



Phillips, J. (2023) George Bain and memories of the Bullock Committee on Industrial Democracy. *Historical Studies in Industrial Relations*, 44(1), pp. 173-180. (doi: [10.3828/hsir.2023.44.10](https://doi.org/10.3828/hsir.2023.44.10))

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George Bain and Memories of the Bullock Committee on Industrial Democracy

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Final Author Version

Historical Studies in Industrial Relations, 44 (2023), 173-80, doi [10.3828/hsir.2023.44.10](https://doi.org/10.3828/hsir.2023.44.10)

I interviewed Professor Sir George Sayers Bain at his home in Glasgow on 26 January 2023. We prepared for the interview two weeks previously, also at Bain's home, identifying areas for discussion. I used a life-course interview format in the interview, to frame Bain's memories of his membership of the Committee of Inquiry on Industrial Democracy, 1975-77, chaired by Alan Bullock, the historian, biographer and founding Master of St. Catherine's College, Oxford. The interview was recorded, and the transcript, edited by Paul Smith and reviewed by Bain, follows this contextual introduction.

George Bain

Bain was born in Winnipeg, Manitoba in 1939. In our preliminary conversation and the interview, he talked about his family history, which involved trade-union activism, and migration to Canada from Scotland and Northern Ireland. The personal legacy of this history was a lifelong support for union organization and the progressive redistribution of social authority as well as wealth and income. After degrees in economic and political science at the University of Manitoba, a Commonwealth Scholarship took him in 1963 to Nuffield College, Oxford, where he completed a doctoral thesis on white-collar trade unionism in the UK under the supervision of Hugh Clegg and Allan Flanders. He spoke warmly about both men but held special admiration for Clegg and his well-known work in policy-making along with his academic research and teaching. White-collar unionism was an unusual field of study in industrial relations in the UK in the 1960s. With employment in manufacturing hovering at a historic peak, there was an understandable emphasis in the discipline on shop-floor bargaining, particularly that which involved manual workers. This dominant tendency was encouraged by politicized debates about strikes, productivity and wage 'drift'. These debates were addressed but not resolved by the Labour government-appointed Royal

Commission on Trade Unions and Employers' Organisations, 1965-68, chaired by Lord Donovan,¹ on which Clegg was arguably the leading intellectual force, influencing its recommendation of state-coordinated voluntarist reforms of industrial relations.² Bain authored a research paper for the Commission,³ but was preparing for a post-doctoral academic future in North America, where he felt an expertise on non-manual union organization and behaviour would improve his own labour-market prospects.

Bain's doctoral research in fact became the basis for a professional career spent entirely in England and Northern Ireland. His thesis, adapted and published in 1970, was a strongly-empirical examination of the industrial, labour-market and public-policy factors which helped and hindered white-collar unionism in the UK in the twentieth century. Growth until the 1960s had been concentrated around two periods of war, from 1917-24 and then 1938-45, where tightening labour-markets plus government policy pushed employers to recognize unions. Bain observed that a third period of growth was underway in the late 1960s. He attributed this to industrial concentration in manufacturing, growing establishment size, worker demands for increased wages to counter price inflationary pressures, and a broader social climate conducive to union organization.⁴ The advance of organization among white-collar employees in industry, along with growth among previously under-represented workers in public-sector services, especially women, sustained a remarkable increase in union density in the UK from 44.4 per cent in 1969 to 49.6 per cent in 1974. Bain explained these trends in an influential *British Journal of Industrial Relations* paper, co-authored with Robert Price, published in 1976. This included an important passage on the positive correlation between establishment size and union density, noting that this correlation had strengthened significantly over time.⁵ The Price-Bain paper formed the basis for chapter two of the Bullock Main Report, published in January 1977. The establishment

¹ *Royal Commission on Trade Unions and Employers' Associations 1965-1968* (Donovan), *Report*, Cmnd 3623 (1968).

² P. Ackers, 'Game Changer: Hugh Clegg's Role in Drafting the 1968 Donovan Report and Redefining the British Industrial Relations Policy-Problem', *Historical Studies in Industrial Relations* 35 (2014), pp. 65-88.

³ G. S. Bain, *Trade Union Growth and Recognition: With Special Reference to White-Collar Unions in Private Industry* (HMSO: 1967).

⁴ G. S. Bain, *The Growth of White-Collar Unionism* (Oxford University Press: 1970).

