

Indusian  
Relations file

Mr. Alison

Lord Bruce-Gardyne

Mr. Redwood

Mr. Turnbull

The Prime Minister referred briefly to this paper by Jack Peel when we discussed the Scottish Conference speech today and I thought you might like to see it.

SS.

STEPHEN SHERBOURNE

8.5.84

## NEW PATTERNS OF WORK AND LEISURE

Outline of a speech given by Jack Poel (Industrial Relations Consultant)  
at Birmingham, to the Society of Chief Personnel Officers in Local Government.  
Thursday March 15th, 1984.

Predicting the future of industrial relations in Europe is about as scientific as future telling with tea leaves. My task is to stretch your mind and I make no apologies for making a generalist approach - remember the "Titanic" was built by specialists! I wish to speak about the -

1. Present Industrial Relations situation
2. why changes are necessary
3. what changes will come.

1. The present situation is symbolized by the four main Euro-industrial relations systems -

The German system - is marked by works councils, codetermination and industrial unionism. The system is based on cooperation, rather than confrontation and was reconstructed after the last war.

The Benelux system - is linked to joint consultative committees and works councils, which concentrate on information, productivity and safety matters.

The French/Italian system - relies more on political pressures on governments than conventional collective bargaining. This politicisation gives a special turbulence to industrial relations on occasions, despite overall low membership density.

The British system - is a kind of happy chaos, the chief elements being multi-unionism, voluntary agreements, the closed shop and the shop stewards' system.

In fact, each of the ten countries in the European Community has its own IR system and if you remember that there seven languages involved, the complications are obvious. Moreover, you cannot transplant an industrial relations system to another country - unless by some magic you can also transplant the historical and cultural fertilizer.

Works councils operate in most Community countries and are quite separate from negotiating procedures. In the UK, works councils are rare and where they do exist they are regarded with suspicion by the unions who prefer their own shop steward system of representation. Agreements are invariably legally binding on the Continent though non-binding in the UK, where voluntary agreements are preferred.

On the other hand, compulsory trade unionism (the closed shop) is peculiar to the UK and covers approximately 4 million of the 10 1/2 million members in unions affiliated to the TUC. Despite this arrangement, membership density is only 50 per cent in the UK, whereas Belgium and Denmark show membership density of 65 - 70 % - without the closed shop!

Against this diverse and confusing background the European Commission has its own industrial relations strategy, which involves the development of a minimal standard of Euro-labour legislation (protective), a chain of tripartite and bipartite committees in the key industries (consultative) and regular exchange visits to allow employers and trade unionists to meet and exchange views (educative).

Despite this diverse and confusing background, the systems work though economic pressures are emphasising the adversarial aspects of industrial relationships.

## 2. Why changes are necessary?

The great paradox of our times is man's technological brilliance existing side by side with our ramshackle social machinery. The two issues which transcend everything else and will ensure that industrial relations changes out of all recognition in the next ten years - are

- a) High unemployment
- b) micro-technology.

The pressure of these factors will lead to a redistribution of work and leisure, a wider sharing of power and responsibility and a review of the welfare state and our educational systems.

### Unemployment

Here are two traps - the first is political - to believe that by changing a particular government full employment can be restored without undue difficulty. The widespread nature of unemployment under various types of government following different policies, show this argument to be naive in the extreme.

The industrial trap is to assume that shorter hours will automatically reduce unemployment. It is not so simple. Other factors, such as labour costs, demand and productivity, play a crucial role in this area. Unemployment is likely to remain high, due to a combination of structural and demographic trends and the inability of member states to reach and sustain adequate rates of economic growth (economists calculate that

an average growth rate for the whole Community of 6 per cent per annum would be required to really reduce current levels of unemployment - it would need a 4 per cent average rate of economic growth to hold unemployment at its present level of 12 million in the Community.

### Micro-technology

Its full impact and significance is still unclear - it can and does generate, as well as liquidate jobs but it is still too early to pass judgment. The initial tendency, however, of microtechnology, has been to save labour. For example, the Siemens (office 1990) report speaks of 25 per cent of office jobs going out of existence in the next few years and half of all clerical jobs in West Germany being affected during 1990 (by micro-technology). On this basis 16 million jobs in the European Community would be at risk during the same period.

Something big is happening. The 1st Industrial revolution took people out of the fields and their homes and put them into factories, giving them work. This 2nd industrial revolution we are experiencing is doing the reverse thing - taking people out of factories and offices and putting them back into their homes, giving them leisure. These developments have wide political and social significance, but in terms of industrial relations, they give a new and chilling relevance to the search for more cooperative and less conflictual industrial relations systems.

The historian Arnold Toynbee in his book "Surviving the future" said "The destiny of the great majority of this planets' doubled and trebled population might be to live unemployed in shanty towns, subsisting on inadequate dole which would be given grudgingly by the productive minority, who would themselves be living in fear of being massacred by the resentful unemployed majority".

And Francis Pym, former British Foreign Secretary said recently, "The whole process of micro-technology will have a profound influence on the working lives of everyone in this country and indeed in the developed world. We are at the dawn of a change so momentous that it will force us to completely revise our traditional attitudes to employment and to how it is structured and organised".

These dramatic statements from the quite different sources remind us why drastic changes are necessary in the way we conduct our industrial affairs.

a) The composition of the Euro labour force will be significantly changed.

- b) More and more people will be unemployed. Can they cope with unlimited leisure time?
- c) Should educational systems be strongly orientated towards locations or more widely based. Should education be a "once for all" package, or should "serial careers" be encouraged.
- d) Most people have a 40 or 45 year working life. Why not a 20 year working life, with the entry and departure points being a matter of individual choice?
- e) But then comes the welfare question - who pays for all this - and how? Do we tax the few who are working to punitive levels to provide the welfare payments for those who are not working? Is the work ethic still relevant in these new circumstances? If everyone in society receives an adequate basic income, perhaps work will be seen as a service to be given to society - a duty to be performed and a good to be shared, rather than a means of securing income?

These few mind-bending questions pose the need for changed attitudes and fresh thinking about social affairs. In particular, they show that our collective bargaining systems, because of their adversarial nature, are unlikely to be adequate in dealing with the problems of work and leisure redistribution which are coming our way.

### 3. What changes will come?

The key word in my (rather cloudy) crystalball is "SHARING". The sharing of work, profits, power and responsibility. For labour and management in Europe to cope successfully with the universe consequences of social, economic and technological change, it is essential that employee participation systems are developed quickly, as something valuable in themselves and as instruments to greater efficiency and productivity. Collective bargaining should also become "resource related" and not a mere "numbers game" leading to predictable strife. Collective make belief is no solution to the hard problems facing us. A wider use of arbitration would be consistent with this raw philosophy and the way in which the strike weapon is used in today's highly interdependents society, should be considered.

In short, there are nine changes which should be put in train immediately if we are to cope with the advancing technological revolution.

1. Participative management styles
2. More information disclosure to employees
3. Review of collective bargaining systems
4. Shorter working life 20/25 years?

5. Transnational collective bargaining
6. Guaranteed income for everyone
7. Work guarantee (for youth)
8. Review of welfare facilities
9. Review of educational facilities

Two thousand years ago, the Greeks were looking at work and leisure patterns. Plato's "Republic" described work as a "drudge" - an activity for the lower orders of society only. Leisure was noble and for the privileged classes. How interesting that we should once again be looking at the distribution of work and leisure in society - at the time Greece has joined the European Community.

Maybe this has a divine significance. Perhaps we are being told that to solve these problems we shall need the wisdom of Plato, the stoicism of Socrates and the political insight of Aristotle.

YAP