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Shirley K. Hammond, Multinational Tactics in a Traditional Coal Mining Community, Conflict in Spennymoor, an ABSTRACT OF THE THESIS:

The sociological effects of three multinational corporations on Spennymoor, a former traditional coal mining community in County Durham, is examined. Effects of the multinationals on community life, on the workplace environment, and on trade union structures receive particular attention. The study focuses on specific research findings in respect of the Spennymoor community made during 1976-1977 and draws a comparative analysis of the impact of the three multinationals. Two of the companies are English-based multinationals: The Thorn subsidiary Smart and Brown and Courtaulds, Ltd., whereas, the third, Black and Decker, Ltd., is an American-based multinational managed by and employing British personnel in Great Britain.

The method of data collection used in the study included a combination of in-depth interviews, direct observation and social interaction in Spennymoor. Persons interviewed collectively form a diverse cross-section of male and female subjects.

The study presents arguments indicating multinational corporations possess worldwide hegemony outside the rule of effective international law to regulate their actions in the world economy. Substantial consideration is given in this work to the International Investment Guidelines for Multinational Enterprises formulated by the Organisation for Economic Cooperation and Development (OECD) in an attempt to provide a fair social framework and equitable operating procedures with which multinationals are to abide. This study investigates whether or not the multinationals in Spennymoor have complied with the OECD Guidelines.

Four major social conflicts are revealed: the traditional community society in conflict with international corporatism; the conflict of workers versus multinational managers and district governmental bureaucrats; the conflict between female workers and a male dominated society within which sexist discrimination has been reinforced by multinational management practises rather than alleviated; and lastly, but of most pervasive importance, the conflict between multinational industrial strategy and fair collective bargaining by trade unions.

The study concludes that a great preponderance of power lies with the multinationals to determine the destiny of the Spennymoor workers and of Spennymoor itself. A need exists for effective international regulation of multinationals and a strong worldwide organisation of workers, such as combine committees, united in their aims to bargain collectively from a position of united power in order for the workers to control their jobs and the destiny of their local communities.

MULTINATIONAL TACTICS IN A
TRADITIONAL COAL MINING COMMUNITY
- CONFLICT IN SPENNYMOOR

SHIRLEY K. HAMMOND

Presented for the degree of Master of Arts in Social Sciences
to the University of Durham

September 1981

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"You go in there every day. It gets you down. You're getting older and you think, 'What the hell am I doing here?'

In the winter you don't see no sunlight. It's dark when you go and dark when you come home. Then in the summer you're all flogged out."

- A young female factory worker in Spennymoor.

In what does the alienation of labour consist? First, that the work is external to the worker, that it is not a part of his nature, that consequently he does not fulfil himself in his work but denies himself, has a feeling of misery, not of well-being . . . The worker therefore feels himself at home only during his leisure, whereas at work he feels homeless.

- K. Marx, Economic and Political Manuscripts (1844)

INTRODUCTION

The focus of this investigative study is on the effect of three multinational corporations, namely, Smart and Brown, Ltd., Black and Decker, Ltd., and Courtaulds, on the social fabric of Spennymoor, a town in the North East of England. Providing a comparative basis for the townspeople's attitudes are their experiences both prior to and during those industrial changes which transformed Spennymoor from a coalmining town into a multinational manufacturing centre.

During the Winter and Spring of 1976 - 1977 I went to Spennymoor three times each week to carry out a community study concerning that town which has evolved from a mining community into a manufacturing centre dependent upon large corporations, specifically multinational corporations, to provide jobs for its inhabitants. This metamorphosis has taken place during the space of fifteen years. With the closing of the Dean and Chapter Colliery in 1965, Spennymoor's Coal Mining Period effectively came to an end. For better or for worse, it now is totally integrated in the international system of multinational enterprise.

Three relevant areas in this context are: (1) policies concerning participation in the community of Spennymoor; (2) the workplace environment of its workforce; and (3) trade union organisation. These areas are investigated in an endeavour to identify the similarities and differences in attitudes of the three multinational companies vis-à-vis the community. These three areas have received much attention in sociological literature and my study is an attempt to fit my specific findings about Spennymoor into that general sociological framework.

Two factors contribute a measure of uniqueness to my research:

- (a) as an American, I carry a different cultural background and approach a British sociological problem from a different perspective;



(b) there was no supportive cooperation by the personnel management teams of the companies as I was not granted permission to speak with shopfloor workers in the plants.

Without ties, obligations, feelings of loyalty or antipathy to anyone, I was able to be an independent investigator in a British sociological arena. Thus, in this exploratory study there was no "Hawthorn effect" since the companies did not provide access to workers through their personnel channels. In fact, by explaining my dilemma to workers and townspeople, that I, an American student, was attempting to study comparatively the three major multinationals and the companies had rejected my proposal to interview workers at the plants, I was able to establish a rapport at the outset of the interviews. Indeed, this lack of connection with the companies was a positive factor in contributing to reflectively candid comments by workers about their attitudes towards management. They did not consider me an agent of management, and although conservatism often glossed over the presence of conflict in their lives their attitudes revealed a deeply rooted antagonism between "us and them" - worker and employer. It is worth stating from the outset that we are not dealing with so-called militant workers. The subjects in this exploratory study are hard-working stable people who believe in traditional values. But they do question various aspects of the status quo.

My first interviews were with key informants, i. e. past and present townleaders. Lupton has stressed the importance of interviewing managers as well as trade union men and shopfloor representatives. My interviews did follow that scheme of order as the attempt was made to maintain solely the role of social investigator.¹ Workers who were not actively participating in the trade unions were also interviewed. Therefore, the interviewees collectively form a diversified cross-section of male and female socio-economic groups. However,

no claims are being made that the sampling techniques used in this study present a statistically accurate representation of the views of the entire Spennymoor populace.

In addition to the in-depth interviews throughout the community, I was involved in direct observation and social interaction in the community whenever the opportunity presented itself. I commuted to Spennymoor by bus from my student residence in Durham throughout the duration of my research. Bus rides provided a variety of experiences with townspeople and informal exchanges between Spennymoorites could be gathered. Visiting drinking establishments was an important source of informal data collection; this included a Working Men's Club, the Catholic Colomba Hall pub, and the town pubs all of which continue to provide active arenas for communal sociability in the community. Although not a Catholic, I went to Mass at the well-attended Catholic church of St. Paul. I walked the pavements of Spennymoor and became familiar with its sights as well as the people. I visited Spennymoor townspeople in the Council development of Bessemer Park mentioned previously, and I visited townspeople living in terraced houses or semi-detached houses in all other sections of Spennymoor. Also, I was in detached houses of the small middle class grouping around Whitworth Close at the edge of the town and in the country squire's residence, Whitworth Hall, located in a rural area outside of Spennymoor.²

In addition to meeting and talking with people in Spennymoor, I studied many background sources relating to the town: historical records and photos, novels, technical reports by the Northern Region Strategy Team, County development reports, published sociological work relating to my subject-matter, newspaper files and I obtained and viewed the specially made film designed to attract industrial enterprises to Spennymoor. Thus, the documentary material contributing to this

research project is considerably varied in form and scope but pertinent in its content relevance to the subject-matter of the town of Spennymoor's inhabitants.

Therefore, the method of data collection for this research study included a combination of in-depth interviews, direct observation and social interaction in the Spennymoor milieu. My role was that of interviewer and observer, the latter took the form of direct, non-participant observation. The in-depth interviews were structured interviews with structured open-ended questions. As Margaret Stacey points out with open-ended questions interviewees have the freedom to answer as they desire; this type of question is essential when dealing with a study of attitudes and feelings but Stacey notes that open-ended questions present a problem for analysis.³ However, the use of open-ended questions was particularly important in this exploratory research study for, as Selltiz et al has pointed out, "open-ended questions are used when the issue is complex, where relevant dimensions are not known, and where a process is being explored."⁴

The in-depth interviews were conducted in the interviewee's home if possible. Since they were structured with open-ended questions, the interviews took the form of guided extended conversations. Altogether fifty interviews were conducted with three categories of interviewees. Some of the interview questions were especially tailored to each of the three categories of interviewees. The questions were interrelated between the three categories but some data could be gathered only from factory workers and some questions could be answered only by managers.

Concerning the structured interviews 42 per cent were in Category I: townspeople who worked or had worked in the factories and lived in Spennymoor. All of these had lived in Spennymoor for all or at least a major portion of their lives.

Category II (40 per cent): (a) non-factory workers who were longtime Spennymoor residents and who had contributed in some significant way to the

political or cultural life of the town, and (b) people who did not live in Spennymoor but whose livelihood was directly or indirectly connected to the town.

Category III (18 per cent): managers of the three multinational companies in Spennymoor, and excepting one low-level "hometown" manager, none of the managers lived in the town.

The content of the interview schedules for each of the three categories was designed to elicit, in addition to basic social data for each interviewee, an expression of the attitudes and opinions of the interviewees in respect of community participation, workplace environment and union organisation of each of the three multinationals in Spennymoor. In addition certain questions were asked to see if attitudes to the American multinational, Black and Decker, differed for that reason alone. Other questions were designed to detect any changes in basic attitudes resulting from experience with or observation of the three multinationals. The complete questionnaire schedule is included in Appendix I.

Although excellent studies have focused on different aspects of the Spennymoor milieu, examples being Bulmer's study of Court aulds⁵ and two studies by A. Townsend and C. Taylor in the Northern Regional Strategy Team,⁶ this exploratory study differs in that it attempts to deal with the specific problem of analysing in a comparative presentation the impact of the three major multinational industries upon the Spennymoor workers and the town. It is hoped that this exploratory work will contribute to the existing literature about Spennymoor and multinationals' operations in the North East. Distance, time and financial limitations imposed natural and economic restrictions within which this study had to be conducted as well as the fact that it was being done by one individual. After having undertaken such a project individually, one better appreciates that as regards both the technical aspects of such a work and in the endeavour to be sensitive to the effects of one's own

biases, team work in this type of undertaking would be quite useful.⁷ My enthusiasm for the merits of the project continues! Further comparative multinational industrialised-community studies carried out by teams would be greatly justified because of the complexity of issues and sweeping socio-economic changes occurring nationally and internationally which affect both individuals and their local communities.

The purpose of this particular community study is to focus on the effect of three multinational corporations in three areas of sociological concern:

- (1) on the residential community of Spennymoor;
- (2) on the workplace environments of these Spennymoor workers; and
- (3) on the trade union structures.

CHAPTER 1

THEORETICAL AND POLITICAL CONSIDERATIONS

a. Problems presented by Multinationals

Today we live in an international world economic system but we have a nation-state political system to delineate individual legal rights and regulate economic activity. Economic interdependence has emerged as a key factor supporting social development and rising living standards but independent political nationalism continues to impose its drive for power. The two divergent economic and political systems of state Socialism in varying forms and Free Enterprise Capitalism based on different combinations of private, public or state ownership continue their games of chance with the lives of individuals throughout the world. In this world arena it is the multinational corporation, also known as global corporation or transnational corporation¹ which has responded most effectively to the mutual comparative advantages existing in the world economy and has evolved an economic power block to be reckoned with accordingly.

The spread of transnational corporations and the concurrent multiplication in the number of nation-states are both reactions to the social, economic and technological developments which are happening on a worldwide basis. Organisations, such as a company or a military service, are able to operate globally as a result of these new developments in economics, technology and organisation management. Yet political authority (such as England wielded on her vast Empire upon which the Sun never set in the late nineteenth-century) has become impossible to exercise due to these and related political and social factors. For instance, the nurturing of social and political consciousness and the development of indigenous power structures among the Indian population eventually made this empirical form of

political authority impossible, but the parallel expansion of technological and communication developments also created the possibility for a British company to have units of operation in India, Australia, Canada, and elsewhere, if the particular nation-state involved gave its consent to these entrepreneurial activities.²

As nation-states have consented to the activities of multinationals and indeed have generally encouraged international corporations to invest and expand within their limited boundaries, the international corporation became able to do something which ambitious politicians who are restricted by national borders must envy. They have come to possess worldwide hegemony, indeed, they became supra-nationals. In this regard multinational corporations may be seen as a challenge to or limit upon state sovereignty. Raymond Vernon's book, Sovereignty At Bay, deals with this theme: "Suddenly, it seems, the sovereign states are feeling naked. Concepts such as national sovereignty and national economic strength appear curiously drained of meaning³ . . . Different value systems lead to different definitions of the problem of the multinational enterprise. . . . The problem contains several elements. Sovereign states have legitimate goals toward which they try to direct the resources under their command. Any unit of a multinational enterprise, when operating in the territory of a sovereign state, is also responsive to a flow of commands from outside, including the commands of the parent and the commands of other sovereigns. Moreover, the multinational enterprise as a unit, though capable of wielding substantial economic power, is not accountable to any public authority that matches it in geographical reach and that represents the aggregate interests of all the countries the enterprise affects. As long as these two issues remain unsolved, the constructive economic role of the enterprise will be accompanied by destructive political tensions." ⁴

The tensions created by potential inconsistencies between the activities of

the multinationals within the world economy and the goals of myriad nation-state planners is an important issue to consider when dealing with the multinational corporation and it is relevant to note that the United Nations in Multinational Corporations in World Development concurs with the idea that:

... the manifold operations of foreign-based multinational corporations and their pervasive influence on the host country may be regarded as a challenge to national sovereignty. The challenge has, moreover, economic, social, political and cultural dimensions which are frequently inseparable from one another. The tensions and conflicts thus generated are, likewise, the result of complex interaction between many agents in many areas.

Frequently, the multinational corporation is perceived as capable of circumventing or subverting national objectives and policies.⁵

In Richard Eells's Epilogue to Global Corporations the author surmises that:

if all these charges of independence do not add up to a charge that the multinational corporation has managed to become a new sovereign force on the world stage, they at least suggest a "quasi-sovereignty" and more independence than many political leaders in many nations have been willing to accept.⁶

Marty Landsberg notes that:

... there are forces at work in all multinational firms, regardless of their home country origin, which weaken the desire for a system built upon individual nation states. These firms want to be free of any restrictions. Their goal is not to merge into a given national economy, but to develop a position whereby they are able to move goods, resources, and profit at will, without being burdened by loyalty to a particular nation state or constrained by specific national economic goals ... This process - whereby multinational corporations earn an increasing percentage of income from foreign operations, and shift production and activity to other nations according to an international profit calculus - is part of an ongoing movement that makes the concept of home country outmoded.⁷

There is an opposing viewpoint that states large companies are not a direct challenge to state sovereignty. In Rainer Hellmann's view:

as far as the political power to admit new foreign investment or to tolerate existing foreign investment is concerned, the nation state has clearly shown who is master and who sets the rules. The nation state decides about maintenance and admittance of foreign multinationals and it sets the conditions of foreign participation⁸ ... The power of the

state as such had not diminished. But the simple fact that a plurality of nation states is not able to organise its members' international activities as well as companies do theirs often makes them appear helpless in relation to the multinationals; and in fact they often are. The dangerous inferiority complex of nation states towards multinationals does not lie in the lack of power but in the lack of a strategic concept on the part of these states.⁹

Victoria Curzon upholds this view,

like Mr. Hellmann, I do not believe that large companies, multinational or national, are a direct challenge to state sovereignty. What I do believe is that multinational corporations present a challenge to states to use their sovereignty better than they have done in the past. Far from diminishing the policy instruments in the hands of governments, multinationals may have increased them. Further research is needed before this hypothesis can be confirmed or disproved, but in the field of trade and industrial policy, at least, it may well hold true.¹⁰

Charles Kindleberger adds to this argument that:

... the Netherlands has several powers which General Motors lacks: the power to tax, the power to issue money which may be regarded as the power to tax via inflation, and in more general terms police power. Galbraith to the contrary notwithstanding, the corporation does not have the power to compel the individual to act, against his will, in ways it chooses.¹¹ The state does. The state is sovereign, General Motors is not.

This issue of sovereignty remains a major question due to increasing awareness of the multinational corporations' massive power within the world economy. There has been a simultaneous expansion in studies and literature dealing with the nature of multinationals by both individuals and national government committees during this past decade. It is helpful in dealing with the subject of the multinational corporations to examine guidelines established by national governments. Also, a major declaration on these matters was formulated by members of the Organisation for Economic Cooperation and Development (OECD) with one member, Turkey, abstaining. The other member countries are Australia, Austria, Belgium, Canada, Denmark, The Federal Republic of Germany, Finland, France, Greece, Iceland, The Irish Republic, Italy, Japan, Luxembourg, the

Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, The United Kingdom and the United States of America. Yugoslavia participates in the Organisation's activities with a special status.

The OECD International Investment Guidelines for Multinational Enterprises of June, 1976, presents the decisions of Ministers of the OECD countries which between them account for about four-fifths of international investment and who are parent countries for most of the world's major multinational corporations. One reason for the OECD providing guidelines is that there is no international machinery to delineate the operational arena in the field of international investment and production within which multinational corporations may be regulated. As international investment has swept throughout the world, the multiplicity of activities of multinational corporations has likewise expanded in a simultaneous growth. The OECD points out that although these enterprises have made substantial contributions to global economic development as suppliers of capital, employment and technology, they are capable of making problems for the nation states in which they operate because the nature and scale of their activities supercede national boundaries. Also, it seems impossible to draw an exact picture of their operations and this factor adds to the widespread concern. In the trade and monetary fields there does exist international regulatory bodies. (Trade - General Agreement on Trade and Tariffs, or GATT; Monetary - International Monetary Fund, or IMF), but in the field of international investment there is no similar international regulatory body; it is left to individual nation states to regulate multinational corporations, the scope of whose activities are outside the nation state's jurisdiction.¹²

Because there is no international regulatory body at this time regulating the actions of multinational enterprises, these operations are subject only to the

laws of the national countries within which they operate. It is to be emphasised that due to the quite limited external applicability of the laws of nation states to acts performed outside their borders, it is unlikely that any system of national legislation could prove adequate to regulate the actions of multinationals participating in the world economy. Certainly any attempt by any one nation state to extend the jurisdiction of its legal system to acts performed throughout the world economy would be fiercely resisted. There are accepted universal limits to the concept of national sovereignty, the very dubious legal theory of Israel in regard to crimes against its citizens wherever performed as exemplified by their daring Entebbe Raid, notwithstanding. Therefore, at present, within the world economy there is a rather extensive range of activity within which the multinationals are free to do as they please being regulated only by the accuracy of their perceptions of their own economic self-interest. An instance of this lack of effective control occurs in the case of trade union policy.

b. The OECD Guidelines

The OECD Guidelines are recommendations to multinational Corporations operating within the member countries' territories.

These guidelines, which take into account the problems which can arise because of the international structure of these enterprises, lay down standards for the activities of these enterprises in the different Member countries. Observance of the guidelines is voluntary and not legally enforceable. However, they should help to ensure that the operations of these enterprises are in harmony with national policies of the countries where they operate and to strengthen the basis of mutual confidence between enterprises and States.¹³

The Guidelines commence by pointing out the need to resolve the problems caused by multinational operations in order to encourage the positive contributions to improvement of living standards and the welfare of people which could be implemented by multinational enterprise. Certainly, the people of Spennymoor were

interested in encouraging the development of their town and progressive rises in their own individual standards of living. The OECD Guidelines are designed to harmonize the operations of multinational enterprises with the policies of local national governments and to strengthen feelings of mutual confidence between multinational enterprises and local national governments, however, the Guidelines are voluntary and not legally enforceable. Violations of the Guidelines would surely exacerbate the well known tensions which exist between the policies of the localised interests of nation states and the universal commercial objectives of multinational enterprises operating within the world economy. It would, therefore, appear to be clearly within the best interests of both the multinational enterprises and host national states to become familiar with, publicise and adhere to the OECD Guidelines. The Guidelines are of a public international character as opposed to a private commercial character. And since they are addressed to both multinational enterprises and local host nation states, certain legitimate mutual expectations as to their proper observance should be developing in both multinational enterprises and local host countries.

The Guidelines recognize that subject only to international law and agreements to which a host country has subscribed it is undoubtedly the right of the host state as a matter of national sovereignty to regulate the operations of multinational enterprises within its local jurisdiction. It is not a purpose of the Guidelines to discriminate between indigenous economic activities and multinational enterprises both of which are subject to the same expectations in respect of their conduct whenever the Guidelines apply to both. In an unambiguous constructive suggestion the Guidelines encourage the use of existing international commercial arbitration mechanisms as a means of resolving conflicts arising between local host countries and multinational enterprises. In furtherance of its attempt to find solutions to problems created by multinationals, the Council of the OECD

established on 21 January 1975, the Committee on International Investment and Multinational Enterprises for the purpose amongst others of resolving conflicting requirements made upon multinational enterprises by local host countries.

The OECD Guidelines are by no means anti-business or anti-multinational enterprise as evidenced by the fact that the member countries undertake to treat all enterprises equitably and in accordance with international law and international agreements, as well as contractual obligations to which they have subscribed. The relatively opened market and free enterprise tone of the Guidelines only serves to heighten the serious antisocial and destabilizing attributes of violations of the Guidelines by multinational enterprises.

Host countries and academic observers are, therefore, most justified in taking a strong view of what we may call violations of these Guidelines. The Guidelines are more than a matter of private ethics but a concerted public international exhortation by all the member countries of the OECD which among them account for nearly all of the home countries of multinational incorporation of the enterprises and for the great preponderance of their economic activities.

The OECD Guidelines are significant to us because they provide some standard by which to evaluate this research project. Thus, we can objectively show apparent deviations from the internationally recognised norms or standards of multinational behaviour. The power of multinationals to conduct their affairs with little regard to host state regulations has often been decried. In this study we will note that some of the norms recommended by the OECD are being or have been flagrantly disregarded either by one or all of the companies in Spennymoor with which we are dealing in this project. A complete text of the OECD Guidelines is included in Appendix II. Where relevant throughout this thesis the degree of compliance by the multinationals in Spennymoor with the norms of the OECD Guidelines will be discussed.

c. Community Life

Let us begin with some necessary definitions. In considering merely the definition of community, we enter a maze of sociological jargon in which it is revealed that "... over ninety definitions of community have been analyzed and ... the common element in them all was man! In a recent introductory collection of readings the editors point out that 'community tends to be a God word. In many circumstances, when it is mentioned, we are expected to abase ourselves before it rather than attempt to define it.' They do, however, offer the following suggestions when they write that '(community) contains some or all of the following: a territorial area, a complex of institutions within an area, and a sense of belonging.'"¹⁴ For our purposes we will adapt this suggestion as Spennymoor does constitute a definite territorial area with its complex of institutions and within which the three multinational industries of our study operate. These corporations themselves constitute through their own corporate structures micro communities with definite social networks within which certain manufacturing processes are carried out. While the town itself lacks any local news media, the multinational plants each produce their own local news sheets. They are self-contained with their own canteens and shops. So I began my community study of Spennymoor but came to realise that actually I was studying not one but four communities.

This became the focal point of the study: to what degree do those three corporate communities interact with the neighbourhood-residential community of which they are physically a part? What are the sociological implications of these communities - their similarities and differences and how they interrelate to the residential community. The companies function as closed units, but "no community is an isolated entity ... Policies ... are inextricably bound up with state and national policies and, to some extent with international policies. They are also inextricably bound up with politics."¹⁵

A major issue in the residential community of Spennymoor today is the opinion of a majority of its citizens that they can no longer deal with Spennymoor's problems. The residential community acknowledges that it lacks the power to control those institutions which govern and/or determine its existence. Three factors have been isolated in the course of this study as the causes of the powerlessness which the citizens experience. They are, first, the disappearance of locally owned factories with business entrepreneurs and workers living together and sharing a common esprit de corps of town loyalty. Even the former coal owners lived in or around the town's environs. After local industry dwindled a stagnant social stratification emerged as the new bosses refused to move to Spennymoor.

A second interrelated factor is the arrival of the multinationals in Spennymoor. The three companies dealt with in this study do vary in the extent of their community involvement as will be discussed in detail in Chapter Three. However, they are similar in some aspects, for instance, none of the senior managers in any of the three companies live in Spennymoor as mentioned above.

The third factor which contributed to community power being whisked out of the hands of Spennymoor residents was the reorganisation of the town councils into area councils, a scheme undertaken nationally by the Tory government in 1974. Spennymoor residents are still confused as to why their once dynamic town councillors now seem unable to deliver any remedies or progressive developments for the town. One flagrant example is the fact that the swimming baths project was taken out of the town's hands by the new regional administrators who constitute a government managerial class and are socially in the middle class. Like the company managers they do not live in Spennymoor and they have shelved the swimming baths project. Thus, the working class children in Spennymoor do

not have easy access to learning the techniques of swimming, a highly valuable life skill, as well as a healthy recreation. This is just one example of how the reorganised regional councils are not as sensitive to the needs of the townspeople as a local council composed of people living and working in the town had been. Although the Town Council still exists the Spennymoor revenues go to the regional council. Thus, the Town Council now lacks economic power to determine the town's future.

The decline in the local business district where shopkeepers once flourished is related to the above three factors as well as to the logical result of life in a small town in a modern mass media advertising society emphasising urban values.

The company's cooperation or lack of cooperation with the residential community is a significant sociological variable in any modern town and an analysis of this relationship in Spennymoor is developed further in Chapter Three. A concern of community sociologists is how the different characteristics of communities and neighbourhoods influence the basic patterns of human relationships because both the geographical and social environments exert strong influences on all aspects of an individual's life. Segregation exists when only one category of people lives in a particular neighbourhood and Spennymoor represents a segregated human ecological area where an overwhelming majority of working-class people live without the benefit of community assistance or involvement in any form from two of the major employers which were located in Spennymoor at the time of this study.

d. Community and Workplace Studies

In developing the plan of action for my work in Spennymoor, I studied many previous community studies each of which unfolds and contributes to the

sociological tradition of community. In developing my theoretical sociological perspective different aspects of works by certain English and American sociologists are highly relevant. Discussing certain aspects of these earlier studies serves to highlight the theoretical viewpoints of this community study which endeavoured to take cues from the established tide of sociology of the community as well as attempting to contribute to this field.

Peter Willmott's The Evolution of a Community: A Study of Dagenham After Forty Years provides relevant data concerning traditional working-class neighbourhoods where kinship, friendliness, and informal sociability play central roles in people's lives. His sociological description of Dagenham is classic in its applicability to a traditional working-class community such as Spennymoor where the population is relatively settled without a great deal of movement into or from the community and where the residents have relatives within close proximity.

In Margaret Stacey's two studies of Banbury, Tradition and Change and Power, Persistence and Change, three themes which we should keep in mind as we look at data concerning Spennymoor in succeeding chapters, are:

- (1) the removal of power from the town with centralisation reflected in industrial, commercial and governmental organisations while the majority of the people are either unaware or unable to develop defences or respond to these unseen powers of external control;
- (2) the work world remains a male dominated world with women's earning power less than men even in similar jobs but women are not yet uniting to combat their lower occupational status and lower pay;
- (3) the attitudes of the working class which Stacey found were traditional and conservative. Stacey drew a dichotomy between workers in small

plants who held consensual attitudes and workers in large plants whose attitudes were described as accommodating.

As pointed out by Richard L. Simpson, "... we should not abandon the traditional 'community study' as a type of research. Studies of communities in depth are not only the raw material for cross-community comparisons; they are valuable in themselves. Even if we take the construction of abstract theories as the major goal of sociology, an additional goal is to shed light on how people live, here and now, in a way that cannot be done without the insights of sociology."¹⁶ In this study we are concerned with a community which has always been dependent for its existence on some type of extractive or manufacturing industry. Until World War II coal mining was the workforce's main occupation. With the demise of the local coal industry and local family owned factories, multinational enterprises entered to become the main employers of the townspeople of Spennymoor.

Comparisons of Spennymoor as it was, the coal mining community, with the present community dependent on multinational enterprises may be made and in so doing two earlier studies about coal mining communities are helpful: Coal is Our Life by Dennis, Henriques and Slaughter and Coal and Conflict by Scott, Mumford, McGivering and Kirkby. For comparative studies about the problem confronting today's Spennymoor in which the community infrastructure in all areas of social life may be deeply affected by decisions dictated by forces far removed from the townspeople's reach, Vidich's and Bensman's Small Town in Mass Society and Maurice Stein's The Eclipse of Community are, perhaps, the best examples and both deal well with this same problem in their analyses. Such comparative analyses are useful and help in contributing to our general understanding of differing community milieux.

