

Co-operatives and Trade Unions

RELATIONS IN DISTRIBUTION

by

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It is man's increasing power to produce which has lifted him from the level of primitive food gatherer to that of a sophisticated city dweller with control over a historically unimaginable degree of comfort. Living standards can only be improved by raising productivity and the betterment of living standards is a key objective of the Trade Union Movement. Another key objective of the Trade Union Movement is the collective control by workpeople over the conditions which determine their long-term welfare at their place of work. This means, in distribution as it does in industry, more than just wages and conditions - it means job security and a say in the strategic plans of the society or employing organisation.

Development of Manufacturing Sector -

Our economic system gives plenty of incentives to companies to boost their productivity, but there are no equally powerful incentives for companies to look for new opportunities of using the resources made available by productivity increases. As a result, increased labour productivity is more often than not accompanied by redundancy. It is possible that the spectacular rise in unemployment which has taken place since 1967 has been the result of this tendency.

Compare this with the performance of manufacturing sectors of other industrial countries. This tells a different story. These countries, our main trading competitors, have maintained or increased their levels of employment in manufacturing. In other advanced countries, companies have been able to expand productivity while expanding their labour force. At first sight it is a paradox that the countries which have been most successful in terms of economic growth (e.g., Japan, France and West Germany, the very countries whose performance the UK is trying to emulate) have on the whole provided workers in employment with a much greater degree of security than in this country.

It is partly the failure of management in manufacturing industry (and the manufacturing base of the Co-operative Movement is no exception) to find viable alternative employment within manufacturing industry which has contributed to the erosion of the UK manufacturing base, and has consequently worsened the UK's balance of payments position. One effect has been to create a great distrust on the shop floor of the words "rationalisation", "increased efficiency" and "productivity". We can understand this perhaps in the light of the merger mania of the middle and late 60's which was accompanied by major and permanent losses of employment.

But, of course, it is no use dwelling on the past. Nevertheless, the past has told us unambiguously that the fundamental problem facing the British economy is how to raise productivity while at the same time ensuring that in employment terms, the size of the manufacturing sector does not diminish any further. This, whether we like it or not, is at the heart of our current problems in the UK and it is certainly this problem which is uppermost in the minds of trade unionists.

A requirement of greater control is better planning in industry, distribution and services generally. Continuing our focus on the performance of industry, before turning to the specific role of retail distribution, it is true to say that nobody who surveyed the British industrial scene say ten years ago would have planned for the reduction in manufacturing industry's share of national income which took place.

- And Distribution

Currently the Trade Union Movement is working with the Government and the employers to look at the industrial prospects in some 39 sectors of manufacturing. Here it is important to note, for those whose principal interest and concern is in the performance of the distributive sector, that parallel exercises are taking place in non-manufacturing sectors, such as distribution, which can play a major role in supplementing the growth in manufacturing. For example, closer links between distributors and manufacturers have been highlighted as a means of helping to boost efficiency in both the distributive and manufacturing field. This innovation is welcomed by USDAW, the principal Union in the field of retail distribution, Co-operative and private trade, together with its expanding base in manufacturing industry. It emphasizes the point that distribution is today one of Britain's most important industries, both sides of which - employers and employees - are entitled to recognition for the essential role they play in the economic life of this country.

We have all of us been underestimated for too long. Retail distribution has suffered, and in many sections continues to suffer, from a poor public image. Whilst acknowledging the dire necessity in the UK to adopt an industrial strategy which has as its primary objective the regeneration of manufacturing industry, we in the distributive trades still have a long way to go in

overcoming the rather strange prejudice that the man/woman who makes an article, even if today he or she merely presses a few buttons, is in some mysterious way superior to the man or woman who sells it. Increasingly, manufacture is becoming the function of the machine, but selling, even with the growth of the supermarket and the hypermarket, must always be a matter of individual skills and qualities.

We need to take this opportunity of pressing home this message. We need to campaign for the sort of working conditions that will attract into distribution the best possible type of entrant. We need to shape the development of retail distribution so that it provides the job satisfaction and the pride in craftsmanship that was once the prerogative of the traditional role of selling. We also need to develop management skills to lead in this sort of progress.

Retailing has made some rapid strides in the last two decades and the process of change is quickening. The business of retailing is a highly competitive trade, perhaps one of the most competitive in the economy today, and there is every sign that competition is likely to increase rather than the reverse, particularly in newer types of retail development. It is accepted that retailing differs from other industries in that both its organisation and administration and the goods it sells are profoundly influenced by the close daily contact with the customer. Those involved in retailing are expected to seek the convenience of the customer first and their own convenience afterwards. This must mean constantly adjusting to the continuous changes in the distribution of income and the mixed fortunes of local industry.

Questions for Co-operative Movement

It is against the background of these changes that

have taken place, and the changing circumstances that will unfold in the immediate future, that the Co-operative Movement must ask itself: is the present system of management/labour relations in the Movement able to keep pace with the needs of today? Is the Movement at fault in its relations with those it employs? Has the Movement sufficient specialist industrial knowledge at its disposal to comprehend its problems, more complex now than ever before in terms of labour relations? What reforms should the Movement make in its own business to improve its relations with its workpeople and their representatives given the growing emphasis on industrial democracy?

These and many other questions must be answered objectively if the Movement hopes to meet the challenge of its competitors for the best recruit and to interest workpeople in retailing as a career.

No one with a managerial role at any level can really believe that it is still a long-sought-after prize on the labour market to obtain employment with the Co-op. We are living in a new world.

Much may come from the spur of fierce trading competition in the 1980's, but what is clearly needed is a reappraisal of the Movement's approach to industrial relations. In many Societies this has been, and still is, non-existent.

Looking to the future in the Co-operative sector, I would like to see the broad position laid down in national negotiations, i.e., minimum rates of pay, annual holidays and wages during sickness provisions, leaving scope for local agreements to take account of local and regional circumstances such as the development of regional groupings of Societies and the creation of large Societies by way of mergers. It is a nonsense to continue to believe that wage rate structure created to meet conditions in retail Co-operative

Societies applicable three decades back is adequate and effective in meeting standards appropriate to the current types of retail development.

The challenge of the demand for the recognition by Societies of shop stewards, and in particular recognition by large Societies of full time chief shop stewards must be met. In the small number of Societies where this principle has been accepted, it has proved invaluable in management/labour relations. A realisation that in the trade unions there exists a collective voice for workpeople - not only in relation to wages - opens the door to many possibilities. That voice will be heard more in the future in many areas where only management's views have previously prevailed.

Finally, it must be recognised that there can be no theoretical limit to the scope of advancing and protecting the interests of employed people, and trade union objectives will extend into any field which is of common concern to their members. The assumptions on which corporate management makes decisions affecting the economic and social life of the workforce will be subject to challenge. Workpeople will increasingly assert their right to have a say on matters which are of close concern to them, and where the decisions affect the business in which they work. They will also increase their ability, aided by specialist trade union training, to assimilate and comment upon the information that is presented to them.

It behoves those charged with the responsibility of running Societies to recognise the basic change which is taking place and to prepare to adapt themselves and the Societies they manage to ensure continued progress.