8 Dualism and Division in Labour Strategies*

INTRODUCTION: BRITISH LABOUR RELATIONS IN THE 1980s

The significance of the economic environment for the emergence and persistence of ‘corporatist’ political relations has long been a matter of some uncertainty. In the early post-war decades, many proponents of such arrangements viewed them as an element in a virtuous circle of union ‘moderation’; high productivity, profitability and investment; and rapid economic growth. Within such a perspective, ‘social partnership’ could provide workers and their unions with the benefits of long-term improvements in real incomes and perhaps employment security as a reward for restraint in the exploitation of short-term bargaining advantages.

To this model of the ‘corporatism of expansion’ may be counterposed that of the ‘corporatism of crisis’. British experience in the past quarter-century clearly falls within the latter rubric. The initial creation of tripartite machinery of economic planning – with wage restraint a key component – may have been conceived, optimistically, in terms of a strategy for rapid growth. Within both main parties in the early 1960s there were strong views that full employment, price stability and steady exchange rates were incompatible with ‘free collective bargaining’; trade union self-discipline would allow government to abandon deflation as an instrument of economic policy, replacing the cycle of ‘stop-go’ by a sustained dash for growth.

Reality imposed a different scenario. The travails of the British economy, anticipating by some years the more general crises of the 1970s, transformed the agenda of tripartism from the benefits of growth to the costs of austerity. Given the experience of Labour’s incomes policy in the late 1960s, and the ‘social contract’ of the 1970s, it is not surprising that the predominant interpretation of corporatism among writers on British industrial relations is of a mechanism to achieve workers’ acquiescence in an erosion of their economic conditions.

*Originally delivered at a conference at the Institut für Sozialforschung, Frankfurt, December 1985.
For critics of trade union participation in such relations, these involved an unequal exchange of substantial material sacrifices by workers for symbolic political status for their representatives. Thus Panitch (1981, p. 38), for example, has argued that 'corporatist political structures became the vehicle for engineering, legitimating ("in the national interest") and administering the increase in exploitation which was necessary to sustain capital in the crisis'. Others (e.g. Crouch, 1982) replied that a more oppositional stance would have failed to protect workers' position, and by aggravating the crisis might have left them even worse off. On either view the presumption was that workers' ability to disrupt government economic policy inspired a strategy of enmeshing unions in its formulation and administration. Such a strategy, it might plausibly be argued, meets the requirements of state policy most directly when workers collectively are relatively strong but the overall economy is relatively weak; when there is a disjunction, in other words, between labour and product markets.

Such circumstances may well be both untypical and unstable. Beyond given limits, precarious product markets erode workers' collective strength. (How this has occurred in the British context is a major theme of the discussion that follows.) Yet if the will or the ability of workers to obstruct government priorities is undermined, the economic logic of corporatist strategies for the state evaporates. In seeking to banish the TUC (and, to a certain extent, the employers' counterpart) to the political periphery, the Thatcher government thus exhibits not simply dogmatism or vindictiveness but also a credible economic rationale. If workers' compliance is no longer problematic, why concede to unions a political status which – even if largely decorative – nevertheless implicitly legitimates the representation of distinctive working-class interests within the body politico-economic?

Parallel considerations apply at the micro level. In key sectors of manufacturing industry in the 1960s, the central problem of industrial relations for employers was the collective cohesion wielded by workers on the shop floor, independently of formal trade union organisation. Even if largely sectional and fragmented, shop-floor power represented a substantial obstacle to managerial efforts to plan and rationalise production. The strategy of industrial relations 'reform' embraced by governments as a complement to incomes policy proposed the formal absorption of trade unions within what Burawoy (1979), in a different context, terms the employer's 'internal