The Bibliography lists all of the books read for the purpose of this study but five books have proved especially significant and relevant to industrial

workplace environments. They are Tom Lupton's On the Shop Floor, Sheila Cunnison's Wages and Work Allocation, Huw Beynon's Working for Ford, Workers Divided by Theo Nichols and Peter Armstrong, and Workplace and Union by Ian Boraston, Hugh Clegg and Malcolm Rimmer. Cunnison points out that "... we may look at the social life of the shop floor as the process of enactment and adjustment of positions which are defined by varied systems of relationships in social life at large, and of those productive positions which are specific to the organized activity of work there. The productive system of the workshop is itself seen as partly determined by the interplay of technological conditions and social relationships in society generally."¹⁷ Sociologically we want to determine how the change from mining or work in a small family owned business compares in the opinion of the workers to workplace conditions at a multinational plant.

If there are indeed reciprocal relationships between work conditions and community life, it certainly follows that multinational corporation work practises do not fit into the expectations of the traditional community. Sociologically multinationals strain the limits of traditional community models. The power base for decisions affecting lives of townspeople, hence the community structure, is centred outside the community's perceived social system. We shall watch for manifestations of these perceived relationships in workers' attitudes towards their jobs and their community.

e. Industrial Relations in Multinational Companies

Multinational industries with global structures and high mobility have as their goals the implementation of their particular global strategy and this factor contributes to the management's strategic superiority over national and local unions. Charles Levinson who is General Secretary of the International Chemical Workers considers the ramifications of this in his book, International Trade Unionism:

A second international structural change affecting collective bargaining is the emergence of the multinational company and a world economy. The multinational corporation will increasingly condition the effectiveness and relationship between management and labour in collective bargaining. At present the advantages are all on the side of management ... Some of these advantages include:

... ability to locate investment in favourable circumstances relative to ... favourable tax laws and hospitable pro-management legislation;

... concentration of research and development in parental facilities to effect economy-of-scale advantages beyond the means of national companies;

... raising capital on world markets and freeing the company from subservience to national regulations on: tariffs, capital, cartels, taxes, publishing of financial statements and the like.¹⁸

Levinson has gone on to identify alarming tendencies in the policies of multinationals towards unions by companies which are continually striving to optimise their bargaining positions through the use of a variety of procedures and systems. A major thrust by the multinationals has been to locate operation units in low-wage areas where there are weak or government controlled labour organisations. Levinson goes on to site eight specific manoeuvres which a multinational may use in optimising its bargaining position. These include:

- (1) the operation of transfer-pricing techniques, as in a country where unions are strong profits and taxes will be minimised;
- (2) foreign tax havens are used to accumulate large parts of the gross profits where no collective agreements exist and in this manner the recorded earnings in the production units are reduced;
- (3) the transfer of surplus production from one country to another country where industrial action is occurring and increasing overtime in the state supplying the surplus goods;
- (4) strikes may become ineffective because of the ability of multinational to substitute production elsewhere, thus, they are able to withstand longer strikes and force lower settlements;

- (5) worldwide rationalisation programmes which shut down and transfer high-cost operations or less modern plants without consultation with the unions involved;
- (6) reduction of the effect of a labour dispute by sourcing policies of geographical specialisation of manufacturing components;
- (7) a centralized plan of company-wide systems of job classifications and work load standards difficult for a local union to supervise;
- (8) restrictions on the local management by the company's central governing operational board in negotiations.¹⁹

The effect of all these forces carries widespread consequences.

A major problem as seen by trade unions is the ability of transnational companies to shift operations or production from one country to another. The union's position and its ability to use collective bargaining is seriously weakened to the point of becoming completely ineffective. Unions are further weakened by the fact that often the multinational is financially powerful enough to be able to withstand a strike. In the printed sources concerning multinationals, contrasting views are aired about the difficulty which companies have in regard to production transfers and financial entanglements. It is pointed out that there are several problems for the companies involved in such moves. Christopher Tugendhat discusses this at length in his chapter, "Finding the Right Place for New Plant", of The Multinationals.²⁰ Nevertheless, the point here is that transfers of production have occurred in practice and threatened moves have been used in collective bargaining. An example of the latter was when Henry Ford II used the threat leverage to his advantage in 1971 when he said, 'There is nothing wrong with Ford of Britain - only with the country ... we can't recommend any new capital investment in a country constantly dogged with labour problems.' And

he went on to threaten switching investment out of the United Kingdom suggesting alternate locations might be South America, South-East Asia or Europe. The consequence of his threatening suggestions was to escalate a local industrial problem within the U.K. Ford plant from a local problem to an international scale of considerable dimensions.²¹

In contrast to the well organised hierarchy of managers who will be moved by their transnational company to a new location are the factory workers of any particular plant who may or may not be organised in a trade union. Even if they are organised their union may still operate only on a local basis and may not even be national in scope. Marsh explains that

it is characteristic of the organization of all parties to the engineering system of industrial relations that they originated in a scattered and local fashion and have only evolved on a national scale under pressure of events. Even today they are only organized to undertake national action in limited ways. Local employers' associations, conscious that it was they which preceded and formed the national Federation, are substantially independent of it. Trade union members, though they have acceded to an increasing amount of national organization and negotiation, still think of their unions as independent entities operating primarily on a local basis and consider themselves free, within the framework provided by national arrangements, to pursue their own immediate interests without too much consideration for outside effects.²²

Most Spennymoor workers do look to trade union solidarity for solutions to their problems. This has been powerfully illustrated by the formation of an Unemployed Trade Union with its headquarters at Spennymoor Town Hall, established in January 1980, by the redundant Spennymoor workers especially those from Courtaulds.

This leads us to the question of how adequate are the trade unions in Great Britain and what is the total trade union membership at this time? What do such statistics mean? This data and its interpretation was contributed by Professor George Bain and Mr. Robert Price to the Report of the Committee of

Inquiry on Industrial Democracy chaired by Lord Bullock. According to their research, 11.8 million people or almost exactly half the total labour force (23,338,000) hold trade union membership in the United Kingdom at the present time. Since World War II the trade unions have increased in total membership by some 2.5 million and within the workforce their level of representation has increased over 50 per cent. This growth of British trade unionism has occurred in spite of the decline in industrial fields which traditionally are high membership densities, such as mining and cotton textiles. It is noted that trade union membership has grown in white-collar occupational fields, such as banking, finance and professional services, which in the past have not had strong unions. There has been an overall increase in union density even though some events were taking place which were not very favourable for trade union growth.²³

Have the number of trade unions increased or decreased? Is multi-unionism still the norm in most British industries? Are small trade unions fairing similarly to the large trade unions nationally? There is definite evidence showing that the concentration of union membership into a few large organisations is occurring. The trend is towards concentration into large unions, and it is significant that a majority of the unionised workforce hold membership in a small number of organisations included in the TUC. The norm in most British companies is still multi-unionism but the number of small unions has clearly decreased.²⁴

Since "trade union involvement is seen as fundamental to the strategy (The Industrial Democracy advocated by Lord Bullock) not simply because such involvement is necessary to forestall negative resistance to change, but also because employees through their trade unions have a positive role to play in combating industrial stagnation and in stimulating much needed changes in industrial structure and performance,"²⁵ it would seem that Government,

management and trade union leaders in Great Britain recognise the important role trade unions should play in industrial activity. It would seem then that sizeable non-union firms would become more tolerant of trade union activity in their plants. If such companies balk at the idea of trade union participation by employees in their factories, how will they ever adjust to the new concepts of the role of employees in decision-making at the company level? Indeed, "the extension of trade unions' influence on the economy and on industry has been one of the more marked changes in the last decade, and it is through the trade unions that a large measure of employee participation has already been achieved ... Trade unions are no longer concentrating exclusively on questions of pay and conditions but are pressing for an extension of collective bargaining to cover decisions which were traditionally the prerogative of management ... This gradual, albeit uneven, extension of the scope of collective bargaining is evidence of the shop floor pressures for greater industrial democracy." ²⁶

These conclusions are an extension of findings in the Report by the Royal Commission on Trade Unions and Employers' Associations, 1965-1968, chaired by Lord Donovan. This Report's comparison of the two systems of industrial relations found in Britain is pertinent to the Spennymoor situation. One is the formal system and the other is the informal system. Official institutions represent the formal system of industrial relations whereas the way in which trade unions and employers associations, and shop stewards and workers behave comprises the informal system of industrial relations. The latter is based on the actuality that the formal institutions, both trade union organisation and employers' associations, operate from positions of inflexibility and inherent weakness. ²⁷

Industrial relations take place within an arena circumscribed by the formal regulations of employment. There are rules or guidelines either of a

substantive nature, such as those regulating wages, working hours, holidays, additional pay for overtime work and the method of accomplishing the job, or of a procedural nature, such as rules for the process of interpreting these substantive guidelines. When problems arise with the implementation of substantive rules and procedural rules, disciplinary rules then deal with the resolution of the conflict. The traditional pattern of industrial relations in Great Britain is often characterised as a voluntary system. This is because the great bulk of industrial relations in Great Britain (in an historical context) has laid beyond the realm of statutory labour law as pointed out by Clegg.²⁸

However, R. K. Brown has pointed out that the Donovan Report in distinguishing a formal and informal system of industrial relations in Britain which followed the liberal-pluralistic ideas, and was in the voluntary or laissez-faire company-oriented tradition of British industrial relations, was made outdated and superceded shortly after its compilation by the Labour Act of 1971. This was followed by the Trade Relations Act of 1974 which did in fact attempt legislation in labour relations breaking from the Donovan tradition.²⁹

Nevertheless, Richard Hyman has argued that a place does still exist for the structured use of the formal and informal systems. He sees some applicability of Donovan today because the legislation was not effective and in administrative terms there is a dichotomy which may be delineated in their terminology.³⁰

Concerning the ability of trade unions to respond to the multinationals' ability to out-manoeuvre them in the arena of industrial relations, as exemplified by both Black and Decker and Smart and Brown using different approaches which will be discussed later, and, indeed, the power to leave the collective bargaining arena altogether by pulling out the senior management team and closing the plant, as demonstrated by Courtaulds, great emphasis must be laid on the necessity for

coordinated trade union action through combine committees established as an international network.³¹ Centralised bargaining by national unions is devoid of essential workforce power leverage when English and foreign companies are based multinationally and are able to remove their plants from areas because the decision-making centres are located outside the local area.

We will be looking at the effect of the multinational corporations on three levels in this study: on the community life of the residential town dwellers; on the workplace environment for these Spennymoor workers; and on the trade union structures.

CHAPTER 2

THE CASE OF SPENNYMOOR : BACKGROUND

a. Historical Sketch of Spennymoor

Spennymoor is a town of just over 17,500 inhabitants in the South-Western section of County Durham which is located in the North-East of England. It is a working class town with a marginal middle class and one upper class country squire family, the descendants of the famous Bobby Shafto. Historically, as an industrial town it owes its founding and development to the coal works established in 1839, the Whitworth Colliery and the Merrington Lane Foundry. Within two decades Spennymoor was a coal centre. Other pits which had opened included those at Merrington, Bishop's Close, Binchester, East Howle and Tudhoe. A further industrial development in 1853 was the Tudhoe Ironworks which became the second major employer in the town during the second half of the 19th century. The Ironworks was successful and prospered. In the 1890's it became the biggest plate mill in Europe. However, the Ironworks was closed in November of 1901.¹

Before industrialization created the town of Spennymoor, the locality contained predominantly agricultural villages, although there was some coal production in Whitworth, Byers Green and Ferryhill during the 1600s² as well as evidence that coal had been worked in the area since the 14th century.³ The origin of the name Spennymoor is generally accepted by the three main local historians, John Tate and James J. Dodd, and in the 20th century, the Rev. John Reavley, Jr., to have been derived from "Spina", the Latin name for thorn and "Mor", an Anglo-Saxon word denoting wasteland, thus, the full meaning being "Thornymoor". This describes the wide moorland terrain which was covered

with thorn and whin bushes where the present town of Spennymoor is located. Nevertheless, other possibilities for the word's origin are conceivable and enjoyably diverse in imagery.⁴

It is also to be noted that the region was not lacking in wild life for there are legends of how wild animals roamed at random and were quite destructive. Indeed, "... so late as the time of Richard III the district was infested with wild boar."⁵

This moorland was "bounded by the enclosed estates of West Merrington (now Westerton), Mid Merrington (now Middlestone), East Merrington (now Kirk Merrington), Ferryhill, Hett and Croxdale on the one side, and Byers Green, Old Park, Whitworth and Tudhoe on the other ... An old charter of 1279 contains the first recorded mention of Spennymoor and Tudhoe which were ancient freeholds on the boundary of the moor, and at that time, in the possession of Sir Hugh Gubyon. The Manor of Merrington belonged successively to the Priors, the Monks, and the Dean and Chapter of Durham Cathedral. The separation of the parishes came at a much later date."⁶

The adjacent fertile rural area of Whitworth has a different development. It has remained an ancient freehold, neither being amalgamated with the Church nor being distributed to one of William the Conqueror's followers. Thomas De Acle (Thomas of Aycliffe) is the first known proprietor of Whitworth, "... who held it in 1183 by the fourth part of a knight's fee."⁷ In the 1600s the estate was purchased by Mark Shafto, an ancestor of the present day Shafto family who live at Whitworth Hall. A contribution to the romantic folklore of Spennymoor was inadvertently made by an 18th century squire of Whitworth. A well-known local song tells about the young "Bonny Bobby Shafto" for whom one maiden, a Miss Bellays, died of heartbreak. This was sung to me at different times by a number of Spennymoor townspeople who are proud to claim an attachment to the song's authorship:

Bobby Shafto has gone to sea,
 With silver buckles on his knee,
 When he comes back he'll marry me.
 Hurrah, for Bobby Shafto.

Bobby Shafto is bright and fair,
 Combing down his yellow hair,
 He's my ain for ever mair,
 Hurrah, for Bonny Bobby Shafto.

All the ladies looking out,
 All the ribbons flying about,
 Clap your hands and give a shout,
 For Bonny Bobby Shafto.

The population of Spennymoor has fluctuated according to the town's economic life, and the last two decades have brought changes in social habits which have affected the growth rate as well. One townsman explained,

In 1960 Spennymoor was a small mining town. You have to visualize three pits within its boundaries. Housing was old fashioned. So the town did a lot to help itself in putting up a new town centre and developing housing.

There was one theory which went astray. The population was almost 20,000 in Spennymoor. It was hoped that it would increase to 27,000 by 1968. All the plans were laid on this basis. In fact, it didn't work out at all. The explanation being (1) the pill, and (2) I think the Town Council thought everyone would want to live close to their job as they did in the old mining days, but the motor car changed that. You didn't get movement into Spennymoor to live but people drove in to work.

This viewpoint concurs with what M. I. A. Bulmer has pointed out in his study of Spennymoor which focused on industrial change resulting from the establishment of Courtaulds in the town: "For within County Durham, it is increasingly striking the extent to which not only the middle-class executive commutes to work but also the extent and range of journeys to work within the county of manual workers. Hence the study of a firm located in one place may involve people who live in a variety of places scattered around. This changing pattern of work and residence is of considerable importance for community studies, since it is indicative of a weakening of ties of attachment to the immediate locality." ⁸

Table 1 shows the population growth of Spennymoor since 1801.

Table 1

Population of Spennymoor

	1801	Less than 700
	1861	7,548
	1881	17,887
	1921	22,963
	1939	19,000
	1965	18,600
	1971	19,063
Note recent decline:	1978	17,500
Projection made in 1968:	1981	22,500

It is now forecast that the population of the Town Map will increase to 22,500 in 1981. There are two main reasons for this forecast. First, the Registrar-General's estimates of natural increase by 1981 indicate that the size of existing households in the area will increase. Second, it is expected that the rate of outward migration from the District will be greatly reduced by the provision of additional industrial development in the area. Spennymoor is well located on the central routeway through the county and the rapid improvement of the town which is now in progress will enhance its attractions to industry.

In order to understand the make-up of the present day town, it is helpful to look at the major economic events affecting the population changes. The 1860s and 1870s were decades of boom and prosperity. During the boom time workers migrated to Spennymoor from the industrial Midlands, Lancashire and Wales. Their ethnic solidarity was a distinct aspect of the social life of the community. For instance, even when Mr. Lloyd George visited Spennymoor as late as 1911, it was his decision to speak in the Welsh Chapel giving his address in the Welsh language.

During those times of economic prosperity the miners were earning £1 per day and spending their earnings in the community. As the halcyon days ended,

the succeeding legacy of uncertainties combined with actual lack of employment threatening subsistence throughout the past century has contributed to a feeling that any work is better than none, therefore, the providers of employment are often regarded as economic saviours. The boom had ended by 1879 which is reflected in the greatly reduced wages of 4s. 9d. for the miners and 3s. per day for the ironworkers. During this year the poor people of the town were maintained by Parish relief and soup kitchens.

The closing of Merrington Colliery in 1882 is attributed to the trade depression of 1876 to 1900. The year that pit closed also witnessed the greatest mining tragedy in Spennymoor. On April 18, 1882, there was an explosion at the Tudhoe Colliery which killed thirty-seven men and boys. In 1886 a new pit was opened in Tudhoe. It has been mentioned that the Tudhoe Ironworks shut down in 1901. This closure was offset by the opening of the Dean and Chapter Colliery in Ferryhill. Several hundred people were employed by two other industries in Spennymoor at this time: Kenmir Brothers, cabinet makers, operating from 1897 to 1964, and Coulson's Engineering Works in Merrington Lane. But coal reigned supreme as the major provider of employment after the Ironworks closed. Thus, local job crises followed all ensuing pit closures: 1924 - three collieries closed; the Great Coal Strike of 1926 and afterwards - two collieries closed; 1935 - Tudhoe Colliery closed. By 1938 the unemployment level was over 33 per cent in Spennymoor.

The material demands of World War II brought an economic stimulus to the town. A Royal Ordnance Factory was established in 1941. When the war ended, Smart and Brown Engineers Limited moved into this abandoned factory site which is located in Merrington Lane.

However, concerning the historical development of coal mining in Spennymoor throughout the 1950s and 1960s mining proved to be an unstable industry in the area. Gradually all of the pits in the vicinity of Spennymoor which were worked by its residents closed and as noted here with their successive closures unemployment grew: "Between 1951 and 1957 the level of unemployment in the exchange area remained well below 2 per cent, but since 1958 unemployment had been a persistent and serious problem. By June 1958 the unemployment rate was 2.9 per cent increasing to a June peak of 6.4 per cent in 1963. By June 1966 the rate had decreased to 3.4 per cent compared to county and national averages of 2.4 per cent and 1.1 per cent respectively. Of the 576 unemployed in June 1964, almost 90 per cent were males."¹⁰ As the number of Colliery closings escalated in the 1960s, it was increasingly apparent that the dependence on one basic industry, coal, had become hazardous for the survival of the community.

In response to this problem The Hailsham Report in 1963 recommended a zone of development in the North East along the old A1 Road. Industrial Development grants from the Government in the outlined development districts would be higher than outside of the designated area. Falling within the zone selected for preference was to mean the difference between survival for Spennymoor and ruin.

The County Council during this same period was reassessing planning development and selected Spennymoor as a "growth point" for major development. The County Council and Town Council jointly cooperated in the development along the A1 of 174 acres which became the Green Lane Industrial Estate. The County scheme of development for Spennymoor promoted a revitalization and facelift to the town as well as industrial expansion undertaken in conjunction with the Local Authority. Mr. M. I. A. Bulmer in his study pointed out that "... what is distinctive

about the selection of Spennymoor as a 'growth point' is the other measures being taken in support of industrial development. These are four-fold. The first is the development of the Arndale Shopping Centre adjacent to the High Street ... The second prong of the development programme is a major through-road scheme ... The third aspect of the development is the various reclamation measures which are to be taken, the most sizeable of which is the landscaping of the pit heap of Dean and Chapter Colliery ... The removal of the 'Ferryhill Alps' will cost a quarter of a million pounds. The king-pin of the redevelopment of Spennymoor as a 'growth point', however, is a fourth measure; the building of 1,009 houses on the old Tudhoe Ironworks site in the centre of the town. The site on which Bessemer Park, as the new development is called, is built was not an attractive one and was rejected by the Board of Trade as an industrial site in 1945. However, its proximity to the town centre and to shopping facilities led to reconsideration of its suitability and when it was decided to undertake development, careful borings were taken to avoid a number of hazards left over from the ironworks. The aim of the development being to provide higher density urban housing, the units are not built in the traditional semi-detached manner, but consist of a spine of five-storey flats built around four courts (with access at the ground level and from a third-floor 'street'), with one and two-storey dwellings built around the spine ... It will provide accommodation for 4,000 people. It is being built by industrialised building methods and the project should be completed within three years." ¹¹

Bessemer Park is criticized today as being an ugly monstrosity and the flats are generally considered to be unfit places in which to live. The area is vulnerable to vandalism and is highly vandalized which the critics of Bessemer Park state is simply a social reaction to a very unsociable habitat, a dwelling which

inhibits residents and is the antithesis of environmental elements needed for good neighbourliness. As one town leader explained the creation of Bessemer Park:

We were having talks with the County Council and the County Planning Committee who wanted to use Spennymoor as a sort of guinea pig to show what could be done with an old industrial town to lift it up and redevelop it and to make it more attractive to industrial development. After 1901 the Tudhoe Ironworks site was left in a state of dereliction. There was a power station in the middle, underground culverts, slag heaps, tar beds, the foundation of blast furnaces and coke ovens. It was necessary to get rid of this.

In order to develop it quickly, the only way to do it was to build houses by industrialised methods. The Council engaged architects ... Tar beds had to be drained and filled in ... As a result of the town becoming a development centre we had access to grants. The County got a grant for 80 per cent of the cost to clear it and the Urban District Council got 15 per cent grant to clear it. It was such poor land. We could acquire it for £14,000 and we received a grant for it as well. People criticize it now, but at the time it was a very good thing to do. It went up in two and one-half years. One has to think about what the site looked like at the time. 70 per cent of the dwellings are at the ground floor and the others aren't highrise.

We built squares around the part we couldn't develop. The Shopping Centre was being built at the same time. People were leaving Spennymoor to shop elsewhere. We were able to put these flats in the centre so we would have people close to the shopping area of Spennymoor; there would be 3,000 to 4,000 people right on the edge of the shopping centre.

The critics of Bessemer Park say that the housing was built in great haste out of cheap materials and was not solidly constructed. Also, the critics feel that Bessemer Park is an example of a town selling out the best interests of its workers in order to please business interests. It is a fact that Sir Jules Thorn with the Board of Directors of Smart and Brown decided to buy Merrington Industrial Estate in 1968 after publication of The Hailsham Report and after the Urban District Council agreed to create more housing and develop better road planning. Perhaps the pressure for more housing meant agreeing to a quick building project, but the consequences would be long-lasting on the domestic environmental conditions of Spennymoor. It was a dilemma for the

Urban District Council and in defense they can only say, "But look what was there before." Unfortunately, what is there now is called "E Wing", likened to the highest security portion of Her Majesty's Prison in Durham City. Also, it is not a pleasant experience to walk through a flat development keeping one's eyes directed skyward towards the flats overhead to avoid falling milk bottles which have been known to fall on unfortunate passersby who were not on the lookout. Bessemer Park is a blot on the townscape and the flats are not conducive to congenial living. A widely accepted viewpoint in Spennymoor today is,

Bessemer Park was the worst thing that ever happened to Spennymoor. You should make the man live there who designed them!! The density of population is large in there. They have three bedrooms and the people live on top of each other ... They should have built Council houses with gardens.

The critics hope that the flats will be pulled down sometime in the future and replaced with two storey terraced houses or semi-detached houses. At this time the flats continue to provide housing for some key workers, however, the critics of Bessemer Park say that many flat dwellers are on the dole and don't gain any benefit from the central location of the flats anyway. A project has been undertaken by the Northern Region Strategy Team which is researching further the effects of Bessemer Park in regards to the neighbouring process.

It was a positive point that town development provided housing on a wasteland in the centre of town and that the Council received enormous amounts of grant money for the project to clear the land, etc. , because it was a development area. At the time it was thought to be an advanced planning scheme influenced perhaps by modernistic designs going on in Sweden. However, the trend has certainly turned away from flat development and the use of slab concrete blocks by public housing authorities. These flats differed drastically from traditional working class terraces in the North East. The more modern sort of brick slab two storey housing

would better suit the existing social infrastructure. But we must look at the past from the standpoint of the present.

Thus, the Town Council of Spennymoor and the Town Clerk, Mr. William Pearse, all of whom were Spennymoor residents, were working on possible solutions to Spennymoor's unemployment dilemma in the early 1960s. Once London released Lord Hailsham's Report they felt encouraged that Spennymoor wouldn't become a ghost town.

Due to the closing of the mines all three multinational companies could hire from a large pool of unemployed workers who desired to stay in the area rather than seek employment elsewhere.¹² All of the companies used this pool of labour to their advantage. In the remainder of this chapter we will explore the developments which brought to Spennymoor the three multinational companies upon which this study has concentrated.

b. The Three Companies

(i) Smart and Brown came to Spennymoor in 1945. The Company was given a choice of several locations but chose the site of the Royal Ordnance Factory in Spennymoor where ammunition had been made during the war. The site already had a large factory which was spacious enough for 5,000 workers a shift. At that time Smart and Brown had two buildings on the site. There were three other companies on the site: Siemens, a telephone equipment factory, and Summerson, a factory for making railway sidings, cross-over networks and points systems. Duralite, fluorescent lamps also were made there. Some Directors of Smart and Brown were also Directors of Duralite and the other major holder was the Cooperative Society of Great Britain. Smart and Brown didn't own Duralite, however, it bought products (lamps) from them.

Why did Smart and Brown select the Spennymoor location? A former manager responded,

The availability of labour was the biggest reason. Labour was plentiful. Also, the availability of the factory which was suitable and cheap. Reasonable rent.

At the time that Smart and Brown came to Spennymoor they were in search of new products as they had been manufacturing for the Air Ministry which had decreasing needs. With the exception of the fluorescent control gear and fittings, the other products they had been making did not appear to meet domestic market requirements. The new products they manufactured mainly for the peacetime economy included a paraffin cooker, domestic electric switches and plugs, tri-velox gear, potato harvesters, wiring harnesses for prefabricated homes, circuit breakers still for the RAF and thermo-setting phenolic mouldings. From 1946 they employed over 1,000 people but by 1951 when the Thorn Group bought the company employment was down to 320. Smart and Brown was slowly going under during the late 1940s, but the company did not go bankrupt because the Industrial Commercial Financial Corporation ("ICFC", a semi-public financing body) put money into Smart and Brown. ICFC decided the company had over-expanded its product line unwisely and removed all of the original Smart and Brown Directors. Only the profitable portions of the company were continued - the fluorescent lamps, thermo-setting mouldings and Bakelite bottle stoppers. A manager explained,

From the beginning Smart and Brown had a well equipped tool room with high quality tool makers. That was the best thing Smart and Brown had. ... This was left over from the Ordnance Factory. One of the bonuses.

In 1951 Mr. Sam Green of the ICFC had Smart and Brown Engineers, Ltd. sold to Jules Thorn's corporation. Changes followed quickly thereafter. Atlas, a Thorn company which manufactured fluorescent control gear similar to that made by Smart and Brown, was consolidated into the Spennymoor plant. In 1952-1953 Ferguson Radio Factory, another Thorn company, was relocated in Spennymoor.

This state induced industrial rationalization resulted in a well equipped factory producing radios and radiogram equipment. Then Smart and Brown began producing component parts for the radio factory, such as certain phenolic mouldings, including large phenolic radio cabinets. Smart and Brown continued to develop control gear and expanded production of components for the radio factory. Says a manager who has watched the transformation of Smart and Brown over the years,

This factory has mushroomed into tremendous output! Most important was the availability and flexibility of the workforce. We had virtually a honeymoon for 15 years as the mines closed. The Tricity company was bought by Thorn from the London Electricity Board. They produced one small electric cooker. We brought up the Tricity Queen Electric Cooker. That then mushroomed from zero to 5,000 - 6,500 a week made. We became the largest manufacturer of cookers in Britain. We have 44 per cent of the electric cooker market in Britain and there are five manufacturers. Then in 1968 we started the refrigerator factory. That has also mushroomed from zero to now being the largest British manufacturer. 25,000 domestic electric appliances are manufactured per week: cookers, freezers and refrigerators. We're the largest producer in freezers, fridges, cookers, fluorescent fittings and control gear. Employment peaked with 7,200 employed two years ago; employment is now 6,500. In 1960 we sacked 1,000 people when the radio factory closed. Radio production was moved down close to London. We tried to cushion the blow by absorbing them ... Now all the labour in Spennymoor is absorbed so we've had to start satellite factories near Stanley.

