

TRADE UNIONS IN CONTEMPORARY CAPITALISM¹

V. L. Allen

Introduction

TRADE unions are a generally accepted phenomenon in Britain. They have rights in law which can be regarded in some respects as privilege; they have established relations with the great majority of employers which are written into constitutional procedures for settling industrial disputes; they are accorded public and governmental recognition as political pressure groups so that they have access to government ministers and are asked for their views on a range of economic and industrial matters; their opinions are heard or read on the media of mass communications and they are formally involved in the political decision-making process through their membership of government advisory committees. Hardly ever is a Royal Commission or government advisory body **establishe** nowadays which does not include trade union representation. In 1939, unions were represented on only twelve government committees but since the advent of the Labour Government in 1945 the number has fluctuated roughly between sixty and eighty. Nowadays there are strong legitimate protests if unions are excluded from an important advisory committee.

The public and political stature of unions no longer depends upon the politics of the government. There was no substantial change in the status of unions when the Conservative Party displaced the Labour Party from office in 1951. The Conservative Government had no emotional bond with unions and did not feel as impelled to take cognizance of union opinions as did the Labour Government, yet the number of government committees on which unions were represented rose from sixty in 1949 to eighty-one in 1954. The change was not due to an increase in the number of committees formed but to a spread in union representation.

The integration of trade unions into the structure of society has been given meaning in occupational and social terms. A trade union official can now be drawn into all levels of public and private industrial management because of his knowledge and understanding of unions, and he is not necessarily excluded if he sympathizes with them. A close association with unions is not a disqualification for entry into hitherto exclusive social circles. A formal entry is made possible by the offers of government honours to union leaders. A trade union peer or knight or recipient of a lesser award is not a figure of curiosity. Indeed a government honours list which does not include the names of some union

officials is itself a curiosity. Informally, in some social circles and some circumstances, union officials are people to be courted and flattered.

The non-legalistic integration of unions into society has proceeded in all capitalist countries but it has most probably gone further and deeper in Britain than elsewhere. In Britain the trade union movement is publicly acclaimed as an estate of the realm. The essential meaning of this integration is that unions now carry no revolutionary significance for the established political decision-makers in Britain and are seen as institutions which perform politically necessary and **industrially** useful functions. This situation raises important questions concerning the role of trade unions and its connection with their traditional aims and aspirations.

The Paradox of Trade Unionism

Trade unionism is a universal phenomenon and is the collective act of protecting and improving living standards by people who sell their labour power against people who buy it. Clearly this protective, improving function can be performed in various ways, depending upon the precise nature of the environment in which unions find themselves, but before it can start certain necessary and sufficient conditions have to be present. The necessary conditions are the existence of a freemarket for labour in which it is possible for buyers to discriminate against, and therefore exercise power over, sellers, and enough political tolerance to permit potential opposition groups to arise. The sufficient conditions can be almost any factor which injects realism into the lives of people who sell their labour. In Britain in the eighteenth century the most significant sufficient condition was the excessive use of apprentices by employers; later the introduction of machinery. In the mid-twentieth century the main factor which impelled white-collar workers to organize was a fall in real incomes, and therefore status, through inflation. But in every case workers were responding to obvious, **well-**formed forces. Trade unions from the very beginning were devised to protect their members from the exigencies of capitalism. They belonged essentially to capitalism because they grew out of the conditions it created.

This fact throws some light, but not all, on the present role of unions. Trade unions are patently not initiators. What they do is always in response to well-established forces such as rising prices, falling prices, unemployment, government action which influences living standards, and over which they have little or no control. They are not, and never have been, revolutionary bodies. They have never been in the vanguard of revolutionary change though they have been vehicles for change. In a number of revolutionary situations unions have formed the organized basis for mass industrial support once the movements for change have **commenced**. Where revolutions have started without the existence of unions then the unions have had to be created. In Russia before the

October Revolution unions were largely the creation of a revolutionary political party. In the struggle for political independence in Ghana and Tanganyika the nationalist parties had to ally themselves with unions to make political action apparently and decisively effective.

The fact alone, however, that unions originated as protective societies does not invalidate them as revolutionary, or even initiatory, bodies, unless there is something in their nature which inhibits quick movement. Two factors in concert inhibit quick movement. The first is that trade unionism is a mass act in that it depends for its effectiveness upon the widest possible basis of support. A union must include at least a substantial minority but more often a majority of its potential membership before it can command respect from an employer. Secondly, because a union is operating in a conflict situation in which serious adverse consequences might flow from a decision, every major act of policy must be based on the consent, tacit or overt, of a majority of its members. In other words, trade unions are relatively large-scale democratic organizations. Decisions which are acceptable to the majority of the members must necessarily resemble compromises of extreme possibilities and before the need to take a decision is obvious to the majority, the impact of the forces creating the need for a decision must be experienced by most of the people involved. Trade union decisions then are relatively slowly reached compromises. The speed at which a decision is reached is finally determined by the democratic processes within the union. The more serious a matter is, the wider and lengthier must the consultation with the members be. When a decision is reached the situation will most probably have so changed, because to create the need for collective action at all it must be dynamic, that the decision becomes a response to forces. Every organization, of course, acts in response to forces external to it. But some can anticipate the nature, intensity and direction of the forces and by the speed of their responses appear to initiate change. It is not fortuitous that revolutionary bodies practise what is called democratic centralism.

