a specialist and is working full time as the head of the administration. His position, therefore, is comparable to that of a town clerk in a London Borough Council. He has one vote on the Executive Committee, and is obliged to carry out majority decisions faithfully, even if he has been defeated on a vote.

The members of the council of Management and of the Executive

Committee and the president are carrying on their normal duties as workers. It is laid down by law that they must not receive any remuneration for higher duties. They are being paid for the time spent in exercising their functions at the rate of their normal job. It is considered undesirable to re-elect persons on retirement from their committees as it is thought that the functions should rotate as much as possible to spread the understanding of the higher problems.

There are no hard and fast rules regarding consultation between different levels, besides of the number of meetings for each body laid down in the law. From my discussions with honorary officials of enterprises I gathered, however, that in some enterprises there are sometimes additional meetings of the whole staff, called to enable the executive to discuss problems with the workers and assist workers in ironing out their problems. On the other hand, there are Co-operatives spread over many working places like the Co-operative of hotels and restaurants or large farms covering a number of villages, where it has been found preferable to hold additional meetings of the staff of individual establishments or village meetings in the presence of a member of the Executive Committee.

The director can only be relieved of his functions as a result of a grave fault of obvious incompetence or on the request of the Council of Communal Enterprises and Self-Management.

I asked the president or a member of the Executive Committee of each "Auto-Gestion" we visited, whether the independent position of the "director" does not lead sometimes to tensions. At all occasions but one, we were assured that the director was working most amicably with his elected colleagues. At one co-operative, however, a member of the Executive told me that workers in his trade were rather backward and uneducated and that it was difficult to reconcile their ideas with those of the specialist of a different background. But he assured us that every issue was finally settled constitutionally. I could not trace a single case where dismissal of a director had already been applied for by the elected representatives.

Share-out of Profit: According to law, the profit of any "Auto-Gestion" is to be shared out. One third to the State, one third - Re-investment, one third to the members. It is left to the discretion of the members, that means, to the decision of the Workers' Council, whether the workers' share is to be divided equally "one man one share" or according to skill, that means, in proportion to the wages drawn. I found that different management

councils have used their discretion in one way or the other. Similarly the workers' councils decide which use is to be made of the funds for re-investment and frequently proceed with purchases from the profits as they go along, without waiting for a balance sheet. Considering the present emergency and the urgent need to repair war damages and to expand production, the government is encouraging re-investment by the offer of foregoing the state's share in the profit, if the workers decide to re-invest their share. Here again the decisions of the workers' councils differ from place to place.

Does Auto-Gestion work? This was the main question I tried to ascertain in Algeria. I am now convinced that it does. Take these examples: I have seen three large farms, one of 6250 acres (near Oran), one of 4500 acres and one of 1750 acres, both near Alger. On the biggest farm, the former owner (a French company) had only utilised the portion of the land for agriculture, and a portion for pastures whilst a big part was not used at all. Now 100% of the ground is used. On the formerly unused land, they are growing vegetables and potatoes and were just preparing to grow sugar beets. Irrigation water pipes have been laid everywhere since the revolution. The production of wine, without increasing the size of the vineyards, has gone up from 65.000 to 85.000 hectoliters. The number of tractors was increased from 8 to 33 and all repairs are now being made on the spot, the workers having been taught how to do it. The increase in the number of tractors was paid for out of profit. The last payment of profit shares to permanent workers has been £17. 5. 0. each on the basis of equal shares. The council of 35, the Executive of 5, of whom we saw the president and vice-president, do not seem to find any difficulty in organising the activities of 500 permanent workers and up to 1,300 seasonal workers, and to control a diversified production including wine, cereals, oranges, mandarines, vegetables, potatoes, sugar beets, 58 milk cows, 1100 lambs and 3000 olive trees.

At the same time, in less than two years, they have built new houses to house all their workers and families, to destroy all the "gourbis" in which the people used to live and to convert a disused former hangar into an attractive meeting hall and a cultural centre, used for film and television shows and to enlarge the small school originally built for children of the French supervisory staff, to accommodate all children of the locality.

Or take the example of "CIMOR", an "Auto-Gestion" in Oran, consisting of 17 workshops, and central offices with a large manufacturing

programme including steel castings, bronze and aluminium castings, steel furniture, boilers, marine propellers, etc. These workshops had been closed for over a year after the French owner and his specialists, who had been involved in terrorist activities, had left. They were re-opened by the initiative of former employees who re-organised these workshops in a streamlined way and introduced using trolleys for a system similar to that of conveyor belts. As I am no expert on casting, I rather looked at the beautiful steel furniture they had made. One of their workshops has now started on an order for 20,000 school desks with benches for two, with wooden tops and seats, which we found absolutely beautiful. In this case the director was only appointed (owing to shortage of specialists in the country) several months after the workshops had been opened and re-organised, and found all functioning wonderfully and is therefore full of admiration for the work done by the elected board.

As another example, I may mention from my long list, the "carrosserie" El Mokrani, in Alger. This firm used to do repairs only and occasional construction jobs on order, but has now a large production programme of national importance; ambulances complete with stretchers and other equipment, vans, minibuses, and telephone repair vans and general overhauls. All these vehicles are being made on the basis of imported chassis or by conversion of existing vehicles of a different character. The 72 workers have decided to re-invest their profit of £18. 5. 0. in order to expand and to train unemployed men to join them.

As a last example I would like to mention a bus company "Auto-Gestion Colonel Lotfi", which has a function comparable to our Green Lines, that means it covers transport outside the town of Alger, with a radius of  $187\frac{1}{2}$  miles and their vehicles run at present 355,550 miles a month. Under private ownership 70 of these vehicles were normally in use; now they are not only using their vehicles 100%, but they have bought six new buses from the profits of the last three months. The workers' share of the profit was divided according to qualifications. As distinct from London Transport, they do not find difficulties in agreeing time tables with the length of the working day.

Nationalised Industries: A portion of the whole economy of the country are nationalised industries, better to say expropriated enterprises, as generally no indemnity was paid to the former owners. It is a rather mixed bag of industries which are considered of special national importance and include

the national railways, the urban bus services, flour mills, the best hotel of the capital, etc. The boards of these industries are government appointed. The employees elect a Committee of representatives and the government appointed director is obliged to hold a production discussion with the elected committee at least once a month in presence of a representative of the Party (F.L.N.). Any important decision as to the running of the industry must be discussed and agreed upon at these meetings. Similar machinery for discussion and joint management seems to exist on lower levels but there is no hard and fast rule in that respect.

