

Co-operatives and Trade UnionsTHE BRITISH RETAIL CO-OPERATIVE MOVEMENT

by

T. E. HUGHES

(Labour Adviser, Co-operative Union)

"How long will it be necessary to play the game of wage negotiations with ourselves? Like the very costly exercise of selling to ourselves (which a single national federation as now proposed will perpetuate) superfluous collective bargaining must rank high in the list of sterile occupations even though we play it with compassionate (sic) fervour."

(J. Gallacher: Bulletin 26, The Society for Co-operative Studies, February 1976.)

That is one person's view of the relationships, which is apparently that they do not exist, for while one entity can have relations with another, it is hard to see how it can have relations with itself. Mr. Gallacher is, of course, entitled to his own opinion of the Co-operative Employers' Association and the evidence it presented to the National Federation Negotiating Committee, but it will surprise members of the committees of that Co-operative Employers' Association to learn that when they thought they were talking to the trade unions they were really talking only to themselves.

Employer-Employee Relationship

As might be expected, there is a different viewpoint

which is that Co-operative Societies are employers, the members of trade unions are employees, and that therefore there is an employer-employee relationship. That relationship is the basis on which all the complex associations and machinery which have been developed rest. It is interesting that in 1892 Beatrice Potter (later Mrs. Sidney Webb) in a paper given to a joint conference of trade unionists and Co-operators discussed the relations between the two Movements.

In the following passage from the late Arnold Bonner in "British Co-operation" (1961) she is quoted as saying that while both were necessary to working class progress, each had its own limitations. "Even under consumers' Co-operation or municipal enterprise, 'without trade unionism there was no security that the public benefit would not be made a source of injury to a minority of producers,' i.e., trade unionism was necessary because of the employer-employed relationship, even if the employer were a public body. ... As co-operators changed their view of the role which labour could or should play in their enterprises and as it was realised that consumer Co-operation does not abolish the employer-employed relationship, the way was clear for trade unionism among co-operative employees."

Much has changed since 1892, and in particular in this context the relations between societies and trade unions have fluctuated, but the employer-employed relationship has continued and is probably even more pronounced now than before. Before considering this point further, however, it is worth looking at the methods which exist for expressing the relationships.

#### Organising the Relationship: Nationally -

There is the National Council of Labour, which comprises the Co-operative Union, the Trades Union Congress and the Labour Party for discussion on matters

which are of common interest to the constituent parties. Perhaps the reference in the Central Executive Report to Congress 1976 that "Disappointment was expressed at the failure of the TUC to consult the Movement" can be regarded as typical of the relationship at that level. The TUC and the Co-operative Congress have interchanged fraternal delegates since 1875 so that there is a long tradition of fraternal relations but in itself this does not mean a great deal. It is not unusual in any family to find that brothers develop in different ways and hold different views and it is hard to forget that Cain and Abel were brothers.

Coming down to more mundane levels, practically all retail societies are members of the Co-operative Employers' Association and the overwhelming majority of employees are members of six of the trade unions with whom the CEA negotiates. Five of those six trade unions form the Joint Trade Union Negotiating Committee and negotiate collectively with the National Wages Board of the CEA in respect of the bulk of co-operative employees, but several of those unions are parties individually or in other groupings to other negotiations at national level.

#### - Locally and Sectionally

These unions are not restricted to contact at national level only, although that does apply to certain other unions, but are involved at individual society and sectional level as well. Some other unions have dealings only with particular societies who employ their members, even though those societies may call on the central resources of the employers for assistance. Other unions may be involved with groups of societies rather than individual societies. Inevitably this presents a rather confusing situation, but even so only one side of the equation has been considered. The other side is how societies fit in, and while it is

comparatively simple in respect of those few societies outwith the Co-operative Employers' Association in that they must deal with all trade unions having membership in their employ it is not so easy to describe the situation of the majority of societies. Even those societies who are not parties to the national negotiation are influenced substantially by what transpires at national level in arriving at their own bargains.