Trade unions have always been sluggish in their assessment of circumstances, even when their democratic processes were simple and direct. Their responses, however, have been considerably slowed down because as their organizations have grown democracy has become institutionalized. In 1962, nine per cent of the 176 unions affiliated to the Trades Union Congress organized seventy-one per cent of the 8,315,332 members. More than forty-seven per cent of the total membership was in five unions. In these large unions there are rigid, formal bureaucratic structures because only with these can numerous geographically scattered members with diverse interests be serviced. Communications in these structures, however, are slow because every part of them has to be functionally related to and synchronized with every other part. It may take months for communications to pass from one end of the hierarchy to the other. There are also informal obstacles

to quick movement. The ability to respond is in part a function of age. The longer the unions exist the more deeply they become tied by vested interests and tradition. In trade unions tradition is a significant determinant of motivation. Unfortunately traditions carry over from one set of circumstances to another. Attitudes evolved, say, during a long period of unemployment become traditional during a phase of full employment and inhibit responses which full employment makes necessary.

These disabilities would not matter if trade unions could satisfy their moderate aims of protection satisfactorily without revolutionary change. As it is, they cannot. It is not possible to state the precise part unions have played in determining the living standards of their members because so many variables are involved. Changes in the demand for labour have a swift impact on workers' living standards while improvements in **technology** have a longer-term, and perhaps more substantial, effect. These and other variables cannot be isolated and controlled and assessed but it is possible to examine the general effectiveness of unions.

The protective function of unions means more than simply holding what is already possessed. It involves insulating workers from the uncertainty, the insecurity and the differentials which characterize capitalism, and this can only be done effectively by making positive demands for security against contingencies such as sickness and unemployment; by providing for that level of income which would act as a buffer against fluctuations in living costs; by narrowing differentials, including the differential between wages and profits, to remove any sense of injustice; and by providing physical amenities in work and out which would protect against excessive fatigue, discomfort and the like. The protective function is based on certain ethical considerations which have their origin in the exigencies of capitalism. The plight of individual employees *vis-à-vis* employers has given rise to a deep sense of solidarity. Protection must involve all in the group, or, depending on the circumstances, the class. Secondly, the injustices of differentials, particularly within a group, have created a desire for equality so that everyone in a group should not only be protected but treated **equally**.³ There is a direct relationship between protection and the belief in equality because equality means removing friction-creating differences, not levelling everyone irrespective of function, to the same standard. All of these basic trade union demands are made initially within the context of the existing distribution of income because trade unionists at large have ^{or} been socialized to accept their economic and social ratings and to couch their demands, therefore, in "reasonable" terms. But the logic of the implementation of the protection function is that there should be changes in the distribution of **the** national income in favour of trade unionists. The extent to which there have been changes is one measure of trade union-effectiveness.

The full **cost** of protecting workers under capitalism is the price of

labour. This price, to employers, is a production cost which can be manipulated. If it is regarded as excessive it can either be minimized by using more capital-intensive methods or passed on to consumers through higher commodity prices. In each case the distributive process so works as to maintain the *status quo*. The switch to more capital-intensive methods will displace labour so that if the workers who remain in employment obtain gains they will be at the expense of those who have lost their jobs. But even if no labour is displaced there will be an argument about the distribution of the gains and the likelihood is that at the best from the workers' point of view it will follow the traditional pattern. This is because if a union is strong enough to obtain what an employer regards as a disproportionate share he will attempt, and in general succeed, in passing the cost to the consumer. A problem for unions is that they rarely know the gains from improved technology so they are not able to make definite claims about their distribution anyway. If the commodity market is rising then it will be possible for employers to pass on the cost of all trade union demands to consumers simply by increasing prices. As trade unionists are consumers their real incomes remain as they were before the demands were made. Only if unions can increase the price of labour on a falling commodity market, thus making it impossible for employers to pass the cost on, can they increase their share of the national income and even then the increase is temporary because as soon as the market conditions improve employers can recoup their losses. It rarely happens that unions are able to increase the price of labour when employers are finding it difficult to sell their commodities because a deteriorating state of trade normally produces unemployment and this weakens unions by making it difficult for workers to pay their union subscriptions and to be militant because they fear unemployment. It is an anomaly that unions are weakest when the possibility of gains is greatest; and are strongest when the possibility of gains is least. There are exceptions in occupations, firms or industries but in general, so long as unions work within the free price mechanism, their basic aims are frustrated. The share of wages in the national income has remained remarkably stable since the last quarter of the nineteenth century.³ One estimate showed that the share was 41.4 per cent in 1880 and 41.8 per cent in 1935.⁴ There were variations between these dates but not sharp ones. In 1913 the share of wages was 39.4 per cent and in 1931 it was 43.7 per cent. Another estimate showed that between 1870 and 1950 wages were never less than 36.6 per cent of the national income and never more than 42.6 per cent.⁵ In the period 1946-50 when the money earnings of industrial workers rose by about one-third, the ratio of wages to profits remained roughly at the level of the inter-war years. The main determinant of the share of wages was the market environment and unions had no control over this.