⁵ R. Price and G. S. Bain, 'Union Growth Revisited: 1948-1974 In Perspective', *British Journal of Industrial Relations*, 14.3 (1976), pp. 339-355, with details on establishment size and union density on pp. 348-51.

size-union density growth correlation was cited in support of its chief recommendation: union-elected worker directors, with parity status, on executive boards in private sector manufacturing companies with 2,000 or more employees.⁶

The Bullock Committee was established in August 1975 to explore how industrial democracy could be advanced through proposals first made by the Trades Union Congress (TUC) in 1972-73 for board-level worker representation. The TUC saw union voice in the boardroom as means of positioning the interests of workers more centrally in corporate strategy. A Private Members' Bill to secure this end was introduced early in 1975 by Giles Radice, Labour MP for Chester-le-Street, which seemed likely to command sizable support in the House of Commons. Radice was persuaded to withdraw the Bill in exchange for the Bullock's committee formation, interpreted in 1978 by John Elliot of the *Financial Times* as an attempt by the Treasury and the Board of Trade government to derail the initiative. The committee's terms of reference included important caveats around evaluating the 'implications' of worker directors for the 'National Economy' and the 'efficient management' of companies.⁷

Bain explained the circumstances of his joining the committee in the interview. He was Deputy Director of the Social Sciences Research Council-funded Industrial Relations Research Unit at the University of Warwick, where he had been centrally involved in establishing the Modern Records Centre (MRC) in 1973. His vast collection of papers is archived there.⁸ Subsequent academic leadership roles included Chairman of the School of Industrial and Business Studies at Warwick, 1983-89, Principal of the London Business School, 1989-1997, and President and Vice-Chancellor of Queen's University, Belfast, 1998-2004. In arguably his greatest contribution to public life, Bain was Chairman of the Low Pay Commission, 1997-2002, appointed by the Labour government, steering the introduction of the National Minimum Wage (NMW) in 1999. This highly positive experience, establishing

⁶ Department of Trade, *Committee of Inquiry on Industrial Democracy (Bullock), Report*, Cmnd 6706 (1977), pp. 4-19, 128-9.

⁷ J. Elliot, *Conflict or Cooperation? The Growth of Industrial Democracy* (Kogan Page: 1978), pp. 215-20.

⁸ [Papers of Sir George Sayers Bain, Professor of Industrial Relations, and colleagues \(warwick.ac.uk\)](https://www.warwick.ac.uk/people/sir-george-sayers-bain), accessed 17 May 2023.

consensus and isolating business opposition, clearly framed his memories of the Bullock Committee, riven by divisions and with union ambitions thwarted by employers.

Bullock Committee: macro and micro divisions

Historical Studies in Industrial Relations (HSIR) published my analysis of the Bullock Committee in 2011, based primarily on UK government and business records, including those of the Confederation of British Industry (CBI), archived at the MRC. This article emphasized how the CBI and several major multinational manufacturers, notably Courtaulds, ICI, Shell, Unilever and United Biscuits, mobilized successfully against the Bullock Main Report recommendations, characterized as a union power grab, usurping managerial freedoms and shareholder rights. This lobbying also criticized the Bullock Minority Report recommendations, published alongside the Main Report, signed off by three of the committee's business representatives. The principle of worker directors was accepted in the Minority Report, although with one-third minority status on supervisory rather than management boards, and elected by non-union as well as union members. The Labour government, divided on the issue and cowed by business opposition, set aside the Main Report recommendations and, following a lengthy delay, published a White Paper based on the Minority Report recommendation.⁹ No legislation was passed before the 1979 General Election which resulted in the formation of Margaret Thatcher's first Conservative government. This outcome arguably demonstrates the case for interpreting business power rather than union power as the chief characteristic of UK industrial relations in the 1970s.¹⁰

Bain explored his memories of the Committee in the interview. Two issues emerged: the macro-division of class and ideology, chiefly between union and union-sympathizing advocates of worker directors on the one hand, and business and business-sympathizing opponents on the other hand; and the micro-division within the trade-union movement over worker directors. The macro-division was readily apparent in how the committee worked. 'We caucused', Bain said. Committee meetings were held on Tuesdays at a terraced house in

⁹ (White Paper), *Industrial Democracy*, Cmnd 7231 (1978).

¹⁰ J. Phillips, UK Business Power and Opposition to the Bullock Committee's 1977 Proposals on Worker Directors, *Historical Studies in Industrial Relations* 31/32 (2011), pp. 1-30.