Private Industry: Where the French owners of factories chose to remain in the country and were not involved in terrorist activities, they have not been expropriated. They are, however, obliged to re-invest 50% of their profits in the country, in their own choice in the existing production or by setting up new enterprises. The remaining 50% can be transferred abroad. There are, however, by law, Workers' Councils in all private industries and the owner cannot make any important decision or transact important business, without the consent of the Workers' Council. Wages in this sector are a matter of negotiation between trade unions and employers and there are occasional strikes.

Nothing has been done which would interfere with the activities of the small shopkeepers or artisans who wished to carry on.

Party Politics: The F.L.N. (National Liberation Front) is the only party and elections have recently taken place on a one-party basis. The president, 1965 Mr. Ben Bella, makes the impression of a person of great modesty. It is characteristic of him that he doesn't wear any orders or rank distinctions and that the pictures which are seen everywhere are actually out of date as he refuses to have his photo taken or portraits made, since he was made president. We have seen him standing in an open car, accompanied by only one man, driving alongside improvised barriers with crowds of tens of thousands who were certainly not subject to any police check.

He even continued on foot in arm's distance of these crowds without any guards. We tried to assess the question of popularity of the regime. Those in the factories and on the farms, whom we saw, seemed to be all in a very cheerful and optimistic mood. On the other hand, there are grumblers who are mainly those people who lost the illusion of a capitalist future for themselves, the small shopkeeper or the young little employee who dreamed

of becoming a big boss himself. The existence of an armed rebellion in the mountains seemed not to be taken seriously by anybody.

Women: Most of the women are still veiled. Many of those who go to work in European dress when unmarried, take the veil again after marriage.

Education: Before the revolution there were approximately 30% of the children of school age in schools in Algeria which included 100% of the French minority and therefore only a small percentage of the Algerians. 80% of all teachers left the country, nevertheless 60% of all children are now at school. This is the result of the great drive against illiteracy.

Health: Before the revolution, medical care was available nearly exclusively for the French minority. At present there are approx. 300 doctors in the whole country, that means one doctor for 40,000 people. In fact, the position is much worse in some parts of the country as the doctors are not evenly distributed. It is intended to have a health service on similar lines as in this country, which means that medical services and prescriptions will be available free for everybody. For this purpose, however, at least 6000 doctors would be required. Under present circumstances medical aid can be found at hospitals only and doctors simply cannot call on patients. Medicines are free, if handed out at the hospital.

Prices and Salaries: Prices seem to be rather on the high side in Alger but people assured me that is only because of the particular character of the capital. Imported goods such as clothes and electrical goods are more expensive than in London. Milk in retail costs 9d. a pint.

As an example, skilled workers at a car factory are receiving £90.0.0. per month. For unskilled workers there is a legal minimum of 81s.0d. per week. In fact, unskilled workers at a car factory receive £37.10s.0d. per month and at a glass works £23.8s.0d. per month and in the catering trade £26.5.0. per month. Unemployment benefit is at present 70% of the legal minimum wage and therefore 56s.9d. per week.

Unemployment: Unemployment is one of the greatest problems of Algeria, a problem that has been inherited from the French regime. Since the liberation, people with any qualifications are fully employed and there is a great shortage of skilled people. On the other hand, there are apparently millions of persons who have no skill and who cannot be employed, because all the usual opportunities for unskilled people (such as building) require a certain

percentage of skilled people and capital, both of which are available in limited supply only. The exact number of unemployed is not known, because the persons who are receiving unemployment benefits in the towns are only a part of the unemployed.

There are also to be considered the small farmers in the mountainous regions and in the south at the border of the desert who have only very limited opportunity for work on their own land and no possibility of work in industry.

Tolerance: It is surprising to find that a population which has suffered so much at the hands of the French authorities and especially French terrorists is free of any racialist and revanchist sentiments. People are concerned with their daily tasks and those with a wider perspective, with the building up of their country. There is a general anti-imperialist or anti-colonialist sentiment, but no tendency to hate a person because of his French nationality. There are still French men and women living in the country, working among Algerians, living in flats, in blocks of houses, where the majority of flats were occupied by Algerians when the French left - and nobody resented their presence or molested them in any way. Amongst the population which is of Arab stock, is a small minority of negroes. Racialism is unknown.

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## THE WORKERS' COUNCILS IN POLAND

Dr. Janusz W. Golebiowski

In 1956, due to further and more lively decentralising processes, the extension of the participation of the working classes in managing the enterprises had assumed the form of a special institution - the Workers' Councils. This constituted a basic transformation in the legal situation of the personnel of state enterprises. There arose the possibility of the personnel participating directly and institutionally in the management of the works, independently, of forms and means hitherto available.

The main organs of workers' self-government are: The workers' self-government conference; The Workers' Council of the enterprise in question, its praesidium and the branch (departmental) workers' councils. A particularly

important role is played among the above organs by the Workers' Self-Government conference, which is described by the Act as "the supreme organ of self-government", which is entitled to give decisions in all matters with which self-government is competent to deal. Being the supreme organ, the workers' self-government conference "co-ordinates the activities of the organs of self-government in matters with which they are competent to deal". It is composed of all the members of the workers' council of the enterprise, the works council of the Trade Union and the works committee (executive organ) of the Polish United Workers' Party. The composition of the conference may also include representatives of youth organisations and of technical and scientific associations nominated by the Conference itself. Moreover, the managing director of the enterprise participates in the debates of the conference officers.

The tasks of the workers' self-government conference, as fixed by the provisions of the 1958 Act, may be considered under the following headings: (a) Directing and co-ordinating the activities of the other organs of workers' self-government; (b) Deciding in those key problems of the enterprise which have become the concern of workers' self-government; (c) Exercising control and supervision. The Workers' Self-Government Act enumerates the following among the rights of the conference in the field of expertise and control: (a) Examining the annual budget of the enterprise together with the account of remits; (b) Examining the reports on the activities of the enterprise handed in by the management; (c) Establishing the fundamental trends and forms of control exercised by other self-government organs.

The Workers' Self-Government Conference participates in the co-management of the enterprise, and consequently shares responsibility for the effects of its activities, i.e., it participates in the administration. Therefore it is entitled to participate in management, and in making decisions. It can thus be said that W.S.G.C. not only exercises control over the activities of the administration, but also supervises its functioning. The W.S.G. Conferences are not only organs of self-government in the enterprises. Workers' Councils, their praesidium as well as the branch (department) workers' councils may be active side by side with them.