Due to the company's expansion, Thorn eventually purchased the whole Merrington Lane Industrial Estate in 1968; the small companies which had been operating on the site either left Spennymoor or went out of existence. It was felt that the company had grown unwieldy around ten years ago so it was split into two different companies, Smart and Brown Lighting and Smart and Brown Engineers. There is no sales force in Spennymoor as all marketing and selling is done from "the South". Spennymoor acts only as the manufacturing centre with some warehouse facilities. Today Smart and Brown employs around 6,000 people, making it the largest employer in the district.

A general definition of a multinational corporation is a privately or publicly owned company large enough to operate subsidiaries in several different countries. Thorn Electrical Industries, Ltd., of which Smart and Brown is a subsidiary, is Number 34 in The Times 1000 of 1976-1977. In the United Kingdom Thorn has over sixty major factories and it has eight factories overseas. In 1975 the Thorn Group employed a total of 82,403 people in the United Kingdom. The multinational company expected turnover to reach £1 billion in 1977.¹³

In looking at the business development of Thorn Electric, the company's structure has reflected the "patriarchal personality" of Thorn, a determined entrepreneur. Up to 1970 Thorn himself was making most of the marketing decisions, however, production was directed by two board members. Then in 1970 Thorn's finance director who had been selected as Thorn's successor divided the company into a series of profit-centered product groups and delegated the responsibility of each group of individual managing directors.¹⁴

Today Thorn Electrical Industries has a wide range of interests in the electrical and electronic industries ranging from stereophonic equipment manufacturing, radios, televisions, and television rentals to domestic appliance manufacturing, lighting, heating, electrical and hydraulic engineering and machine tools as well. Distribution of these products and others made from the company's diverse holdings is handled throughout the world by the international division.

(ii) Black and Decker Ltd.

In 1963 the Spennymoor Urban District Council and five other local authorities in the area - Barnard Castle Rural, Barnard Castle Urban, Bishop Auckland Urban, Sedgefield Rural, Shildon Urban - commissioned Turner (Photography) Limited of Newcastle upon Tyne to produce a film of the area which could be used to advertise their amenities to prospective employers of industry. The result was

"Come to South West Durham" narrated by the nationally-known commentator, Kenneth Kendall. Spennymoor's share in the cost was £600.00. The film exalts that:

Nimble fingers and management enterprise add up to a happy start and a thriving business... Local people are enthusiastic and to strangers they have a reputation of being friendly and helpful... Homes both Council owned and privately built are available... Workmen having key skills and their families will be given priority in allocating Council housing... For management the region provides opportunities for the purchase of private housing of the highest standards. (Noting that in the area there are Durham University, a "famous public school at Barnard Castle", and Spennymoor Grammar Technical School, the film continues)... Young people in the area upon whom the future so depends are encouraged to develop their initiative and personality... There are also schools for individual tradesmen... Without detracting from attractiveness of the area, there is still room for industrial expansion... as efficient and thriving industry are important to the area.

In surroundings unspoiled by crowds... (You) can enjoy a quality of life which is elsewhere disappearing too rapidly... (The area had) character and beauty of its own to compensate for its remaining industrial scars... (It has) craftsmen capable of adaptability to new techniques... (combined with) drive and enthusiasm of the younger generation...¹⁵

The finale is a prediction of progressive development in the area. This is a sophisticated film aimed at managerial class values. Not only does it sell the idea that the good life is possible for the managerial class in South West Durham demonstrated in the suggestive statements as well as in scenes of horses and an executive type car shown winding through the countryside, but it also emphasizes that a complacent workforce is available. Scenes of female workers are shown in abundance. It has been said that this film was shown all over the world to attract companies to invest in the North East.

One firm which saw the film was Perkins, Ltd., of Peterborough. That company wanted to expand; they were refused a development certificate in order to encourage them to move into a development district. The Board of Trade acquired 70 acres of land at Green Lane Estates from the National Coal Board

who formerly had owned it. The factory at Green Lane was built by the Board of Trade for Perkins and was to be leased by Perkins. The building was provided by the Government; the town and the county provided roads and sewers. The management of Perkins came to Spennymoor and were entertained by the Town Council. It was agreed to allocate council houses for their key workers who would move to Spennymoor when the company relocated. However, Perkins then had industrial trouble with their men in Peterborough because they were proposing to pay wages slightly less than they had been paying in the South. Traditionally wages have always been lower in the North East but the trade union opposed this way of thinking. Workers were frightened of the wages in the North East and industrial action was taken. Then the Government announced a development plan for the South East of England. This included the area around Peterborough. For Perkins it meant they could then develop there so they did not come to Spennymoor.

Black and Decker, U. K. Ltd. , a subsidiary of an American multinational company, was in the same position as Perkins, initially. The company wanted to expand but could not do so in the South. They were not interested in leasing a factory or land, however. They preferred owning the land where their operations were located. The approach used by Black and Decker was different from Perkins' approach; members of the management did not visit Spennymoor as a group to be entertained and taken on tours of the town's facilities, such as the local grammar school. In fact, the grammar school's headmaster said,

No, Black and Decker did not visit the school. Their approach is totally different. What I call a non-involvement approach. I cannot recall any direct contact with the Black and Decker management since they came to Spennymoor whereas I have had contact with Smart and Brown's and Courtaulds' management.

It is revealing to note that two Americans who worked for Black and Decker internationally, not for the British subsidiary, met with the Managing

Director of Smart and Brown one afternoon in secret. This is the only involvement of American personnel that has been discovered concerning the Black and Decker company in Spennymoor. There have been occasional visits by American personnel but the presence of Americans involved overtly in company direction has been minimal. Indeed, this covert meeting was completely confidential at the time. Based on the outcome of this session and the concessions they were able to arrange, Black and Decker decided to come to Spennymoor. They purchased 120 acres initially; the factory built for Perkins was remodelled according to their specifications. A Town Councillor explained the situation at that time:

In the Town Council it was announced to us that Black and Decker was coming by the Chairman of the Finance and General Purposes Committee ... But all of these things were cloak and dagger stuff. It was always kept in confidence because so many districts were competing to get companies and the companies themselves preferred secrecy up to the last moment because it involved moving their key staff and they didn't want them reading about it in the newspaper ... When a town is in danger of dying as we were at the time, you'd do anything to get industry to come.

Recalls a townsman,

Black and Decker started recruitment shortly after 1964. They brought up a key staff and started hiring and training. It was a new pattern of industry. It had been predominantly mining. Their recruitment techniques were very thorough with Personnel testing. There was a spin-off later. I remember when Black and Decker creamed the market - Smart and Browns complained bitterly because they were losing men to Black and Decker.

Later in the 1960s the nearest native industry which was Smart and Brown in Spennymoor ... very smartly modified their recruitment policies. They began competing for the trainees and the grown men. You know, we never got very intimate with Black and Decker. Thing we noticed was their recruitment was mainly 30 year olds and under and mainly men. They didn't take the older men. They weren't interested in him; he was too old to train.

Therefore, Black and Decker moved into the Green Lane Industrial Estate in 1964. The first Black and Decker, U. K. , Ltd. , factory was in Harmondsworth. In 1961 a second factory was located 15 miles away at Maidenhead

which is the United Kingdom headquarters of the company today. Why did Black and Decker select Spennymoor for its next factory location in the United Kingdom? In the early 1960s a need was felt for more manufacturing space. A Black and Decker manager commented;

That was when the decision was made to come to Spennymoor ... One-fifth of the plant had been built by another company. They didn't come ... The plant was there. High unemployment in the area. One reason the other company didn't come was because they wanted lower labour rates. Robert Appleby our then Chairman is on record saying we didn't come here to make money, but to make products and to spend money. There was quite a lot of concern about that ethos ... We did need potential for future growth at Spennymoor. Within six years it had expanded to size now seen.

At 560,000 square feet the Spennymoor Black and Decker plant is this American multinational company's biggest European plant. The plant has grown from 100 to 2,000 employees; 60 per cent are males and 40 per cent females. What have been the advantages to Black and Decker of locating at Spennymoor? The management has said,

A major advantage was the availability of what we believed was good flexible labour, and we can say that it has proved to be as adaptable as we believed possible to our particular industry. Availability of space for growth was an advantage and did prove necessary. We have had several phases of expansion during which we have experienced considerable assistance from Local Authorities.

In listing the disadvantages from management's viewpoint they felt that initially the location in terms of both transport and access was a disadvantage. This has been resolved by both Local and National Authority activity in terms of road, rail and air networks. A high investment was needed to train certain employees into a different industry, but note prior comments as to the advantages; once trained they felt their workforce was highly flexible. The access to road networks is needed to get material supplies as these tend to be from the South industrialized area and for distribution purposes. The Spennymoor plant does all of its own warehousing on the Green Lane industrial site.

The Government did help in directing Black and Decker to Spennymoor through investment grants and regional premiums in the 1960s. In management's view,

The North East Development Area was among the most progressive of areas. It was one of the first to put a motorway through.

A selection of powered garden products are made, assembled and stored in a large warehouse at the Black and Decker Spennymoor site. There are three main production areas in the factory: the Machine Shop, which involves the manufacture of turned bar parts and pressings; "Winding", where all motors are manufactured; and the Assembly area which includes both sub-assembly of components and the final assembly of finished products with tests carried out. Services in the factory include the following divisions: Production Control and Maintenance, Purchasing, Toolroom and Warehouse. Products manufactured at Spennymoor include a number of different power hand-drills, the Workmate, self-powered tools and lawn mowers. The Workmate, a portable vice and work-bench combination, was developed at the Spennymoor plant and has been one of Black and Decker's best sellers world-wide, however, its production is slowly being relocated in a new plant in Ireland much to the dismay of Spennymoor workers.

A good source for data about the worldwide operations of the multinationals in the North East is Multinationals in Tyne and Wear which was compiled by workers at the Benwell and North Tyneside Community Development Projects in 1977. In gleaning information from this reference about the American multinational Black and Decker Manufacturing Company, we are able to learn about the company's philosophy. The company feels through proper management it can make profits regardless of economic, political or geographical climate. It sites the United Kingdom as a good example of this because the devaluation of the pound was beneficial in making this multinational's United Kingdom company the lowest cost

source of Black and Decker products in Europe. The European based Black and Decker subsidiary companies are able to import United Kingdom made power tools at low cost and this contributes to Black and Decker's successful competitive stand in various European countries.¹⁶

Although Black and Decker is based in the U.S.A. , it has only eleven factories there, compared with subsidiaries or branches in forty other countries and twenty-nine manufacturing operations outside of the U.S.A. The European Division includes plants in Ireland, Italy, Germany, France, Spain and the U.K. Among the forty other countries with Black and Decker factories are Australia, Japan, Argentina, Mexico and Canada. In 1976 it had worldwide sales of \$748 million.¹⁷ Its products include those mentioned above being manufactured in Spennymoor and vacuum cleaners which are not made at this location.

Indeed, "the multinational corporation is perhaps the most rapidly expanding institution of our time . . . The prospect of 300 or so companies controlling over 75 per cent of the Western world's productive assets by 1985 is increasingly probable. These companies' corporate strategies will have become centralized. Global financing is a "headquarters' strategy", even if tactics on applying the plans are left to local managers. Money is global even where bargaining is local."¹⁸

The OECD Guidelines provide that enterprises should take into consideration the established objectives of the countries in which they operate regarding balance of payments and credit policies, especially in the financial management of their liquid foreign assets and liabilities. This would include their policies in regard to pricing and credit terms for intra-company sales and also repatriation of profits in the case of Black and Decker. In fact the mere mention of these subjects engendered extreme hostility in the local management of Black and Decker when I broached the subject of repatriation of profits. Furthermore, they refused information on all of these points. In order not to jeopardize the more important community study,

trade union and work aspects of my research project, I decided not to pursue the financing questions with the companies.

The OECD Guidelines also provide that multinational enterprises should refrain from making use of transfer pricing at less than arm's length standards for purposes of avoiding taxation. Enterprises are also exhorted to provide such information as may be necessary to the taxing authorities of the local host country in order to allow taxes to be assessed upon their operations. This is another aspect covered by the OECD Guidelines which I did not investigate.

The OECD Guidelines also provide a framework for encouraging competitive market efficiency and discouraging monopolistic practices. These aspects were outside the purposes for which I undertook this community study and I did not investigate monopolistic practices in any manner. However, it is to be noted that I did find out that Black and Decker held 90 per cent of the English market in domestic power tools in 1976. This very high percentage might appear to be monopolistic. The Courtaulds plant in Spennymoor was engaged in making Courtelle, a man-made fibre for use in fabrics. This is generally regarded as a highly competitive industry. Smart and Brown was engaged in making small and large household appliances and these areas are also generally regarded as highly competitive. The only result of my research which might be worthy of notice as far as competition is concerned is the very high market share of Black and Decker which might or might not be monopolistic. Certainly the government has mandatory licensing powers if they felt Black and Decker's strong position in the market was monopolistic.

Britain today has over half a million companies, but the top one hundred British companies control over 50 per cent of manufacturing industry at this time. Fewer than 1 per cent of the half a million companies account for half of the United Kingdom's assets, half its trade and half its production output.

(iii) Courtaulds Ltd.

Smart and Brown, a subsidiary of Thorn Electrical Industries, Ltd., and Courtaulds, Ltd., which was the next multinational firm to move into Spennymoor in 1969, are British multinational corporations numbered among the 100 largest British manufacturing enterprises. A comparison of the 1969-1970 sales results shows Thorn Electric with £267,000,000 or just over 40 per cent of Courtaulds' sales at £627,000,000.²⁰

Courtaulds, Ltd. is Number 15 in The Times 100 of 1976-1977. Courtaulds made business history with its corporate strategy in the 1960s which played a major role in the rapid reconstruction of the British textile industry taking place during that decade. Mr. (later Lord) Frank Kearton emerged as the new leader of Courtaulds in the early 1960s after Courtaulds had defeated the bid by I. C. I. to take it over. In explaining the business development of Courtaulds, Derek Channon relates that, like Jules Thorn, Kearton orchestrated all major policy decisions and delegation of authority in these matters was almost non-existent. Thus, structurally as a result of his dominant influence Courtaulds' organization was developed into a company which was a mixture of a holding company and a multi-divisional combine. For instance, there were two main committees responsible to Kearton; one of the committees was responsible for all general policies, planning and for trade investments whereas the other committee supervised all of the company's main trading activities. The company's operations elsewhere were divided into a composite of over 70 divisions and subsidiary companies of which each were designated as a profit centre. These operating units (such as the division at Spennymoor) prepared annual fiscal budgets and plans extending three years ahead which were submitted to the central operations executive. Also, there was a central office which dealt with management of finance, overseas relations, labour

relations, legal matters, personnel and administration. The research department was centrally controlled as well and a company purchasing department bought and distributed all of the main raw materials throughout the whole company.²¹

As a result of Lord Kearton's careful orchestration, the company expanded its interests in natural fibres and textiles, chemicals, paints, plastics, packaging and engineering although its main interest remained in man-made fibres, such as it spun and dyed in its plant in Spennymoor. By 1976 Courtaulds had over four hundred factories in twenty-five countries throughout the world. Since 1970, due to the textile industry's recent recession, this British multinational company has been constantly reducing its workforce in Britain. But it is to be noted that the multinational's workforce overseas has increased constantly since 1970 as its British labour force has decreased in size, and since 1973 Courtaulds has stopped publishing the figures of their overseas workforce. The steady reduction of British employees is demonstrated: in 1970 the labour force totalled 137,819 in the United Kingdom, but by 1976 the British employment figure was 100,000, a reduction of almost 10,000 working Britons on the previous year. In 1976 Courtaulds made approximately 3,000 Britons redundant in the United Kingdom.²²

Is this a case of central management having decided to shut down and transfer high-cost operations to foreign locations as part of a worldwide rationalisation programme? After only ten years of operation the Spennymoor division of Courtaulds met with this same fate; the operation unit was closed and 1,500 Britons were made redundant. My study of the community of Spennymoor was conducted one and a half years before the hatchet men from central management took care of the factory. The attitudes of the Spennymoor Courtaulds' workers at that time becomes even more significant in the light of the current sad state of affairs for them. Why did the central management of Courtaulds select Spennymoor for a factory location in the United Kingdom? Clues may be gathered from town leaders who

remember the scene in the late 1960s in Spennymoor. Their comments provide interesting comparisons between Black and Deckers' and Courtaulds' methods of operating when making a decision to locate a new factory and compare hiring policies as well. In one town leader's view:

Black and Decker are an American Firm. They are very cagey; they played it close to their chest. They wanted to know certain things before they came ... (These) were carried on through the Board of Trade; they didn't come to talk to the Town Clerk. (He) met with them after they had decided to come.

We had more meetings with Courtaulds than with Black and Decker, perhaps because Courtaulds just acquired an open (building) space whereas the factory was already there for Black and Decker. Black and Decker recruited locally so the issue of houses wasn't a major factor. With Courtaulds, it was Sir Frank Kearton's policy to try to cooperate with the Government to develop industries in developing districts; Spennymoor and Durham eventually became places for plants.

One of their major requirements was housing. We were then completing Bessemer Park when they were making a decision to come.

And another townsman noted:

When Courtaulds came along and that rounded off the picture because they were interested in older men. They wanted older men so Black and Decker and Courtaulds balanced off very nicely.

The County Council and Urban District Council in partnership had made the decision to acquire another 110 acres on Green Lane for further development to the town. Courtaulds agreed to acquire 18 acres, then 30 and finally acquired 70 acres on the Green Lane Industrial Estate. The former Town Clerk disclosed:

They got this land very cheaply. We practically sold it at cost in order to get them here.

All public utility undertakings led out from the town's industrial expansion programme. Due to the dyes, the Courtaulds plant created more waste disposal problems. The sewage works had to be modernised. The work was begun in the late 1960s and the Opening Ceremony of the Tudhoe Mill Sewage Treatment Works was held on 17th September 1971. The works were designed to enable further

extensions to be carried out in the future, however, in 1971 the principal industrial wastes discharging into the works were from Smart and Brown, Ltd., Black and Decker, Ltd., and Courtaulds, Ltd. Some additional facts concerning this matter are that "the extensions have been designed to cater for a domestic population of 21,000 with an allowance of 40 gal/Person/day (182 litre/person/day), together with trade effluents . . . The final effluent is discharged to the Valley Burn, a tributary of the River Wear." ²³

It is significant to point out that as recent as 1961 an article in The Northern Echo stated "over 500 men, women and children in Spennymoor are living in primitive and insanitary conditions. They need coats and umbrellas to visit their ash-closet toilets - to protect themselves from rain which pours in through gaping holes. These 'dilapidated relics of the Middle Ages' are only accessible across a 20 yard stretch of unmade, unlighted back street. There - in the 123 NCB (National Coal Board) houses in Front Street, Tudhoe Colliery - mothers live with increasing fear that these brick lavatories will collapse and injure or kill their children. Rats and mice infest the entire street . . . A man who, in his four years in the Council has made repeated and determined attempts to improve the conditions of these Tudhoe people, is Coun. K. Jackson. 'The conditions prevailing at Front Street, Tudhoe Colliery, are probably the worst existing in the North of England today . . . It is disgraceful that a Council so go-ahead in many respects as ours - with the introduction of new schemes costing hundreds of thousands of pounds, - should fail to recognise the increasing danger to health and safety to these families.' . . . 'My backyard and lavatory is nothing more than a breeding ground of disease and vermin', said a mother of three." ²⁴

And it is appalling to realize that this situation carried on well into the 1970s. It was fitting that Councillor Jackson was Chairman of the Council when

the Tudhoe Mill Sewage Treatment Works were finally inaugurated; he sees this battle to clear Front Street as his main contribution to Spennymoor's improvement.

However, how much longer would it have taken to accomplish his aim of modernising Front Street had Courtaulds not decided to come to Spennymoor? The conditions which the people of Front Street suffered - some people for nearly all of their lives - are yet another shocking statement of the exploitative nature of life in a colliery town. The relevance of this applies to our endeavour to understand fully the Spennymoor milieu. Another example of life in a pit town surfaces in the next chapter concerning the women's traditional role.

The Town Councillors agree that housing for key workers was important to Courtaulds. One said in this regard,

One of the most important factors, trump cards, for bringing Courtaulds here was because we had Bessemer Park here to house key workers.

What does Courtaulds give as the reasons it happened to come to Spennymoor? The main reasons offered by management were that, "a pool of labour was available because of the miners being laid-off and there were favourable grants from the Government." It was mainly the Government programme of incentives which drew the company here "... because (there was) some doubt that a mining community could assimilate skills."

Then has management been happy with the workforce here? "The workforce is very good; honest, hard working chaps. But relations with our unions have been terrible. Their attitude basically is traceable historically in this area: they don't trust anyone. Some are militant, others misguided. Engineer convenor (head shop steward) has boasted of communist membership ... Traditionally union man is always right."

Is the Spennymoor plant production considered adequate by management?

The reply received was that there has been a "fairly good growth rate here in Spennymoor. To go from nothing to 2,000 people in eight years is not too bad ... Probably won't get larger than 2,500 - that is large enough ... At this time we aren't using our full capacity; machinery is there and more than adequate for our needs."

Management considers that providing employment for people in the area has been the main advantage of its locating in Spennymoor.

If the community has reaped the main rewards of the company's establishment, then what have been the disadvantages of locating in Spennymoor from the point of view of the company? The reply to this question is quite interesting: "The company won't develop plants in grey areas again. This company has not made a profit since it started because of the labour force even with Government grants. We could have made a profit this year if we wouldn't have had the engineering union problem."

The division of Courtaulds, Ltd., which has been operating in Spennymoor is a Worsted Spinning factory for the purpose of converting man-made (acrylic) continuous filament tow into a staple fibre yarn suitable for the knitting industry using either the Worsted or Woollen system of processing. Expansion of the plant took place in 1971 (Spennymoor II) and again in 1974 (Spennymoor III), the latter not being operational at the time of this study. The site covered approximately 50 acres, of which buildings take up 22 acres. From Courtaulds' Grimsby plant the raw material is produced which is then processed into the finished product of Courtelle at the Spennymoor Worsted Spinning factory.

At the time this research was conducted, Courtaulds employed women only in the clerical division; the factory was manned solely by males due to the Continental Shift System it utilized. However, this was to be modified in the Autumn of 1977 as a result of Equality of Work laws regulating sexual discrimination.

CHAPTER 3

COMMUNITY LIFE AND SPENNYMOOR'S MULTNATIONALS

a. First Impressions of the Multinationals

I first endeavoured, in November 1976, to gain access to empirical data from Black and Decker. I was hoping to be able to talk with workers at the plant site and forwarded my interview schedule for consideration upon the Personnel Manager's request. In December 1976, the Personnel Manager at Spennymoor, who was from the south of England, set the mood of our first meeting - one of extreme hostility towards me and my efforts to conduct interviews in the community about "his" company. I had never experienced anything like this meeting before. It began as a grilling by the apparently hostile Personnel Manager who was constantly seeking my ulterior motives which simply did not exist. Statements and questions like,

What we can't figure out is why did you pick on Black and Decker? It is a small company. (!) It would be more interesting to have chosen a larger company like IBM. They're American and even more progressive. Why did you pick Black and Decker?

We like to remain as anonymous as possible. We don't want too many comparisons made with our style of management. We do have comparisons made for and against us. There is a tendency to level up and across in benefits in the community as a whole. For example, if people see something better, they want it. There is a levelling up for the mutual benefit of everybody.

We manage our company to the best interest of our company.

I doubt very much whether my company will cooperate with you. It's up to the (higher) management level (at Maidenhead). It's not my decision.

We don't make a great show of being part of the community as such. You 'll appreciate that I can't answer any questions until I find out if we will participate with you. We try to keep as low a profile as possible for a company. It's a company policy to keep a low profile.

From this meeting we are able to deduce several points about operational methods:

- (1) Black and Decker likes to be in control of all decisions which concern any comparisons made about the company. My actions were inexplicable to them; they were anxious about my project because they did not control the results of my actions.
- (2) Their only rule of conduct was maximisation of the company's interests and one felt this would be pursued ruthlessly. Remaining anonymous with a low profile in the community seems to them in their best interest. They are not integrated in the community; maximisation of profit is their prime goal.
- (3) Decisions are not made by local managers such as this Personnel Manager but rather a decision about something happening in Spennymoor which deals with the Spennymoor plant was directed to a higher level of management. Later I found out the decision concerning my work was made in Maidenhead by the U. K. Personnel Director with whom I never met or spoke. In fact, he "dictated" to the Spennymoor Personnel Manager an officious letter signed by the latter and sent to me. Furthermore, that same Maidenhead manager attempted to interfere with my research by phoning my academic supervisor at the University of Durham with intimidating instructions to "stop your student interviewing in Spennymoor."

The Personnel Manager at Smart and Brown was also suspicious of my research project but for a different reason. He was the only foreign born manager in any of the companies so he was quite an atypical British manager in Spennymoor. His initial concern was how I was being financed for my work. He explained that he had to ask such questions in order to "clear" me. Industrial spying and sabotage was a real threat in his mind as his company was highly competitive with the Italians. Such a possibility of this type of suspicion was a problem I had not considered encountering so my completely innocent reaction seemed to clear me for our meeting that day and

he proceeded to answer questions courteously. In fact he was quite helpful that day after I had passed "clearance"; I was at the factory for four and a half hours.

Afterwards, I was optimistic that I would be able to visit the factory again and speak with employees there. However, developments about Smart and Brown's security operations were happening which worked against my efforts. Smart and Brown had always had the reputation in Spennymoor for being the most friendly establishment, the hometown company. Everyone said it was easy to get into the plant and that it was highly accessible to townspeople. Its reputation in this regard contrasted sharply with the newcomers to town, Black and Decker and Courtaulds. Then at the beginning of February 1977, mass thefts occurred at the factory. A lorry pulled up and it was loaded full with electrical appliances and drove off never to be identified. "The John North Column" in The Northern Echo relates the subsequent developments,

'Totally ineffective', said a barrister at Durham Crown Court (of Smart and Brown's security). 'Appalling', said the judge after the large thefts at the factory. And an unannounced visit which the JN column made to the plant rather suggested that the critics had a point. We walked through two security gates and round part of the factory unchallenged.

Now there have been repercussions. One is that it is apparently much harder to be a thief at Smart and Browns. Another is that a member of the top management team refuses to speak to me - 'I don't think you report these things responsibly' - and a third that a number of old people who previously ate subsidised meals in the works canteen don't any more.

'It was unofficial, of course, but did it mean they just walked in? 'Well, they were known, weren't they? It's a very fair lunch in there for just over 20p,' said my informant yesterday, upset that the perk is to end.

Though he said he didn't condone the pilfering - 'not all from the blue collar workers, by the way' - he was a bit narked and so were his mates that things had got so much tighter. 'It's mainly directed against the shop floor. You can't leave your car inside the gates any more. It has to be in the car park. You can't take a little bit of wood out or do a little job for yourself at work.'

What sort of 'little job' did he mean? 'Well, a chap might have brought a carburetter in to fix at the degreasing plant, mightn't he?' ... 'Rigorous screening' of visitors had started since the JN visit ten days ago.¹

As a consequence of the press's biting criticism of Smart and Brown's lax attitude toward factory security, which added injury to the recent wounds of the pilfering at the plant that management had had to accept responsibility for allowing to occur, and in an effort to cover themselves from such problems in the future, the management at Smart and Brown introduced new security measures and tightened their image. For me, this was infortuitous timing as it occurred at a time I was hoping to be given permission to visit the plant on a regular basis. Shortly thereafter, the Personnel Manager said to me, "I can't give you authority to talk to any of the employees about the company." The press's investigative endeavour worked contrary to the interests of the many townspeople who had felt that the company provided private benefits and, as well, to the conduct of interviews for this research project at the plant site but this did not prove to be a handicap due to the friendliness of the Spennymoor townspeople.