Societies which are parties to national or sectional negotiations by virtue of their membership of the Co-operative Employers' Association are not necessarily insulated from local involvement with trade unions. This local involvement may concern groups of workers not covered by other collective bargaining, individual employees or even workers within the scope of collective bargaining where there are some local peculiarities which it is felt have not been recognised.

In effect national negotiations produce an average solution, but the range represented by the average can vary substantially from one situation to another. Equally the range of involvement in working relations can vary dramatically. There is little, if any, scope for saying that a typical society would have a certain relationship in particular circumstances with a typical trade union because it is too vague and ill-defined.

In general societies have not only recognised trade unions and have encouraged their employees to become members, but they have also participated willingly in the development of collective machinery and joint activity where possible. There have from time to time been exceptions to this general approach, as there have been on the trade union side, but so far as any generalisation can be true this has been the pattern in respect of most societies and most trade unions.

## Growth of the Machinery

Machinery for dealing with industrial relations did not miraculously appear, but has developed over the years evolving and adapting to meet changed circumstances. That process is still continuing even though some of the developments may not be regarded by everyone as desirable. For instance, the National Conciliation Board which was founded in 1926 to provide a means of conciliation or arbitration of disputes which could not otherwise be settled, for the greater part of its first fifty years of existence enabled disputed dismissals to be considered with a fair measure of detachment by a joint body whose members were experienced in relevant working relationships. The effect of some of the legislation introduced with the intention of improving industrial relations has been to make it impracticable for the National Conciliation Board to continue to deal with that particular type of dispute which must be left to the jurisdiction of industrial tribunals composed of persons whose experience is in effect required to be irrelevant.

Reference has already been made to the National Wages Board and its association with trade unions. National negotiations on wage rates and conditions of employment really started only in 1946 since when they have, inevitably, been subject to both praise and criticism. There have been times when some trade unionists have felt that a return to local bargaining would be more in their interests, and also times when some societies have been convinced that national negotiations were detrimental to the interest of those particular societies, but it has been unusual for those views to coincide in time and place. National negotiations may not be an ideal solution to the need to arrive at agreed terms, but currently at least the majority view on both sides is that there is a need for them to continue. Human nature being what it is, an ideal solution to all the problems is unlikely to emerge in the immediate future.

Digressing to some extent, it is interesting that USDAW, the Union representing the greatest proportion of Co-operative employees, in its evidence to the Donovan Commission on Trade Unions and Employers' Associations 1965-1968 commended the machinery which had been developed in the Co-operative Movement as an example to be followed. Admittedly that was twenty years ago, but on the whole what has happened since has tended to improve the facilities for checking with industrial relations matters. Whether USDAW would be inclined to the same view today could only be answered by that organisation, which prompts the observation that parties to a relationship do not necessarily see the relationship in the same ways. Obviously this paper presents only a view of relationships as seen by a representative of employers, rather than a representative of the unions.

#### Variation among Societies and Unions

As in so many democratic activities, representation often has to cater for a broad spectrum of individual views having to be combined into a collective expression. For instance, there are still some employers who believe that good relationships with a trade union can exist only when that trade union is neither to be seen nor heard, and some trade unionists who seem to believe that good relations with an employer will have been achieved only when that employer does as he is told by the trade union without any argument or delay. These are obviously extremes and most opinions will be much more moderate and tolerant.

Even when it is generally accepted that a sound working relationship is essential there can be variations in methods. In some societies because of the calibre and outlook of the individuals representing those societies and their counterparts on the trade unions a substantial degree of mutual trust and confidence has been established with some or all of the trade unions

representing the employees. The resulting relations at that level, which can be described as being almost on an individual basis, are more satisfactory and produce a greater degree of involvement than can be achieved on a more collective basis. It is, of course, equally true that collective relations will be more satisfactory than relations on an individual basis where there is antipathy between the individuals concerned.

Fortunately the instances have been unusual, but there have been occasions when discussions between particular representatives of societies and unions have been possible only through an intermediary because of the objections raised by one set of representatives to the other.