The range of activities of Workers' Councils (its Chairman or praesidium) includes: (a) Expressing opinions concerning the nomination and recalling of the Managing Director; (b) Control over the contracts concerning supplies, labour and services, entered into the enterprise with units;



(c) Control over sales and purchases made on the private market; (d) Control over the wages fund, the wages list and the rewards and bonuses paid in the enterprise.

The Praesidium is nominated by the Workers' Council out of its own members. Ex-officio members of the Praesidium are: the representatives of the Workers' Council, the secretary of the committee of the Polish United Workers' Party and the Chairman of the Workers' Council of the Trade Union. The Managing Director of the enterprise participates ex-officio via the meetings of both the praesidium and the Workers' Council. Of course, the importance of the Workers' Self-Government, whose organisation, scope and forms of activity have been mentioned by me - should be measured by its social, practical and economic achievements.

In Poland the W.S.G. is treated as a constitutional institution. Indeed, it serves the purpose of expanding the participation of both the manual and white collar workers in the management of state enterprises. The organs of that self-government collaborate with the units of the state administration in carrying out economic tasks. The W.S.G. collaborates with the local representative organs, i.e. the Peoples' Councils, as well as with other state and social organisations (in order to strengthen the direct participation of the citizens in governing the country). Such is the political sense of the existence, activities and development of the workers' self-government.

The W.S.G. plays a major part in the process of improving personal relations in the production plant. The exercising of control and supervision over the administration of the enterprise by the workers' self-government is one of the conditions of developing the personnel's social initiative and social activities. By teaching the workers to treat the production plant as their own, the workers' self-government helps to increase the economic effectiveness of the activities of such enterprises. Owing to the existing connection between the level of workers' wages and such economic effects, this brings about an increase in the individual worker's income. The progress made so far in the activities of Workers' Self-Government indicates that this institution is gaining an increasing importance and producing ever better effects in the political, social and economic fields.

## REPORTS ON NORWAY AND KIBBUTZ

### NORWAY

Comrade Aake-Ording reported on the movement for workers' control in Norway and described the parliamentary and legal struggle, to the ideological movement, within their Labour Party. He also mentioned the part played in the struggle by "political" strikes.

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### THE KIBBUTZ An Experiment in Socialism

Andy Trotman

Throughout this century thousands of Jewish immigrants to Israel were fired by a socialist and 'primitivist' ideology which they were determined to realise and, to a certain extent, have realised in the foundation of the kibbutz. A kibbutz is a co-operative agricultural village of between 150 and 1,500 members in which almost all property is communally owned, in which all work is collectively organised and in which living arrangements are, to a large extent, collective; it represents what Henrik Infield has called "comprehensive co-operation". As there is no private property the member receives very small wages - about 25 shillings a month on average - as his house is owned by the kibbutz he pays no rent, and he has no food bills since he eats in the communal dining room. He is provided with clothing and small personal articles and with medical attention should he need it.

The social ethics on which the kibbutz is founded represent for the member, the fundamental tenets of socialism. Firstly, there is the ideal of self-labour and its moral value, an opposition to hired labour based on the notion that it entails exploitation - a state of affairs easy to reach in a land where there is an abundance of cheap Arab labour - it should be remembered that Israel's Arab neighbours have only recently emerged from a state of near-Feudalism in this respect. The second socialist principle on which the ideology of the kibbutz is founded is that of the communal ownership of property and the means of production, on which the entire economy rests; ideally, the

individual owns only a few personal effects. In this context, the National ownership of land is seen as an ethical imperative, preventing such evils as land-speculation, absentee ownership and un-earned income through rent. The principle of communal ownership derives from a third ideal - that of social and economic equality - which is felt to be incompatible with the ownership of private property. There is no class structure in this society; all members receive equal returns for their labour irrespective of productive differences, and the only groupings that are to be found are horizontal ones based, most probably, on age, occupation and interests. A fourth moral value on which kibbutz ideology is established is that of individual liberty, of opposition to any system of authority and of a high regard for freedom of speech. Finally, there is the social ethic of the moral importance of the group, which is viewed not only as a means to the happiness of the individual, but as a moral end in its own right. The kibbutz attempts to be an "organic Community" - a small community whose solidarity and integration are based on intimate personal relations. It attempts to remain a pure democracy, the ultimate authority is a meeting of all the members of the kibbutz, and this meeting delegates authority only with reluctance.

In the absence of private property and of money the profit motive does not operate in the kibbutz to encourage members to work as it does in a capitalise society; the motives for economic behaviour are different. They are, firstly, a desire for personal economic improvement which will reach the individual through the group, whose standard of living is dependent upon the productive results of its members; secondly, the average member probably derives intrinsic satisfaction from his work which is probably determined by his own desire and skills; a third motive in the dynamics of the kibbutz economy is competitive pride and a desire for personal prestige. Economic behaviour in the kibbutz includes motivations and satisfactions that are not found in many other societies, for example, members find not only social security but also freedom from that psychological insecurity which stems from economic competitiveness. It seemed to me, after working in two kibbutzim, that most members worked both more responsibly and more efficiently than the employee whose motive is private gain. His work becomes more than just a way of earning a living - it becomes an almost religious task devoted to the welfare of his group. Perhaps this can be explained by the concept "hakkara" in Hebrew, which is literally translated as 'consciousness', but is, according to Spiro, more an ethical-ideological concept connoting a conscious aware-

ness of ones moral responsibilities to the kibbutz.

One of the most interesting features of kibbutz life is the system of "collective education". From birth children live, not in the home of their parents, but in communal dormitories; the education and socialization of the child is achieved, not by the family, but by the nurses and teachers in charge of him. The family, therefore, has no specific responsibility for the child; he is provided for by the kibbutz as a whole. This unique educational system arose from a number of considerations; firstly, there was practical necessity - in the period immediately following the foundation of the kibbutz it was imperative for its economic survival that as many people were engaged in productive activity as possible - this system enabled those women who would otherwise have had to remain at home, to do full time work in the fields. Secondly, the early settlers had a strongly feminist ideology; equality for them included the social and economic equality of men and women, the destruction of the "patriarchal authority" of the husband and the termination of the woman's legal subjection to the man. Collective education represents an attempt to emancipate the woman from the burdens of child rearing so that she had more time for cultural and political activities; the communal institutions of the kibbutz - the laundry, kitchen and dining rooms - completed her freedom from domestic chores. A third reason for introducing this system was to change the 'dependence' of the child on his father, an attempt to preclude the parent-child conflict that had very often characterised the youth of the founders in Europe. I would add that another possible motive for instituting the system of collective education was a desire for the equality of children, to be attained by minimising the different experiences and different environments of the children, by minimising differences in their socialization and education, in other words, by minimising the influence of the family, or of any other group intermediate between the individual and the community for that matter. Whether or not this was one of the original motives for instituting the system, and whether or not this is one of its recognised and approved functions, it would seem to rest comfortably in the ideological system of the kibbutz.

