

# Workers' control and the collective contract

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IN EVERY INDUSTRIAL COUNTRY, and probably in every agricultural country, the idea of workers' control has manifested itself at one time or another—as a demand, an aspiration, a programme or a dream. To confine ourselves to this country and this century, it was the basis of two parallel movements in the period around the First World War—Syndicalism and Guild Socialism. These two movements dwindled away in the early nineteen-twenties, and ever since then there have been sporadic and periodic attempts to re-create a movement for workers' control of industry. In the late 'thirties, following the constructive achievements of the Spanish anarcho-syndicalists in the revolution of 1936, there was an attempt to build a new syndicalist movement here; in the late forties a number of left-wing groups formed a London League for Workers' Control, and at the beginning of 1961 a National Rank and File Movement with similar objectives was constituted. But from the point of view of sparking off a large-scale working-class demand for workers' control, these attempts have been completely ineffectual.

The advocates of workers' control had much more reason for optimism in 1920 than in the 1960's. In that year the Sankey Report (a majority report of a Royal Commission) advocating "joint control" and public ownership of the mining industry, was turned down by the Government for being too radical, and by the shop stewards for not being radical enough. When the mines actually were nationalised after almost thirty years, nothing even as mild as joint control was either proposed or demanded. In 1920 too, the Building Guilds began their brief but successful existence. In our own day it is inconceivable that large local authorities would let big building contracts to guilds of building workers, or that the co-operative movement would finance them. The idea that workers should have some say in the running of their industries was generally accepted then in a way that it has never been since.

And yet the trade union movement today is immeasurably stronger than it was in the days when workers' control was a widespread demand. What has happened is that the labour movement as a whole has accepted the notion that you gain more by settling for less. In most western countries, as Anthony Crosland has pointed out, the unions "greatly aided by propitious changes in the political and economic background, have achieved a more effective control through the

This is the text of a paper given to the Study Group on Industrial Democracy at Nottingham on April 25<sup>th</sup>.

independent exercise of their collective bargaining strength than they would ever have achieved by following, the path (beset as it is by practical difficulties on which all past experi-

ments have foundered) of direct workers' management. Indeed we may risk the generalisation that the greater the power of the Unions the less the interest in workers' management."

His observation is true, even if it is unpalatable for those who would like to see the unions, or some more militant syndicalist kind of industrial union, as the vehicle of workers' control. Many advocates of workers' control have seen the unions as the organs through which it is to be exercised, assuming presumably that the attainment of workers' control would bring complete community of interest in industry and that the defensive role of the unions would become obsolete. I think this view is a gross over-simplification. Before the First World War, the Webbs pointed out that "the decisions of the most democratically elected executive committees with regard to wages, hours and conditions of employment of particular sections of their fellow workers. do not always satisfy the latter, or even seem to them to be just." And the Yugoslav scholar, Branko Pribicevic, in his history of the shop stewards' movement in this country, emphasises this point in criticising the reliance on the idea of control by industrial unions:

"Control of industry is largely incompatible with a union's character as a voluntary association of the workers, formed primarily to protect and represent their interests. Even in the most democratic industrial system, i.e. a system in which the workers would have a share in control, there would still be a need for unions ... Now if we assume that managers would be responsible to the body of workers, we cannot exclude the possibility of individual injustices and mistakes. Such cases must be taken up by the union ... It seems most improbable that a union could fulfil any of these tasks successfully if it were also the organ of industrial administration or, in other words, if it had ceased to be a voluntary association ...

"It was unfortunate that the idea of workers' control was almost completely identified with the concept of union control ... It was obvious throughout that the unions would oppose any doctrine aiming at creating a representative structure in industry parallel with their own."