The Courtaulds Personnel Manager's attitude toward my work was quite different. He was not suspicious of any evil intentions nor was he evasive or hostile and he did not have to wait for any directives from above. Rather he was openly helpful and willingly gave me information concerning operations and employees. Here we had a situation where management had been in industrial relations conflicts with the workers for a long time period. More research needs to be conducted to see if one is able to deduce that an open-door management policy results when a strong independent union force is consistently at work goading and fencing for a better position. Had the management been "beaten" into an openly candid policy in public relations by the unions' muscle-flexing stance? Or was it a case of an intelligent personnel manager who was capable of acting on his own discretion

without instructions from a higher level? He certainly fulfilled his public relations role more positively than had the other two personnel managers.

My experiences in this regard with the three multinational companies revealed a great deal about their methods of operation. The two companies with weak union infrastructures, Black and Decker and Smart and Brown, were openly suspicious of my research project from the outset for different reasons. At one point I wondered whether the reactions of the two personnel managers involved were simply personality problems or if they in fact had internalised company policies and fears to the point that their suspicions and hostility reflected their company's view. Due to comments workers made about these men, part of their problem did seem to be one of personality. The Black and Decker Personnel Manager had previously been a Group Industrial Relations Officer at Courtaulds. He had been brought into that company during a period of industrial conflict in order to conduct negotiations between the trade union and the company. As a Courtaulds worker said,

We had one meeting with him. Then he went to work for Black and Decker. He came with his bombastic attitude of 'I'm a professional negotiator; we'll do it this way.'²

And a Black and Decker worker commented,

They say he got kicked out of Courtaulds because he ruined industrial relations at Courtaulds. The union wouldn't have him; they complained to management.

He's an egotist. Power-mad. He has responsibility to the Senior Manager at Black and Decker but he goes straight up to the Personnel Director in Maidenhead.

Workers at Smart and Brown would laugh upon the mention of the particular Personnel Manager with whom I dealt. For one thing he stood out due to his physical demeanor as he was Arab by birth. The workers considered him too pompous as well as different culturally; it was difficult for them to accept him as

an Englishman. They enjoyed playing tricks on him and getting him upset.

However, personality couldn't account for the personnel managers' reactions en totale.

These managers also had internalised and personified the viewpoint of their companies.

b. Spennymoor Townspeople's Attitudes

While considering my investigation of Spennymoor townspeople's attitudes toward their three major multinational employers to which we now turn, it is important to keep in mind the problems presented by multinational corporations vis-à-vis the nation-state and trade unions. The interrelationship between the Spennymoor community and the three transnational companies is complex. This research project has singled out just three variables for analysis: the extent of reciprocity in community participation; the workplace environment; and, the industrial relations. These variables are used in an effort to identify the three companies' similarities and differences in attitudes vis-à-vis the Spennymoor community. Because townspeople's attitudes are based on their perceptions of events both prior to and during the transformation of Spennymoor into a multinational industrial centre from a coal mining town, a comparative basis for analysis may be drawn. The approach taken in this study is to provide a forum where the Spennymoor townspeople and the company managers may tell their own story.

The physical characteristics of Spennymoor have altered more than the pattern of friendly social relations amongst its inhabitants. Chapter 2 has dealt with these physical alterations in the townscape. The concept *Gemeinschaft*, or community, was introduced into the study of sociology by the German sociologist, Ferdinand Tönnies in his book, *Gemeinschaft und Gessellschaft*. For Tönnies the enduring system of social relationships in Spennymoor's *Gemeinschaft*, which continue to be warmer, with friendship and solidarity bound together by tradition, would contrast sharply with the ramifications of multinational corporatism. For in

Spennymoor it has been found that "... the traditional social homogeneity of the past occupational 'community' (is) still in existence, even after the decline of the pits. Indeed the findings from Spennymoor can be summarised as follows:

1. One half of our workers working within the boundaries of Spennymoor Urban District.
2. The tendency to provide single social class definitions, largely based on occupational categories, to the 'area in which I live'.
3. The greater 'friendliness' of the 'people' as a positive source of feeling for the area.
4. The relative lack of in-and-out migration in the area.
5. Greater participation in traditional regional activities, together with more restricted suggested boundaries to the North-East region.
6. The tendency for the respondents, particularly amongst the older residents to define their local area as the single of Spennymoor.
7. Greater knowledge of, and respect for the local Council and its Councillors.
8. The tendency for local knowledge to be communicated by talking to people rather than through newspapers or wider regional media.
9. The more localised kinship and friendship networks centred around Spennymoor.
10. The continuing importance, shown in the number of visits to Working Men's Clubs.
11. The greater defence of the supposed economic deficiencies, together with a greater feeling of isolation from regional economic decision making.
12. A greater agreement that hard times - reflected in a more vivid memory of the depression and its consequences provide feeling for the area."

"In other words, this short summary provides support for many sociological truisms. The strong attachment and identity with Spennymoor seems to be connected with patterns associated with a long established traditional socially homogeneous 'community'." ³

That friendliness is an attribute highly rated in Spennymoor's social milieu was confirmed by the present investigation and is supported in the above work by the Northern Regional Strategy Team ⁴ as well as Bulmer's Study of Spennymoor ⁵ and House's study of Northern Business Managers. ⁶ In pursuing this social research project one's experience of encountering open friendliness on the part of the community townspeople is a reflection of their traditional mode of social action. As Sid Chaplin has explained the mining community psyche, "well, the one thing about being born into a mining community is that 'ye knaa whe ye are'. You know who you spring from, you know who you belong to, your roots are firmly embedded." ⁷ And he continues, "When I went to London I found the one thing ... that distressed me above all was that as I was walking down the Strand or Fleet Street, there was neebody to say 'What chay, Sid', and in a pit village, of course, there was always somebody to say that. You were known, you were named, you had your place, you could make your mark in life. And there's not very much more than this you can ask of life." ⁸ That the sense of shared past ⁹ is still a cohesive social factor in Spennymoor and that the community still reflects this continuity between past and present is significant. The local networks of neighbours and local extended families noted in other studies of areas defined as 'traditional' working-class communities exist in Spennymoor. ¹⁰ The townspeople are strongly attached to their community and they are fiercely loyal and supportive of the town. They do not desire to move from Spennymoor and are proud of Spennymoor's development. However, they feel frustration over the fact that the

destiny of their town is now controlled by external forces: the government bureaucrats who do not live in Spennymoor and the decision-makers remotely located from Spennymoor of the three largest multinational enterprises which provided 88 per cent of the jobs available in the town before the Courtaulds' closure¹¹.

c. Change Comes to High Street

Spennymoor in the past had a particularly colourful High Street with thriving shops of all sorts and a wide variety of street vendors including push carts adapted to the purpose of deep fat frying. The disappearance of this thriving street life is more likely attributable to the same sincere but erroneous attitude toward modernisation which produced Bessemer Park rather than to class changes in the community engendered by introduction of the wider terms of reference for class behavioural choices of the managers of the multinationals. Of course, trends toward a different style of commercial trading were extant throughout England and in the larger cities of the entire British Isles and these had an effect in Spennymoor. The increase in car ownership has also expanded shopping district perimeters and provided a competitive edge to those premises offering parking facilities such as the chain stores in new shopping precincts at the edges of built up areas.

However, there is one aspect of the activities undertaken by the multinationals which certainly may have contributed to the decline of commercial trading in Spennymoor. Two of the multinationals have built company stores to be used by their employees. At Black and Decker this includes a shop where Black and Decker power tools can be purchased at a discount, a travel agency, and a supermarket which is alleged by the workers to be convenient but not necessarily cost competitive with alternatives in the area. Smart and Brown provides a shop where their household appliances as well as the whole range of Thorn electrical goods are on offer.

Certainly the Spennymoor High Street town fathers did not know that the multinationals would begin commercial trading when back in the 1960s they were so eager to lure and develop industry for Spennymoor to provide jobs for unemployed miners who it was assumed would spend a good deal of their new pay packets in Spennymoor High Street shops. This was also one of the reasons Bessemer Park was built adjacent to High Street. It was felt that in this way the trading revenues of the High Street merchants would be assured. Indeed, one may ask in respect of Black and Decker if commercial trading were among the purposes for which the company was allowed to operate in Britain. In other countries strict compliance with very limited conditions of establishment are expected from foreign capital. In those countries foreign multinationals are allowed to engage in certain activities in accordance with the policies of the governments of those countries and are not allowed to undertake the broad range of corporate purposes usually set forth in articles of incorporation of at least the parent company. An annual review and strict enforcement of these limited conditions of establishment are common, for example, in Japan, which has developed the administrative classification of foreign capital affiliated Japanese companies with special reporting requirements. Perhaps this is an example which United Kingdom authorities might find useful.

There are sound financial reasons why the multinationals in Spennymoor should desire for their own self-interest to engage in commercial trading whether or not they make an actual profit on the costs attributable to such activity. The cash flow generated by these activities can directly contribute to reducing the cash flow demands created by the necessity to pay wages to their workers. The higher the percentage of wages so controlled by the company and the longer the period of time for which they can be controlled the better from the multinationals' point of view.

Of course, if workers can get goods they need cheaper from the special multinational outlets than they can elsewhere then these facilities must be an

immediate and direct benefit to them. Assuming the sex role patterns traditional in the Spennymoor community, the maximum benefit would accrue to a young married couple if the woman worked at Smart and Brown where she could buy discounted household appliances and the man worked at Black and Decker where he could buy the power tools he wanted or possibly needed.

The OECD Guidelines specify that one general policy of each multinational corporation should be to "favour close co-operation with the local community and business interests".¹² Certainly the provision of company shopping facility cannot be said to be cooperating with local business interests. Perhaps Black and Decker are aware of their shortcomings in this regard as evidenced by the vigour of their forceful exclusion from the premises of a news reporter who attempted to cover the initial opening of the Black and Decker supermarket.

Thus, company stores at Black and Decker and Smart and Brown may have contributed to the decline of commercial trading on Spennymoor's once dynamic High Street and this is contrary to the OECD general policy that multinational corporations should seek to cooperate with the local business interests. Also, the re-routing of traffic away from High Street, a scheme first devised by the Durham County Council in 1972 and carried through by Sedgefield District Council, has contributed to "... a loss of trade of about 25 per cent to 30 per cent throughout the central shopping area."¹³ The Spennymoor Trader's Action Group began fighting against the threats¹⁴ to High Street before the planner's scheme was implemented. Certainly, this is another example of planning devised by outside bureaucrats which affected extremely negatively the livelihood of Spennymoor traders and the shopping habits of local residents. The opening of the multinationals' company stores and the diversion of traffic from High Street represent external forces manipulating the traders and workers of Spennymoor. A growing number of townspeople's efforts now seem directed at resisting and repelling these forces of control emanating from outside and striving

to help their community of Spennymoor to overcome all of the problems which have developed and to survive in the 1980s.

d. How the People of Spennymoor View Community Participation by the Multinationals

In reflecting on the OECD Guideline recommendation that enterprises should favour close cooperation with the local community and business interests, to what extent have the Spennymoor multinationals tried to make their presences felt in the community? This community is a milieu which values traditional social interaction. What is the extent of reciprocity by the companies in community participation? Based on the evidence resulting from this research investigation the following aspects of this situation may be summarised and will be discussed:

- (1) Smart and Brown has been more supportive of the town than the other two multinationals. This may be due to several factors:
 - (a) Its historical roots were made in Spennymoor before it was acquired by the multinational Thorn group, therefore its genesis makes it atypical of the multinational prototype.
 - (b) Its headquarters are located in Spennymoor where the company has functioned as an integral unit in the community but where it has located branch companies in other towns these are not as well integrated into the affairs of those particular communities.
 - (c) It recognises that workers live within a 15 mile radius, but this does not diminish support to Spennymoor which is considered the residential company town.
 - (d) More local lads have been able to work their way up into the higher ranks of the company.
 - (e) It is a company policy to be involved in supportive ways in the community where the company has its plant.
 - (f) According to one theory, having a sizeable union organisation helps to coerce managements to participate and contribute in community affairs.¹⁵

(2) Courtaulds and Black and Decker differ distinctly from Smart and Brown. The attitudes of these companies are isolationist; they do not actively support the Spennymoor community. This may be attributed to the following:

- (a) Definite company policies of non-involvement; these policies are diametrically contrary to the OECD Guidelines and suggestions in The Bullock Report.
- (b) Recruitment at Black and Decker for the factory is local but managers are highly mobile middle class males and are transferred to the North or are non-Northerners even though the company has been in the town for over fifteen years. Courtaulds has slightly differed in this regard as many low-level managers and some middle-level managers have been employed from the Spennymoor area.¹⁶ However, all high-level managers had been transferred to Spennymoor from other areas at the time of this research project.
- (c) Although Spennymoor's Black and Decker factory is the company's largest operation in Europe, English headquarters continue to be at Maidenhead located in the South of England. Perhaps when a company headquarters is not locally established, a firm is inhibited from becoming well integrated in a community. The Courtaulds Spennymoor unit was simply considered another production unit in the vast Courtaulds conglomerate.
- (d) The claim that nothing is owed the Spennymoor community by these two multinationals because workers are from a fifteen mile radius is nullified by the fact that more workers at both companies live in Spennymoor than elsewhere and, of course, the factories are located in Spennymoor.
- (e) As regards the significance of a union organisation in this issue of community participation, Black and Decker's trade union is not recognised by

the company and has not been permitted to be an effective organisation.

Courtaulds has strongly independent, non-company dominated trade unions but the history of industrial relations has been one of marked conflict. The company never effectively coordinated programmes with the trade unions at Courtaulds as the Smart and Brown management has done by neutralising the trade union forces and working cooperatively in an industrial-labour pact.

A discussion of these points follows with examples of townspeople's attitudes and the companies' managements' attitudes. According to Smart and Brown's management, the company's policy vis-à-vis community involvement and contributions is that:

We support Spennymoor Football Club and the majority of all activity that goes on in Spennymoor. We have a Christmas Party for all employees' children and retired employees. We also cook the Meal-on-Wheels for the old people in Spennymoor. It is company subsidised with a minimal charge. We have a Sports and Social Club here and they do their own activities. They arrange an annual Sport and Garden Club Show. Now the biggest attraction is the large leeks.¹⁷ We are involved in the community. The company is small in its expanded areas (the satellite plants), therefore, Smart and Brown is not getting as involved there. We've not tried to make our presence felt, it just evolved. It's more a matter of length of time we've been here.

We note that where the headquarters of Smart and Brown are located and where the company had its historical roots before it was purchased by the multinational Thorn group, it has been involved in the community affairs. Thus, in comparing the community involvement of the three multinationals in Spennymoor, historically Smart and Brown has been more involved than the other two by contributing to community activities. One example provided by a town councillor concerns the community playing fields:

There are certain things both (companies and town) can do to help each other, such as in the area of Recreation. Smart and Brown and the District Council worked together. We provided playing fields and Smart and Brown gave a lump sum towards cost of these and they pay a yearly subscription which enables their teams to use them. These community playing fields came into existence before Black and Decker and Courtaulds came.

Branch companies of Smart and Brown, however, are not as well integrated into the affairs of their communities. Beyond the historical connection there is another significant factor contributing in the case of Smart and Brown's involvement with its company residential town where the majority of its factory workers live. The company has shown a sensitivity to the interests of the people which Black and Decker and Courtaulds have not done. Smart and Brown's donations to the community include the "star prize" (a 4 cu. ft. Tricity Freezer in April of 1976) to the British Heart Foundation's raffle in the regional district for many years. They hold a Flower and Produce Show (where leeks are the subject of animated conversations!) every year in September in the Spennymoor Town Hall.

A female factory worker explained:

Everybody goes. Now Black and Decker don't have anything like that. Smart and Brown has a Sports Club and used to go to Innsfield to compete and won many cups. You have to be in the Sports Club to participate but the community goes. You pay 5 pence to go in and look ... Smart and Brown is interested in promoting the presence of the firm in the community. It also holds dinner-dances at the Town Hall.

There is also a Gala Day parade. Smart and Brown products manufactured at the Spennymoor factory are paraded through the streets of Spennymoor. Floats are decorated with products and some employees ride them in the parade. Says a life long member of the community,

Smart and Brown is different. Whether it's a longer association with Spennymoor, I don't know, but certainly one would recognise top management of Smart and Brown and they wouldn't the others.

One member of the Council expressed the difference in attitude towards the Town Council:

We'd only get a brisk official note from Black and Decker and Courtaulds, for example, of a request for key workers. But if Smart and Brown has any difficulties, they'll come along to the Town Council. In making arrangements for key workers they could come and discuss it.

A former top management official said,

We were never really a company orientated towards generating good public relations. We depended on our own record to carry us on. I think we should have taken more interest in public affairs because we had a duty to perform by reason of being such a high rate payer. We always subscribed and gave donations, but I don't think we did enough. Mind you, you can do too much and neglect your own affairs.

That (plant) site is a city in itself. Everything inside is done by us ... All the Town Council did was take the affluence. That was all. We built our own roads. In 1967 we put in an affluent treatment plant. That makes it of drinking water quality - everything that goes out of the factory. It cost £1.25 million. We've been very pollution conscious.

Smart and Brown's management responded to the query of what do you consider to be your main problems with public relations here by stating,

We have no problems. We have very good public relations - second to none. Every applicant is interviewed and given advice if they don't get a job. We support social activities. Have helped finance the arts for the area. A Shakespeare group came to the area financed by the company.

Smart and Brown workers tend to be enthusiastic about their company's involvement in the community of Spennymoor. An example is this worker's reply,

Smart and Brown was one of the first instigators of building a football field with four pitches on it. They gave money for it ... The old folks (retired employees) are given a party at Christmas time with presents. The kiddies have a party, too. Parties are paid for by Smart and Brown. They have a Garden Club over there. If the social activities fail, its because people are not supporting them.

Spennymoor is what it is today because of the taxation Smart and Brown pays. I think they have done a lot of good. If Thorn wouldn't have come, it would have collapsed ... Smart and Brown hasn't brought people in from the outside. It's made the staff from people it brought up. My boss is a Spennymoor man. The bosses have worked their way up. They were local lads who have made good. I can talk to my boss normally.

Said another employee,

It's possible that Spennymoor can provide good roads because of the large amounts of rates the companies pay to them. In July there is the Spennymoor Carnival. They have a parade when the carnival is on. A football club organizes it; they put domestic appliances on vehicles and ride them around. I've never seen other factories enter the parade.

The Sports fund at Smart and Brown is an automatic deduction of two pence from an employee's paycheck every week.

The General Manager of Spennymoor's Black and Decker plant discussed the company's policy vis-à-vis community involvement and contributions. What did management consider to be their main problems with public relations in Spennymoor?

We don't think we have a public relations problem here. Our prime responsibility in this area is, yes, we employ 2,000 people, but we don't really just have responsibility for them because these people have families and their lives are affected. Our prime responsibility is towards them. That we are very conscious of. The principal part of our philosophy I have ... covered. We do feel a responsibility for employees and families and dependents. Prime factor. In terms of other areas - we have good relations with Sedgefield District Council. I'm meeting members of the Council very shortly.

Some companies do spend a lot of time and effort with PR image. We don't do that. Our prime purpose is to make products in order to fulfil our first responsibility ... One thing we don't go in for - a lot of PR. We don't have a PR manager. What you do is more important than what you say. There are a number of organizations in the community that we do contribute to discreetly. Tend to do so in areas where employees are from. 100 per cent of our employees live within 15 miles.

Apparently Black and Decker's contributions are handled so discreetly that not even employees are aware of them. Also, I was unable to pursue the meaning of the statement "in areas where employees are from." Does this mean that in a village where some of the Black and Decker managers live, the company has contributed "discreetly" to projects? The company certainly did not contribute "discreetly" or otherwise to any endeavours in the community of Spennymoor. Whether the high-level managers use company funds for activities in their own housing areas needs to be further researched.

The Personnel Manager pointed out that they have forty apprentices who have adopted a children's home in the area. The apprentices themselves provide Christmas activities there. The apprentices are working class lads who do not receive full pay until the age of 20 from Black and Decker. This is a philanthropic project the lands are responsible for and the company certainly should be proud

of the apprentices' initiative, however, the company cannot claim it is due to its philanthropy. The apprentices raised funds of £150 for the children's home by holding an all night football match from 10 p. m. to 10 a. m. in which employees at Black and Decker could participate.

The General Manager felt that they

have quite a strong Sports and Social Club. The Club uses the food hall and from time to time organizes a dance or buffet. We have Christmas parties for children five to eight and over eight years old. 400 children plus deprived children came this year. The Club is voluntary. Money is taken from paychecks and made other ways. We have a playing field. In summer time share football and cricket matches. We hold a Sports Day annually. We invite everyone to come along. We roast pigs and have a dance afterwards.

In answer to how has your company tried to make its presence felt in the community and to what extent, the General Manager replied,

the action is rather more important than the words. What Sedgefield District Council feels and people in the community feel would be a better barometer of this.

As mentioned at the beginning of this chapter, the Black and Decker Personnel Manager answered a query more directly by stating that,

We don't make a great show of being part of the community as such ... It's a company policy to keep a low profile.

A longtime Town Councillor had this to say:

The British companies seem to put more into the community than Black and Decker has. The profit margins of Black and Decker are ploughed back straight to America. I think they could donate a sizeable sum just for the swimming baths.

Of course, Black and Decker has not donated such a sum to the swimming baths project and this isn't an issue that they could say was limited to Spennymoor because workers living in the 15 mile radius they speak of would certainly gain as much enjoyment and healthy exercise from the baths as those living in Spennymoor.

What did the factory workers think about their company's involvement or non-involvement in the community of Spennymoor? A Black and Decker worker said of Black and Decker,

They are only involved just in the fact they give people wages. That's one of the faults of them. You know when we have the Gala Day, Smart and Brown always has a float with a cooker or fridge, but Black and Decker don't seem to bother in the town itself. They would find they'd get more friends and maybe more orders if they would. We have children's party at Christmas and Sports Day, but just for Black and Decker employees. We don't bother to go to the dances. With shift work it's awkward. In the machine shop all the men work shift work.

As far as making contributions to the community, another worker said,

Not that I know of. They said if they started, then they'd have everyone asking.

Another example of their attitude was shown in this story:

A bloke who had lost one kidney wanted to go around and collect money for kidney disease; he was supporting the kidney fund drive. 'Well, if we let you, we'd have to let someone else do it. The people don't like to be bothered', was management's reply. Well, the people WOULD like to be bothered! It's not that, - it's that they're stopping production!

They should associate themselves with a thing like that. They won't even let them put collection boxes up in the canteen!

This general survey revealed that Black and Decker hasn't tried to make its presence felt in the community of Spennymoor. A female worker answered,

They have a dance three times a year. I've been to a couple. There's a party for the children at Christmas and a trip to Blackpool for the luminations. There's an Entertainment Committee. Volunteers do it in their own time. Black and Decker don't do it!

According to a worker, Black and Decker has made financial contributions toward erecting bus shelters outside the factory:

Under normal circumstances, the Council should pay for it but it costs £1,000 and they paid a contribution towards that.

This was confirmed by the Sedgefield District Council. It is, nevertheless, a production oriented contribution for a shelter across from the factory which only services the factory.

In making queries to the Sedgefield District Council, I received responses such as this:

Black and Decker's impact is great job-wise. We rely heavily on them. Have meetings with them. No problems. They are very successful. It's important to keep them here because they employ 2,500 people. There is an impact, for example, in our ability to collect rent from their employees living in council houses. They don't have a terrific turn-over of staff. People are queueing up to work there. People are more stable and happier there.

At the same time multinational companies were expanding in the local employment sector in the 1970s with their decision-making centres located far from Spennymoor, governmental decision-making was also removed from the townspeople as outside bureaucrats were hired to run a reorganised governing structure of which Spennymoor was only one town in a scheme incorporating 54,300 acres and seven-towns. The bureaucrats work outside the town in a modern building formerly owned by the coal board. Neither the bureaucrats nor the managers moved to Spennymoor. Hence, the local community of Spennymoor has become dependent on decisions made by outsiders and by large anonymous organisations which are not Spennymoor centred but exist here for financial gain and fail to appropriate any of these funds for major town projects which would be beneficial to the whole community, such as finance for the swimming baths.

Thus, Sedgefield District Council is managed not by local townspeople living in Spennymoor and coping with day-to-day problems in their town but represents a reorganised district run by government bureaucrats, the vast majority of whom do not live in Spennymoor. Their life style is similar to the managers and there is a close job relationship between managing a company and managing a district. The bureaucrats identify with the managers. They are sensitive to management problems and sympathetic to the managers. There is a class conflict between managers/bureaucrats and factory workers. Perhaps one could visualise an evil scene in which one sees a portrayal of the managers and bureaucrats scheming how they can oppress the inhabitants and workers of the town and make money together while doing so. Whether it is this bad, only time will tell. An important item to

note here is that Courtaulds workers felt they did not receive support and help in dealing with management during their 1979 wage dispute that they needed from their local government, and the consequences of ineffective action on the part of the District bureaucrats was that Spennymoor lost Courtaulds. And another response from the Council to my query above:

Black and Decker's principal impression is with their employer-employee attitude. Their impact has been by being good employers. I've found them paternalistic towards their staff even to the extent of coming here and telling us that we aren't doing something which would benefit their employees. They don't say trade unions want this to be done ...

As far as its involvement in the community, we encourage industries to have involvement. Different companies have different attitudes. Black and Decker's attitude is not as outgoing as many American companies I know. They have a paternalistic attitude toward their staff and are good in this respect. We have reasonably good relations with them. One of the difficulties I find is that they don't have their headquarters here. This inhibits integration of the company into the community.

A discussion of the company's paternalistic attitude will follow in the chapter concerned with industrial relations. Also, the weight placed by the company in maintaining a "low profile" will be discussed further.

What did Courtaulds consider to be their main problems with public relations in Spennymoor? According to the management:

Don't have any. We have a bad image in terms that people think we always have had industrial relations. We haven't made any attempt to correct that image. We've gone out on national T. V. to put the message across. The fact it has been on the media hasn't changed our image. We wanted to be on the media.

Then what has been Courtaulds' policy vis-à-vis community involvement and contributions? A manager explained,

We don't get involved. Like to keep our heads down. We like to do good without publicizing it. Like the girl's jazz band; we bought their clothes as our contribution. We do get involved with local councillors and meet them to a limited extent. The City Council wants to be communicated with and kept in the picture. We're very much a non-involvement company.

And their policies are reflected in townspeople's impressions of Courtaulds, such as,

Courtaulds? I don't know much about them. They seem remote from everyone. They use a shift system which seems weary to me. It's a continuous process seven days a week.

And another,

Courtaulds seem to be a lot quieter than other industries. You don't seem to hear about them unless there is a strike on or trouble. They employ a lot of people which we're grateful for.

One townsman analysed the present situation in Spennymoor:

My impression is that multinational industries, particularly when in a foreign country, try to avoid involvement. British national organisations tend to go in the same direction. It's harder and harder to do things in the community.

... We're up against: (1) the State is gospel and should do it; and (2) companies don't respond to local community pressure approach. I don't differentiate Black and Decker from Courtaulds. The companies think they are doing their job by employing people of the community.

In regards to Courtaulds and Black and Decker, the townspeople's comments underscore the fact that they remain detached, aloof and isolationistic in their relationship to the community of Spennymoor. Not only that, their coldly determined low profile of non-responsibility to the town of Spennymoor, which after all made it possible for them to purchase land for their plant facility, is chilling. The townspeople accept with resignation but are not happy with these two companies' non-committed attitude towards the town to which the workers, whose home it is, have their primary loyalty.

To what extent did it appear that the companies were committed to maximising their investment in Spennymoor and were they satisfied with the production output? The following information was gathered from the three companies in response to the question of whether their company set projected goals to be reached within a certain time period.

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e. How the Multinationals View Spennymoor

To what extent did it appear that the companies were committed to maximising their investment in Spennymoor and were they satisfied with the production output? The following information was gathered from the three companies in response to the question of whether their company set projected goals to be reached within a certain time period.