More recently, the whole kibbutz movement has been faced with a serious crisis, in many cases caused by a conflict between the kibbutz tradition of asceticism and a more recent desire for comfort and 'luxuries' which includes anything that the kibbutz does not provide. In the more extreme kibbutz federation, there is strong resistance to any innovations which might

compromise its original values, but in this it is unusual. The primary compromise is the introduction of private property and the potentiality for inequality which necessarily accompanies it; again, two of the three major federations accept hired labour -- in one kibbutz on which I worked, a number of Arab schoolchildren were regularly employed, and commercial firms were hired for such simple tasks as tree-felling; in some cases, small-scale industry has been introduced, thereby allowing the formation of classes; the payment of higher wages for spending in the town is another indication of compromise with original values, under which all items considered necessary were available from the kibbutz store; children living -- if only for a day or two -- in the homes of their parents is cited as another. One source of psychological tension is the constant need for often unwanted interaction -- there is a desire for a greater degree of privacy, and the group experience is not held in as high esteem as it originally was. Again, although the 'regimentation' that critics of socialism regard as intrinsic to a socialist society is absent in the kibbutz, nevertheless, one's choices are restricted in a social system where, in the maintenance of equality, certain types of personal decisions have been subordinated to the approval of the group, and this can be a source of irritation. Thus on one kibbutz, each member was issued with 120 cigarettes a week whether he wanted them or not; he was entitled to them as part of the goods bought out of kibbutz profit, and if he did not want them he had no choice of another article -- not unnaturally, he felt deprived at having to give away one of the few 'luxuries' he was entitled to receive. The conflict that the kibbutz faces in this crisis is that if it does not compromise then many of its members may leave for the more 'comfortable' life of the town, whereas if it compromises its original values too far in order to arrest discontent, it threatens the institutional framework of the kibbutz; it may become a different sort of society. At present, it is characterised by a high degree of self-labour, communal ownership, equality and freedom; living in such a society is, in the final analysis, founded on ideological conviction. The question that is being faced is whether it is possible to maintain a kibbutz without the ideology that motivated the original founders; can the traditional values of the kibbutz adapt to an industrialised and urbanized society?

PART 3 - CONCLUSION

Various forms of workers' self-management have been practised abroad - frequently in the most unfavourable circumstances (post-war conditions, civil war, etc.). Many of these experiments have been crushed, being contrary to the interests of international capitalism - or state socialism. The Yugoslavian experiment has been uniquely successful in terms of survival, (though on a smaller scale the Kibbutzim in Israel have existed far longer) and it is evident that the British movement has much to learn both from its failures and from its successes. Indeed, the Yugoslav example should be a source of great inspiration to all the smaller nations in the world, in fact - facing economic catastrophe (after Nazi occupation during the war) - Yugoslavia, not only survived, but achieved this in a new way. We may note with satisfaction the manner in which, the transformation of the workers' role in industry, and the emergence of economic democracy, is gradually leading to wholesale political changes - and thus to its natural concomitant - political democracy. (Separation of communist party apparatus from the machinery of state and government, being a central feature of the recent political reforms.)

Yugoslavians face an exciting future and a proper appreciation and study of their experience could in time lead to similarly exciting prospects for the future of this country.

It is probable, however, that the biggest impact is being felt within communist states, where workers are beginning to grow restless with their status, and resentful towards state paternalism. Thus the development of workers' councils in Poland, is one manifestation of the impact of the Yugoslavian model - it is likely that there will be many more.

EDITOR

PART 4 - POLICY AND PROSPECTS FOR  
THE FUTURE

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NO MUTUALISATION WITHOUT DEMOCRATIC CONTROL

Richard Fletcher

The resolution recently adopted by the London Co-operative Society's members calls for political action against penal taxation against co-operatives. Put to the Co-operative Party, they advise us, in effect, to let sleeping dogs lie - on the grounds that co-operatives suffer no more taxation than companies and, further, pay no tax on dividends at source.

This comparison with private companies is not valid, and its implicit acceptance holds greater dangers for the movement than an open debate on the whole question would do.

Co-operatives have two fundamental distinctions :

- (a) Accumulated capital is held in common and cannot be touched by shareholders.
- (b) Dividends are not dividends on shareholdings, but are discounts on purchases paid retrospectively. The term dividend is most unfortunately applied - the American term, 'patronage rebate', is much more accurate.

Under a Labour Government there is a strong case to be made out that accumulated capital taken into common ownership should not be liable to taxation provided :

- (a) that ownership is under democratic control,  
and
- (b) allocation of capital resources is made within a national plan and not on a purely sectional basis.

The second point anticipates the fact that the Co-operative Movement cannot remain outside any overall national planning agency set up by a Labour Government. On the contrary, the Movement should take the lead in N.E.D.C., or whatever agency is chosen, to put its vast resources at the disposal of the community.

Such a move by the Co-operative Movement is all the more necessary as the City is clearly intending to put forward the 'myth of mutualisation' to retain its position against the Labour Government.

A campaign has been opened to obtain tax exemption for Building Society profits re-invested on the grounds of the "non-profit making nature of their operations". This point was raised last Summer by a large Building Society and is expanded in the Building Societies Gazette of August 11th, 1964.

Building Societies provide a ready source of capital for the City to invest without either democratic control or any regard for the national interest.

The Co-operative Movement should adopt the slogan 'No mutualisation without democratic control'. Investment funds held under genuine common ownership - i.e. by nationalised industries and co-operatives - should be eligible for a degree of tax exemption.

Other so-called mutual bodies wishing to qualify for exemption should be obliged to prove (a) genuine democratic control by all participants and (b) compliance with a national economic plan.

One of the planning conditions would be control of prices in the public interest.