Bloomsbury. Beforehand, the Monday evening or early Tuesday morning, Bain met his fellow 'further member for labour', Bill Wedderburn, then Professor of Commercial Law at London School of Economics, along with Jack Jones, General Secretary of the Transport and General Workers' Union, Clive Jenkins, General Secretary of the Association of Scientific, Technical and Managerial Staffs, and David Lea, Secretary of the TUC Economic Department. The five discussed strategy and progress in advance of the formal session with Bullock and the business representatives, Norman Biggs, Chairman of Williams and Glyn's Bank, Sir Jack Callard, Chairman of ICI, Barrie Heath, Chairman of Guest, Keen and Nettlefolds (GKN), and John Methven, Director-General of Fair Trading, who left the committee to take up the post of Director-General of the CBI in July 1976. Bain believed that these four also met separately in advance of committee meetings, perhaps joined on occasion by the 'further member for capital', Nicholas Wilson, a Solicitor with major City of London clients. Wilson signed the Main Report, although with a note of reservation relating to the operation of company law.

Bain was detailed by Bullock as a 'go-between', seeking to find areas of agreement between the caucuses. He found Heath affable. The transcript reveals humorous moments from the committee meetings, where the businessman was candid about his intellectual shortcomings, and in the travel and social arrangements arising from the research trips to Sweden and the Federal Republic of Germany, where different systems of corporate governance involving worker directors already applied. Biggs said little, perhaps owing to his inexperience in engaging with unions and industrial issues directly. Callard was often quiet but carried more weight than Heath as ICI was bigger than GKN. He was perhaps the chief protector of business interests on the committee, embodying a tendency identified by Bain among more thoughtful industrialists to retain power by conceding lesser parts of it. Hence the emergence in the late 1960s and early 1970s of shopfloor employee involvement initiatives, the number of which increased significantly during the working life of the Bullock committee. ICI was an early adopter of workplace involvement and Callard claimed this bottom-up approach to industrial democracy would be disrupted by the imposition of worker directors in the manner proposed in the Bullock Main Report.

Bain was struck afresh, having read the 2011 *HSIR* article, by ICI's central leadership of business opposition to union channel worker directors. This opposition was 'fierce'. Note his repetition of the word '*fierce*' in the transcript. Hostility to worker directors was rooted in

class defence of 'the distribution of power in a capitalist system'. Bain illustrated this point by talking about a conference on Bullock which he attended at the National Exhibition Centre in Birmingham with Wedderburn, a few weeks after publication, probably in February or March 1977. The hostile audience consisted primarily of middle managers who saw material self-interest in opposing worker directors, who were potential rivals for their ultimate career target of a position on management boards. The atmosphere was 'emotional' and the questioning of Bain and Wedderburn, 'bloody academics', highly adversarial.

Bain was on friendly terms with Jack Jones, who Bullock also admired. The TGWU was the largest union in the UK, approaching a membership of about two million by the end of the 1970s. As with ICI and Callard, relative scale counted. But Jones occupies a special position in Bain's memory and estimation for his personal integrity and huge intellect, *the* outstanding British trade unionist along with Ernest Bevin, founding General Secretary of the TGWU and the subject, of course, of Bullock's three-volume biography.¹¹ Jones was adamant in his advocacy of union-channel worker directors, but other union leaders, with different trade and industry constituencies, viewed matters otherwise. Hugh Scanlon, President of the Amalgamated Union of Engineering Workers (AUEW), and Eric Chapple, General Secretary of the Electrical, Electronic, Telecommunications and Plumbing Union (EETPU), were remembered by Bain as particularly stern critics of worker directors.

Bain has written about this micro-division within the union movement in terms of risk and reward.¹² The chief risk arises from the conflict-of-interest argument. Bain's mentor, Hugh Clegg, had set this out as early as 1951, writing about 'the problem of trade union responsibility'.¹³ In Bain's terms, this could arise where boards were examining 'fundamental managerial decisions, affecting workpeople', such as 'investment, location, closures, takeovers and mergers, and product specialisation'. Worker directors might be impelled to support and hence legitimize board decisions that were unpopular with union members. The

¹¹ A. Bullock, *The Life and Times of Ernest Bevin. Volume I: Trade Union Leader, 1881-1940* (Heinemann: 1960); *Volume II: Minister of Labour, 1940-1945* (Heinemann: 1967); Alan Bullock, *Ernest Bevin: Foreign Secretary, 1945-1951* (Oxford University Press: 1983).

¹² G. S. Bain, 'Industrial Democracy and Collective Bargaining: Recent Experiences and Future Directions', in G. England, ed., *Essays in Collective Bargaining and Industrial Democracy* (CCH, Canadian: 1983), pp. 159-173.

