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MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

POLICY TOWARDS EMPLOYEE INVOLVEMENT

Memorandum by the Secretary of State for Employment

1. Participation in its true and practical sense can do more to improve our industrial relations than any other factor, including our legislative proposals. By involving workers more in the fortunes of their companies industry can help create and mobilise responsible employee opinion against disruption and for cooperation.
2. The main policy decision is on the Government's role. In my view the initiative must lie with management and the main need is for them to get on with it. Government must encourage but not legislate.
3. This encouragement should not take the form of a Government code - the CBI are producing sensible guidelines on communications and consultation that we can support - or any new promotional institution. Specifically, I think that the Government should provide incentives to extend employee share ownership and should continue to support relevant trade union training, and I shall pursue these points with the Chancellor and the Secretary of State for Education and Science. Beyond that we should publicly affirm our belief in employee involvement and, as promised, discuss with the CBI and TUC (probably in NEDC) what more can be done to stimulate company action. We also need to see that the Government's own practice as employer and our attitude to nationalised industry developments, like the Post Office experiment, are consistent with our general approach. And we should resist any movement by the EEC Commission to get a compulsory system of involvement adopted throughout the Community.
4. I invite my colleagues to accept that this should be our approach.

Department of Employment
London SW1

21 September 1979

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