The Government could thus arm itself with an effective instrument with which to control prices and capital investment. We would then start to develop a social sector in the economy in the broadest sense - and operating in the public interest. This sector would establish or reinforce all major economic functions within itself - it would thus not be as susceptible to fluctuations in the capitalist sector as existing nationalised industries are at present.

The social sector could comprise :

- Nationalised industries.
- Local authorities.
- Retail Co-operatives.
- Productive Co-operatives.
- Bank of England.
- C.W.S. Bank.
- British Petroleum.
- Building Societies.
- Mutual Assurance Companies.
- Housing Societies.

and other bodies, provided they adhered to the principles listed, namely :



1. Common ownership.
2. Democratic control.
3. National planning of prices, investment, etc.

Further, by an amendment to company law, public companies should be permitted to enter the Social Sector provided they adhered to the above conditions. The shareholders would cease to 'own' their company but would become holders of fixed-interest stock or debentures. Such stock would be guaranteed by the Social Sector's financial institutions and could be protected against inflation by a cost-of-living regulator.

Only an arrangement of this sort would make an incomes policy possible - because it solves the problem of re-invested profits, which would otherwise accrue to the credit of shareholders. Companies would then have the choice of using their surplus either for reinvestment or to reduce prices - i.e. the same choice as retail co-operatives.

As Harold Wilson has said "There is room in our tax system and in our financial system for a very big expansion of that kind of company organisation which rules out the equity element and the possibility of unearned capital gain".

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## DO WORKERS WANT CONTROL? - ATTITUDES

Jack Ashwell

To equate the attitude of the average worker to workers' control is difficult to say the least, because most do not understand what is meant by Workers' Control; their expression and methods of desiring it as a finality has been disguised by the very means they have used, i.e. unofficial strikes, the growth of the shop stewards movement the shift from centralised negotiations to grass root demands and negotiations. To the average worker these are expressions that rebel at managerial attitudes and decisions, frustration is converted into action. They do not see the link between industrial action and political demands, whereas observers of the industrial and political scene in their analysis deduct that these actions collectively are the basic expressions of the workers demanding workers' control.

For example the Yugoslav system of workers' control, based on a full

socialised economy or at least on a sufficiently extensive public sector, is to group the workers into autonomous units according to the technological requirements of the production process, with responsibility both for production and management and themselves deciding how income from production is to be apportioned.

The essential element in the system of workers' control is that no decision shall take effect without the consent of the workers through their elected constitutional bodies. Great importance is attached in Yugoslavia to mass participation by the workers in the work of the management bodies.

Explain this to the average British worker and he cannot comprehend such a system. One must not condemn him for his reaction for he has been conditioned into a state of mind to prepare him for his role in our present society whether as a lowly menial role or even at the managerial level.

State education systems are utilised by the political power in authority, not only are the subjects to be studied selected, but undesirable sections of history are deleted. The role of a worker in a capitalist society is not to challenge the authority of his 'betters' but to govern him to accept his allotted place and to question not!

Historians of the Labour movement quote at length historical facts of political and economic pressures that defeated the demand for Workers' control of the pre 1920 era and of the prostitution of Workers' control by the substitution of joint consultation. The latter was a myth.

"The dole queue took care of joint consultation."

Now the circle is complete there is a growing demand again for workers' control, at present it is being voiced by a minority with the phraseology to express their desires, whilst the majority participate in actions (unofficial strikes, the supporting of shop steward committee demands) which they cannot as yet reconcile with the fundamentals of workers' control.

The realisation of the failure of our present Government to move from a capitalist society to a socialist society will in my opinion hasten the awareness of the majority to the principles of workers' control and their introduction to their class history of the workers' control movement can help to bridge the gap of those wasted years.

Ask me again in five years' time for workers' attitudes on workers' control and I am certain the story will be vastly different.

## CAN WORKERS TAKE CONTROL? - PROBLEMS OF MANAGEMENT

Dr. Vic Allen

One of the arguments which have frequently been put against workers' control in industry is that ordinary manual and often non manual, employees would be incapable of exercising managerial functions because of their lack of education or of training in management skills. Members of the Labour Movement have sometimes expressed this argument. For instance, Sir Stafford Cripps, President of the Board of Trade in the post 1945 Labour Government, stated in 1944, "From my experience there is not as yet a very large number of workers in Britain capable of taking over large enterprises... It has always been extremely difficult to get enough people who are qualified to do that sort of job, and, until there has been more experience by the workers of the managerial side of industry, I think it would be almost impossible to have worker controlled industry in Britain even if it were on the whole desirable". This contention rests on the assumption that managerial decisions require highly specialised skills which ordinary workers cannot possibly possess. The assumption, however, is not a valid one.

All major industrial decisions have social consequences. The contraction of production in a factory; the introduction of new lines of production which creates redundancy or dilutes skill; the construction of a new factory; each has a direct bearing on the lives of many people who at present have no part in the industrial decision-making process. People who feel the impact of industrial decisions must be given the opportunity to participate in formulating them.

The devolution and spread of decision-making in the interests of social justice become more important as firms grow bigger and as their actions become more interdependent. This is because the social consequences of decisions increase. Some high level industrial decisions have already been transferred to political hands. For instance, the siting of large steel works. If the political decisions are made in the interests of the community the transfer is an improvement on private decision making. But it still falls far short of the ideal for it is not enough that life should be correctly organised from above for those below.

While there are additional reasons for the democratic control of industry when firms are large, we cannot draw a distinction between decision-making in large and small firms. The right to participate exists irrespective

of the size of the firm.

"How", the question will be asked, "can modern complex industry be run by democratic methods without seriously impairing its efficiency?" Efficiency in this sense is narrowly defined and concerns the actual production processes. For a country which for so long has balanced on the verge of economic bankruptcy this is a vital question.

There was a time when firms were small and independent and all decisions of consequence were made by the employers themselves. This happened up till the middle of the nineteenth century. Relations between employers and workers were personal. As the size of firms grew, some control was delegated to foremen. The introduction of scientific management facilitated this transfer. The next step in the evolution of the firm was the creation of departments and the rise of a class of managers. This was Burnham's 'Managerial Revolution'. The 'Revolution' has not been successful - the managers have lost their power for their skill has been diluted and control has moved back to the top.

Industry is now moving into a phase of 'information technology'; into an era of quality control, stock control, budgetary control; of computers and of what is called 'fed in' information. The departmental manager is as much a victim of 'information technology' as a craftsman is a victim of automation. It is becoming less and less necessary for him to have technical knowledge which is denied to ordinary workmen. The technical knowledge is provided by specialists; it flows from laboratories, market research divisions and the like. And if the firm is too small to employ specialists then it gets the information it wants from government or independent associations.