At Smart and Brown a manager explained:

The financial year begins in April. In December we get projected plans together and work out a budget in January. We get the budget from the Sales Department. We're altering the costs every week as we go along producing. All is pulled together in a pre-budget. Then the decision is made whether we can or can't afford things, - until we're making 2¹/₂ to 5 per cent profit. A factory should not make too much profit. Must allow the Sales Department room for manoeuvre. Then we decide when to introduce projects according to dates.

(As far as goals,) we say here is the date of conception, pre-production and production will begin on that date. We started refrigerators on the assembly line alongside the cookers. When we reached our goal of 2,000 a week - and we reached it quicker than we had thought - people had divided loyalties between the cookers and fridges. So we built a separate factory - and soon reached 10,000, and then 15,000 a week. We had established a program and established a goal.

One manager noted that there is a two year maximum planning in advance.

As far as how adequate Smart and Brown management views the Spennymoor plant production, they explained that it was no longer adequate and this is the reason why they have developed satellite companies.

...because the labour situation became difficult with Black and Decker and Courtaulds opening up.

The company's growth rate has been:

Like topsy. Mushroomed very quickly in fifteen years - built up from 300 employees to 7,000. The Thorn Group policy is either to expand you or close you down, but the company has been profitable here.

The Smart and Brown management, therefore, feels the company has had an exceptional growth rate in Spennymoor.

At Courtaulds the Management felt that it could not plan ahead too far. (In retrospect we could point out that this must be indicative of a fickle Multinational attitude that if you don't keep in line, then the Management will simply pack its bags and move elsewhere.) At this time the Courtaulds Management were auditing back only six weeks ahead.

We rely to a great extent on contracts with the Eastern bloc companies. They keep the work force employed but it's not very profitable. Our profit is made on home trade.

This statement is quite revealing. Management is unhappy because profits are low even though there is high employment occurring. The Management went on to say that they hoped by the middle of 1977 to be utilizing a labour force of 2,300 people. Due to the slumps and booms in the textile industry the Management pointed out that they could not predict accurately the future. In retrospect were they saying they could not predict how long they would be in Spennymoor? Townspeople also noted:

Our concern is because the companies are subject to market fluctuations. It is a fickle market.

Courtaulds had not been satisfied with the plant's production in Spennymoor. They never have used the plant's full capacity. However, the company has had a fairly good growth rate here in Spennymoor. To go from nothing to 2,000 people in eight years is not too bad.

At Black and Decker they wish to grow at 15 per cent per annum was the response.

This has been achieved over a fifteen year period here ... We have plans that extend from three months to two years to five years. Difficult to get. One's got to have at least an outline of plans. The primary aim is to make sure we know what we're trying to do in the marketing group. There are competitors in any certain area. In Spennymoor we designed the Workmate in January 1976, and by September or October we had gone into production ...

During the course of my enquiry I listened to complaints from factory workers that the successful Workmate developed and produced in Spennymoor and which provided so much work is now being taken out of the Spennymoor workers' hands and being assembled elsewhere. The workers think that it is being assembled in Ireland where Black and Decker had opened a new plant. This action by Management has brought great indignation from the Spennymoor

workers who feel defeated by their own success because the Management has implied to them that the orders outnumber the Spennymoor capacity to fill them. The pride the Spennymoor workers had in the Workmate project is significant and so is the fact that once the Multinational had developed a successful product they were able to move it into production in a location where labour and operational costs were lower for the company.

Under the OECD Guidelines as far as Science and Technology is concerned, companies have an obligation to establish and improve the capacity of host countries to innovate.¹⁸ The Workmate was developed at Spennymoor by English engineers and workers and then it was thereafter transferred out of England in a way most discouraging to the workers. This transfer of the fruits of innovation certainly discourages further efforts in this respect by the Spennymoor workforce and, therefore, may be a violation of the OECD Guidelines. Further expansion of the Workmate in Spennymoor where the innovation of this product took place could have secured Spennymoor jobs and perhaps even enhanced the number of workers required. Moving production of this product abroad certainly does not help to meet Black and Decker's OECD obligations in respect of science and technological innovation. Then does management feel that the Spennymoor plant production is adequate?

We export a high percentage of what we make. We haven't had a major problem with providing our customers with services needed. Our production is adequate if we are giving customers best service we can. We dispatch orders very quickly in comparison to most companies. We are very flexible and able to be so. This is a strength of this company, especially the company in Spennymoor.

The Black and Decker management is quite pleased with the record of the company's growth rate in Spennymoor. The General Manager of the Spennymoor plant agreed to a personal interview held in February 1977, during which this information was received. At that time the Personnel Manager took me on a guided tour of the factory.

The Bullock Report has noted that

as companies have grown in size and complexity, they have also tended to become remote from the communities in which they operate and from the people whom they employ. Major decisions about the nature of a company's or plant's organisation, affecting closely the future of the local community or the jobs of the employees, may often be taken far away from the site by the directors of a parent or holding company, sometimes by the management of a parent company overseas.

The power and complexity of the industrial enterprise and the remoteness of decision-making have led to demands for large companies to be more responsive to the needs of society in general and of their employees in particular. Industry has come under pressure to consider the wider effects of the decisions it takes in pursuit of profitability, and companies now explicitly or implicitly accept that they have responsibilities not just to shareholders, but also to employees, customers, creditors, suppliers, the local community and to society at large.¹⁹

Yes, industry may have come under pressure, may have been attacked in the media, as it has made large scale redundancies by leaving working class towns, such as Spennymoor, and moving plant operations elsewhere - where maximization of its profit will be greater. However, there is no organisation which is now capable of rebuking industrial decisions like the one made by the Courtaulds plant in Spennymoor which left its whole factory work force, clerical staff and lower management team without jobs. Our present study does not demonstrate that industry has accepted its proper responsibilities to the working class employees and the local communities. To the contrary, until an organisation is stronger than the management of industry, industry will continue to move ficklely in its pursuit of profitability as is the case recently in Spennymoor. Industry responsibility to people other than shareholders remains a theoretical ideal.

A member of the community who has not worked in the factories but who has participated actively in the community life noted:

The structure of an industry like Courtaulds or Black and Decker is not one which is involved in local politics. They've come essentially for economic reasons. There would be minor things

which would involve them with the local Town Council, like accommodation, but having done that, management functions on a totally different level. The local small entrepreneur got himself on the Town Council and felt himself to be 100 per cent part of the community. Industrial management is quite different. They don't tend to establish themselves in Spennymoor or put roots down. Our Rotary Club tried hard to attract management from the three big works. Two obstacles: one is mobility and the second is an old boss man who could take two hours off for lunch doesn't seem to exist any more. The factory man tends to live there for eight hours. Top management tends to be like old fashioned landlords today. He doesn't live where his workers are.

Smart and Brown were quite keen on Rotary, especially in the beginning. We thought they'd be one of our assets. Funnily enough over the first years they all faded out. Answer seemed to be that the big combine part was moving them around so fast either they left the district at a short notice or couldn't integrate it into their day.

We have the professional men, but businesses tend to be retail or small business with 30 to 50 employees. We don't recruit, with regret, from the three large companies. Courtaulds never got involved nor did Black and Decker . . . They're a different type of organisation. They develop a life of their own. They have their social groups within their company.

It's a complete departure from the pits - where community was the pits and the pits, the mine. The town becomes more anonymous than it used to be.

Adds a professional man to these reflections, "Particularly Black and Decker is enigmatic."

It should be noted that we are dealing with a pattern of life of a subculture grouping, middle class managers, relatively new to Spennymoor. Whereas the non-integrated life style of mobile managers had been an accepted pattern where it had occurred earlier, especially in America:

With the appearance of absentee ownership, local managers at times adopted the policy of separating themselves entirely from community affairs. In some of America's older communities this policy may have been due to the fact that the men who were sent to manage the newly purchased plants were not socially received . . . Community participation is inevitably difficult for the management man who with his family has previously established roots in two or three other communities only to be periodically uprooted. Acceptance by the community is difficult when managers change often and when they are not sufficiently respectful of the objects, persons, organizations, and acts which are sacred to the community leaders.²⁰

Then to what extent is a local origin typical of the companies' management?

It is in the managerial levels that we find differences in the companies. At Smart and Brown there were eleven Directors and sixty-seven managers. Smart and Brown's management is mainly from the North East. "This just evolved. Outside managers didn't stay when we brought them from abroad," was one explanation given. Another manager added, "And it might not be the best." The managers are all British subjects and in one case a naturalised citizen who was born in Jerusalem. The movement of managers includes overseas postings in certain circumstances but this is rather rare at Smart and Brown. However, managers from Spennymoor have ended up in New Zealand, Australia and South Africa. The company advertises here for management posts abroad since it is not their policy to hire foreign managers. Indeed, foreigners are regarded with some suspicion. Before commencing my interview the Personnel Manager who happened to be the Briton of naturalised citizenship conducted an interview of me asking personal questions, such as, "Specifically where are you from? Who sponsors you? Where do you get your money? Where are you living?" He later confided that his instructions are to ask questions because there is always the possibility of industrial espionage especially from the Italians with whom the company is in keen competition. He said,

We must check out all people before they are allowed in if from the 'outside'. We can sell cheaper than the Italians because of our industrial know-how.

With this xenophobic view it is not surprising that Smart and Brown never have foreign consultants from outside the United Kingdom, however, they do hire British consultants occasionally to deal with technical problems.

Although the Spennymoor plant is Black and Decker's largest European operation they have their main management core near London where they built

their first plant in Britain. There are twenty to thirty staff executive managers in that headquarters. For historical reasons and more importantly to maintain easy access to international communication links and transportation routes the upper echelon of Black and Decker management will undoubtedly remain in the South. The Spennymoor workers wonder why they don't move the headquarters to this major plant site. It is the line managers who move around and "do their time" in Spennymoor for different periods. A person doesn't see many older Black and Decker managers at this location. They seem to have a young management team with the Spennymoor group of managers being perhaps the youngest. The older managers are located in Maidenhead near London.

At the time of this study there were thirty-one staff managers at Spennymoor. Two managers noted:

It is a policy of Black and Decker to move managers around within the United Kingdom. The top brass might become European ... (and be relocated on the Continent.)

A number of Englishmen are now managing companies abroad from the most senior level. At least ten. We export them rather than import them. There is one Senior Manager in the English company who is German, but in many ways he is more English than German.

Thus, the lower levels of management are British oriented in the United Kingdom and the middle to upper echelons are European minded.

One does not see North Eastern born managers going to the South to the big time in Black and Decker but there is plenty of evidence of movement from the South to the North. A manager seeking to move up the ladder of promotion in Black and Decker hierarchy seeks assignments in varying locations, especially Quality Control personnel whose moves help to maintain the links.

As a large British multinational company, Courtaulds was one of the first British multinational corporations to develop production plants in the United States at the turn of the century²¹ as distinct from colonial and neocolonial

financial investments which played a large part in the development of U. S. railroads and other industry. (Indeed, it would be fair to characterise the United States as a debtor country on the financial side of its balance of payments accounts until the turn of the century).²² Courtaulds differs from Black and Decker in that it sends Britons to run operations in America, however, in middle and lower levels of management they employ American managers in the States. A manager explained,

Only top managers go abroad. This is confined to the very top, like a Works Manager or Chairman.

When setting up new plants in foreign countries British managers with operational expertise are sent. In the past managers have been moved around but inflation in moving expenditures has slowed down the amount of moves and there is a tendency to keep managers in a location for a longer length of time now. At the Spennymoor Courtaulds plant the

bulk of managers at this factory are Northerners because they have come from the traditional worsted spinning areas, such as Bradford and Leeds. Because of inflation one tends not to recruit from elsewhere but to promote managers internally ... Basically we are similar to other large British companies in the area. American run companies have different management techniques.

At the time of this study Smart and Brown's management differed from the other two multinationals because more locally recruited lads had been able to work their way up into the higher ranks of the company. Certainly this must have been a force in the company's acceptance of the idea that community participation was natural for them. It was a natural blending of loyalty to one's hometown and involvement by one's workplace emanating from management level and reinforced by a traditionally oriented workforce.

Ultimately my research indicated that with the advent of the managerial classification the sense of belonging to a community is largely dependent upon class bias. The working class person holds strongest loyalty to, i. e. belongs to the comm-

unity of Spennymoor: the managerial class had primary allegiance to, i. e. belongs to the company. Of course, there are the grey areas when a working class lad has chosen to join the management ranks. In such a case his expressions of loyalty to his hometown will be stronger than his allegiance to the company as long as he remains within the social network of his hometown because it is the base from which he derived his original personality identification - his primary roots. However, he may not hesitate to move with the company from his hometown if his management job demands that action for his financial self-interest.²³

As a result of the automobile, managers transferred to work at the multinationals in Spennymoor do not need to live in the town where the majority of their workers in the factories do live. According to a manager, quite a few Black and Decker managers had selected the same village area in which to live. Some good may come out of the petrol shortages if it helps to promote an integration of community life which has been fractured due to the availability of inexpensive individual transportation.

Smart and Brown has demonstrated that it does wish to make supportive contributions to the community, however, the other two multinationals were isolationists in their community roles. Spennymoor was held in low esteem by some of the Black and Decker managers interviewed and they dissociated themselves socially from the town - the very town which was providing the plant location and most of the manpower for their livelihood. Possibly it was due to a managerial class disdain of Spennymoor that their companies' policies were to disregard the town. The composition of the companies' management is a contributing variable to the sociology of Spennymoor's community life.

Since the 1950s in America there has been a cleavage between advocates of company participation in community life and those who uphold the isolationist policy. The former maintains

... that it will improve labour-management relations, that it will assure a more favourable climate for private enterprise, and that management has a moral responsibility to participate in community affairs. According to such a view the specific objectives of participation include:

- A. To demonstrate that the company has a genuine concern for the welfare of its employees and of the communities in which it operates, as shown by:
 - 1. The attitude and behaviour of local management representatives;
 - 2. A sincere effort to provide employees with employment security and job satisfactions.
- B. To consider the long-term interests of employees and the community when examining situations or changes which offer substantial short-run profits for stockholders.
- C. To secure an understanding of management's philosophy and policies on the part of its employees and plant neighbours.
- D. To encourage criticism or comments about the company's policies or actions from the residents of communities in which factories are operated.²⁴

Based on my investigation in Spennymoor of the three multinationals operations, I must conclude that the isolationists are in control of the management teams of Black and Decker and Courtaulds whereas Smart and Brown has made efforts to contribute to the town both philanthropically and through supportive community endeavours helpful to the town's esprit de corps. There is room for contributions on their behalf, however, the point is that the townspeople are able to point to concrete town projects they have done in the past and continue to support.

Study of the union and community relations will indicate, perhaps, that for management isolation is no longer a tenable philosophy. If unions participate increasingly in community affairs, managements may be forced to increase their participation and their contributions to community welfare.²⁵

In Spennymoor we find that Smart and Brown which does have the largest unionised work force where the unions are strongly integrated into the company operations, is the company which has participated and continues to participate

the most in community affairs. Courtaulds has had the strongest independent union workforce, however, it is classified on par with Black and Decker where the union is not recognised as concerns the companies' attitudes towards community participation.

f. The Dilemma of Control by "Unseen Faces"

The owners and workers at Black and Decker are separated by 7,000 miles of ocean and Courtaulds' and Smart and Brown's owners are in actuality just as remote. This has a very great effect on the type of community Spennymoor is today. It means the town becomes simply a working class estate. The owners are not living in the town and educating children there. The owners of Black and Decker would most likely consider they had been placed in a harsh exile if they were forced to live in Spennymoor, where for instance there are no swimming baths or golf courses, whereas the local firm owner, such as Mr. Kenmir, was an active participant in community affairs and supported cultural projects in the town which appealed to his class interests, such as the operatic society. The effect is to greatly reduce the range of social classes in Spennymoor and make it more a working class community with proletarian class values. This may be good from a Marxist viewpoint in as much as it would seem to strengthen working class consciousness and pure proletarian values. However, the consequently diminished opportunity which the working class may have to observe bourgeois owner's lifestyle may dull rather than heighten class consciousness. But in contrast if one takes the view it is better to have all classes represented in a community then this would appear to be bad because the opportunities for social mobility so valued by liberal bourgeois society seem to be minimised in this type of environment where there is such a vast separation between ownership and workers.

If the multinational companies are "unseen faces" as one man expressed it, do the townspeople feel they should have any control over them once they

have come to their local environment. Should they have any influence over these large companies once they have imposed their presence within the local territory? Townspeople interviewed expressed agreement about the extent to which the governing councils in the community should have influence over what a company does after it has settled in the town of Spennymoor. Most felt that certain conditions such as environmental restrictions to control the noise and smoke should be effective. There already is control in the planning consent agreements to look after the environment. Beyond that people felt the company should be left to run its own affairs, indeed, some felt it "wouldn't further good relations with the company for the Council to have influence."

However, the Town Council of Spennymoor did react

when there was talk of closing part of Courtaulds. As a Town Council we were very concerned and approached the District Council and had a meeting with Courtaulds' officials. This was rumoured in town about 18 months ago (in 1975). We had a joint meeting and were given assurance they had no intentions of leaving. If a company is going to affect a community in this way it's only right they should seek enlightenment and help should be provided if necessary.

In fact when Courtaulds did pull out in May of 1979 the local government authority, Sedgefield District Council which contrasts with the town council because it is made up of paid full time bureaucrats and politicians, moved slowly in action to counter the threat of closure. Here it is to be remembered that the District Council had replaced the Town Council and when that had happened the townspeople were left with little power in Spennymoor's matters. Unfortunately, the District Council looked at the Courtaulds wage disagreement as just another industrial relations problem and they did not want to get involved. As one Spennymoor factory worker said,

For us it was a problem for Spennymoor, but for them it was a case of not aggravating a large ratepayer. We told them, "Well, you are going to have 1,500 ratepayers who are going to be claiming rate rebates shortly if you don't do something about it." And eventually they did get involved and they came out with that Social Audit, which

points out how much Courtaulds have had off loans and how much it is going to cost local and national government in the next twelve months if nobody finds a job. And they offered £500 three weeks before the factory closed down. But it was a bit late by then, Sir Arthur Knight had kept his job and we'd lost ours. If they had come early on we might have got somewhere.²⁶

As one community member noted about such a dilemma,

If a firm is committed to a community, the rest should follow. If a firm is committed only to maximizing its investment, whatever you do it will be difficult to get it involved in the community. There is a limited amount in what the Council (Town) can do because the firms are so large. Difficult to weigh what they can do. Hate to think there would be lots of regulation for a company.

This man firmly believed in the working class ethos but his views were reflected by the rest of the factory workers interviewed as well as by the middle class. However, those views were expressed before the community experienced the agony of the Courtaulds plant closure. A very significant development to occur during the time the workers were fighting to keep their jobs intact was that the Spennymoor management union, COSESA, broke with the central Courtaulds directors who from their location at headquarters in the South of England dictated the fatal outcome of closure for the Spennymoor plant. The Spennymoor managers argued in a press statement released on 8 March 1979, "that they 'feel helpless in the present situation' since their views have never been sought - far less considered - by the company. They (the Spennymoor Courtaulds managers) are committed to the survival of the plant. They have broken with the company by claiming that the factory should not - and need not - close, that the production machinery is the best available, and that the expertise to run the factory is already there ... It is obvious, then, that the decision (to close the plant) was not made in Spennymoor."²⁷

Courtaulds central headquarters action was in violation of the OECD Guidelines established as a standard for "Employment and Industrial Relations". Specifically, number 6 under this section of the OECD Guidelines states that

any notice of intent to close must be made to employees' representatives and relevant government authorities providing "reasonable notice of such changes" and that the company cooperate with employees and government to alleviate great harm to the community of people involved²⁸. The central directors of Courtaulds violated this guideline in a most callous manner when they decided to close the Spennymoor operation. The combined effort of the Spennymoor management union siding with the Spennymoor workers in an attempt to stop the closure from proceeding failed to gain the cooperation of central Courtaulds management where decisions are made with little accountability to the lives of the people they make redundant. While, of course, Courtaulds is a British company and it could be argued that the OECD Guidelines should not be applied to them in this instance, nevertheless, it is likely that the closure of the Spennymoor plant would not have been made if Courtaulds did not have the physical capability of expanding its operations abroad.

Today, after the closure of Courtaulds there is the feeling that Regional policy has been a disaster. Companies like Courtaulds have taken the grants from the Government but they have not fulfilled their end of the deal by providing stable jobs for the people in North East Durham²⁹.

Multinational industrialisation of a community like Spennymoor strains the limits of traditional community models because the process has firmly entrenched a mono-class structure in the town. Stagnation of the class structure has been mentioned above. The staggering problems of what may well occur in such a restricted type of community as unemployment becomes a widespread reality and multinationals cut back production or leave the town

is one of the gripping issues upon which sociologists must focus. It is the unemployment dilemma seemingly created by multinationals' insensitiveness to local populations that has caused tremendous hostility to them and despair of their modus operendi.

The closure of Courtaulds represents, in darkest terms, what the transformed community now dependent on multinational industry and regional government bureaucrats, is all about. There is a complete departure from the traditional face-to-face relations as existed between coal miners and pit owners or workers in the family owned businesses to the forced abject acceptance of the dictates of a faceless and remote industrial and bureaucratic power whose decisions are made far beyond the confines of the Spennymoor community. In drawing this comparison I am not attempting to romanticise the past but merely to point out the changed class relationships in the area. The capitalist owners of the present day Spennymoor industries do not live there nor do the company managers who oversee operations. Changed class relationships within Spennymoor mean that the frontiers of class conflict no longer lie within the immediate local community but between the industrial workers of Spennymoor and economic decision-makers far removed from the North East of England.

Therefore, lacking control over the decisions which most affect their lives, their jobs, the workers' group attachment, social orientations and community identification in terms of a geographical sense of place has been greatly changed during the transition from employment by locally owned coal mining enterprises to employment by multinationals. The existing situation is the complete antithesis of that which forms the basis of traditional

values in the community. New values, more responsive to the actual circumstances confronting workers, need to be fostered.

CHAPTER 4

WORKPLACE ENVIRONMENT

a. Past v. Present

To link the present with the past, workers were asked which they preferred, work in the mines or in multinational industry. The overwhelming response was preference for the latter. This concurs with Bulmer's observation that "perceptions of the change from pit to factory varied but in general the improved conditions were welcomed."¹ As regards such tangible items as standards of machinery used and wages the multinational corporation rated higher in the opinion of workers than small family enterprises. However, both mining and small enterprises were favoured in the realm of intangibles. Community life was more cohesive, comradeship at work stronger, and life a more rewarding experience in small enterprises and mines according to workers' perceptions.

In part the preference for working at the multinational corporations (MNCs) is due to workplace environmental factors: a clean factory above the earth is preferable to a dark damp hole deep in the earth's depths. In part the preference is a positive reflection in the feeling that the coming of multinational industry saved the town and had the multinationals not come, then Spennymoor would have been decimated. Here are some responses from shopfloor male workers which illustrate why the factory is preferred:

I prefer the factories. I liked working at Dean and Chapter but I just thought it was progress. I could have gone to mines elsewhere, but I didn't fancy that. I just consider the town as Spennymoor - the town where I was bred and born in. I'm not fussy whether it's a pit or a factory - as long as there's plenty of employment.

Closing the pits is the best thing that happened. The pits weren't a nice place to work. Once you've been down to the pit and seen those conditions, to me, it's wrong to have to do that work. They are better now. The conditions are much improved, but still I wouldn't go down.

Industry. I think it serves a bigger part of the community. There's more variety in industry.

Multinational. It's hard working in the mines; it damages a man's health. They should close them all. Me brother's never worked any place else (other than the mines), so he cannot say so. I could have got him a job at (MNC), but he backed down. A lot of people are afraid of something new.

I knew the place as a mining town. We grew up with the miners. Wouldn't want to mine. They call them 'the good ole days', but they weren't. They were a lot of hard work. I prefer it now to what it was then.

Industry. I've worked on the top all my life.

But the dissenters:

The mining industry was a lot better in that everyone helped each other. Miners are men. You could tell a boss where to go. The greater the danger, the more you work together.

Mining town - definitely. It's a closer knit community - the miners. Everyone knew everyone.

And a man presently employed as a miner concedes,

Mining's a thing in the past. They're all closing up here. Mine's due to close in five years. I'll probably go into the factories then.

Do women show a marked preference? The working class women who are currently employed in factories tend to echo their husband's view. Two different responses:

As long as I'm living in Spennymoor I don't mind.

I prefer the coal. Going back to when I was a kid. People were a lot more closer than they are in the factory today.

Do men in the managerial ranks agree with the shopfloor men?

Multinational industry. I would prefer to stay with (MNC) until I retire. They fall short in wages they pay. The shopfloor labourer is comparable in the area but managers are lower.

Definitely the last one (multinational). I don't think anyone would want to go back to the mines with all the dirt and pollution it brings. I'd like to see the car industry come here - with all the big wages they get.

All things considered, would the majority of male shopfloor workers prefer working in a multinational industry or working in a local industry which is owned and run by a local family? A man who has mined all his life and never worked in either situation remarked,

makes no bloody difference to me. I'd just be a labourer for a large contractor or a family business.

Those people who had experienced factory work, however, had definite opinions:

Local industry because it keeps money in the area. If I want to buy something, I'll buy it in the town and want to keep it in this area. But with multinationals - you don't know where the money's going. Multinationals are unseen faces. Directors, the largest shareholders of a multinational, only come once a year. You don't see them; you don't know them. Everybody gets swallowed up in them. You don't know what's happening at a higher level. In a local firm, you know the people, and they get to know you. In a local firm, you can find out how profitable business is. Multinationals won't let you know the profitability per employee - they don't want us to know this. No matter what they say, they're only interested in the almighty dollar. Local firms are interested in the people.

I think the smaller companies are better, the family concerns. These multinational companies say we're just one big happy family, but we're not. At (MNC) they make decisions about Spennymoor when they don't know anything about the environment here in Spennymoor. They always have to think about how agreements would affect other companies. I can understand this but it's bad industrial relations. As far as the environment, it's better to work for small family firms where everybody knows everybody.

Then it was handy. We lived five minutes away. _____ - that was me first love. You were part and parcel of a family. Me brother, me brother-in-law worked there; you knew everyone's wives and daughters. The atmosphere is definitely better in a little family concern.

I prefer family owned firms ... You could talk directly to the boss on policy ... It's very anonymous - the work - now. You could never pin a bloke down. You're always up against this wall of complacency. Things always go the way they want it. But in the small firm if I said, 'Instead of doing that, why don't you do this?' he'd say, 'That's a good idea.' The job will be finished quicker and benefit us.

However, there are shopfloor workers who feel wages are not as good in the smaller concerns nor are the machines.

The multinational factories because the family industries weren't known for paying good wages. When things get too big, you lose touch with the people in general. I wouldn't like it to get too big.

Multinational industry. Bigger chances of not collapsing. Small thing like _____ would rely purely on sales. That's the reason you have less chance of collapsing. (MNC) is in everything. It's tremendous.

But if you've got the bigger factories competing for labour, you've got prosperity in the town which is good.

I think (MNC) would ... always be trying to improve methods of production.

Multinational industry. More to choose from - bigger scope. _____ were supposed to be with a family firm but when the men left, they didn't seem to bother. Over at (MNC) you're just a number. With the smaller firms you felt you owed it loyalty. You put up with smaller pay. They put up with short time. Years later people wished they would have left and not put up with it. If they had left they could have bettered themselves.

You're better off working for a multinational as far as having the best machines. Being a multinational they can afford to do that whereas a small family company would buy machines to last a lifetime.

I prefer the one that paid the biggest wages. Both have faults. There are advantages and disadvantages in both. In small firms you would feel you have to give more of your personal life to them. A man works there for years and years; he's part of the structure. That's the good aspect because in a multinational, he's not. I've worked for small firms and I had to give more time. I liked being a part of the structure. On the multinational scale, you're only a number. But I didn't have a family then. Now I want more time for family.

And the managerial ranks of large corporations feel bigger is better.

Certainly, it is from their vantage point. One manager said,

They (the local family owner-managers) were the bosses and you were the slaves. _____ would look at office workers to see if they were working. You wouldn't get a rise unless you twisted their arm. When a family owns an industry, they always want to live as well as they can. Also, they would want to make their own decisions. _____ used to mess up _____ with his ideas. If _____

had put the buck into the factory, they'd be around today. Instead of repairing the roof, they just drilled a hole in the floor. When it was finally unionised the wages doubled (from £1.25 to £2.50 in 1941).