The point emerges then that although unions are incapable of initiating revolutionary change it is only through such change that they

will achieve their basic aims. That is, if an effective means of protection cannot be applied under the present system then it is necessary to alter the systems fundamentally. A step, however, which altered the process of distribution would involve other changes. Unions would not achieve their ends directly but through the agency of a central government with planning authority. The relative shares in the national income could only be disturbed by interfering with the free price mechanism and thus by taking from unions their right to bargain over wages. In order, then, to escape from the restrictions and frustrations imposed by a capitalist society, unions would have to undergo a radical character transformation. There are important sociological reasons why this transformation is resisted.

Union Leadership

Trade union officials provide leadership at all levels. Because of the inevitable oligarchic control in unions, leadership involves directing the organizations in all of their major activities and is, therefore, a role which must be analysed if the obstacles to the radical character transformation of unions are to be understood. The role of a union official is set so that the behaviour of any person who becomes an official is almost entirely predictable. The only significant variations which occur are those which exist within the hierarchy of roles in a union. If a person moves from being a local to a national official then different behaviour will be expected of him. The dominance of the role over the individual explains why the union behaviour of communist and anti-communist officials varies so little; why, in other words, there is continuity of activities despite marked changes in personnel. A new union leader might give greater meaning to his role because of his intellectual ability but if this results in a significant difference in the direction of union activities it will be because the environment of the union has changed.

The behaviour of a union official is confined by various kinds of sanctions which have been created by social and administrative factors. The first set comprise the process of socialization whereby the role of union officials has been conditioned to be consistent with the norms and values of a capitalist society. The second set can be described by the bureaucratization of union organizations.

The process of socialization⁶ was an inevitable one, for unions could not perpetually stand out against the system, fail to change it and yet continue to exist without taking on some of the values of the system itself. The consequence has been to make unions work with and to some extent for the system. This is what the non-legalistic integration of trade unions into society is all about. The results of the process can be seen in many ways. A dominant trade union ethic is a belief in solidarity. This was forced on unions by their need for cohesion in a hostile environment yet their practice of solidarity is disrupted by the

way in which each individual union stoutly protects its own vested interests. The trade union movement reflects the competitive nature of British society through the competition of unions with each other over wages policies, members, and, in the case of craft unions, jobs. Trade unions have imbued capitalist values to the extent of becoming involved in the competitive process. The unions have welded themselves to the price mechanism through uncritical belief in collective bargaining so that it would be difficult for any government, no matter how sympathetic towards trade union aspirations, to interfere with the wage bargaining process without evoking strong union protests and arousing their antipathy. The unions advocate limited forms of planning for other sections of the economy but insist that wage determination, the vital variable in the planning process, should remain free. Unions support the principle of equity and through the introduction of uniform rates for jobs attempt to apply it. Yet in collective bargaining they practise the most iniquitous form of wage determination.' Free collective bargaining is an institutionalized way of operating the play of market forces and their interaction with the subsidiary forces which make up the balance of industrial power. Workers, irrespective of their needs, are in a strong or weak bargaining position because of market forces. In the inter-war years the coal miners, for instance, suffered privations because the export demand for coal declined; in the immediate post-Second World War period they obtained relatively high wages because the demand for coal increased; now that alternative sources of power are established the demand for coal is again decreasing, with the obvious depressing effect upon miners' living standards. The treatment of the miners in the past has been iniquitous, as is that of the railway workers at the present compared with motor production workers. The justification for allocating reward according to market forces is crudely economic; it has no basis in equity.