While societies and trade unions develop corporate entities, it must not be forgotten that they still consist of individuals, and this applies also when societies or trade unions are acting collectively. These corporate personalities are not only subject to modification due to pressure from strong or persuasive individuals or groups among the constituents, they must also be interpreted and expressed through individuals representing the organisations. Acting in a representative capacity individuals may be required to behave in ways which differ to some extent from their behavioural pattern as private individuals, but most people are accustomed to acting out different roles in different circumstances, so that often this is not too difficult. When the differences in required attitudes become too great this must cause strain on any relations involved.

Relations can never be static, but it is interesting that often, when a change in representation occurs on either side, the relations are affected apparently solely for that reason. Where in the past there has been mutual trust, it takes time to re-establish that trust with a comparative stranger. Equally where there has

been antipathy in the past, that may be removed by the advent of a new representative because his style is more acceptable. A new broom may sweep clean, but in doing so often stirs up a lot of old dirt.

### Changes in Co-operative Labour Force

There are other factors which are involved in this context which can be most easily summarized by making comparisons over a period of time, even though those comparisons must be on a very generalized basis. Given that qualification, it is suggested that forty years ago the Co-operative labour force was predominantly full-time male, and that the members of that labour force were both Co-operators and trade unionists. As trade unionists, most were members of general trade unions, as opposed to craft unions, which were moderate and had comparatively little concentrated strength in any employment outside Co-operative circles. The dual interests of Co-operation and trade unionism were compatible and strongly held. Many of the trade union officers involved with the Co-operative Movement were either ex-Co-operative employees whose service in the Movement had been their introduction to trade unionism, or men who were Co-operators in the traditional sense. Co-operation was still regarded as a means of achieving "working class progress" which had more attraction certainly in the short term than political activity.

Now a much higher proportion of Co-operative employees are female, a much higher proportion part-time, and in many instances trade union members only because it is a condition of employment. In effect the pay packet is more important than its source, and for many employees it is irrelevant whether that source is Co-operative or not. There is more involvement now with craft unions than there used to be, but Co-operative Societies employ only a minority of the members of those unions and so are regarded as a fringe of other employers. For other

unions, with the exception of NACO which has a membership restricted to Co-operative employment, Co-operative employees are now a smaller proportion of their membership.

It is not in the scope of this paper to comment on the relations between trade unions and the Government from time to time, but it is suggested that the Trade Union Movement has become more aware of its political influence and as this has been developed interest in the Co-operative Movement has declined. By and large trade union officers have tended to become professionals in that particular occupation, which is not to say that they have no sincere belief in trade unionism as such. Societies do not seem to have progressed as far along this road as yet, but even here there have been developments in the appointment of professional managers, including personnel officers and industrial relations officers who may still be sincere Co-operators at heart, but who, because of the pressures and requirements of their occupations, are primarily engaged in exercising their functions, albeit in a Co-operative environment.

#### Future of Co-operative - Trade Union Relations

Societies, too, are handicapped by their past performance. Where legal requirements are minimal and more is done than is legally required, some credit may be forthcoming for the better performance. If, as has been happening, legal requirements are improved to a level which, because of economic circumstances, can not be bettered, not only is there no credit to be had for applying the legal minimum, there is criticism for failure to improve on that minimum as used to happen, which will not necessarily apply to employers whose past performance was less creditable and who, indeed, may largely ignore present obligations.

Changes in relations were probably inevitable as societies and trade unions became larger, but the

conclusion must be that there has been, and is, a relationship which has worked. That the relationship increasingly has to manifest itself through formal and professional channels does not necessarily mean it is worse. Possibly the recognition of the existence of different viewpoints in place of a bland assumption that there is only one common view is an improvement, but it must be accepted that change is not always painless. In the past relations have often been somnolent. Now that both the Co-operative Movement and the Trade Union Movement are awake it does not follow that they will both get out of bed on the right side. In the Co-operative News for the weeks ending December 31, 1976 and January 7, 1977, Mr. W. Farrow, Chairman of the CWS, in his New Year greetings said that he believed "problems are simply opportunities in disguise". Problems have been encountered in the past, other problems will be met in the future, but if a satisfactory working relationship between Co-operative Societies and trade unions does not continue, then the Co-operative Movement or the Trade Union Movement, or both, will have altered beyond recognition.