And other managers said,

I prefer (MNC). I think they are more adventurous. I could go to another country to work if I wanted to.

I think big meself. There's better chances of people to get on within the company. I could go to another division whereas local family firms are all very nice but can't give the same benefits, security or wages.

Thus, the advantages and disadvantages of small local firms have been discussed by these workers and managers. There is a division of opinion about workplace preference. In summary, those in favour of working in a small local firm explained that it is better because:

- (1) Keeps money in area; no repatriation of profits.
- (2) Absentee and unknown people in charge and policies formulated over which there is no local control.
- (3) Multinational corporation is interested only in profit maximisation. The local firm due to circumstance of having all its assets located in the community is interested in the people who work for the company.
- (4) One is just an unknown number in a multinational corporation but one counts as a person in a small local firm. The "family" atmosphere is important.
- (5) Considerations are directed only at the local town and firm; they are not dealing with global strategy plans.
- (6) It is physically possible to participate in decision making and talk to the boss who has to listen because he couldn't move. Whereas, the multinational power-structure appears to be anonymous from the viewpoint of workers in Spennymoor.

Whereas, the reasons given in favour of multinational corporations are:

- (1) Better wages.
- (2) Better opportunities and larger industry so it offers more stable employment.
- (3) It would always invest in production improvements and high quality machinery whereas the small firm couldn't afford to change the machinery.
- (4) The worker was integrated in a personal structure and felt obligated to work longer hours but in retrospect one's loyalty was not fully reciprocated.
- (5) Managers are unanimous in considering opportunities, potentially higher pay, greater security, and ability to contribute to decision-making better in multinationals.

b. Discrimination against Female Workers in a Male Dominated Society

Women were not employed in industry in Spennymoor until the advent of the multinational corporations to the town according to the recollection of interviewees. Before the factories arrived, the female work force was confined to domestic work, minding small stores or being a housewife and totally dependent upon whatever the husband chose to provide. The mining community's functioning morés reinforced a suppressive and submissive role for the female. This has been poignantly illustrated in the account of the mining community called Ashton. "Ashton differs from those industrial towns where women have invaded the realms of production, where even if they do different jobs from the husbands, they experience in some degree the social relations of industry."²

Her lack of any personal means of spending is not the only restriction of a wife's participation in social relations wider than the family. Add to these very concrete restrictions on the wife's social life their reflection in the ideology and morality of the people of Ashton. The ideas of what a woman should and should not do persist very strongly, and, of course, they are values accepted by the women themselves ... Restricted to the home as they are by reason of this variety of factors, ... when pressed they will acknowledge jealousy of their husband's freedom ...³

Discrimination against females is supported by the traditional social structure of the provincial mining community's attitudes and morés. We may draw parallels between the coal mining town of "Ashton" and Spennymoor in order to understand how deep the feelings lie in regard to women's status and work:

Within the present framework of a severe lack of employment facilities for women, the domination of local industry by coal mining, the persistence of industrial relations which are coals on the fire of antagonistic attitudes in work and of cynicism in general, ... the consequent wide gap in social status between men and women ... Changes are absorbed in a strongly established culture, a culture firmly embedded in social relations built up over nearly a century around the local colliery and within a period of history which has had direct and unmistakeable impact on the miners of Great Britain.⁴

The women in this traditional former coal mining town of Spennymoor are expected to maintain feminine behaviour towards their work and eschew aggressive competitive behaviour. Male workers accept women working in the factories as long as they remember they are women and do not compete for men's jobs. After all, to the males it is a dramatic enough social change to have women working outside the home. Thus, it does not seem surprising that female factory workers seem to

think it would be better at _____ (a multinational) in that, there's more opportunities.

I'd pick the large corporation. There must be advantages to it.

Female workers pointed out various differences between female work conditions at Black and Decker and Smart and Brown on the assembly lines. At Smart and Brown, if anything goes wrong on the line, they will stop the line. But at Black and Decker, the line workers have to carry on. The line is never stopped. One female worker said,

You can have a lot of rejects, but they still carry on.

There was an indication by one Smart and Brown female worker who has a female relative working at Black and Decker that working conditions are better at the latter. She pointed out that Black and Decker workers may sit down whereas at Smart and Brown you have to stand, however, when a pregnant worker reaches her fifth month they transfer her to a sitting job. Also, a Smart and Brown worker felt it was a cleaner environment and the work easier at Black and Decker whereas,

I have to wash me hair every night. I just wear cotton gloves; the asbestos goes right through. I was out with dermititis. I went to me own doctor because the nurse would only have put oil on it. It used to itch. T'was worse at night so I have to put cream on it . . . I used to get one pair (of gloves) a week. Now you only get one pair and then have to ask for another pair.

Whether the work is less dangerous at Black and Decker is a matter of opinion. One former female Black and Decker worker said that many women's hands were cut and "fingers were flyin' all about." She said the safety measures were appallingly inadequate for the hazards of the job.

As concerns training and advancement opportunities at Black and Decker for female workers, however, according to a male staff member: "for women, not that much opportunity exists . . .". And the women assembly line workers are aware of this. They don't think any advancement is possible either because of their sex status or because of another factor as explained by this female worker:

I can't get any further than I am now 'cause this badge stops me (showing her GMWU badge). One or two did try from the union, but they didn't get nowhere. There was a job for an operator instructress, but I didn't bother to put in for it.

Do female workers at Smart and Brown feel that they have opportunities for advancement available? Generally speaking,

No. We all do a certain job. If we came off that job, they'd just put us on another assembly job. It's boring. I do 220 cookers a day. You have a certain score; they play hell with you if you don't get it done.

A female Shop Steward at Smart and Brown explained her view,

These line leaders jobs - a lot of people turn them down because you take the rap back. I could have been (promoted) if I'd been interested. I was always interested in the Union side.

As would be expected, there are different interpretations of the extent to which women have advanced in job positions in the Spennymoor multinationals. My analysis indicated there is a great deal of improvement which could be made in the situation. Women who have always lived in a milieu of discrimination - one in which working class women until World War II were not considered for jobs other than shop girl or domestic - are limited by their self-perceptions and self-expectation levels.⁵ They feel that quite a bit of progress has been made. A typical expression of this sentiment was said by this female worker,

They've (Women have) advanced a lot, haven't they, really.
I think a woman will try anything now.

Actually, in historical terms, there has been very slow progress towards equal employment rights for women as well as equal rights socially.⁶ The female struggle for equal rights has been and continues to be a source of conflict because:

The authority which men exercise over women is a major source of oppression in our society - as fundamental as class oppression. The fact that most of the nation's wealth is concentrated in the hands of a few means that the vast majority of women and men are deprived of their rights. But women are doubly deprived. At no level of society do they have equal rights with men.⁷

Socio-economic discrimination against females throughout society prevails. For example, a study of female graduates determined that "... although from one view sex and class are impediments to (female) graduates' achievements and are symptomatic of a more common social problem, from a narrower perspective we would regard sex as having a more significant influence than social class in so far as the employment of women is concerned."⁸ In comparing female labour with male, definite discriminatory practices have existed in the past and are currently practised in regard to pay policies, as well as training and opportunities for advancement, at the Smart and Brown and Black and Decker factories as well as at Courtaulds where women have only been employed in the clerical division.

At Courtaulds, with the exception of one female personnel manager who was employed in the past, there have been no women higher than a clerk position. It is to be noted that the clerk position is the lowest paid white-collar job and is considered by male employers to be a convenient slot for the majority of females employed in white-collared jobs.⁹

Courtaulds' shopfloor remained an exclusively male worker domain until the plant closed. Use of the Continental Shift System had restricted the hiring of female labour although this practice was scheduled to be slowly changed from the Autumn of 1977 following the repeal of the discriminatory legislative prohibition. Thus, the miners who began work at Courtaulds in 1969 continued to enjoy an exclusively male work milieu to which they were accustomed by their pit tradition.

The Equal Pay Act was passed in 1970 and came into full effect on 29 December 1975. Since this governmental legislation was passed - with a grace period of fully five years - companies who used to exploit women by



paying them less have had to change their strategy concerning female exploitation. And they have had time in which to do so. Women remain the lowest paid employees.¹⁰ Flagrant discriminatory practices continue in different forms. The multinational companies in Spennymoor, both British and American, provide examples of the types of discrimination now being practised in industry against women. The highly skilled male managerial talents of the multinationals have been applied to the task of maintaining cheap female labour. Unfortunately, the working class male's traditional attitude which upholds the idea of male superiority over females, works to the management's advantage in supporting discrimination against female working class employment. They express the idea that men were created equal, but women are inferior. Who could conceive of the notion - much less accept it happening - of a wife bringing home a higher pay than the husband? A working class assembly line Foreman at Smart and Brown summarises such an attitude concerning female employees:

They're well looked after, - the female employees. The company allows a cosmetic exhibition to come into the company and hold displays in the canteen. One sells Avon, one sells, out of a catalogue, furniture and clothing, another sells jewelry. They all work there. The management turns a blind eye.

The female employees disagree with the Foreman that they are "well looked after" according to the results of my investigative study. I have been able to isolate the following areas in which discrimination against women existed in 1977 at Smart and Brown: hiring practices, job classification and pay rates due to job evaluation studies devised by male managers, training and advancement opportunities, and the practice of making redundant more females than males.

In considering hiring policies, it has been noted previously that a Smart and Brown personnel manager felt it no longer pays to hire women since

they have come to receive equal pay with men in similar jobs. Thus, female labour was relied upon at Smart and Browns to a greater degree prior to the enactment of equal pay for equal work legislation. When the advantage to the company of employing cheap female labour was removed by legislation, the company made every effort to employ fewer women. This personnel manager believed in practising sex discrimination against females in hiring practices. Now discrimination in hiring has become a subtle unwritten factor working against a woman seeking factory employment at Smart and Brown.

A second type of discriminatory practice which is a classic method of discriminating against women is use of the job description. Job classifications are made by male managers and imposed in a rigid management system against which a worker is helpless. By keeping women in low-paid grades of work management is able to comply with the Equal Pay Act while imprisoning the female work force. The job evaluation study is the device used to give a higher rating to work requiring physical strength and a lower rating to work requiring manual dexterity. This leverage was devised and implemented by a male management force. Before the Equal Pay Act went into effect, Smart and Brown transferred female employees to segregated 'women's jobs' on the assembly lines from the machine division where women had worked the day shift and men the night shift. ¹¹ The machine division became totally a male domain. Thus, women could not compare their conditions of work or their pay with male labourers. Women aren't on an equal pay basis with the men because the division utilizing machine labour no longer employs women. The women have a lower-grade of job classification and, therefore, lower pay. Women only receive the same bonus as the men, but the bonus scheme has its pitfalls as pointed out previously. For instance, in T Shop the women are all Grade 3.

Said a female trade unionist:

Equal pay for women at Smart and Brown? I don't think you'll find women on an equal pay basis with the men. We only get the same bonus. They find ways of getting around it.

Women form the majority of semi-skilled workers at Smart and Brown but men are given preference in training programmes. Besides discrimination in the training selection, there are discriminatory practices which bother the women. For instance, skilled men are not checked hourly on their output at Smart and Brown whereas the women's work is checked at the end of every hour and placed on a scoreboard. If a woman's score is down, then the reasons why the score is low are recorded. Naturally, the women feel discriminated against because

(I'm) definitely not (satisfied with) the way a woman in a factory on the production side has to turn out so much work. The men seem to have it much easier than the women. I can't see any man doing what a woman does.

A manager concurs with the abilities of women to outshine men:

Women are good workers: more nimble with the fingers and work faster.

Yet this same manager said in an incredulous manner:

You get a woman that actually runs the section now! There's one woman on management level in the T Shop - Stock Control job.

Around 2,000 women are employed at Smart and Brown; roughly one-third of the workforce is female. Every assembly line has two women line leaders and one male (usually a mere "lad"); "male bosses" walk around all the time watching the lines operate as well. There are some Forewomen, and the T Shop has had a Forewoman for quite a few years. Recently as was noted in the above quote a woman has taken over the ordering job in the T Shop which was a male job. But Smart and Brown is run by male bosses from the top of the employment hierarchy to the bottom. It is the exceptional case when

a woman is found with major responsibility. This quote from an Assistant Foreman provides a clear picture:

If a girl shines out of twenty on an assembly line, then she becomes a Line Leader. If she shines here, she becomes a Charge Hand (Staff status). It means ... more holidays and longer period of sick pay. Paid like men are. I've never known one to climb above than ...

As concerns redundancy policy, it was pointed out that more women were made redundant than men when Smart and Brown put into effect a large redundancy programme in 1974. This was one way in which the management cleared women out of the machine division which is now solely manned by male labour. But redundancy becomes a strong lever to use against female employees who traditionally are not as militant in the trade unions as men.¹²

At Black and Decker discrimination against women exists in the following areas: hiring practices, job classification and pay rates due to job evaluation studies, and training and advancement opportunities, however, it was unclear whether it is their policy to make more females redundant than male employees. Women represent 40 per cent of the workforce in this factory. Yet at the time of this study there were no Assistant Forewomen or Forewomen; only men held the Foreperson positions. There was only one female Lead Hand (Section Leader), the job position just under Foreperson. There were four female Instructresses for the women and no male instructors over the women. (That would indicate a traditional sex division occurring in this particular situation. It apparently was a sexist management policy concerning instruction to have the division between the sexes accordingly. The men only had male instructors.) Said a female worker:

There's no way of a girl ever becoming an Inspector or anything like that.

And a young female worker said

I think the boys have more chance than what we have. A boy became Line Leader.

There were sympathetic views expressed by Black and Decker male workers, such as:

I think they work harder than a man does at the factories for what they make.

What I saw of the women - they used to work harder than us. Not manually, but they were kept going all the time.

Black and Decker management didn't have to panic with the passage of the 1970 Equal Pay Act and segregate the workforce because they already operated with clear division between assembly line female jobs and machine jobs for the males.

As concerns the female pay scale, one male Staff member said: "They're gradually rising the women's pay. They get 90 per cent now."

Black and Decker management maintains that it takes affirmative action in implementing policies before deadlines drawn by the Government whereas they point out other companies are known to have waited until the time they were legally liable to act. And they try to emphasize this patronising stand so that employees may become a bit confused about to whom it owes thanks for changes in employment policies. An example given by management was that in June 1976, Black and Decker U.K. implemented application of a law against discrimination of women not due to go into effect until Easter 1977. That law concerned the right of a woman to work and not be dismissed due to pregnancy and payment of six weeks wages (90 per cent less social security benefits). This policy applied nationally in the U.K., but what of the sisters working in Black and Decker plants in America, Ireland, Spain or Nigeria? The governments of those countries have not drawn up such legislation and so Black and Decker is not so, shall we say, "beneficently progressive" elsewhere.

The three multinationals in Spennymoor do not differ in their attitudes towards female employment. Externally, they discretely use discriminatory hiring policies. Internally, discriminatory job practices effectively negate objectives of equal pay legislation, and equal opportunity in training and advancement does not exist. Multinational companies do offer increased opportunity for paid employment for women. However, they only offer paid employment in subordinate or lower paid positions. In equivalent job positions requiring equal pay for men and women, my research indicates multinationals prefer employing males.

c. Recruitment of Labour

In Spennymoor a large pool of labour was available for exploitation by multinationals. This pool consisted of people who for personal reasons and traditional family ties did not wish to leave Spennymoor as the coal mines and family businesses closed down. The low rate of mobility of workers from the Spennymoor area has been noted in other studies.¹³ When Black and Decker first came to Spennymoor there was discernible movement by workers interested in higher pay to Black and Decker because their wages were the highest in the area. However, this drift of worker movement between companies became less discernible as salaries gradually equalised upwards. Although some movement from firm to firm in response to wage motivation occurred, the general disinclination to leave the Spennymoor area meant that the multinationals as a group has a large pool of labour consisting of local people willing to take any job possible as long as they could stay in the area. And, in fact, in 1980 these employable men and women would still prefer to have jobs in Spennymoor rather than move.¹⁴

In considering the three companies' recruitment policies in the factories, one Smart and Brown manager noted his company's policy reflecting a male

chauvinistic attitude in this regard,

... was to employ females where possible. Now there is equal pay for equal effort so it's no real benefit to employ females financially to the company. It was an incentive to employ females before because they received lower pay.

Smart and Brown also had an obligation to the government to try to employ as many of the ex-miners as they could. The purpose of Smart and Brown's recruitment has changed as they now only recruit to replace leavers and are not interested in expanding their personnel size.

Black and Decker came to Spennymoor at a time when the livelihoods of the ex-miners in the area were at stake. They desperately needed employment or they would have to move. With such a large number of available employable people at hand and due to government requirements, Black and Decker recruited as far as possible locally in the beginning. It was pointed out by one manager that:

When Black and Decker came, they were in a position to "hand pick" who they wanted to employ. Now there is a larger work force; the situation is more impersonal.

Also, when Black and Decker first came into the area, the company paid 33 per cent more than other firms. They paid the same salary level as in Maidenhead. Problem today presented by fact other firms have caught up ... People say, 'Hey, we used to be way out front; now our salaries aren't that much better than the people down the road. What's wrong with Black and Decker?.'

In 1977, Black and Decker used the job centre and newspaper want-ads for recruiting new workers.

Courtaulds also gets assistance from the Department of Employment and utilised advertisements in the local press. The Courtaulds Personnel Manager explained,

The best labour is usually obtained by our own efforts... The bulk of people we got at first were miners and probably 50 per cent of them still are ex-miners. We have a massive recruitment program going on now. We use employment records and medical histories. We have different medical criteria because of the risk of dermatitis

here; we don't have too many cases of it because of our medical practice. There's dust in the air so people prone to bronchitis could have problems.

A local doctor visits the factory once a week to check potential employees and current employees. They have a work surgery with two qualified State Registered Nurses, and they turn to the Central Medical Advisory Service for advice on problems and policy as well.

Because of these recruitment practices most of the factory workers at the three plants were born locally. One finds very few immigrants from other parts of Great Britain or from the Commonwealth countries. Courtaulds had one Chinese and one West African apprentice at the time of this study. The majority of the work force at the plants live within a fifteen mile radius of the factories.

d. Wages and Bonuses

At Smart and Brown in February 1977, the semi-skilled worker's wages varied with the bonus they could earn. They worked on piece work earning £20.00 to £40.00 per week on an average. This varied according to age no matter what the job was being done. If a worker was 16 years old, the wage was £20.00. Age discrimination is also the determining factor for the skilled apprentices. If you were a 16 year old skilled apprentice, you would get £29.00 and by the time you finished your apprenticeship at 20 years of age you would be earning £52.00 per week. A skilled worker at Smart and Brown earned an average wage comparable to the national wage, with the minimum pay being £54.00 per week. However, if you were 16 and female, then both sex and age are discriminatory factors determining your pay. The lowest paid workers at Smart and Brown are the 16 and 17 year old semi-skilled females. At the age of 18 their pay only increased £2.00 per week.

Anyone in charge of the shop floor at Smart and Brown is called a Supervisor which is the same as Foreman. They earn a bit more and their conditions are better. They are paid weekly instead of hourly and have fringe benefits. Management pay scales go from Grade 1 (Jules Thorn, no less) to Grade 8 which is the Supervisor's lot with a wage of "around £60.00 per week" in 1977. It was pointed out by a manager that

this is comparable with the national wage. That's the policy of the company. It's lower than in the South, but on the national average, it's comparable.

Benefits of working at the company include such things as these for the Managers:

Buying products at sales at reduced prices; ... any product in Thorn Group is available and can be bought at Staff sales. Also, we get subsidised meals.

The bonus scheme for assembly line workers at Smart and Brown was introduced in the 1950s. There is a strong consensus among the trade union leaders and workers that the present bonus scheme is out of date. The Union District Secretary has this to say,

The scheme hasn't changed. Where it would be an incentive ten years ago due to the value of money, by virtue of progression and inflation the buying power of the £ has changed, therefore, the present bonus there has lost its value. We've had many a discussion with the company about it. To no avail. It couldn't be revised during the pay stages. If we were a free negotiating system, then the company would look at it.

Examples of the problems presented with this bonus system are given in these two female workers' explanations:

Bonus is going to be a thing of the past. There are lines in T Shop who aren't making as much as others. There're some jobs you can't make money at. Now they're taking the work out; it's going to Harelaw. Now £4 on a 100 per cent of work. But each line is different; no two lines doing the same unit.

The bonus depends on how many cookers you do. Usually if you do a bit more than 220 cookers, you will get a bonus. But a

couple of weeks ago it was sickening. They changed the cooker to a harder type to get out. We were working harder but not getting as much pay because we couldn't get our score out. We were getting less money.

Thus, the more work done the more the worker is paid. There are so many working units per day. But as pointed out, there are great problems of some lines having to cope with more difficult work.

If a shift worker is willing to sacrifice a night of rest or social life, he is able to make time and a fifth or time and a third for working at night. Saturday is time and a half; double time on Sunday. People do overtime as well.

On the shopfloor there are no bonuses; the men are carded. They all get the same rate of pay which one manager said was "the top basic rate, around £53/week. It is like time work but there are no pressures on them." They get paid overtime if they work until 6:00. Two unofficial 10 minute breaks are given to them for which they get paid. One break comes in the morning and the other in the afternoon. They get one-half hour off at lunch. The shopfloor workers' hours are 7:30-4:00. The management's hours are 8:30-5:00. A manager commented on the work hours arrangement and the perks of his job:

This is a daft arrangement. I used to go in at half past and was told to knock it off. I was told I shouldn't be quite so conscientious. Now I have two Foremen who can look after the workers. Before when I didn't, I felt it was better to go in early.

There are no perquisites with the job down there. No managers have cars at Smart and Brown. They don't give them anything ... This is where loyalty comes from.

At Black and Decker there used to be a merit system, however, the employees didn't like it so it was replaced with the more neutral and conservative system of paying people according to the length of service. Clerical and shop floor workers are on a fixed rate of pay and paid extra for service. The

management has pay scales. According to management,

payment is on a high day rate, without piecework or bonus. Throughout the U.K. company, payment, terms and conditions always have been common to all plants.

In February 1977, the lowest grade pay, male or female assembly operator, was £42.90 per week at Black and Decker in Spennymoor. After two years one would receive £46.63 per week.

The widely held view among Spennymoor workers that the wages are better at Black and Decker, especially for females, was found to be correct in 1977. Despite this fact, one finds that there is a certain amount of worker rotation between the companies. In this exploratory study it was not possible to determine the percentage of worker rotation but one woman now employed as a clerk at Smart and Brown who has had clerical experience at all three companies had this to say,

Black and Decker still pays £10 more. When I first left Smart and Brown to go to Black and Decker I could make £5 per week more. I was saving for my marriage and this was important. After five years at Black and Decker you would get significant bonuses. Legal age was 18, too. At Smart and Brown it used to be 21 before you got straight wages. Now it has changed to 18. And practically everyone who first left to go to Black and Decker from Smart and Brown has come back.

How does Black and Decker compare in regard to employee benefits?

Management states that

benefits cover a wide variety of items and include schemes which have been almost unique in industry at the time introduced, and still continue to be fairly rare. As an example, our Wage Continuance Plan provides for a proportion of wage to be paid to normal retirement age, in the case of permanent disability. We have a voluntary Pension Scheme which covers all employees.

Ask shopfloor workers what benefits are to be gained by employment at Black and Decker and the overwhelming response is 'none'.

Black and Decker has a different system from the other two multinationals in Spennymoor. Productive efficiency is gauged against an annual allocation

of credit hours to each job. Production is related to credit hours and credit hours are divided into a work week. Efficiency can be monitored by noting the surplus or deficiency of credit hours. Some overtime is budgeted in the credit hours; this is divided between the workers. As one says,

They're playin' with labour. At the end of the year you should end up with more credit hours than at the beginning. If you don't fit into their standards, you've got to go ... The only thing that keeps people working is fear of their job. I've never seen so many people with such fear. It's run by fear up there, not by industrial relations.

The use of fear will be discussed in the section dealing with industrial relations. From evidence gathered in this investigative work the worker's idea that fear governs the work production at Black and Decker was substantiated. As concerns this type of accounting system, it is, according to one worker, "a good system for them."

Everything is written down and carefully recorded every day. The record book tells what a worker has done systematically. One former worker was dissatisfied with the system:

My limit was 380 minimum per day and I used to turn out 500 ... I think you should get paid for what you turn out ... If you do an extra amount of work you're no more thought of. You say, why did you do it? But everyone did it. Another daft thing done by chaps; they don't use the safety clamp so they can turn out 600 instead of 400. But you could lose your fingers doing that and then you wouldn't get any compensation.

Various shift workers get premiums for working unsocial hours. One staff member listed as "incentives" the fact that after five years you are given a gold pin. After ten years the company gives another pin plus an additional week holiday. This adds up to four weeks of holiday plus the Bank holidays.

At Courtaulds there were no benefits or bonuses for a shopfloor worker. The hourly amount paid to workers was not so high but due to their use of the Continental Shift System the total take-home wages were higher than

elsewhere in the textile industry. Thus, in terms of take-home pay, Courtaulds was above average. In terms of hourly wages the workers knew they were undercompensated and felt the company was exploiting them. As of February 1977, during training a process worker averaged £59.80 per week and £65.50 after training was completed. A fitter (tradesman) earned an average of £73.34 per week when trained. Courtaulds payment policy is decided locally as much as possible with the exception of pension schemes.

A shop floor worker discussed the situation at Courtaulds in

1977:

In actual fact (the Section Manager) is not a lot better off. They're paid monthly salary but have to contribute to pension scheme and after that, one lad worked out 50 pence a week worst off. But as far as retirement he has a pension so he will be better off than us.

They have more benefits than us. We've just started a sick scheme (January 1st). Made unattractive because if it gets abused, the Company will stop it.

e. The Shift Systems

The Continental Shift System of Courtaulds was based on the continuous operation of the factory 24 hours 7 days a week. The labour force was divided into four shifts of equal size which were labelled A to D. These four shifts were rotated independently to work for 12 hours from 7 a.m. to 7 p.m. during the day for two weeks out of four and from 7 p.m. to 7 a.m. during the night on two weeks out of four. At no time did anyone work more than 3 day or night shift periods without taking a break of at least 48 hours off before the next work period. The weekly rotation meant one week the worker's shift was Saturday through Monday either all day or all night and the next week Tuesday through Friday either all day or all night. Then back to the Saturday through Monday shift. The Courtaulds workers liked their shift system.

Two significant reasons why they preferred them were:- firstly, because they liked having the free time of either 3 or 4 days consecutively each week. Secondly, at the time of this study industrial legislation prohibited women from working the extended long hours required by the continental shift system and the traditionally-minded men, the majority of whom were former miners, were more comfortable working only with the lads. There was a certain macho-esprit de corps at Courtaulds which a majority of the male shopfloor workers valued; they were still doing work which women couldn't do. This is an important ego-satisfaction to the traditional male.

At Smart and Brown there were five shifts. Two of these shifts employed part-time female labour and were called "buffer" shifts. If the volume of work shrinks then these two shifts were phased out first: Mums Shift, 9 to 3, 5 days a week and the Housewife Shift, 5 p.m. to 8 p.m., 5 days a week. The Mums Shift was classified as part-time and paid on that basis although by law if you work more than 16 hours a week you aren't part-time.

The other three shifts were the Day Shift: 7.30 a.m. to 4:00 p.m.; the Night Shift made up of 500 workers which varied in time; the Continental Shift: 7 to 2, 2 to 11, and 11 to 7. A female Day Shift worker expressed her feelings about the work routine:

You go in there every day. It gets you down. You're getting older and you think, 'What the hell am I doing here?'

In the winter you don't see no sunlight. It's dark when you go and dark when you come home. Then in the summer you're all flogged out.

It is significant that the shift system at Smart and Brown is designed as a discriminatory leverage to be used against so-called part-time female labour. Quite a bit of male management expertise at Smart and Brown has been utilised on devising methods of exploiting female labour mentioned as being such an

asset to the company previously by a manager. We will deal with this issue again later.

