

JUSTICE IN INDUSTRY

By RODGER CHARLES

IN THIS article I shall confine myself to the question of justice in industrial relations in a mixed economy, that is to say, an economy which is partly owned and controlled by government, local and national, and partly by private interests. While it is conceivable that such a mixed economy should, and in fact does, exist in totalitarian or one-party states, I will not be considering the industrial relationship in such a context because the legal and economic restraints upon it make it an integral part of political policy; there is no sphere of industrial relations that has any kind of independent or autonomous life of its own. It is the characteristic of a free society that there is such a sphere: the question is integrating it into the general, social and economic structure so that the good of the whole community is helped and not hindered by it.

Mixed economies tend to be dominated by private economic interests – ‘capitalists’. Is not the quest for justice in capitalist society doomed to failure? Marxist ideology, which has raised doubts in many minds, would suggest so. Is there something about such private economic interests, when they extend to the ownership of productive goods and to important economic and financial resources, which is fundamentally unjust and therefore incapable by definition of producing justice? It is a simple question and it is one that demands a simple answer. For a christian, respecting and understanding the christian moral tradition, the answer must be that there is no necessary contradiction between private ownership and the possibility of industrial and social justice. No doubt those accepting marxist ideas would reject this as naïve, unsophisticated and contrary to the facts, just as I reject the marxist analysis and remedies as also naïve, unsophisticated and contrary to the facts. I have not the space here fully to justify the statement I have made about the compatibility of private ownership and justice in industry, just as I have not the space to refute the opposite marxist contention. All that I have space to do is to say that seeking for justice in industrial relations in a mixed economy in a representative democracy is a reasonable and a necessary quest. My reasons for saying this are well grounded in theory and fact, the same theory and fact indeed on which the

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Church's constant teaching on this matter has been based. No one with any respect for or intelligent understanding of the social magisterium can deny that the catholic mind on this matter is convinced of the possibility of reconciling private economic interests with the rights of those who work for them. This is a moral judgment on a basic issue and as such within the competence of that magisterium. It is not to deny that in many circumstances private ownership of productive goods has so worked as to flout the demand of simple justice. It is to deny the proposition that, of its very nature, private ownership cannot give justice to the wage earner or to society. And this is what the marxist says, however much he dresses it up in technical and what he calls scientific language. It is a moral judgment he is making and it is a moral judgment which the magisterium, on very good grounds, does not accept.

Granted that the quest for justice in industrial relations, in a society which possesses the economic and political freedoms of our representative democracies, is a valid one, are there any general principles on which an industrial relations system in such a society must be based, if it is to have the potential for justice in industrial relations? There are in fact several such broad principles. The question of their application becomes very quickly a matter for detailed historical, sociological, political and economic analysis of the individual countries and their situation.

To have the potential of producing industrial justice, industrial-relations systems must embody and safeguard the following principles: (Note here that 'employee' is taken to mean one who normally secures his *wages and conditions* by collective activity, 'employer' is taken to mean one who does not, even though he is a manager rather than owner. Like the owner, the manager, whose skills and talent are sufficiently rare to enable him to act as his own agent, can be out of a job. But he enters one and holds one on terms he settles personally. The employee needs collective action to settle his terms.)

1. Employers and employees are to have the right of association and to organize to negotiate to settle the wages, hours and conditions of the employees.
2. While interests differ, and the right to strike or to refuse to employ must be preserved in their ultimate defence, the overall context of the industrial relationship should not be that of class-conflict but one of co-operation.
3. How this co-operation is achieved is a matter for individual societies to decide. But it must not deny to the employees fully human

conditions of work (including the right to participate in management by some agreed procedure) and fully adequate human standards of economic reward (including the right to a share in profits, however defined and however the share is taken). Nor must it deny to the owners and the employed a due reward for their contribution, and the freedom to direct their undertakings efficiently and profitably.