The acceptance of free collective bargaining has led, too, to what can be called the myth of achievement. This is simply a situation where union officials are so preoccupied with the means of achievement that they create an illusion about the ends. Instead of being directly concerned about the redistribution of income and devising a means to achieve this, they show satisfaction with fractional changes in money wage rates. In doing this they accept the expectations which employers have deemed suitable for them. These expectations are buttressed by disarming notions of compromise and fairmindedness. Any departure from what is equitable can be justified if the result can be construed as being fair, the meaning of which is set by the limits of voluntary concessions from employers. Nothing which is achieved through conflict is considered to be a fair result. The illusion of achievement was doubtless necessary to maintain trade union morale when actual achievements were consistently meagre and for this reason was present to some extent during the whole course of trade union development. But it

became enlarged in the decade of trade union seduction from 1868 when employers, politicians and middle-class intellectuals persuaded union leaders that reason discussed over a table could solve questions of industrial conflict to the benefit of trade unionists. Reason, in fact, only prevails when it is consistent with the movement of market forces. Union leaders who accept its validity **lose** sight of the reality that they are in a conflict situation. But then this, too, is a consequence of socialization. There is an illusion about a harmony of industrial interests which also influences the role of union officials.

The sanctions on union leaders are of a prohibitive, prescriptive or permissive character and can be seen in attitudes to making "unreasonable" demands, breaking negotiated agreements, refusals to compromise and "**irresponsibility**" to society at large. There are also sanctions which are derived from the integration of unions into the political parliamentary democratic system. There have always been occasions when the objectives of unions demanded political action. At first the need was for legislation to protect women and children in industry, then to protect union funds, enforce industrial safety standards and establish **minimum** wage rates for workers in sweated industries. Now the need arises from the growth of the government as an employer and its frequent and decisive interventions in industry. Unions are forced into an intensive relationship with the government but are confronted by limitations on the political action they can take which are set by a belief in political democracy in general and party politics in particular. The sanctions from this situation concern acts which challenge the authority of an elected government or usurp the party system. There is, in consequence, a general prohibition on industrial action for political ends; indeed on anything which savours of coercion of the government; and union leaders respect it. When union leaders during the General Strike realized they were challenging the authority of the government they backed down as quickly as they could. The unwillingness of the Trades Union Congress to support the London **busmen** in their 1958 strike indicated that most union leaders did not want even to appear to challenge the government. These restrictions can be extensive for there can be so many points of conflict between unions and the government and when they are expressed, the government invariably adopts a constitutional position which gives it automatic protection."

Bureaucracy does not belong to any particular economic system but it is authoritarian and is consistent, therefore, with the private ownership and control of the means of production. It has been associated with achievement and is a dominant feature of contemporary capitalism. It is understandable, though not necessarily justifiable, that unions should copy bureaucratic practices as far as their allegiances to democratic control permit. Whereas the socialization process has set limits to the uses to which the role of union leadership may be put, bureaucratization has prescribed limits to the role itself. It has combined all

the roles involved in trade unions in a hierarchical structure with fixed layers of command and lines of communication and has prescribed their duties. Formally, union officials must act towards each other and committees they serve according to regulations. Their informal relationships may differ from the formal ones but only in so far as this accords either with tradition or greater efficiency. The informal power of a general secretary is generally much greater than that provided for by his union constitution because he commands power as a specialist in addition to his formal authority. This is not usually disputed so long as the specialist power produces greater efficiency. But all the time he has to be guided by the formal limits to his activities.

Bureaucracy inevitably slows down movement, as was mentioned earlier, but it does not necessarily result in faulty movement. Faultiness is the product of an inability to respond to changing circumstances. There are two elements in bureaucratic organizations which make accurate and immediate responses to changes difficult. The first is the constitutional provision for action. Rules and regulations are difficult to change unless the need for change is intense and imperative. Unions, moreover, deliberately make constitution-changing difficult because alterations not associated with variations in circumstances can be a handicap to action. Secondly it is possible for bureaucratic attitudes to develop which make a ritual of adherence to regulations. If circumstances alter but not the regulations then people with these attitudes cannot cope with the situation.

Trade unions, then, have acquired aims which are legitimate within the context of a capitalist society. They are limited aims, concerning wages, hours of work and working conditions, which can be achieved without unduly disturbing the fabric of capitalism; without, indeed, unduly disturbing capitalists because it is possible to conceive of them being obtained through labour market pressures. These legitimate aims are pursued through institutionalized practices. So long as the environment of unions remains stable there need be no inconsistency between the aims and the practices; that is, the ordinary members may feel they are getting satisfaction. But if there are sharp environmental changes, equally sharp inconsistencies develop because institutionalized practices are relatively unresponsive to change. This is what has happened in Britain. Trade unions now are not capable by themselves of achieving satisfactorily even their limited aims.