The dilution of managerial technical standards is occurring throughout the hierarchy of industry. Managerial decision-making is concerned with deciding between technical alternatives, not with determining the alternatives. It deals predominantly with working relationships and is accumulating a high degree of social content. It is a function which can be more effectively performed by democratic than autocratic methods. And it requires no special, technical skills, only an understanding of the social considerations which are involved and which ordinary workers have in abundance.

The substitution of the democratic control of industry for the present system would improve the technical efficiency of firms and would relate it to the needs of the community. It would put an end to the alienation of workers from both the firm and its role in the economy by giving them control over

their own lives. In other words it would provide workers with a positive feeling of satisfaction in their work and it would accord them a status which is theirs by right - the status of full human beings participating in the human process of decision-making and responsibility.

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## INCOMES POLICY AND WORKERS' CONTROL

Edited by Ivor Morgan

The post-war era threw up new problems for British industry. Since 1945 it has become a necessity for employers to be able to predict labour costs in the context of long-range planning, because of (a) rapidity of technological advance, (b) consequent rapid rate at which capital equipment is becoming obsolete, (c) huge cost of technological research and replacement of capital. The fast growth of international competition is squeezing British profit margins.

During the 'fifties inflation came to be regarded as the 'English disease'; it gnawed away at our economic position by making exports less competitive - we inflated and stagnated and by the 'sixties Selwyn Lloyds were making people aware of it. Somehow inflation had to be stopped, and the view that Britain could only export enough to pay for essential imports by stabilizing costs and prices became increasingly accepted. This meant that home demand had to be held down - that wage increase should be limited to  $3\frac{1}{2}\%$  a year, and the convergence of state and private business in an increasingly planned economy made the imposition of such wage restraint that much easier.

Wage restraint, however, was regarded as a peculiarly 'Tory' instrument, and so it was under the guise of an 'incomes policy' that it was introduced by the Labour Government. "This is not just a wages policy" George Brown insisted, "but an incomes policy." It was going to apply to all incomes (although non-seagoing lower income groups were a 'special' case), for as the Party's manifesto declared: "We shall make sure that the policy is not only fair but seen to be fair". After the signing of the Declaration of Intent which promised that "the benefits of faster growth are (to be) distributed in a way that satisfies the claims of social needs and justice", the Minister of Economic Affairs said that he had "signed away the class war".

But is it, in fact, possible to control the growth of all incomes equally under our economic system? This was the basis on which the incomes policy rested for as the N.E.D.C. put it in 1963, it "can only succeed if those concerned are convinced that restraint by one section of the community will not result in gains by another section". The control of profits under capitalism, however, is both impossible and self-destructive: they provide the motive power under which the system operates. According to Professor Paish, "to try and peg profits ... would mean that every firm would lose all incentive to keep down costs".(1) In fact if the Government accepts (as many people suspect) the existing economic structure as too good to change then the most economically practical thing for it to do would be to stimulate the profit motive, increase economic inequality, and hence make more capital available for investment: the supreme panacea of high economic growth might then be ours.

Within a capitalist context, then, profits cannot be controlled; limiting dividends merely delays the distribution of profits for the share values increase, and taxes on profits are simply passed on to the consumer in higher prices, and even if it were possible to control all incomes, business incentive would be undermined as a result. The practical effect of an incomes policy would be to hold down wages while profits increase, and this would mean that the existing inequality in Britain becomes even greater. (And that is getting a move on.) Thus according to one writer, managements regard the incomes policy as "an attempt to come to grips with constantly rising labour costs ... Hardly an employer regards it as a means of introducing greater social justice ... yet that is precisely how it is regarded by those Trade Unions who support the concept".(2) As long as private profit is the basis on which business is run, wage restraint will mean higher profits for shareholders.

But doesn't Britain's economic situation dictate an anti-inflationary policy which restricts wage increases? Perhaps the most basic and deliberate fallacy underlying the Government's policy has been the assertion that it is the failure to restrain wage increases which is responsible for the balance of payments difficulties. Inflation has certainly not stemmed from any spiralling in the wage-earners' share of the National Income. Whilst exports since 1945 have risen faster than imports, government expenditure has converted a healthy balance of payments into the red. In 1964, for instance, around £334 million was spent on military expenditure abroad and this accounted for over half the balance of payments deficit. This, together with the export of

private capital (the annual average was around £318 million between 1960 and 1964), has meant that Britain has effectively sacrificed her nation independence to the international banking community. Essentially, then, the inflationary troubles experienced by the British economy have stemmed, not from Trade Union activity, but from the misdirection of economic resources. They reflect the lack of effective social planning which has meant that the way resources are used depends on what is profitable rather than what is desirable. In the Government's debate over Incomes Policy the crucial factors - exorbitant military expenditure and the export of private capital badly needed in home industry - have been classed as 'inadmissible evidence'.

The Labour Government, in fact, has become imprisoned in the dogma of its own reformism. The discussion of Incomes Policy cannot be removed from the wider context of industrial life and conflict, for it is largely one more manifestation of the contradiction between private power and democratic control. Whenever - such as today - economic conditions for industrialists become uncomfortable their immediate reaction has been to clamp down on the rights of wage-earners.

Attempts at the imposition of the Incomes Policy will inevitably come to show that there can be no fundamental change for the better in our society as long as wage-earners are subject to the coercive power and control of private interests.

We are finding today that capitalism is unable to solve our economic problems - that we cannot have full employment without inflation while industry remains based on private ownership. We in this country are in a particularly vulnerable position because sterling held abroad is worth four times our gold and dollar reserves and because the terms of trade are likely to move against us as other countries become more and more industrialised. Thus the Incomes Policy is essentially a capitalist device, whereby the state intervenes not to bring about socialism, but to "save" capitalism by nationalising its processes.

The unions have no alternative but to oppose both the general concept of an Incomes Policy (as presented a la Brown and Stewart) - and also the legislation, which attempts to make it compulsory. Such opposition should focus attention on demanding access to firms' accounts - employers know all about wages because the employers pay them, but workers know nothing about employers' incomes. Self-protection demands that the unions insist on full disclosures of employer revenues.

The struggle in the future will demand good organisation - the militant, highly organised, highly paid workers are the vanguard of working class advance as a whole, both by example, and because lower paid workers fight to keep up.