4. The duty of the public authorities is to provide the economic, social and legal context within which these rights can be exercised in such a way that the good of every individual in the community is safeguarded. The principle of subsidiarity, that is, that the state should not do for the individuals or groups of individuals what they can do for themselves, must be sacrosanct; but so must the common good. Planning for full employment, the provisions of the welfare state and so-on, as a background to industrial relations, come into this brief. Detailed legislation to protect the rights and enforce the duties of owners, employers and employees; legal provision for safety, health and other standards; the use of state agencies to help reduce the number of strikes or to settle them: all these and much else are in principle contained in this obligation on the community. It is for particular societies according to their time and place to decide how this possible range of options has to be applied, and which of them.

This is all that can be said in terms of general principle concerning justice in industrial relations in the mixed economy of a representative democracy. To apply these principles in particular to the needs of a given situation it is necessary to have a precise, detailed and accurate knowledge of the situation in question, the political and economic background, the sociological structure and the economic organization of industry. I have this specialized knowledge of the british situation alone, and to that I will therefore confine my remarks. How does the british system measure up to providing industrial justice for the parties to the industrial relationship and the community at large?

All four of the principles given above are in fact embodied in some way in the british system, but all reveal in practice very serious defects. In theory, the right of association exists and in theory the two sides negotiate to defend their interests. But both sides are very badly organized, the implications of that organization are very sketchily worked out and applied, and the process of negotiation in many major industries is crude in the extreme.

Regarding the second principle, the absence of a class-war attitude, again in theory the ideological conflict between capital and labour is repudiated. In practice however, and especially where the industrial interests on both sides merge into the political, there is an element of conflict and opposition so deep and bitter that it is for all practical purposes indistinguishable from class conflict.

As to the third principle, ensuring that the ethos of industrial relations is one of co-operation and not conflict, in so far as the aims and methods of british industrial relations are clearly stated or are clearly traceable, there is a fumbling desire to do this. But it has never been completely rationalized; and apart from the rare cases where genuine productivity agreements are negotiated, and something like co-partnership or profit sharing has been tried (and this is not necessarily a general answer), positive co-operation simply does not take place.

As to the fourth principle, the obligation of the public authority to provide industrial relations with the context in which they can develop positively, much has been done, especially in the area of full employment policies and providing for redundancy and improvement in training methods. But the failure of public policy to help towards the evolution of a more humane and rational internal structure of industrial relations is highlighted by the total opposition between the mass of organized labour and the present government on the question of the Industrial Relations Act. This is not to apportion blame. It is just to notice that the latest efforts made by a duly elected government to provide for the reform of industrial relations by law have totally failed. The Act and its legal institutions has had some positive and beneficial effects and will continue to do so. As the introduction to a genuine root and branch reform in our industrial relations system, in terms of what we need and what the defenders of the Act said it would provide, it has totally failed.

This being the case—that there is acceptance of or the desire to accept the principles in theory, but an inability to give them anything like full application, the question of justice in industrial relations is one that has many facets and ramifications. Problems of public policy are paramount, especially in the field of accommodating the existing tradition of collective bargaining with those of controlling inflation and, even more fundamentally, with the whole question of rewards for work. Whether you think, as I do, that the trade unions are being made in fact a scapegoat for all sorts of evils in our society, economically and socially, or whether you think that

they are worthy of every criticism levelled against them, a prices and incomes policy is of crucial importance for any modern government. To imagine that industrial relations can be considered without reference to such considerations is unrealistic. But it is also unrealistic to fail to appreciate that such policies will not operate, will not even be relevant, unless the co-operation of industry is obtained; and the only way that co-operation can be given effect, in the long run, is through proper use of the collective negotiation system.

At the moment, neither the attitude of the three parties concerned nor the system itself give hope that this will be realized or effectively carried out. This is where the problem began; and this is where, ultimately, it will have to have an end. The human problem of work, the problem of justice in industry, is fundamentally one of enabling the employee, through organized strength in trade unions, to defend his own interests; and, by positively co-operating with his employer, to improve his lot and that of the industry generally. The traditional British system of industrial relations has within it the capacity of adapting to meet these needs. What it has lacked since the Labour movement gained, in the 1940's, that full employment and the welfare state which only a political action could gain for the people of this country, is a breath of vision and common-sense idealism among the operators of our system of industrial relations equal to that of some of the men who built up that system for us.