In fact, in the only instances in this country which we know of, of either complete or partial workers' control, the trade union structure is completely separate from the administration, and there has never been any suggestion that it should be otherwise. What are these examples? There are the co-operative co-partnerships which make, for example, some of the footwear which is sold in retail co-operative societies. These are, so far as they go, genuine examples of workers' control (needless to say I am not speaking of the factories run by the CWS on completely orthodox lines), but they do not seem to have any capacity for expansion, or to exercise any influence on industry in general. Then there are those firms where some form of control by the employees has been sought by enlightened or idealistic employers. (I am thinking of firms like Scott Bader Ltd., and Farmer & Co., not of those heavily paternalistic chocolate manufacturers or of spurious co-partnerships). There are also odd small workshops like the new "factory for peace" (Rowan Engineering Co. Ltd) which is now in operation in Glasgow.

The Labour correspondent of *The Times* remarked of ventures of this kind that, while they provide "a means of harmonious self-govern-ment in a small concern", there is no evidence that they provide "any solution to the problem of establishing democracy in large-scale modern industry". And a great many people share this view, that workers' control is a nice idea, but one incapable of realisation (and consequently not worth agitating for) because of the scale and complexity of modern industry. On the face of it we could counter these arguments by pointing out how changes in sources of motive power make the geographical concentration of industry obsolete, and how changing methods of production (automation for instance) make the concentration of vast numbers of people obsolete. Decentralisation is perfectly feasible, and probably economi-

cally advantageous within the structure of industry as it is today. But probably the arguments based on the complexity of modern industry actually mean something quite different.

What they really mean is that while they can imagine the isolated case of a small firm in which the shares are held by the employees, but which is run on ordinary business lines-like Scott Bader Ltd., or while they can imagine the isolated case of a firm in which a management committee is elected by the workers-like the co-operative copartnerships; they cannot imagine those who manipulate the commanding heights of the economy being either disturbed by, or least of all, influenced by, these admirable precedents. And they are right of course: there is not on the political or on the industrial horizon, the slightest sign of any widespread desire for, or capacity for, a revolutionary change in the structure and control of industry.

The tiny minority who would like to see revolutionary changes and presumably this means us-should not cherish any illusions about this. Neither in the political parties of the left nor in the trade union movement will they find anything more than a similar tiny minority in agreement. Nor does the history of syndicalist movements in any country except Spain give them any cause for optimism. Geoffrey Ostergaard puts their dilemma in these terms: "To be effective as defensive organisations, the unions needed to embrace as many workers as possible and this inevitably led to a dilution of their revolutionary objectives. In practice, the syndicalists were faced with the choice of unions which were *either* reformist and purely defensive *or* revolutionary and largely ineffective."

Is there a way out of this dilemma: an approach which combines the ordinary day to day struggle in industry with a more radical attempt to shift the balance of power in the factory? I believe that there is, in what the syndicalists and guild socialists used to describe as "encroaching control" by means of the "collective contract". The syndicalists saw this as "a system by which the workers within a factory or shop would undertake a specific amount of work in return for a lump sum to be allocated by the work-group as it saw fit, on condition that the employers abdicated their control of the productive process itself."

The late G. D. H. Cole, who returned to the advocacy of the collective contract system towards the end of his life, claimed that "the effect would be to link the members of the working group together in a common enterprise under their joint auspices and control, and to emancipate them from an externally imposed discipline in respect of their method of getting the work done". But has it really any relevance to present day industrial conditions? I believe that it has, and my evidence for his belief comes from the example of the gang system worked in some Coventry factories which has some aspects in common with the collective contract idea, and the "Composite work" system worked in some Durham coal mines, which has everything in common with it.

The first of these, the gang system, was described by an American professor of industrial and management engineering, Seymour Melman, in his book *Decision-Making and Productivity*, where he sought, by a detailed comparison of the manufacture of a similar product under dissimilar conditions: the example he found was the Ferguson tractor, made under license in both Detroit and Coventry "to demonstrate that there are realistic alternatives to managerial rule over production". His account of the operation of the gang system in Coventry was confirmed by a Coventry engineering worker, Reg Wright, in two articles in *ANARCHY* (Nos. 2 and 8).