The Meaning of Contemporary Capitalism

There have been many journalistic and academic claims that contemporary capitalism differs essentially from the classical capitalism of the nineteenth century. These argue in general that economic class conflict no longer exists and that trade unions, in consequence, can have no serious, ineradicable differences with employers. One basis for the claims is that there has been a divorce between the ownership and

control of industry and that, in consequence, managers who are employees control industry and do not adopt the same attitude towards profit-making, and therefore relations with other employees, as do employers. Using this assumption there has been much sociological treatment of the theme that conflict does not have an economic class basis but is created by the distribution of **authority**.⁹ Others see contemporary capitalism as consisting only of frictions which can be removed by individual or small group adjustments because the system itself has an organic unity. These beliefs have underlain the creation of a vast apparatus for personnel management and the extension of education and training courses for managers, which in turn have tended to spread the notion that conflict is different now. Social class analysts have added their endorsement, too. Many sociologists have emphasized social class as if it had superseded economic class division. They have generalized about the effect of increasing prosperity on social class positions, regarding these as relatively fluid and determined largely by the acquisition of material things. When the working class becomes more prosperous, it is often claimed, it moves on to middle-class or bourgeois-class values and ways of living. In its new class position it votes differently and adopts more conciliatory attitudes over industrial relations. The point about looking at class as a social phenomenon only is that it makes class divisions into relationship differences which are neither wholly explicit nor immovable. Conflicts, therefore, become individual or small group frictions and can be eliminated by piecemeal action.

These contentions concerning the nature of conflict stem more from a desire to preserve the **status quo** than from thorough and systematic analysis. As far as Britain is concerned, the divorce of ownership from control in industry is by no means as widespread as has been **assumed**.¹⁰ But in any case it is difficult to substantiate the view that managers do not represent the value system of employers. Managers are employed to maximize profits; that in doing this they take other factors, such as stability, power and prestige, into account is not surprising because employers undoubtedly do the same. There is no evidence, either from the existence of a managerial group or any other factor, to show that industry has an organic unity. Piecemeal action in the form of higher wages, better working conditions and shorter hours has never removed conflict. Indeed the advocates of organic unity find it difficult to reconcile the industrial militancy of highly paid skilled workers and the spread of militancy to non-manual and professional workers with their contention. Social class is doubtless one of many variables which influence the collective behaviour of employees but there is no single, direct correlation between social class positions and trade unionism, or even industrial militancy, as has been shown by the collective behaviour of doctors, nurses, teachers and bank clerks in recent years. But even if it could be shown that social class positions determined

attitudes to collective action and that some classes found trade unionism either repugnant or unnecessary, it still has to be shown that contemporary capitalism has experienced a substantial movement between the classes or, more significantly, from the manual workers' group to higher status groups. Social class analysis is so far unsatisfactory. More basic research needs to be done into it and more questions asked of it. Dubious correlations are made concerning the acquisition of material things and social class positions; and about class identification and actual class membership. It is not possible, then, to make precise statements about movement between classes.¹⁴ It is fairly clear, however, that the acquisition of washing machines, refrigerators, television or cars, does not convert a person from the working-class to the middle-class value system. Prosperity to members of the working class means little more than that they can afford commodities and services they could not afford before. They continue to live in relatively unchanged communities and work situations. Some manual workers, under the influence of high wages and confusing statements about class, might identify themselves with the middle class. But an important thing about class is that irrespective of what a person thinks, his position is determined by social attitudes towards him. Working-class families do not find it easy to gain acceptance in middle-class circles. The social class barriers in Britain are relatively rigid, even under contemporary capitalism. As the working class changes, for whatever reason, so do other classes and social distances remain unchanged.

Class which gives rise to trade unionism is a structural phenomenon and cannot be removed, or even altered, without structural alterations. There have been no such alterations in Britain; nor could there be without removing the essential features of capitalism. British society is still primarily based on the private ownership and control of industry motivated by profit; economic class divisions determined by relationships to the means of production remain undisturbed by the professionalization of management and economic prosperity. Nothing has happened, in consequence, to remove the conflict between the sellers and buyers of labour power, and, therefore, the *raison d'être* of trade unionism.

Capitalism today, however, differs from that in years before World War II in important, though not essential, respects for trade unions. The first is that it has learned from Keynesian economics how to tackle the problem of unemployment. There is a much greater likelihood now that full employment will be maintained. Full employment eases the problem of recruitment for trade unions largely because employed workers can afford to pay their union contributions. The size of the working population has barely changed since 1939 yet the number of trade unionists has risen from 6,274,000 to 9,872,000 in 1962. Trade unions are stronger because they are more extensively organized. But, as was mentioned earlier, it is a misplaced strength because full employ-

ment removes the fear of unemployment from the worker and strengthens his individual bargaining position so that he may feel that he does not always need the protection of his union. In so far as the individual worker wants union support he wants it promptly. Delay is not criticized when the issue is one of wage reduction, but when a wage increase is concerned it is a different matter.