Until the 1930's, there were prominent trade union leaders and prominent industrialists in this country, who were working hard and effectively for the improvement of our industrial relations system through rationalization and humanization of its internal structure. The impact of the depression turned the mind of Labour to political action generally, as a means of ensuring the right sort of social and economic policies. It was imagined that the problems of industrial relations would be solved by nationalization. Positive thinking on the employers' side was paralysed by the 1930's too, for different reasons. The political gains in the 1940's made Labour complacent and put employers on the defensive. Because of Labour's fuller participation in the 1939/45 war effort, and the advent of the full employment welfare state, the industrial relations system in the 1950's and the 1960's was spared that series of conflicts arising out of economic difficulties or the problems of war, which spurred a positive thinking in the previous period. But the problems were there just the same, and still as chronically a challenge to our national well-being as they had been in the earlier period.

In the early 1960's, the problem of wages policy and the growing evidence that our much vaunted industrial relations system was simply not adequate for the demands of modern industry forced us again to think hard. The result was the Donovan Commission, *Fair Deal at Work*, and *In Place of Strife*. More recently it has been the Industrial Relations Act and the attempt to control inflation by a National Incomes and Prices Policy of a vigour unparalleled in peace time, in this country.

What, in this complex of confusing events that we are all witnessing and living through, can justice in industry mean in christian terms? To those directly involved, the government through the obligation to provide the right policies, the unions and employers in their obligation to safeguard their members' interests and those of the industry, it means, in many ways, different things. As in all areas of democratic society, a right and workable policy depends, to some extent, upon a compromise between conflicting interests. As a christian citizen who has made it his task over the years to understand the evolution and nature of the industrial relations system in our free society, I would say that there needs to be a radical change in public attitudes on two matters, before we can get our desired justice.

The first is that those who, by that combination of ability and good fortune which makes men leaders in their time, have it in their power to provide society with its ideals, must give practical thanks for their good fortune by refusing to demand for themselves every privilege and financial gain that they could in their power make their own. If free society is to survive, it must demonstrate that it knows the difference between quality of life and mere material affluence. And until those who are rich and powerful give the lead in this matter, they cannot expect the poorer and weaker to see that difference.

The second thing is that those who have opinion-forming powers, especially through the mass media, or those who are given to discussing the problem of industrial relations in a private or a public capacity, should not project an image of trade unionism, which suggests that it is at best a necessary evil, an institution which can be criticized as bitterly and as cynically as the actions of some of its members seem to allow. We do not criticize 'the employers' as a whole for the corruption and stupidity of 'some employers'. We should not do the same regarding the unions. The union represents that invocation of the right of association which is the surest guaran-

tee of the human dignity of the employee.

Contrary to the common myth, the average trade unionist is a hardworking, responsible and valuable member of our society. Since justice in industry depends on his co-operation, it is a pity that industrial society, which so much needs justice, gets from its leaders and its opinion-formers so different an impression. In all the improvements that we need in order to secure justice in industry, whether they be changes in the internal organization of industrial relations, or of adapting collective bargaining attitudes on both sides to the needs of a full employment welfare state, these changes cannot be secured justly without the whole-hearted co-operation of the average employee. In its turn there is only one agency capable of speaking for him, and that is the trade union.

The troubles that hit the headlines, the needless strikes, the victimizations, the apparent irresponsibility, are the result, not of strong trade unionism but of weak trade unionism, or embittered trade unionism. The vast majority of cases, in which union action is worthy of public condemnation, grow out of situations in which union organization is comparatively weak or, as a result of long and bitter industrial relations, has fallen into the hands of ideologically motivated men. For this the apathy of many wage earners and trade unionists is very largely to blame. Also, and much more to blame is a society which does not recognize and publicly recommend the positive value of the unions. If trade union membership was seen as what it really is, a valuable form of public service, unions would be stronger, better organized and more responsible as well as serving their own members better. To give this encouragement, however, requires a trust in democracy, and the basic good sense of the average man, which too often is lacking in educated society. The christian, with his realistic faith in the true dignity of everyman, should not be among these cynics.