Increasing state involvement in the economy has tended to integrate T.U.s into the machinery of actual government, thus in the day-to-day struggle on the factory floor, workers are dependent on shop stewards. It is the latter who lead the workers' struggles today - and consequently - the Incomes. Prices and Incomes Legislation and the whole anti-working class drive is now directed primarily against the shop steward.

The central importance of workers' control to the debate on the Incomes Policy is that in the long run, successful opposition has to be based on a positive alternative - thus the fight against the Labour government's present policy should crystallize around this concrete demand - workers' control. The Incomes Policy seeks to erode the few rights that workers already possess - thus the issue becomes dramatically polarised into - WORKERS' CONTROL or WORKERS CONTROLLED - THIS IS THE SIMPLE ALTERNATIVE.

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Edited from contributions by:

Ken Coates, Paul Derrick (Hull "LEFT" May 1965)

Tony Cliff, Clive Barker "Incomes Policy, Legislation and Shop Stewards" (1) page 22 (2) page 31

"Declaration of Dissent" - Technicians' Unions

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### WORKERS' CONTROL NOW

Tony Topham

The old Liberal trade unionists used to have a rule - "no politics, no religion, at branch meetings". I believe some branches still apply it. Certainly trade union bureaucracy is still built around the assumption that political matters are a 'fringe activity' of the members. In one trade union's education scheme, the section of the syllabus dealing with political activity is limited to instruction about the legal position of the 'political levy' and about the formal affiliation and delegate links between the unions and the



Labour Party. Behind all this is the doctrine that trade unions are - or can be - politically neutral, and that normal industrial activity does not impinge upon political ideas. It is very much in the interests of the capitalist owning class that this belief should be perpetuated: if masses of trade unionists came to see their unions as instruments of major social and political change, the game would be up!

Yet the employers have always understood very clearly that in its essentials, trade unionism is not about money, but about Power - that it represents a challenge to the rights of owners to decide things autocratically, in their own exclusive interests. Thus, in 1852, the Engineering employers' response to the craft unionist's demands was to lock them out and to say "we alone are the competent judges of our own business, that we are respectively the masters of our own establishments, and it is our firm intention to remain so". The Engineering Industry Procedure agreement of 1922, still in operation, begins with the famous formula: "The employers have the right to manage their establishments and the Trade Unions have the right to exercise their functions". This seems to decide things neatly - good old British compromise at work. It suggests that there is a precise border-line beyond which workers would be trespassing into management's field. The 'normal' assumption is that 'wages, hours, and working conditions' are on the union side of the fence, and all else is management rights. With such a formula, we could say that trade unions have succeeded in encroaching - compared with the 1852 position - but that they have also put their name to a document which recognises managerial - i.e. owners' - control.

The trouble is that workers (with their awkward human tendencies to seek greater self-management and freedom) don't always recognise the boundaries so neatly staked out. Whenever they have the opportunity, (and this comes with full employment and labour shortage) they not only push wages up but also strive to extend the areas of worker control - they challenge the management's right to 'hire and fire', to determine manning scales, to impose new and more arduous conditions of working, etc. Management may tolerate a minor extension of workers' rights in these ways, particularly if the extra labour costs which follow can be passed on in increased prices in easy boom conditions. BUT WHEN MARKET CONDITIONS GET TOUGH, OR WHEN THERE IS A CRITICAL NEED FOR GREATER OUTPUT (war, or greater international competition as at present) THE OWNERS AND THEIR MANAGERS WILL CLAMP DOWN ON WORKERS' RIGHTS, IF THEY CAN.

It is in these circumstances, the circumstances of today, that there occurs a head-on clash between the principles of autocracy and democracy in industry. It is in these circumstances that the dusty old myth of trade union neutrality, of 'no politics in industrial matters', is shown up as the crippling, emasculating idea that it is. It is in these circumstances that the day-to-day workshop struggles may be transformed from sectional, defensive acts, into a politically conscious demand for WORKERS' CONTROL.

The whole strategy of the 'masters' today in British industry challenges the hard-won, partial and defensive positions of control which trade unions and their members occupy. The demand for efficiency and for 'planning' (in terms of capitalism's priorities) calls forth the strategy of the Incomes Policy, labour mobility, the acceptance of redundancies, the curbing of the right to strike, the re-establishment of management's right to dispose of the labour force as it wills. THIS STRATEGY, IN OTHER WORDS, MUST IMPLY AN ENCROACHMENT BY CAPITAL ON THE CONTROL NOW EXERCISED BY TRADE UNIONS AND SHOP FLOOR WORKERS. How easy it seems for the strategists of efficiency and modernisation to win the argument with the workers. "Look", they say, "our object is to raise your living standards. We all accept the need to maintain full employment, so what are you beefing about? Your out-dated 'controls', your 'restrictive practices', your sacred 'collective bargaining', your 'no-redundancy' slogans, are getting in our way. Hand them over, give us the controls, and we'll give you a growth rate to be proud of."

In the face of this challenge, the unions and their members have several possible replies. They can accept the whole thing, do a deal, and await the promise of good things to come. This is a short-cut road to the corporate state, populated by mindless, docile, consumer-worker-automatons. It is a solution which defies the whole history of the labour movement, and of human aspirations towards free choice and self-management. (We can be fairly confident that it just won't happen through any voluntary relinquishment of working class power.) Equally, the workers and unions can refuse altogether to collaborate, and join issue around their present position. Even if they are successfully defended, they leave us stuck with old-style capitalism.

The third alternative, which is at the root of the present growing campaign for workers' control, is to make a counter-offer, an aggressive and positive political response. This does in fact match the present mood of thoughtful, sceptical, questioning which is to be found in industries confronted already with this dilemma.

Thus, on redundancies, how can workers rely on the generalised promise of full employment as a guarantee of security, when they are asked to accept labour mobility? All their experience shows that workers' security is the last consideration when rationalisation takes place. You can legislate for severance pay, and for re-training, in general terms. How can you guarantee that these terms adequately meet the particular circumstances of a hundred draughtsmen at Brough, or a thousand coachbuilders at Darlington, or fifty-three maintenance men in Leicester? The workers need the authority to veto any particular decision wherever it occurs if it fails to meet their requirements. In other words, the proper political response to this problem is the demand for **WORKERS' CONTROL OVER HIRING AND FIRING**.