The British collective bargaining system is centralized. It took on its form largely in the inter-war years when workers were relatively helpless through unemployment and unions were weak from both unemployment and the General Strike. Employers on the other hand were dominant. In this situation national bargaining was necessary because without it there would not have been a sufficient balance of power to make bargaining possible. National bargaining, moreover, was preferred by workers, as were centralized unions, because they were weak at the workplace. Employers in most industries felt they could control and contain unions whether organized nationally or not but preferred nationally determined wage rates because they tended to equalize labour costs and assist in the elimination of price competition. Just as national collective bargaining became established, full employment changed its environment by switching the balance of power to the workplace. The centralized system was inappropriate, but it was not changed, so both workers and individual employers tended to disregard it. Workers used their own shop-stewards' organizations either to negotiate directly with employers or interpret national wage agreements. Sometimes the decisions of national bargaining were ignored because they did not correspond with reality. Shop-stewards' organizations or local union branches then negotiated separate agreements. Individual employers did not hesitate to pay more than negotiated rates if this was the only way in which they could get and retain labour in a competitive market. Hence there has been a substantial amount of wage drift since the war. Trade union negotiated rates were often nothing more than fall-back rates.

The inability of unions to respond to the full employment situation is to some extent reflected by the number of unofficial strikes. The vast majority of strikes are called and conducted without official union support. But the most significant indication is the spread and intensified activity of shop-stewards' organizations. These bodies are not hampered in their movements by a bureaucratic hierarchy and, because they are located at the place of work, they are in close and immediate touch with the ordinary members. Shop-stewards' organizations fulfil an essential democratic need. Their activities are not contrary to those of unions nor do they usurp the authority of unions, for they are making up for trade union deficiencies. They provide bases for flexible and spontaneous action and this is possible only because they are to a large extent formally independent of official union bodies. Any move to integrate them into the formal constitutions of unions would lead *to*

frustration and eventually to the creation of new, independent bodies.

An interesting outcome of a prolonged full employment situation has been the development of refined, rather sophisticated techniques for handling labour problems. Personnel management departments have been created because employers cannot select and sort their labour forces under full employment conditions, as they did with unemployment. Inducement, persuasion and cajolery have taken the place of strict discipline. In some ways personnel managers supplement the work of shop-stewards; between them they tackle and solve many of the minor grievances which arise continually in industry and in so doing help to protect the official union bodies from serious rank and file pressure.

In the post-Second World War period, trade unions have attracted much attention from the public and the government because of their supposed role as determinants of the general level of wages in an inflationary or potentially inflationary situation. Trade unions have large memberships for whom they negotiate wages, therefore it is assumed that they are responsible for the upward movement of money wages. This movement, however, is a product of a market situation where the demand for labour exceeds the supply and it would, indeed does, take place irrespective of union behaviour. Most unions do not know what the actual money earnings of their members are and certainly have no control over them. None the less, governments have placed the responsibility for wage advances with unions and unions have largely accepted it because it has drawn them into the field of national politics and has given them a public status. Since 1947 the trade union movement, represented by the Trades Union Congress, has been involved in a political game over wages with successive governments. The game has been played in all seriousness but it has been none the less a game in that any real attempt to solve the problems of inflation and perpetual balance of payments crises would have involved serious planning of the factors which cause wage movements and determine their relationship with prices. The game, however, in the early 1960s, began to test vital union attitudes over wage determination and to reveal unusual postures with regard to planning.

During the period of perpetual economic crises and Conservative Government between 1951 and 1964, the attitude of the government and employers towards economic planning was seriously modified. Planning, with the important proviso that it should support rather than interfere with private enterprise industry, became a respectable term. The approach to it was uncertain for it was not clear how to plan with effect without interfering with someone's rights. The government respected the rights of private industry because that was dictated by its doctrine and did not, therefore, want to direct resources into uses and felt impelled to respect the rights of trade unions because only in that way could it obtain their collaboration. It decided on using

the mechanism of a national body representative of the major industrial interests and served by independent specialists and, in the summer of 1962, established the National Economic Development Council. It was intended that this council should, under the guidance of the Chancellor of the Exchequer, evolve national economic plans. To supplement its activities the National Incomes Commission was formed to collect evidence and express opinions upon the effect or possible effect of claims and collective decisions of trade unions and employers upon community interests as construed by the Commission. No provision was made for implementing the devised plans or recommendations. This was to be a matter for the government. The employers gave their immediate support and, after much debate and hesitation, the Trades Union Congress agreed to join the National Economic Development Council but to withhold support from the National Incomes Commission. The Trades Union Congress wanted to test the sincerity of the government but it could not for long reject the prestige value of being part of a widely publicized national advisory committee on planning. On the other hand it rejected the very idea of the National Incomes Commission because it was "an attempt from the top, outside industry, by people not responsible to working people who receive wages, to superimpose limitations, control, upon people in negotiations whose responsibility lies that way to their own members. . . . The whole idea of a super body at the top, N.I.C. or T.U.C., imposing restrictions, limitations, upon the right of trade union representatives to represent their members is foreign to everything we stand for in this country."¹² One of the main purposes of the National Economic Development Council was to find a way of ensuring that wages did not rise further than the rate of production. The T.U.C. did not object to this provided the policy included incomes as a whole and on the understanding that it was involved in the formulation.