At Black and Decker "if you just worked the day shift, the pay was low," according to one shop floor worker. The Machine Shops worked in weekly rotation 7 to 3, 3 to 11, and 11 to 7. On the last two shifts a premium was received which amounted to time plus one-third. The day shift was a flat rate. If a worker worked more than five days a week overtime was earned. The assembly lines had three different shifts operating: 8 - 4 was the regular shift, but there was also a Working Mums shift of 9 to 3 and a Women's Shift of 5 to 9. These shifts are comparable to Smart and Brown's. The office workers' hours are from 8 to 4:30.

f. On Training, Advancement, Competition and Security

Based on the responses obtained in this exploratory study a wide diversity of opinions resulted from the questions concerning the training programmes and advancement opportunities. I found no great divergence between the approaches taken by the three multinationals in Spennymoor concerning training of factory workers at the time of this study. One point in common between Spennymoor 's multinationals is that they have sufficient management expertise firstly, never to miss taking advantage of Government funds whenever these are available, and secondly, to comply with the legal training requirements in order to avoid paying a levy. In regard to training procedures the nation-state offers substantial monetary incentives to the multinationals. There were training programmes whenever Government pressures or incentives might be applicable, however, availability of opportunity for advancement through training appear marginal in all cases and overt discrimination exists against female workers' advancement. In all companies the advanced training programmes seemed to be mainly

management grooming productions and offered nothing to the shop floor workers, i. e. did not offer potential learning resources. Courtaulds has received grants from various organisations including the Government for its training programme. There is a job appraisal programme for the lower levels of staff, but according to a manager you

would never have time to do it with the Operatives. A good supervisor would know but he never sits down with them. What would you do with that? You can't provide job enrichment in a factory like this!

There is a clear division of opinion concerning both training and advancement opportunities at Smart and Brown and Black and Decker among the workers. However, Courtaulds' workers understood the past and present training procedures and they were implemented routinely.¹⁵ The Courtaulds' workers interviewed in 1976-77 felt most positive as a group that, yes, advancement opportunities were available if pursued by the workman through the established channels of company procedure about which they were aware. Therefore, the Courtaulds' workers attitudes towards their company differed in this substantial respect from the more divergent attitudes of workers at the other two plants. Cynicism was evident in workers' attitudes from all three companies. This is clear in these two examples of male shopfloor workers' attitudes, the first from Black and Decker:

I was told there would be (opportunity) but once I got in among them - it's always a case of who you know. Grade 4 men had been demoted to Grade 3, so there wasn't a lot of scope. I think I'd have to be there three years before I'd be considered. I knew blokes who'd been there four years and were still on Grade 2. They'd pick someone with a few O levels.

This second worker is from Courtaulds:

You can advance yourself anytime you want inside the company ... I know chaps who've been offered these posts. But they wouldn't do it. The system's wrong. The extra pounds don't make it worth it. The managers all think alike. It would change me whole way

of thinking. There's a gap in industry where the worker would like to participate but the system's wrong. If they opened the door, they would get better results at the end of the day.

The non-recognised trade union at Black and Decker had recently discussed training in the factory at the Shop Stewards' Committee and they concluded there was not enough training. Says the union spokesperson:

There isn't a training program. Black and Decker states that you don't need any training. Stick people in the middle of the line. There are training instructors but no training lines. They go straight in a line and the instructor stands and helps them. Instructors are nearly all on the tool side. In the Store there aren't any instructors. There is fork training instruction. Have to pass a test to get a licence. At least a standard on safety side - that'd be a good thing.

Training operations are linked with opportunities for advancement. Did the union feel that workers had opportunities for advancement available at Black and Decker? Said a member of the trade union:

They'll state everyone has opportunity to advance from shopfloor to manager level. A bloke has asked to attend classes and they wouldn't give it to him. You're entitled to things under the law! ... Black and Decker sets very high standards for jobs. You should read my job description! You'd think you needed a college degree for it.

Job descriptions are notorious as a means by which management may manoeuvre whatever it desires to accomplish concerning an employee's job status. It is another weapon which management has at its disposal to finesse job discrimination, especially where female workers are concerned in regard to equal work and equal pay clauses which will be dealt with shortly.

However, a significant percentage of male Black and Decker workers expressed the view that job advancement was available. An often expressed opinion was "It's what we make it. It's up to me to push it." This individualistic attitude is tempered with realism and, as mentioned, varying degrees of cynicism.

At Smart and Brown there is one course which all employees are supposed to be assured of being exposed to, that is "Health and Safety at Work Act" held in July or "as required" lasting one-half day. Otherwise the training programme seems fully geared to anyone in a supervisory position and until one enters some type of position in which they exercise and possibly delegate some responsibilities, then training on-the-job is the main method of learning about the job. Indeed, the male workers interviewed unanimously stated, "Learned by doing the job."

In response to the question, 'Do you feel that there is much competition within the plant or management structure at (the MNC) for promotion? both on the shopfloor and in management levels employees at Smart and Brown answered "NO". The exception to this otherwise unanimous negative response was an Assistant Foreman who had handled interviews for a higher paid job among the women. Altogether forty-eight women applied and had to be interviewed by him for the one job. That my research isolated only a mild degree of competitive pressure at Smart and Brown among the management is quite significant. Nevertheless, a former high level manager did say,

There always was some jungle warfare (among managers) but I tried to discourage it. The difficulty at the lower level is to get people to accept responsibility. Working Men's Clubs dominate the social side; if someone becomes a Foreman, he becomes ostracised. I've had some people wanting to revert back to the shopfloor. This is a characteristic of the area. You don't get a lot of in-fighting. This has stuck out since the early days.

And one response was a clear example of this factor occurring:

I first began as an Inspector, then worked my way up to be Assistant Foreman. I could have been Foreman but I declined because I said, 'I've been climbing up a long time, but I want to freewheel for a while.'

Here the strong tradition of comradeship developed when the town was a coalmining community still works to inhibit individualistic tendencies among shopfloor workers. A spin-off of this phenomenon occurs in the Smart and Brown

management ranks because it has more managers who have worked their way up from the shopfloor and are originally from the North than the other two companies. Again, on the shopfloor of Courtaulds I found a unanimous "no" response to this question. It is to be remembered that the majority of shopfloor workers here were miners and many of the rest if not miners themselves they were from mining families. One shopfloor worker at Courtaulds commented,

No, not really. They have a big problem. A lot of lads on the shopfloor just aren't interested. They saw what happened in the last big strike; they saw no job security as Section Manager either.

And a former miner who was working on the shopfloor at Courtaulds summed up this attitude:

There are a lot of factories which have bonuses and it's dog eats dog. Here you don't compete. It's a good thing.

That there is competition within management level at Courtaulds is accepted by workers and managers alike. The managers compete among themselves whereas the shopfloor workers do not.

At non-unionised Black and Decker competition among male shopfloor workers is quite discernible in this more individualistic work arena than at either Smart and Browns or Courtaulds. Instrumental behaviour motivation among male shop floor workers is quite notable at Black and Decker. Individualism has been encouraged by company policies and is related to the company's desire to avoid union organisation of the shop floor. The men agreed that some competition was prevalent. Said one shopfloor worker,

I would say so. (That competition occurs). A lot of workers try for positions. I think anything on the shopfloor isn't regarded as a good job. There's only one Line Leader per Section.

And another worker said,

Some are interested in getting on, others aren't so bothered. Seems like there were more when I first went there.

These attitudes, developed in a more individualistic oriented plant structure, deviate substantially from the norm occurring in the two British multinationals where the social infrastructure of comradeship, carried over from mining days, still prevailed. An individualistically oriented attitude is more typically associated with the American milieu of action. The individual competition of male shopfloor workers is also combined with an instrumentally-oriented attitude, that is, a worker who tends to be there because of the higher pay. In these particular attitudes Black and Decker workers do differ significantly from their counterparts in the British multinationals in Spennymoor. This instrumental work motivation is the antithesis of the traditional attitude which was based on cooperative team work. The effect of the instrumental job orientation will be discussed again as it affects the workers' industrial relations attitudes.

A high degree of competition among the Black and Decker management is readily agreed to by workers and managers. Said a manager,

The managers are very busy men operating with great business pressures.

Apparently the only area where competition is minimal at Black and Decker is among the women who work on the assembly line. This needs further study, but from my research it appears that the women still react in the traditional mould; to compete is not considered proper and they value their esprit-de-corps more highly. Certainly, self-assertion on the women's part is discouraged by Spennymoor men. Indeed, I encountered this while conducting interviews with married working couples; it was often a challenge to draw out responses from the female worker.

Related to attitudes concerning the degree of competition are the workers' attitudes towards how secure their job happens to be. Do the workers feel that

their job is secure? How secure do they think managers are in their jobs?

How secure do the managers think their management jobs are? The Smart and Brown managers had felt that competition was negligible in their management circles and they carried over this feeling by stating that their jobs were secure.

The attitude of one lower level manager at Courtaulds exemplifies this,

Courtaulds is a very big company. If anything happens to that mill there, I'm Courtaulds management first and Spennymoor second.

At Smart and Brown and Courtaulds, managers may still be working at the plant but reassignment of management to new jobs at the plant is a cause for comment. Two Courtaulds workers' views summarises this:

He's got a secure job because he's still there, but he has been moved everywhere.

They're not insecure as far as being fired. They have a closed shop on that sort of thing. But they would be moved to something with less responsibility. They would move them down the ladder . . .

However, there is a different degree of feeling among workers about the managers' jobs at Black and Decker. There is a stronger feeling that managers are not secure because "they're always changing 'um, " and 'you get a lot of movement of managers in and out." Indeed, one Black and Decker worker said,

_____ is the hatchet man. He was up at Spennymoor last week (from the South) and you know something is going to happen - either a promotion or somebody's going to go.

The managers may feel they have job security, but workers, especially Black and Decker workers, feel their job offered more job security than a management job. Workers at Smart and Brown had positive feelings towards their job security. One middle aged assembly line worker pointed out where her main competition might come from - men - but:

We'd like to think it is (secure) . . . Our job is a job a man wouldn't do so I don't think we'd be replaced by men. Men wouldn't do it. Too boring.

Men are not the only problem faced by female workers concerning their job security. Another female worker on the assembly line for refrigerators and cookers felt strongly negative about her job security because: "We cannot sell the fridges or the cookers."

Recession in a capitalistic system looms as a realistic threat to job security in factory work. It is interesting to note that Black and Decker factory workers felt on the whole positive that they had a good measure of job security. The length of their service was important in reinforcing their degree of security. One female worker noted, "Black and Decker is like everywhere else, - last in, first out."

Perhaps the Black and Decker management's continual effort to espouse paternalistic feelings does contribute to the workers' attitudes of greater job security than the Courtaulds' workers expressed. The Courtaulds' workers reflected a low degree of confidence in the security of their jobs; this has proven to be an intuitive insight because Courtaulds has left Spennymoor now and 1,500 former workers are without jobs. Said a Shop Steward at Courtaulds,

No (job security). Not at Courtaulds. There are very few people, even Section Managers, who feel they've got a secure job. I think its here to stay. They won't take it away. It's just the agreements we've got; they aren't worth the paper written on.

There is a guaranteed employment payment. If you go on a four day week, they're supposed to pay because they can't claim for unemployment payment. It should compensate for that one day. But penalty clauses: can withdraw after 72 hours if there is a dispute at another factory or if electricity is cut off. You have no chance.

They don't believe in job security there. They don't have any service payments for length of time spent there. You're just a clock number.

The majority of the workers I interviewed did not express an awareness of the dangers presented by multinational companies as reviewed previously in Chapter One. However, two workers did demonstrate an awareness of the

hazards of working for a multinational company. Said a Courtaulds worker:

They wouldn't think twice about shutting down if they found a way to produce cheaper on the Continent.

And a Black and Decker worker responded,

(Shopfloor work is) far more secure than managers, but I wouldn't say you've got total security. If they can make it cheaper elsewhere, they'll move.

The idea of one of the multinational companies leaving town was not generally accepted among workers due to the size of the workforce in Spennymoor. The majority seemed to have the attitude that there was security in a large sized operation and this idea is prevalent throughout the Spennymoor community. It was touched upon earlier in discussions about employment stability in the community and comparisons of multinationals vs. coal mining or small family business enterprise. An example of this attitude is the Smart and Brown worker who said,

The size of it is the biggest they've got. They can't say 'Tomorrow we're closing down!'

In all factories it was felt that older employees were relatively secure unless they committed a misdemeanour. This was the general response to the question, are older employees secure? Have you ever known of any being sacked? At Smart and Brown, three types of misdemeanours were listed as causes for being fired "after several times that union and management both gave warnings." The three misdemeanours: stealing, getting drunk, and not paying union dues. At Black and Decker the three misdemeanours given were stealing, getting drunk and absenteeism. They have a warning system of three stages, then they're sacked. However, for stealing the police are notified. The police hold the employee at the plant while a search warrant is issued to go and look in his home. At Courtaulds, two types of misdemeanour were noted: stealing and smoking on the shopfloor in violation of the fire code. A problem with someone getting drunk possibly had not occurred there.

A Courtaulds worker had this to say in regard to the strict enforcement of the fire code:

A lot of work is machine oriented. You just mind the machines. Nobody bothers you at all otherwise. You can spend as much time as you want in the Rest Room (smoking) as long as your machines run.

At Courtaulds there was a voluntary system when redundancies occurred according to a worker:

If there's any redundancy, we've always insisted volunteers first. Nobody should have to leave unless he wants to. Blokes 63 or 64 (years old) would benefit by taking redundancy. But its always been voluntary. Then younger men with families could have a chance. Old ones would be entitled to full unemployment benefits for last 12 months.

Never been successful in getting any ex gratia payments out of Courtaulds. We don't know of any factory belonging to Courtaulds in the country that pays these ex gratia payments. They only pay basic government requirements - nothing more.

Smart and Brown has a good reputation throughout the community concerning its longtime treatment of employees, especially old ones. This may be related to the fact it was well know that they provided Meals-on-Wheels in the community, that retired employees were invited to Christmas parties and that some pensioners were eating in the Smart and Brown canteen at the nominal fee of 20p until the events sited in connection with the robberies and plant security changes. Would Smart and Brown sack an older employee? A response not untypical:

No. I don't think Smart and Brown would do anything like that. Smart and Brown is too sentimental.

One sacking at Black and Decker which hasn't been adequately explained by the trade union concerned a young female worker who was having production difficulties, who:

told us she couldn't get her time out. She'd asked to be transferred to another section. She was putting down what she was supposed to have done. She was warned three times, then given a dismissal notice. There are only two things you could get instant dismissal for: drinking and thieving. She was in the union. Her parents wouldn't let us pursue it.

A final note of reference is provided by the Courtaulds manager's comment:

No-one is insecure because the laws are there to protect them. I've never known of anyone being sacked at Courtaulds - honestly. It's so hard to do now.

But there aren't any laws governing the regulation of a multinational company when it decides to leave a town and sack the entire labour force of 1,500 workers.

CHAPTER 5

THE CONFLICT BETWEEN MULTINATIONAL INDUSTRY AND TRADE UNIONISM

Finally, let us look at the so-called "British Problem" as it exists in Spennymoor. Widely held attitudes towards work, especially the idea that the amount of work available in society is limited, and that therefore being highly productive in one's job deprives someone else of their livelihood, are often believed to be at the root of the low performance rating of British industry. Fear of and resistance to new technology and techniques in all aspects of society are manifestations of this "work is limited" notion.¹ Certainly, other contributing factors to the general dissatisfaction with work and the low industrial morale often noted as characteristics of British society are British class attitudes² and the lack of understanding of the role education can play in the social and economic development of a country.³

Though seldom discussed, the system of land tenure in Britain quietly contributes to the general deprivation of the British working class. The aesthetic of a green and open countryside enshrined in the Town and Country Planning Act is widely held even by the residents of "E-Wing" of Bessemer Park. The Landless and poorly educated British working class have only their jobs, a few simple pleasures, and, if they are clever enough to know how to apply and lucky enough to qualify, a few minimal benefits provided by the welfare state.

British attitudes to work are not surprising to anyone familiar with the circumstances of British workers. Forced off the land and limited to their small allotments the possibility of improving their condition through agriculture, available to many developing peoples, is denied to them. Though heavily taxed to support free university education for their masters they are themselves

quietly set aside at 15 or 16 and told to get a job. Overcrowded living conditions and poor education are examples of the savage treatment meted out to the working class. Deprived therefore of any economic benefit from the natural gifts of their fertile environment made useful by agriculture and the fruits of their own minds made useful by education they have only their jobs and their unions to protect them. It is through industrial relations, therefore, that the British working class finds the only release for its ambitions and aspirations. We shall investigate the extent to which the working class has been successful in this process in Spennymoor.

a. Industrial Relations at three Multinationals in Spennymoor

Although the three major multinationals in Spennymoor in 1976-1977 reflected three different approaches in dealing with trade unionism, on analysis, workers in each of the three companies faced a similar dilemma - the absence of fair collective bargaining. They were placed in a collective bargaining position inherently unfair because, firstly, of the vast size of the companies and, secondly, the power to leave the arena is possessed by each of the multinationals. The companies are always in a position to play it their way. They are in the position of the young boy who said, "Play according to my rules or I'll take my ball and go away." The ultimate ideal social structure to achieve a balance of power in the Spennymoor collective bargaining situation would be international workers' combines to link the three multinationals' global workforces. The unproven but perceived threat to productive operations incurred by effective trade unionism necessarily causes conflict with the owners of the means for such production. However, Richard Hyman in his Marxist analysis points out,

... that trade unionism necessarily articulates the conflicts generated by capitalist industry. More specifically, unionism can be seen as embodying workers' revolt (however tentative) against the deprivations inherent in their role; a revolt which can challenge the fundamental basis of capitalism on two fronts.

Firstly, unionism represents a reaction against economic exploitation: the extraction of surplus value from workers' labour. Unions have always conducted a struggle, within this economic context, to regulate and improve the terms on which workers are obliged to dispose of their labour power ...

Secondly, and less coherently, unionism also raises issues of power and control ... The recurrence in British industrial relations of disputes concerning 'managerial functions' indicates the extent to which union concern with issues of wages and conditions necessitates an interest in the question of managerial control.⁴

At this time the struggle for fair collective bargaining was being waged by the workers in Spennymoor on three different fronts, as the multinationals' managements have utilised three quite different approaches in combating trade union demands. Our purpose here is to examine the differences. We will see that the major difference between the Black and Decker workforce and the two British companies in Spennymoor has been that Black and Decker is not officially unionised. The Black and Decker management has a paternalistic approach in its relations with the workers.

Concerning the workers who were interviewed it has been found that their attitudes were more instrumentally oriented towards work at Black and Decker. Here we are applying the Goldthorpe, Lockwood, et al., interpretation of workers' attitudes to mean that work is seen as a 'means to an end, or ends, external to the work situation; that is, work is regarded as a means of acquiring the income necessary to support a valued way of life of which work itself is not an integral part ... workers' involvement in the organisation which employs them is primarily a calculative one; it will be maintained for so long as the economic return for effort is seen as the best available, but for no other reason."⁵

It should be pointed out that this interpretation of workers' attitudes is being applied on the basis of the interviews conducted in Spennymoor during the period 1976 - 1977. It is interesting to compare the attitudes of these factory workers with the findings of R. K. Brown and P. Branner in 'Social

Relations and Social Perspectives Amongst Shipbuilding Workers. A Preliminary Statement". They found it impossible to demarcate clearly the difference between instrumental and non-instrumental orientations of economic behaviour in the shipbuilding industry because on the whole, behaviour and attitude predispositions contain elements of both orientations.⁶ Cousins and Brown (1972) found a high degree of job identification among shipbuilding workers and these workers felt their job, which was reinforced by strong craft pride and customs, was preferable to factory work.⁷ However, according to the interviews gathered for this particular study, these Smart and Brown workers in Spennymoor reflected a "solidaristic" orientation towards work.⁸ Economic rewards or career advancement were not as important as "collective solidarity", i. e. satisfaction emanating from membership in the work group.

The five Smart and Brown trade unions have been incorporated into the firm's normative social pattern and, thereby, neutralised of the ability for independent action and pressure on the workers' behalf. Incorporation of trade unions is succinctly analysed in Living with Capitalism by Theo Nichols and Huw Beynon:

The tendency for capitalism to de-skill the work performed by the working class has been a central one . . . Job design (work degradation) has had to be supported by a strategy which deals not with the job but with the entire labour force. For just as the capitalist brought about the detailed labourer the better to control the job, so today the most progressive agents of capital seek to incorporate trade unions in a web of centralised procedures and to fracture in various personal and impersonal ways the potential unity of what is essentially social labour. All this to seek to make effective an increasingly broadly conceived capitalistic imperative to control.⁹

There is a need to note in respect of worker organisation differences of social interaction, work conditions and production methods at the workplace. Within the Courtaulds' factory in Spennymoor "social groupings" developed

with work.¹⁰ These social groupings did coincide with work groups.¹¹ Therefore, a collective attitude towards wages and work production either evolved or was a carry-over extension of collective attitudes previously developed in coal mining since the majority of the workforce had coal mining associations. The contribution of coal mining traditional attitudes may be seen as a significant factor distinguishing Courtaulds from the other two multinationals in that it was the workforce with the strongest tradition of trade union membership. The consequences of this factor will be discussed.

The interviewed Courtaulds workers seemed to share equally the attributes of an instrumental and non-instrumental orientation towards work. Wages and support for desired life styles were important but camaraderie in the work group was also seen to be important by these workers.

We will now look at Black and Decker's industrial relations strategy in its Spennymoor plant and relevant workers' views will be presented to further substantiate the general observations given above in respect of Black and Decker and the workforce at its plant. Later in this chapter Smart and Brown will be discussed followed by a section dealing with Courtaulds. As pointed out previously, this part of my study has been limited to an attempt to define and discuss the existing parameters of socio-industrial action in the three main Spennymoor multinationals. Therefore, it is recognised that the following discussion is based solely on the gathered interview data and relevant published material, but it is felt that the results are significant in purporting some prevalent attitudes held by some Spennymoor workers.

b. Paternalism at Black and Decker

The job amenities Black and Decker management likes to provide to workers as a part of its beneficent paternalism would undoubtedly have resulted from unionisation as well, but such benefits would then be seen to be a result of

a trade union's demands. Management would not be able to manipulate the workers so easily into complacency and acceptance of what it chooses to offer. The management prides itself in having taken time to develop good human relations in the factory. Work councils have been established to give further worker access to communications networks within the company. These are supposed to be for both information distribution and for airing complaints.

Within the Black and Decker work premises a community atmosphere and environment has been developed. For instance, the modern and pleasant canteen is called a "restaurant"; it is in fact an American style cafeteria and all of the employees may eat together. In a class conscious society¹² such as Britain this classless canteen is a novelty. The rigid maintenance of distinct class divisions in Britain, exemplified in different speech patterns and accents and manifested socially through inhibitions by management to mingle among shop floor workers, has reinforced a strong tradition of separatism in British working people. Status divisions, such as separate canteens for management and workers, continue to be rigidly enforced between the classes.¹³ The managements of Smart and Brown and Courtaulds eat in canteens segregated for management only and are physically separated from the factory workers' eating places.

Also Black and Decker differs from the other two multinationals in that it has installed a travel agency, a supermarket and a butcher shop inside the factory open to all employees. In this instance Black and Decker was trying to create a sense among its workers of a community within a community. The local Spennymoor merchants became alarmed at the prospect of losing customers to shops located on factory premises so Black and Decker hushed up the opening of these shops and bluntly refused a local newspaper reporter any access to the plant

to report on this story which he had felt would be helpful to other workers. Courtaulds and Smart and Brown did not have shops such as these on their premises, but the latter does have a company store selling Thorn products at discounts to Smart and Brown employees. Finally, another means used by Black and Decker management to create better relations is the use of Christian names between management and factory workers. Possibly this is supposed to help create an atmosphere of congeniality.

It was pointed out by workers that the shops and restaurant were run for profit by the company and were not workers' cooperatives. Explained a male worker:

(The Supermarket brings) £8,000 a year profit to Black and Decker. Run by the company. Before it (was here) women said they needed time off to do shopping. It's not a subsidised shop. Always recommended price. You'd save money in the village but this is so convenient.

And a female worker had this to say about the restaurant:

(It's) very expensive; I never go into it . . . They (the workers) don't use it every day. People just can't afford it.

But the Black and Decker workers care a great deal about their wages, in fact, that is the main motivation of the workforce: to bring home good wages. Black and Decker has the reputation of being the best paying company in the community. In asking female workers why they decided to go to work, a typical response was,

For money. When I got there I liked it. The money's useful.

The general feeling from female and male workers was, "Pay was better at Black and Decker". The typical attitude was expressed by this male worker,

The conditions at Black and Decker might be slightly better than the majority of industries. I think they pay a little higher.

A Smart and Brown manager compared his company with Black and Decker and explained his view of the trade union situation:

From the very first, Smart and Brown took over an established trade union procedure with shop stewards and convenors, and it has never been freed from that. Black and Decker being an American company came up here, and as long as a company pays more than the average wage, people don't want to join a union. They were fortunate; they came into a new green fields factory (not an established one) and built it up with a non-trades union atmosphere. As long as they pay more than the average wages, they won't have a trade union.

And it is to be noted that the reason for joining the fledgling trade union organisation at Black and Decker given by a male worker was:

I wouldn't have joined the union three years ago. But now the gap between wages and profit is great.

The paternalistic approach may be acceptable to workers as long as the company is expanding and offering higher wages than other industries in the area, but when redundancies begin, the protection afforded by trade unions is important to workers. Brian Burkitt has noted that

In an unorganized labour market the employer acts from a basis of power: this inequality of bargaining strength stimulates union development, in order to allow employees to negotiate, and thereby improve, their wages and working environment. However, the formation and rate of growth of trade unions depends upon the occurrence of events which inject a consciousness of the inequality of bargaining power into the lives of unorganized workers.¹⁴

Although this statement is intended to apply only to the United Kingdom it is an accurate statement of the world labour market. The Black and Decker management is sensitive to "events which (might) inject a consciousness of the inequality of bargaining power" into their workforce so that they have used very paternalistic tactics when cut-backs occurred. A former worker said,

Four years ago Black and Decker made many men redundant but gave them Christmas turkeys and Christmas hampers. They brought people into the Job Centre to help them. Plus, (they) offered them jobs back and they got redundancy money.

In Redundancy and Paternalist Capitalism it has been demonstrated that paternalist capitalism fosters attitudes of "commitment and loyalty, of a diffuse particularism, of fatalistic acceptance of limitations - attitudes sometimes

alleged to be alien to industrial society."¹⁵ From this study of Spennymoor it has been found that all of these attitudes are prevalent among workers at Black and Decker. It was summed up in this worker's attitude,

We just don't like change here. We're slower to accept it. I said we're Labour voters but at heart we're Conservative. I don't like change.

They believe in preserving traditional morés and attitudes. Change is a threat which they have had to cope with in the past when the mines were closing. With the arrival of multinational industry and its expansion their traditional attitudes were conserved.

The Black and Decker management does not desire to have trade unions established and recognised by the company because it feels that trade unions are likely to draw greater divisions between "Them" and "Us" and is afraid of the union's traditional role to emasculate management. There are two trade unions vieing to gain recognition at the plant. In 1977 there were approximately 150 skilled Tool Room workers in the Amalgamated Union of Engineering Workers (AUEW) according to the AUEW spokesman. Furthermore, he said,

We've been trying to get negotiation rights and representation for 7 years. We haven't been successful. Black and Decker only will agree to election of shop stewards within the establishment. All agreements have to be resolved within the factory with management ... It's a brickwall.

This may conflict with management's statement that union matters must be decided by the Board of Directors in the U. S. A.

The other union at Black and Decker is the General and Municipal Workers' Union (GMWU). In the AUEW's view,

They (The GMWU) aren't successful in getting a majority of the production workers. To go in on a joint basis would, therefore, be an obstacle. We were pressing for recognition initially of our skilled section. Then we could work jointly for semi-skilled and unskilled people.

According to a male shop floor worker, the GMWU is "... not very well supported; 30 per cent of the shop floor are in it." The GMWU, however, had been operating in Black and Decker less than two years. A GMWU spokeswoman said,

The AUEW's also in there. But they're just content to leave things as they are. They just won't be bothered.

