

Co-operatives and Trade Unions

RELATIONS BETWEEN UNIONS AND THE MOVEMENT

by

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Trade Unionism and Co-operatives spring from the same soil. The social, economic, and political pressures of the nineteenth century generated the need for the working class to defend itself, and the workers responded with such institutions as the unions and the Co-ops. This same motivation developed the Socialist inspiration towards a society in which the workers would have control over the capital and organisations which determine their standard of living and the quality of life. These needs - to defend the workers against economic pressures and to bring about a fundamental redistribution of power and wealth - are as strongly felt today as ever.

The Conditions Today

Our current experience demonstrates with bitter clarity that not only are we as exposed as ever to the unregulated convulsions of world trade, but also that we have not yet developed any means to ensure that the capital and wealth of our own domestic economy are utilised to promote employment and rising living standards for the most of the people.

Internationally, the surplus countries with strong currencies have been shown to be incapable of creating a base for either the development of the under-developed nations or the sustained growth of world trade. Vicious poverty remains endemic alongside accumulations of under-

utilised industrial and natural resources. International monetary arrangements hardly warrant classification as a 'system' - currencies frequently flounder with harmful effects to all concerned. Internally thirty years of industrial decay have failed to motivate the private industrial sector towards a means of ensuring the necessary growth of investment. Our financial institutions remain unable and/or unwilling to realise the need for an adequate flow of capital into new fixed assets. And we can have no illusions concerning the continuing gross inequalities in the distribution of income and wealth, and the undemocratic concentrations of economic power, which still exist.

It is necessary, in considering the roles of the Trade Union and Co-operative Movements, to be aware of this context. Perhaps the only beneficial effect of the present recession is that it has forced us to think more realistically and analytically about the functions of the Labour Movement, and the means by which we can influence events.

The brief analysis offered above is in no sense a counsel of pessimism. The Labour Party, the Trade Unions and the Co-operative Movement can rightly lay claim to the achievement of substantial advances in the living standards, the degree of social justice, and economic and political power enjoyed and exercised by the working class in Britain.

The Response of the Labour Movement

Collectively we have demonstrated our ability to govern, an ability to deal with enormous industrial empires on equal terms, and, particularly in the Co-operative Movement, an ability to own and manage significant distributive, manufacturing and financial enterprises.

We must now, more than ever, give constant attention to the means by which we can use this experience, and this strength to further our common aims. The Social Contract, and in particular the voluntary Pay Policy, are a classic example of the willingness and ability of the Trade Union Movement to expand its role - and, in so doing, improve its effective service to the members.

The point is that, as live institutions, we are necessarily caught up in all major economic and social developments, and if we in any way stand back from them, or try to stay outside, it will be from weakness - not strength. Therefore we must continue to fulfil our function by making the greatest possible contribution to social policy, to industrial strategy, and to such fundamental far-reaching developments as Industrial Democracy.

The Role of Co-operatives

Active trade unionists recognise and respect the strength and potential of the Co-operative Movement. We want to see that strength used to maximum effect.

The Co-operative enterprises, taken together, constitute a considerable industrial and financial force. Co-operative Retail Societies, and the C.W.S. group of distributive and manufacturing units, have direct links with the C.W.S. Bank and the Co-operative Insurance Society - both of which are among the largest institutions in their own fields. And there are the links with the Co-operative Press, governed by Co-operative structures and principles.

We would expect of the Co-operative retail network maximum contribution to restraint of price levels, and a highly competitive approach to maximising turnover by minimising profit margins on individual items. Our collective success in reducing the level of inflation is still vital to the whole strategy for recovery.

The significant contribution to cost stabilisation made by trade unionists through the wage policy must be matched by sustained restraint on prices and profits, if this necessary counter-inflationary pressure is to be maintained. Any C.W.S./Retail Societies initiative for reducing distribution and retailing costs would have an impact throughout the whole sector, and an aggressive policy of price control from the Co-ops. would increase the viability of the overall strategy.

Confidence and Investment

The considerable flows of capital controlled by the C.W.S. Bank and the C.I.S. are of great importance.

The fight for the future well-being of the working class of this country is the fight for industrial regeneration. None of the other problems we face can be solved unless we restore our manufacturing base to a state of highly protective competitiveness. Reduction of inflation, a healthy balance of payments, the strength of the pound - all depend upon the success of the industrial strategy. And the success of the industrial strategy depends upon two principal elements. We must have both the most up-to-date plant and processes, and the most efficient utilisation of our human resources.

It is vital that the controllers of capital flows show the same confidence in our economy as demonstrated by rank and file trade unionists. A clear and co-ordinated joint policy of preferential priority for new fixed industrial capital formation, by Co-operative banking and insurance, could have a major impact in itself - and the 'demonstration' effort may be of even greater significance. These institutions are big enough and successful enough to be highly selective in channelling investment into the growth points and the export sector.

It would be a major boost to the whole Co-operative Movement if it were to be seen giving such a clear lead in the investment which is essential to Job Creation.

The essential unity of the whole Labour Movement still rests upon our abhorrence of unemployment - and depends upon our collective ability to overcome this economic and social disability. While we accept that some new investment will, in any particular instance, be essentially labour-saving in comparison to previous methods, we cannot generate and sustain the overall higher levels of demand and employment without a much greater injection of new capital.

Industrial Relations and Industrial Democracy -

In this matter, as in the whole field of Industrial Relations, the Trade Unions look to the Co-operative Movement for a dynamic lead. The regeneration of industry depends upon a progressive 'new look' in industrial relations. The men and women who do the manual and non-manual work of industry must be given the right to participate in all the decision-making which determines both their standard of living and the viability of the employer. Co-ops. could here again make an outstanding contribution to the development of the working class by negotiating full and equal representation on directional and managerial boards for the trade unionists they employ. Industrial Democracy has to be brought down out of the clouds and practised as a very considerable force for the good of industry and those who work in it.

- And Productivity

More generally in this area of relations between unions and management we, with the support of many employers, are looking to an orderly and planned return to normal collective bargaining starting at the end of

1977. I don't believe any active trade unionist wants this process to throw us back into the fires of runaway inflation, and therefore there is a great responsibility on all concerned to ensure that collective bargaining produces real improvements in wages, and in surpluses for re-investment. In our view this requires a proper respect for productivity bargaining and incentive-bargaining. Given recognition of their right to an equal say in decision making at all levels, trade unionists are the first to accept responsibility for productivity and the need for efficiency. Good productivity bargaining and payment-by-result systems under proper mutual control have entirely positive effects in industry, and are not to be seen as any threat to either the security or the conditions of employment.

But collective bargaining of this type can only succeed with good efficient management.

Support for Labour Government

Readers will no doubt be familiar with the trade union point of view that our continuing defence of working class interests and the success of the industrial strategy require maximum support for the Labour Government.

Co-operative Societies have a major role in advertising and 'popularising' the real achievements of this Government - for example, all Co-operators should be made aware of the importance of the Labour Government's industrial legislation for all who work. And, as evidence of real support for this Government, should not all Co-operative institutions be actively seeking "Planning Agreement" arrangements with the Department of Industry?

The breadth and strength of the Co-operative Movement gives it a unique ability to practise the economic and financial policies recognised as essential by the Labour Movement. Trade Unionists look to the Co-ops. for the same dedication and fire in this current struggle as brought the Co-operative Movement into being in face of the ruthless opposition of nineteenth century capitalism.