The National Economic Development Council met approximately every month and published reports on the factors influencing economic growth in Britain but it had not, by the end of 1963, reached agreement on incomes and profits and, therefore, on wages. The dilemma of the T.U.C. was that in its responsible public role it was compelled to support the notion that money incomes should be restrained to keep pace with the rate of production but that in its role as a representative organization, committed by tradition to pressing for higher wages, it had to oppose restraint. This dilemma was revealed clearly at the 1963 meeting of the Trades Union Congress and undoubtedly influenced the attitude of its representatives on the National Economic Development Council. It is inherent in the capitalist situation and, irrespective of what government is in power, will not be resolved voluntarily. Only alterations in the system can remove it. Until then, T.U.C. vacillations about a wages policy will persist; short-term palliative measures might be accepted but traditional attitudes will return and prevail in the long run.

The Trades Union Congress is proud of its pragmatism. It expressly rejects any suggestion that there is any logical theory in its development but although it may not be consciously following a theory there is logic in the sequence of its responses to employers and the government. The logic is an acceptance of, but not necessarily a belief in, the concept of the Corporate State.¹³ Firstly, by its membership of the National Economic Development Council, the Trades Union Congress accepts the organic totality of nation and state. The second report of the Council, welcomed by the T.U.C. because of its progressive nature,¹⁴ gave meaning to the concept of organic totality when it stated: "A successful growth programme involves the identification of government, management and the trade unions with an agreed objective. . . . Success in achieving a higher rate of growth will depend, to a large extent, on the way in which government, management and unions carry out their respective functions and on a new spirit of co-operation between them to make a reality of the agreed common objective."¹⁵ The general theory of the corporate state assumed a complete conciliation of class interests with workers and employers co-operating for the sake of increasing national production in much the same way as the National Economic Development Council envisages. But there are other points of similarity. The state stands above corporations and syndicates in the theory. The N.E.D.C. is a government creation, designed to further government notions about national interest. These notions, as in the corporate state theory, have no other ethical basis than to consolidate what already exists; that is to maintain the present distribution of income, to preserve the distributive process and to guarantee the rights of the private ownership of industry. The corporate state theory contains various philosophical threads amongst which are a belief in national power and the ability of "great minds" to direct the destiny of the nation. In practice the "great minds" consist largely of a collusion of the representatives of the dominant vested interests, though in Britain the idea is gaining currency that an élite sifted from intellectual and public life can apply its wisdom under the tutelage of the government to help direct the state; hence the Cohen Council in 1957, called the "three wise men" and the National Incomes Commission with similar personnel. The N.E.D.C. combines the two aspects of control by an Clite. The strain of an Clite theory has long been present in the conduct of industrial relations. In 1911, when Britain experienced large-scale national strikes for the first time, the Prime Minister, H. H. Asquith, established a special business court, called the Industrial Council, consisting of employers and union leaders, to deal with industrial disputes. The Council did not function for long. The National Industrial Conference set up by Lloyd George in 1919 to achieve industrial peace in an unsettled environment was a similar, though more widely based, organization. Though constituted differently and without the formal support of the government, the Mond-Turner talks in 1928

were of a similar character. Each reflected the belief of union leaders and employers in their ability, corporatively, to solve industrial problems. Ernest Bevin stated this explicitly when he supported the Mond-Turner talks. "With whom can you meet to discuss unemployment?" he asked, "Government Departments who do nothing? No, I would rather sit down with some considered policy on a problem of that character facing the capitalists themselves across the table. . . ."¹⁶ The general secretary of the T.U.C., Mr. George Woodcock, expressed a similar view at the 1963 meeting of the T.U.C.¹⁷ The manifestations of the attitude of union leaders towards a corporate policy are not confined to their willingness to sit on the N.E.D.C. though this is an important institutionalized expression of it. The existence of the N.E.D.C. and its industrial subsections could assist the government to contain a disruptive situation if a crisis occurred. It would only be necessary for the government to make membership of these bodies compulsory for the next step to be taken to a corporate state. The trade union movement then would have gone a long way towards disarming itself.

Finally, the capitalism of the post-Second World War period differs from that in earlier years by the rate at which industry is becoming capital-intensified. This process, which is changing the character of the labour force, is presenting trade unions with serious organizational problems. Lines of demarcation are fluid, sometimes disappearing altogether as new mechanized techniques are introduced. New skills, such as those of technologists, are emerging and demand recognition. Old skills, such as those of traditional maintenance engineers, are becoming re-established as processes become automated. And, of course, some old-established skills, as in weaving, ship-building and printing, are disappearing. These changes present issues which the trade union movement has always had, but with greater intensity.