Thus, on Incomes Policy, how can workers rely on the generalised promise of 'equal sacrifices' when they are asked to abandon local pressure for wage increases? How can they rely on a 'fair shares' distribution which is worked out at levels of negotiation increasingly remote from them, and with no way of knowing the justice or accuracy of the final outcome? Workers need the authority to police the incomes policy at the level of the firm, as well as at industry and national level. In other words, they are bound to respond: **NO INCOMES POLICY UNTIL WE CAN SEE THE BOOKS**.

These are the kind of reasons which are beginning to make profound sense to increasing numbers of workers. This is the justification for the belief that the campaign for workers' control is central to the whole political and economic programme of the Labour government, from the nationalisation of steel, (who is going to use the power conferred by nationalisation, for what ends?) to the rationalisation of the aircraft industry. (Who decides the scale of the run-down, who guarantees future employment, who decides on alternative uses for skill, equipment, at present bottled up in wasteful projects?)

Through the detailed problems and arguments around docks decasualisation, aircraft industry rationalisation, engineering industry package deal, incomes policy and labour mobility, it is possible to discern the emergence of a key demand for workers' control, a demand which we must work to strengthen and harden if we are not to witness the contrary outcome - workers controlled. 1965.

## CONCLUSION

Editor

This publication has sought to place the concept of workers' control and self-management in the forefront of socialist thinking. Whilst the first part served to demonstrate how great the need is in human terms, the last section has complemented the task in terms of the needs of society - the language of planning, and full employment. Meanwhile, the bulk of the material has stressed the genuine practicability of workers' self-management, with regard to detailed case-studies of a wide range of industries.

The prime importance of this subject, is that it tackles the very roots of society itself - i.e. its economic organisation. It confronts the major problems of 20th century human organisation - the expansions of bureaucracy, and the problem of maintaining human control over a vast complex technology. Many writers have stressed the danger of human bondage at their hands - "the organisation man" - and the supremacy of machines over the minds of men. These fundamental problems can only be overcome by a genuine democratisation of all aspects of life, only human wills themselves can supply the necessary countervailing force - but this requires that the nation and society shall not only own but also control the means of production, distribution, and exchange. Thus in the final analysis, the issue can be reduced to that of power - its distribution and control, which is intimately related to the distribution of, and control over, the natural resources and wealth of a society. This is the heart of socialism, and the need to reconstruct both the relationship of power and authority in society, is the basis of the demand for workers' control.

The fundamental problems of the purpose of planning - (the latter is a political instrument) - and the motivation of work itself are raised, and in the case of the latter (at least) answered by the concept and practice of workers' self-management.

In order that the latter may become a reality, the shop stewards movement must become the focal point of a new political and social consciousness, that moves far beyond the shop floor. This demands the unity of the Left, and a greater politicization of industrial activity, so that the various aspects of man's life are no longer buried in separate compartments of his consciousness.

It is to be hoped that these articles have made some modest contribution towards an understanding of the crucial issue that confronts us - it is no less

than the future of human society, and its basis of organisation that is at stake  
 - WORKERS' CONTROL or WORKERS CONTROLLED ??

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### Preliminary Reading List: Workers' Control

There is no single, comprehensive, and easily accessible text on the subject, and the following list is a hastily compiled and incomplete set of references. It was felt, however, that the best thing would be to issue a preliminary list, as there is plenty of evidence that people are anxious to commence on the preparation of themselves and of local groups in this field. We shall issue, from time to time, further lists, and continue to draw attention to new publications which are pending. Readers are requested to send in recommendations for additions to the list.

Readers and groups who are starting from "scratch" should not be deterred by the seeming inaccessibility of some of the references. Decent libraries should have files of Labour Party and TUC Annual Reports and of the Universities and Left Review and the New Left Review, as well, of course, as most of the "hard backed" books recommended. Paper back editions of the Socialist Register can be obtained at 16/-, as can (limited numbers) the ULR edition containing The Insiders (4/-).

Apart from the historical section, (where a start might be made with items 11 and 12 of section 1) there are two main themes to be pursued. One begins with the Labour Party documents, Industry and Society (1957) - a 'reformist' Fabian view of the nature of contemporary capitalist ownership and management, - and continues through the responses of the New Left (Barratt-Brown on "The Controllers", "The Insiders" and leads through to the Labour Party debates of the 1950's to Barratt-Brown on Nationalisation in Britain, in Socialist Register, and John Hughes' Fabian pamphlet. The historical link backwards is through the 1930's Labour Party and TUC debates, (discussed by Dahl in the article cited in section 1) to the 1910-20 period covered by Pribicevic. And Clegg's "New Approach to Industrial Democracy" and Roydem Harrison's review "Retreat from Industrial Democracy" provide

the framework of the debate between reformist and socialist versions of what the term 'industrial democracy' implies.

The other theme is the discussion of trade union and working class strategy for the present phase, and is undoubtedly more developed in Europe than in Britain. Hence the references to the articles by Andre Gorz, Michel Bosquet, Antonio Lettieri, Ernest Mandel. This year should see the beginnings of a parallel discussion of a British Labour movement strategy, in e.g. forthcoming items in New Left Review and the International Socialist Journal.

The weeklies and monthlies, - e.g. Tribune, The Week, Voice of the Unions, Labour Northern Voice, Socialist Leader, Labour Worker, etc. - are giving increased attention to 'control' issues and this debate should grow in the coming months.

Investigation is proceeding on the possibility of producing a more substantial volume of Readings, or a Symposium.

In the meantime, a start can and must be made by local groups, and activists within the labour movement. All the signs are of a major, qualitative change in the nature of capitalist strategy on the industrial front, and it is vital that a conscious socialist alternative which is inspired by the demand for workers' control - is worked out now, and that it is not confined to abstract 'theology' but engages with the shop floor. It is to this end that our socialist education should be directed.

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'The thing that attracts ordinary men to socialism, and makes them willing to risk their skins for it, the 'mystique' of socialism, is the idea of equality; to the vast majority of people socialism means a classless society, or it means nothing at all.'

- GEORGE ORWELL.

'(When man is controlled by machines) they mutilate the labourer into a fragment of a man, degrade him to the level of an appendage of a machine, destroy every remnant of charm in his work and turn it into a hated lot.'

- KARL MARX.

'The form of association . . . . which if mankind continue to improve, must be expected in the end to predominate, is not that which can exist between a capitalist as chief, a workpeople without a voice in management, but the association of the labourers themselves on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers elected and removable by themselves.'

- J.S. MILL.