Of Standard's tractor factory (he is speaking of the period before Standard sold the plant in 1956, and before Leylands took over Standard), Melman declares, "In this firm we will show that at the same time: thousands of workers operated virtually without supervision as conventionally understood, and at high productivity; the highest wage in British industry was paid; high quality

products were produced at acceptable prices in extensively mechanised plants; the management conducted its affairs at unusually low costs; also, organised workers had a substantial role in production decision-making". The production policy of the firm at that time was most unorthodox for the motor industry and was the result of two inter-related decision-making systems, those of the workers and of management: "In production the management has been prepared to pay a high wage and to organise production via the gang system which requires management to deal with a grouped work force, rather than with single workers, or with small groups ... the foreman are concerned with the detailed surveillance of things rather than with the detailed control over people ... The operation of integrated plants employing 10,000 production workers did not require the elaborate and costly hallmark of business management."

In the motor-car factory fifteen gangs ranged in size from 50 to 500 people and the tractor factory was organised as one huge gang. From the standpoint of the production workers "the gang system leads to keeping track of goods instead of keeping track of people". For payment purposes the output that was measured was the output of the whole group. In relation to management, Melman points out, "The grouped voice of a work force had greater impact than the pressure of single workers. This effect of the gang system coupled with trade unionism, is well understood among many British managements. As a result, many managements have Opposed the use of the gang system and have argued the value of single worker incentive payments."

He contrasts the "predatory competition" which characterises the managerial decision-making system with the workers' decision-making system in which "The most characteristic feature of the decision-formulating process is that of mutuality in decision-making with final authority residing in the hands of the grouped workers themselves".

My second example is again derived from a comparative study of different methods of work organisation, this one made by the Tavistock Institute in the late 1950s and reported in two books published last year. Its importance can be seen from the opening words of one of these reports (*Autonomous Group Functioning* by P. G. Herbst):

"This study concerns a group of miners who came together to evolve a new way of working together, planning the type of change they wanted to put through, and testing it in practice. The new type of work organisation which has come to be known in the industry as composite working, has in recent years emerged spontaneously in a number of different pits in the north-west Durham coalfield. Its roots go back to an earlier tradition which has been almost completely displaced in the course of the last century by the introduction of work techniques based on task segmentation, differential status and payment, and extrinsic hierarchical control."

The other report (*Organisational Choice* by Trist, Higgin, Murray and Pollock), notes how the study shows "the ability of quite large primary work groups of 40-50 members to act as self-regulating, self-developing social organisms able to maintain themselves in a steady state of high productivity ...". The system of composite working is described by Herbst in a way which shows its clear relationship to the collective contract system:

"The composite work organisation may be described as one in which the group takes over complete responsibility for the total cycle of operations involved in mining the coal face. No member of the group has a fixed work-role. Instead, the men deploy

themselves, depending on the requirements of the ongoing group task. Within the limits of technological and safety requirements they are free to evolve their own way of organising and carrying out their task. They are not subject to any external authority in this respect, nor is there within the group itself any member who takes over a formal directive leadership function. Whereas in conventional long-wall working the goal-getting task is split into four to eight separate work roles, carried out by different teams, each paid at a different rate, in the composite group members are no longer paid directly for any of the tasks carried out. The all-in wage agreement is, instead, based on the negotiated price per ton of coal produced by the team. The income obtained is divided equally among team members.”

Both the Tavistock books and Melman’s book are highly technical studies written for specialists, but their lessons are clear for people who are interested in propagating the idea of workers’ control. These experiments do not entail submission to paternalistic schemes of management—in fact they tend to demolish the myth of management and managerial expertise. They are a force for solidarity rather than for divisions between workers on the basis of pay and status. They help bring decision-making back to the factory floor and the face to face group. They increase the pleasure and self-respect of work, and they even satisfy—though this is not my criterion for recommending them—the capitalist test of productivity. The collective contract idea also has the great merit of combining long-term and short-term aims. And if our long-term aim is workers’ control of industry, the collective contract provides a realistic starting point. We cannot hope at this stage to build a movement from nothing. But we can hope to enlarge the aspects of work which workers *do* control.

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