¹³ H. A. Clegg, *Industrial Democracy and Nationalization* (Basil Blackwell: 1951), pp. 26-36.

chief rewards lay in preventing such decisions or mitigating their negative consequences. Bain called this the ‘arsenal of weapons’ approach, with board membership alongside collective bargaining. The ‘strategy of refusal’, eschewing board-level involvement, would in itself legitimize managerial prerogative and involve ‘permanent opposition’.¹⁴ In the interview Bain referred to this essay and spoke about the distinction made by Jones between the ‘low ground’ and the ‘middle ground’ of collective bargaining and the ‘high ground’ attainable through board-room participation. Without the latter, unions would forever be ‘dealing with the consequences rather than the causes’.

Union divisions on worker directors were therefore not straightforwardly between left and right, as the shared oppositional position of Scanlon, the winning ‘broad left’ candidate for the AUEW presidency in 1964, and Chapple, the future Social Democratic Party member, demonstrated. The division also reflected interpretations of risk and reward which varied, Bain hinted, according to economic sector and trade unions. To extrapolate from his generalized observations, electricians perhaps saw the risks as unacceptably high because they worked in sectors where technologies were changing more extensively or rapidly. Electrician worker directors would be more vulnerable to criticism from members for agreeing to these changes than those in sectors where changes were less extensive or less abrupt. By contrast, general workers in manufacturing, semi-skilled assemblers in vehicle building for instance, could reap higher reward from union activism in board rooms which blocked capital flight or promoted new models, preserving or promoting employment levels.

The Low Pay Commission, Bullock and government action

To reiterate, the Bullock Main Report was blocked because it challenged the power of capital. Bain illustrated this conclusion by reflecting on his experience chairing the Low Pay Commission from 1997. There was initial ideological objection to the NMW, but this gradually dissipated, and opposition was generally technical. The debate centred around ‘a number’, an hourly figure that would minimize the potential adverse labour-market effects of the measure. Critics, including major employers and Conservative-supporting or leaning

¹⁴ Bain, ‘Industrial Democracy and Collective Bargaining’, pp. 161-68.

economists, did not articulate their concerns in the same existential register as opponents of Bullock. There was no serious macro-division of class.

There was no significant micro-division within the union movement either, posed by the NMW. Bain extended the comparison between Bullock and the NMW by talking about the near-universal support among unions for a wage floor that was understood and accepted as strengthening the bargaining power of labour. This contributed to the final and decisive difference between Bullock and the NMW. Tony Blair, the Prime Minister from 1997 to 2007, was a strong advocate of the NMW. This commitment generally overrode cautionary advice from the Treasury, articulated by Gordon Brown, Chancellor of the Exchequer, and Ed Balls, his close advisor, who favoured the measure in principle but were concerned about some of its untested labour-market effects. Minority ‘end of the world as we know it’ views, voiced by libertarian economists, including those associated with the Institute for Economic Affairs, were likewise isolated. By contrast there was no ‘high profile champion’ of worker directors in the Labour government in the 1970s: its ‘heart was not in it’. James Callaghan, the Prime Minister, knowingly delegated his government’s response to a ministerial committee, chaired by Shirley Williams, Secretary of State for Education, and dominated by Edmund Dell, Secretary of State for Trade, that was unlikely to uphold the Main Report findings. Dell, author of the government’s White Paper, signalled shortly after publication of Bullock that he was uninterested in the Main Report recommendations.¹⁵

After we had finished recording on 26 January, I read Bain excerpts from Andrew Roth’s 1999 obituary of Dell, from *The Guardian*. He was intrigued by the revelation that Dell had worked for ICI from 1949 to 1963, as a sales representative focusing on Latin America. Here was a more or less direct connection between Dell, future government minister, and the company that led the business campaign to block the policy he was charged with overseeing. Nor was Bain surprised to learn that Dell, like Williams and Chapple, left the Labour Party in 1981 to join the Social Democratic Party, which combined opposition to the mounting social costs of Thatcherism with a highly exaggerated critique of union power.¹⁶ This was an important coda to the interview. The role of Dell, Williams and others in the Labour Cabinet who opposed union-channel worker directors reinforced a central tenet of

¹⁵ Elliot, *Conflict or Cooperation?*, pp. 242-49.

¹⁶ A. Roth, ‘Edmund Dell, Obituary’, *The Guardian*, 4 November 1999.

Bain's settled conclusions on industrial relations, present in his publications and conference papers from *The Growth of White-Collar Unionism* onwards. Meaningful redistribution of authority from employers to workers has only ever been achieved in the UK with a level of government support that is sufficient to override business opposition.