The most important long-term change in the character of the labour force is the increasing proportion of employees in white-collar employment. In 1948 about one-quarter of the total labour force was in white-collar employment. Administrative, technical and clerical staff in 1948 constituted sixteen per cent of the labour force in manufacturing industries whereas in 1962 the percentage was 22.6. The fastest growing points in the economy were those with a high white-collar content.¹⁸ Workers in the non-manual category are all potential trade union members but the majority have been insulated against trade unionism by a social image determined by middle-class values and privileged treatment from employers. White-collar workers were called staff, not hands, operators or workmen; they were paid salaries by the month not wages by the hour, day or week; they received considerable fringe benefits without collective action; they were encouraged to identify their interests with employers and to regard trade unionism as a rather vulgar form of manual worker activity. None the less, some non-

manual workers formed unions because for various reasons they were compelled to recognize that they had common interests which could only be protected by collective action. The support these unions received depended upon the intensity with which economic pressures injected realism into the lives of non-manual workers and revealed that their social images were false ones. The most prevalent of these pressures has been inflation which has devalued the real incomes of these relatively fixed-income employees. It is this pressure which caused white-collar militancy in the 1950s and 1960s, as it did in the period immediately following the First World War. Another pressure has been the spread of mechanization to non-manual employment which has reduced the social distance between that and manual work.

Irrespective of what the trade union movement does, white-collar workers establish and extend trade unions as the pressures on them increase for they know of no other form of protection. But the methods they use differ from the traditional union methods because they cannot dispense readily with the values which have led them in the past to denigrate crude industrial action. They are presented with a conflict between what is industrially expedient and that which is socially permissible. They employ collective bargaining and arbitration more frequently than manual workers as their sole means of protection. They are more concerned about their public reputations than manual workers. In consequence, they are prepared to collaborate with employers and to ignore economic class differences as far as they can. The movement by default of manual workers' unions to the idea of the corporate state is likely to be accentuated by a conscious movement by white-collar unions. There are political reasons too for such a movement. With few exceptions white-collar unions try to avoid political party alignments. Their members are conservative by conditioning, preferring to conform and be safe. More than any others in society, they develop the bureaucratic mentality, for they frequently operate within impersonal, hierarchical organizations. Their bureaucratic personality spills over into their political affairs so that they look for neat, ordered solutions to their problems. They can find these within a system of regulated capitalism. But they will only look for such solutions under conditions of crisis and these are likely to affect all sections of the community. What would happen in totality then to the trade union movement would depend upon the vigilance of organized socialist groups in the flexible, relatively unstructured, sections of the movement.

NOTES

1. I am grateful to Dr. J. Williams and Mr. R. Wilkinson of the University of Leeds and Mrs. Sheila Williams of the University of Leicester who have discussed various aspects of this article with me on a number of occasions.
2. For a deeply analytical explanation of differentials see *Efficiency and Effort* (1961), by W. Baldamas.

3. See "Relative Movements of Real Wages and Output," by J. M. Keynes in *Economic Journal*, vol. XLIX (1939), pp. 48-9; "The Distribution of the National Income," by M. Kalecki, in *Essays in the Theory of Economic Fluctuation* (1939), pp. 13-41; and "The Share of Wages in the National Income," by E. H. Phelps Brown and E. P. Hart, in *Economic Journal*, vol. LXII (1952), pp. 253-77.
4. Kalecki, *op. cit.*
5. Phelps Brown, *op. cit.*
6. The term "socialization" has two distinct meanings. The one current in socialist terminology refers to the state of industry in a socialist society after the initial stage of nationalization. The second meaning is a description of the process which starts with the "training of individuals" to fulfil the roles which make up society. (See *Character and Social Structure*, by C. W. Mills and H. H. Gerth (1954).) Here the term is used in its second and sociological meaning.
7. See *The Social Foundations of Wage Policy* (1955), by Barbara Wootton.
8. See *Trade Unions and the Government* (1960), by V. L. Allen, Chapter 17.
9. cf. *Class and Class Conflict in an Industrial Society* (1959), by Ralf Dahrendorf.
10. *Ownership, Control and Success of Large Companies: an analysis of English industrial structure and policy, 1931-1951* (1961), by P. Sargent Florence.
11. See "The New Working Class," by David Lockwood, *European Journal of Sociology*, vol. I, no. 2 (1960), pp. 248-59, for an illuminating article on this topic.
12. The General Secretary of the T.U.C., Mr. George Woodcock, at the 1963 T.U.C. (*T.U.C. Report* (1963), p. 391.)
13. I am grateful to Mr. John Hughes for the suggestion which led me to this analysis.
14. *T.U.C. Report* (1963), p. 266.
15. *Ministry of Labour Gazette* (May 1963), p. 197.
16. *T.U.C. Report* (1928), p. 450.
17. *T.U.C. Report* (1963), pp. 390-3.
18. See *Trade Unions in a Changing Society*, by P.E.P. (*Planning*, June 1963), pp. 185-7.