Five joined today. We're getting more and more (workers to join the GMWU). There're about 70 now.

Thus, in an effort to promote change through legal channels in 1975 the GMWU filed a suit with the Advisory, Conciliation and Arbitration Service (ACAS) to attempt to get trade union recognition by Black and Decker. The suit had been brought to ACAS by the General and Municipal Workers' Union with a Section 11 Claim. However, as of September 1979, they were still in Stage One and there are seven stages to an ACAS investigation. In fact ACAS has not yet been allowed to investigate the claim by carrying out an enquiry inside the factory due to management actions which included conducting a union vote. A ballot was conducted in 1975 in which employees voted whether or not they wanted a trade union at Black and Decker. According to the company, 82 per cent voted that they didn't want a trade union. How was that ballot conducted? In the view of the trade union, it was carefully orchestrated by the management as the trade unions were not given a chance to explain to the workers what a union's purpose would be. One ex-miner who has joined the trade union movement at Black and Decker said,

I don't think there's anything wrong with a union. Without a union the working man doesn't have any say ... In protecting people's rights and things, they're important.

Another trade union member noted,

Before we went in, it was always Black and Decker policies. Now we're trying to stop them because it's for their good - not the employees' good.

These views by a trade union male and female member were not allowed to be aired publicly before the vote. Instead all through the day and night shifts before the balloting took place, the management took groups of workers into the canteen and it was the management who told them about trade unions. In these meetings there "... were certain points pushed through that one could see he (the manager) was taking an unfair advantage." And management had the wage package at their disposal to use as a carrot. One shop floor trade union worker feels

The women let us down. They'd just had one or two rises and then they brought them up to equal pay. Only lads on the floor were suffering. Black and Decker is sly in a way. They put it over as if they give them equal rights and pay whereas really, it's the Government.

Another worker noted,

They're (the management is) really anti-union. They have one at Harmondsworth. It's controlled by management there. Written into contracts of employment what you can and can't do. If it would have been left to the U. K. , there would have been a union. It's a way of life here ... Their argument is that the majority of people in Black and Decker don't want a union. But you have a lot of people sitting on the fence just waiting.

It is difficult to get workers at Black and Decker to join the union.

This is due to several factors. The first is the subtle and sometimes overt intimidation practiced by management to control the workers. While I was gathering material in Spennymoor one worker who had agreed to an interview later refused to see me because he had been told in an intimidating way by the personnel manager not to speak with me. The interview was to have been conducted at the worker's home during an evening when he wasn't working. It was a clear attempt to interfere with my investigation by attempting to frighten an employee into silence. And it worked in this case. I was not invited into the house. His wife informed me,

He has worked there for many years and he has his job at stake. You can understand his position. We just live week by week.

The use of fear is a traditional way of controlling employees and as a method of social control in general. A historical example is provided by the Unilever Company of fear used to control employees:

The firm's real attitude towards its workers was revealed in a letter written by Lever in 1923: 'We have been combing out inefficient men, and too highly paid men, elderly men, and men past their work steadily for the last three years, and I am confident that this has produced a state of "fear" in the minds of the remainder that if they were not efficient their turn would come next, and it is this, in my opinion, which has been the cause of the improved results achieved today.'¹⁶

A female worker at Black and Decker in 1977 told me,

The attitude of Lead Hands, Assistant Foremen and Foremen: to get work done, they put fear into the girls. A Foreman had to write, 'What makes a girl work harder?' He wrote, 'Fear'.

Black and Decker management has a firm control throughout the Spennymoor factory. The shop floor workers know that "the line leaders are on the side of Management." A female worker who has joined the union added,

Yes, the Union would help the women's situation. They say if we could get recognition, a lot of them will join. They say they're not going to jeopardise their jobs. I'm told I'm on a 'tight rope' by the Personnel Officer. (Again fear is being disseminated by management.) If the women would join, they'd have to recognise us then.

A wife of a trade union man expressed fear for her husband's employment,

Eeeee, I certainly have been greatly worried about his job because of his Union activities. I thought they might try to find a way to get rid of him.

The union issue is one area in which the management, in an attempt to cover its anti-union bias, freely dissociates itself from the matter as being one outside of their jurisdiction. They have claimed that recognition is needed from the Board of Directors in America. How have trade union members reacted to this?

I say Spennymoor is Black and Decker U.K. You can't find out how much money Spennymoor is making. They'll never show you ... You had the War of Independence to get a little say, the Civil War to give the Niggers a little say, now we in Britain are trying to get our little say, and the Americans won't let us.

GMWU has resorted to publicising their aims by distributing pamphlets to workers outside the plant gates. People will take the trade union material. This is the only way the trade union has to explain its position because the company won't allow the trade unions to put up a notice board. The company management explains that it couldn't let the trade unions have a notice board because then the workers would think that management is giving in and agreeing to recognise the trade union. The trade union feels it is a matter of time:

We're not militant. We're just trying to do it the democratic way.

A female worker added:

Things aren't the happiest there. Feelings between management personnel and the shop floor aren't smooth. You can feel the ruffle there. They can't keep the trade unions out! People are joining them every day. I belong to one and my husband always has. Well, you can't change peoples' customs.

As mentioned previously, an interrelated fact which cannot be overlooked is that the majority of workers at Black and Decker have an instrumental job orientation. A shop floor worker gave me an example,

A chap working with me had his 'O' levels and they said, 'You could start in the office. No need to start on the shop floor.' But he came to Black and Decker for the money. He had the opportunity to work overtime on the shop floor and make more money.

Another towns person noted,

Some of my mates got jobs at Black and Decker purely for the extra money they could get there.

A female shop steward formerly at Black and Decker also felt this to be the case: "You know, the working class has its share of fascists ...".

But among the workers who don't want to get involved in trade unionism are a percentage who, due to prior bad trade union experiences, are disillusioned with them. Says a shop floor worker,

I had enough of trade unions with the building trade. I'd been in the trade union fifteen years; it was instilled in us to join the trade union from the beginning. Then they had this strike; it was disgraceful. There was no leverage; we'd be worse off because we'd have no wages! They never missed half the painters. We didn't get any strike money. I say, 'Where's my money going? I've been paying fourteen years!' There was a trade union bloke there with a big car and making £4,000 a year. The money must have gone to the Labour Party. Not getting any strike money was disgraceful. They told you to go to Social Security. I'm no worse off now than I was for being in a trade union.

Or there is the viewpoint of this shop floor worker which is exemplary of another view held by some workers:

At Kenmirs (small family owned furniture factory) I was in a trade union because I was a craftsman. At Black and Decker I dropped out of the trade union because I didn't think I'd go back into the trade. I didn't have to be in a trade union at Black and Decker. They don't object to you being in a trade union but they don't recognise it. It's no good being in a trade union because they couldn't do anything about the situation. It would serve no useful purpose at all.

Adds a former worker,

Courtaulds has a trade union and there's been nothing but bother. Black and Decker says relations between management and men were very good. And they were, - I thought.

The question of whether industrial relations are stable or not at the Black and Decker plant in Spennymoor is an elusive factor. Some workers feel the situation is simmering with discontent due to the conflict between workers and management which they felt exists, but some workers did feel that industrial relations were stable. In the study by Marsh, Evans and Garcia about Workplace Industrial Relations in Engineering they point out that "students of the labour scene have found no single and objective way of measuring the quality of industrial relations in an establishment ... Factories may pass

through bad patches in their morale, and these may just as quickly clear away. It is quite possible to have high stoppage rates in an establishment, and for worker-management relationships to be understanding, if not positively agreeable. The absence of friction may not be an indication of high morale, but simply of torpor; friction may reflect the fact that management is actively pursuing new and vigorous policies which will, in course of time, result in more stable, rather than less stable relations. Relations between managements and unions may be equally variable. No-one closely acquainted with engineering or other workshops could deny that personalities on both sides play an important part; nor that even an apparent stability of relationship may conceal an undertow of conflict and uncertainty.¹⁷

Through this investigation of the Black and Decker plant in Spennymoor "an undertow of conflict and uncertainty" was disclosed. A thoughtful young member of the community summarised the situation:

There are two levels of thought. Implicitly the company rejects the idea of unions. Explicitly, they can say to employees - 'We've got nothing against it, ' - but then develop a system which goes contrary to union formation by hiring as many women employees as possible and giving individual bonuses. It's an implicit company policy to be against the unions, I would say. It seems to me it's a failure to recognise the importance of unions in this country.

This is a sensitive analysis of the situation by a concerned member of the community. It does, indeed, appear to be an outright failure by an American company to recognise the importance of trade unions in Great Britain. Throughout the printed sources on multinationals a thread appears that American companies have differed mainly in their anti-union paternalistic approach in industrial relations. Black and Decker in Spennymoor is an excellent example of this. This persistent theme throughout the literature on multinationals has been noted by Michael Brooke and Lee Remmers:

Most multinational firms recognize unions, like most other firms. There have been some hard battles for recognition, usually with American companies. But it would seem, at least in the industrialized countries, that failure to unionize is as often a result of apathy on the part of employees working for a generous company as it is actual opposition to their organization ...¹⁸

In Michael Hodges' case study of the United Kingdom's experience with multinationals, 1964-1970, we find that

in 90 per cent of the American firms covered by Dunning's 1961 survey, labour relations were thought to be good or very good, and Steuer and Gennard found that foreign-owned firms generally placed much more emphasis on personnel management, and pioneered the use of productivity agreements in the U.K. Some foreign firms have been the subject of criticism for their failure to recognise trade unions - IBM and Kodak are prominent examples - but frequently such firms have avoided labour unrest by higher wages and fringe benefits than their UK competitors. However, despite well-publicised examples of battles for union recognition, such as the Roberts-Arundel affair, the Trades Union Congress found that foreign firms were no more anti-union than British-owned firms, although the foreign firms concerned tended to be larger.¹⁹

Concerning the highly paternalistic company of IBM, The Economist of 10 September 1977, reported that IBM had won an ACAS ballot against union recognition and commented further:

It does not seem that in the latest hard times paternalist American companies have done worse by their employees than have unionised native ones. Their problem is that European unions, and legislators, prefer not to take daddy's goodwill on trust - any daddy, foreign or home-grown. If he does not fail the test, fine. But they want to ensure that he cannot.²⁰

Trade union involvement in Great Britain has become the accepted method of promoting positive change in industry and of industrial regulation. The Bullock Report notes that Great Britain has advanced ahead of Europe in its general development of shop steward and equivalent trade union organisation and workplace bargaining procedures.²¹

However, we must consider all factors contributing to the determined stand of the management to refuse to recognise trade unions. Black and Decker has

operated in Great Britain for decades under British management direction as far as internal business affairs are concerned so it is not a company which is uninformed about British practices. Rather, the management is resorting to a strategy often utilised in the early formation of union development. Burkitt (1975) points out that when employers have refused to recognise trade unions, thereby, trade union members' negotiating rights, the growth of trade unionism has been greatly inhibited, which is exactly the situation management at Black and Decker desires to maintain.²² This was also demonstrated, as argued by Bain (1970), in the white-collar unions' slow growth because employers refused to recognise and negotiate with the white-collar unions; to this end employers established various rewards for non-union employees.²³ The Black and Decker management solicits advice and guidance in strategies to discourage and control trade union development from outside consultants. It must be argued that the company fully understands the historical development of trade unions in Britain and their importance in British society today, but the company will continue to manoeuvre for a position independent of trade unions as long as it is possible by refusing union recognition. A former Black and Decker management employee explained,

It is not to Black and Decker's advantage to have a trade union. Why? It's an efficient company. Management has time to look at the issues of running the business. If a militant trade union moved in, it could create problems for the factory ... The Trade unions are quite militant in this area. The trade union would have people working in it who are outside of Black and Decker and, thus, not truly knowledgeable of conditions inside.

Management doesn't want the boat to be rocked by unnecessary outside interference. Even the appearance of strangers in the plant creates waves. People start speculating and rumours start flying. It's hard to control the reaction.

The fundamental drive of management to control is always their foremost motivation.²⁴ Thus, the Black and Decker management makes extensive use of

Consultative Committees which they have established and control. Said one dissatisfied worker,

It's discussing things they did three years ago. Trivial things. On the assembly line where they make drills, they're represented by a female clerk in the office. The same one is the representative for safety on the line. How can she do justice?

Here we need to examine the selection process for becoming a representative on the Consultative Committees. Representatives are chosen by ballot if there are a sufficient number of people putting names forward to be on the Consultative Committee. If only one person puts his name forward, then he is put on it. If no-one, then someone is asked to go on it by management. The result is that it is overloaded with management people. There are always extra managers attending any session as well.

It is relevant to note what the Bullock Report revealed about consultative committees in the United Kingdom:

The number of shop stewards and the incidence of workplace bargaining in the United Kingdom have increased dramatically over the past twenty years and have resulted in a decline in consultative committees . . . The growth of workplace bargaining and the decline of joint consultation has, of course, taken place unevenly across the private sector, and it is still possible to point to companies with consultative committees which are the sole form of representation with the plant (Black and Decker would be one example) or which exist independently alongside the negotiating machinery. But, even where the form of the old consultative system remains, for the great majority of large companies the employee representatives are always shop stewards or equivalent representatives and the consultative machinery is closely integrated with the negotiating machinery.²⁵

This information further highlights the extreme position to which Black and Decker is tenaciously holding in its dealings with British factory workers. Concerning Black and Decker's industrial relations strategy in a multinational context, it has and should again be noted that "as regards the aspects of industrial relations that are regulated by law in the host country - including questions of trade union recognition and collective bargaining - the subsidiary

of a multinational corporation has, of course, the same obligations as an indigenous company and is likewise subject to the host country's labour administration system, including, for example, factory inspection. Trade unionists agree that cases of refusal by subsidiaries of multinational corporations to recognise trade unions are not very numerous in the industrialised countries of Europe."²⁶ The trade unionists' agreement in this regard was made during the Conference on Multinational Corporations at the Queen's University of Belfast, Northern Ireland, held from 31 May to 2 June 1971. That Black and Decker's industrial relations strategy in Spennymoor is an example of a rare occurrence serves to heighten the company's stringent anti-union stance.

Brandes (1970) sketches the historical development of American welfare capitalism which is defined as those benefits provided by companies which are not related to work production nor legally required but serve to ameliorate in some way the mundane tasks of life either by adding to the comfort or to the self-improvement of employees. This was developed around the 1900s in the U.S.A. by businessmen as a response to dealing with worker conflict which in the preceding twenty-five years had resulted in violent industrial strikes.²⁷ Brandes notes that critics of business have argued that the central purpose of welfare capitalism was to avoid the growth of trade unionism.²⁸ The idea that the company is just "one big happy family" is a paternalistic device which evolved with welfare capitalism²⁹ and still is utilised by anti-union companies, such as Black and Decker. Another aspect of welfare capitalism which businessmen continued to rely on was "employee representation", a scheme similar in approach to Black and Decker's Consultative Committees, because "this was the most inexpensive and effective means of minimizing the union threat. By the late twenties the art of keeping unions out (of American companies) had progressed

to the point where companies would dispense with earlier less efficient techniques."³⁰ Today American paternalistic companies utilise such anachronistic survival of welfare capitalism which in its more traditional form has disappeared.

That paternalism is used to fulfil management's motives of worker-control and union-prevention is further attested by Zenoff (1971):

Employers . . . may believe that paternalism is a useful force to divert employees' protests and to develop and maintain power over their workers. Paternalistic behaviour by employers is also used to demonstrate to local governments and to employees a firm's interest in contributing to the economic well-being of the local populace. It may also be used to block employees' affiliation with outside unions.³¹

This statement appears to fully describe the ends desired and to date achieved by management from its application of paternalism in the Black and Decker factory in Spennymoor. Nevertheless, the industrial relations policies of Black and Decker are contrary to the OECD Guidelines in that:

- (1) The company refuses to permit the trade union to put up a bulletin board for union information; it refuses to provide facilities which would contribute to development of effective collective action.
- (2) The company refuses to provide reports of profitability which is necessary information needed for meaningful negotiation of wages and job conditions.
- (3) The company refuses to recognise authorised trade union representatives and the trade union; it says the Board of Directors in the U. S. A. determine this matter whereas the OECD Guidelines require that these issues be within the authority of the people negotiating for the company within the host country.

- (4) The company has worked to hinder the right to organise by implementing the above procedures and by conducting a secret ballot in the manner described earlier in the section. Personnel talks were conducted in small controlled groups of workers; large group meetings were carefully avoided. The union did not have a spokesperson at any of the meetings. Then the secret individual ballot was used. The effect of these methods are to destroy the workers' collective action. Beynon (1973) argued that the secret (i. e. private, isolated) ballot conducted without mass meetings in the Ford Plant "... was calculated to 'blow the lads apart'. For it denied them access to the collectivity, and thereby to themselves. It left them adrift."³²
- (5) The United Kingdom is a highly unionised country. Moreover, Spennymoor is a traditional coal mining community in County Durham which is one of the two English counties where the significant miners' movement began in 1843 placing the Durham miners "... at the forefront of a general Union of coal miners throughout the kingdom"³³ and where the forceful Durham Miners' Association was founded in 1869.³⁴ But Black and Decker, an American multinational corporation, is not allowing its Spennymoor workers to have a recognised trade union well over one-hundred years after the organisation of unionism in County Durham. Thus in terms of industrial relations those British workers have conditions of employment less favourable than those observed by comparable British employers. As one worker summarised this conflict,

The North East was the home of trade unions. Miners have always belonged to trade unions. They know what it means and it's a way of life with them. Former miners join the union when they come to Black and Decker.

Therefore, it does seem that "the multinational corporations have acquired new international sophistication in circumventing the pressure of unions. In most instances new strategies are designed to strengthen the employers' position in the bargaining confrontation, although some companies have evolved policies for keeping the union completely out of their plants ... The aim is to create a company-oriented, company-identified community of workers."³⁵ Certainly this statement is applicable to Black and Decker in Spennymoor. This management strategy by Black and Decker does differ from that adopted by most of the large European corporations where unionism is often encouraged. In this sense Black and Decker which is operating in a predominantly Labour Party-trade union oriented area may be an interesting check upon the union-incorporation thesis which has been applied generally to modern industrial relations.

Concerning the OECD Guidelines, it seems undeniable that some of Black and Decker's industrial relations policies violate both the letter and the spirit of the Guidelines. Clarke (1978) summarises non-recognition of trade unions in the broader British context for "although half the labour force is unionised, this still means that every other worker is without the protection of a trade union. Contrary to the Conservative Party myth, the vast majority of workers who remain unorganised do so not out of choice, but because they are deprived of the opportunity to organise (and) ... are concentrated in poorly paid work where they are closely controlled by their employers."³⁶

c. Capitalist Ownership

The three companies in Spennymoor are similar in being based on capitalistic principles: the workers sell their labour to the company in order to earn a wage, and the means of production are owned by shareholders with the

company's policies decided by a management team who may or may not be among the shareholders but to whom the management is, in theory, ultimately responsible.

Only Black and Decker has an employee stock purchasing plan.

According to this scheme there is supposed to be an option open to all employees with more than one year of service to buy company stock. Employees get a discount which varies but was in the area of 10 per cent in February 1977. It has been a policy of the company that an allocation of Black and Decker stock be voted by the Board of Directors in the U.S.A. which would be available for employees worldwide. Then once a year the company offers this stock-option opportunity and those interested fill out a form. Black and Decker U.K. is a wholly owned subsidiary of the American parent company so at the time of our study it was quite costly to take advantage of this stock-option because of the artificial premium imposed by the Bank of England on the purchase of dollars for investment outside the U.K. At this time (1977) the purchase of dollars was very costly because of the English Government's restrictive policy. This meant that if a U.K. resident for exchange control purposes bought stock of a non-U.K. company, he had to pay a premium in addition to the stock's price. Thus, in the example given by a Black and Decker manager, a \$30.00 share would cost \$60.00. When the stock was sold the premium would be returned but it earned nothing in the meantime. This rather heavy handed exchange mechanism is a control by the Government in the form of a forced loan to the Government of the premium amount and is intended to control monetary funds and prevent too great a cash flow out of the United Kingdom, thereby, preventing the reserves from running down. The intended direct effect is to discourage foreign currency investments. The policy assumptions behind this procedure have been reversed by the Government elected in May 1979.

Black and Decker management says that it feels it is important to offer the opportunity for people to invest and that this contributes to an atmosphere of joint enterprise. Joint enterprise for all of the company's personnel? The middle class management might take advantage of this so-called opportunity, however, the working class shop floor labourers express their feelings about this deal with a shrug of their shoulders and a quizzical grimace. Many of the shopfloor workers are neither aware of this scheme nor do they have extra funds for such investment purposes. Nevertheless, imposition of the premium ipso facto prevented greater British investment in the ownership of Black and Decker. This is in sharp contrast to the policy of encouraging multinationals to invest in Britain. If it were a policy of the State to maintain a proletariat without property, the apparent inconsistency would seem to be resolved.

Whether or not Black and Decker management in practice favours worker ownership and participation is fully revealed in this shopfloor worker's reply to the question, "Do you feel you have a voice in your company?" He said,

I don't think so. Not really ... You've got to have bosses, but they could take more notice of what you have to say. They don't bother.

They sometimes call us in for meetings and tell us what's going to happen. One time they were saying they couldn't pay us more wages so I thought we could get shares in the company for the labour done. I asked, 'Why can't they pay us shares in the firm like ICI?' They said, 'That was a long-term policy.' Their answer is a gimmick, They never really answer.

They're always telling us we are part of the firm, but then when we bring something like that forward, we're not.

In considering the question of ownership, the workers and, for that matter, the managers of the two British multinationals in Spennymoor fair no better than their counterparts at Black and Decker. This reflects the fact that in Britain the bulk of investment property - of private capital - has been accumulated

by a minute fraction of the population. There is an enormous concentration of capital in the hands of a small number of shareholders, i. e. approximately 1 per cent of the population owned around four-fifths of all investment stock in 1970 and 93 per cent of all adults did not hold any shares.³⁷

The conception of Britain as a 'property-owning democracy' - even if taken only as a realizable aspiration - has little enough meaning so far as property in general is concerned. It is laughable so far as property in the means of production is concerned. The private enterprise which dominates the economy is in the hands of a tiny group with massive holdings of wealth. Only a small proportion of the population outside that circle have even a nominal share in corporate business. The vast bulk of the population have none at all - only their common dependence on selling their labour in the market. These facts of capital concentration are elementary; but they are all-important.³⁸

Like Margaret Stacey's second study of Banbury³⁹ eleven years prior to this Spennymoor project, neither radical nor revolutionary attitudes were prevalent among the workers. However, with unemployment occurring at the Spennymoor Courtaulds plant in the manner and time it occurred and with unemployment menacing all workers now in 1980, a new tide of radicalism may emerge among the Spennymoor working class as the uncertainties of the workers' futures create great stress.

d. Neutralisation of the Trade Unions at Smart and Brown

Smart and Brown functions as a multi-union company in the multinational Thorn Group. There are five trade unions at the Spennymoor plant. The clerical staff are members of the APEX trade union. The second trade union is Transport and General Workers' Union. The three trade unions on the shop floor are the Amalgamated Union of Engineering Workers (AUEW), formerly the Amalgamated Engineers Union (AEU); the Electrical, Electronic, Telecommunications, and Plumbing Trades Union (EETU/PTO), formerly the Engineering Trade Union (ETU); and the General and Municipal Workers' Union (GMWU).

This paper will argue that recognition of the unions at Smart and Brown has not manifestly strengthened the workers' position nor has fair collective bargaining ever been exercised by these Spennymoor workers. The workers are divided and weakened by the present union system, therefore, any independent action as a collective by the workers has not been possible. This seems to be due to four factors which will be further analysed in this section:

- (1) The trade unions have been fully integrated into the structure of the company. They function as a division or an extension of the Personnel Department. The company has adroitly and successfully neutralised the trade unions by union incorporation within the practical functioning of the corporate structure.
- (2) The trade unions are weakened and handicapped by the multi-union arrangement. Indeed, frustrated shop stewards who "believe in unionism" would "like to see one union on the full site."
- (3) At the Smart and Brown factory, just as at Black and Decker, the workers are conservative in their attitudes because the idea that "having a job - any job - is better than no job" has been the work ethic derived from experiencing Spennymoor's historical development of dependence on one source of employment, and the basic instability underlying this type of position.⁴⁰
- (4) The apparent detachment or indifference to the rank-and-file is both a symptom of union corporatism and a tragic consequence. It is a true dilemma for the lowest paid workers, especially the female workers, who neither have a voice in the company nor feel it would be possible to achieve the changes they desire.

These four points will be dealt with in the order given above. First, we will consider the integration of the trade unions into the corporate structure. Management's attitudes are helpful here in reflecting their levels of tolerance to trade unions and the reasons for such attitudes. Certainly, when one feels that one has been able to manipulate and to control a potentially adverse factor, one does not feel threatened. Smart and Brown's management's attitudes reflect such a position. Two examples of their attitudes given in response to the question, "What difficulties have you had to confront with workers here?":

The ordinary workforce is easy to train and there are plenty of them. Due to the fact they were used to working in collieries, shift work was easy to obtain from them. With the background of coal mining, the trend has been for the rank-and-file to be Labour orientated . . . The trade unions are more forceful rather than militant here.

Nothing out of the ordinary. We've had wage negotiations and some conditions (demanded), but these seem to be settled. We have had unions since (the company's) inception. No major problems with unions here.

Management has at its disposal great power and leverage to manipulate the union representatives. For instance, management has provided an office for the trade unions on the site and access to telephone communication. However, it is the Secretary of the Head Personnel Manager who answers and logs all phone calls and arranges secretarial assistance when needed. Explains a shop steward:

The management knows what goes on in union meetings. They always find out . . . All phone calls to the trade unions go through the Personnel Manager's Secretary. She keeps track of everyone who calls. Personnel knows what's been said at union meetings right after they're finished - before we even get back to our shops! Some of the shop stewards tell them all about it, you know.

Thus, besides providing an office and secretarial assistance by the Personnel Manager's Executive Secretary, two important status symbols not lost on the unions' male convenors, management maintains close personal

relations with union convenors and shop stewards. Certainly, management has found it useful to be on the best of terms with the unions' representatives. The experience at Smart and Brown seems to be consistent with a general trend towards cooperation between shop stewards and managers which has been noted by Marsh, Evans and Garcia (1971):

The popular stereotype of the difficult, aggressive, and often surly shop steward as a common feature of the British industrial scene has already been largely dispelled. An overwhelming proportion of the managers in our survey ... thought that shop stewards were helpful (80 per cent) ... There was a marked inclination among the establishments to prefer dealing with shop stewards or convenors rather than with full-time officials.⁴¹

Smart and Brown always pays shopfloor stewards and convenors while they attend trade union meetings. The monthly meeting lasts about an hour and a half. Also, whenever a trade union member attends any seminars, such as one on industrial relations held in Durham, the firm pays while the union member is in attendance. The trade unions used to have their own school at Whitley Bay for the shop stewards. A shop steward would be chosen by the union to go on either a weekend course or for four weekends.

The workers are supposed to have the opportunity of selecting their own trade union membership at Smart and Brown, but in quite a few cases it seems to be Personnel's selection. A worker explained:

Personnel just put us in the union. Didn't ask us; just put us in one and that was all.

Interestingly enough, failure to pay union dues is one reason cited by a shop steward for company dismissal. The trade unions have developed a symbiotic relationship with the company; they have become fully dependent on the company's support. Naturally, the workers are aware of this and their reaction of a low regard for the unions is therefore quite understandable. One worker cited his reasons for joining the ETU:

When I went to Smart and Brown I had to join a union . . . When you get a job (there) you have to agree to join . . . I chose the ETU because it was cheaper than the other (ones). The benefits were good and the chaps I was working with were in the ETU.

Therefore, at Smart and Brown one does encounter a significant degree of apathy towards the trade unions and an attitude of taking the union membership for granted as something which is imposed by the Personnel Department; an automatic deduction from their pay cheque. An example of this was expressed by a member of the clerical union who pondered,

What is it I belong to? I can't remember the name. My card is at work.

The integration and accommodation of the trade unions at Smart and Brown in the corporate structure may be an example of unionism serving a management industrial role by helping to achieve production goals rather than resolving the underlying problems of the workers. Clarke (1978) has seen this problem as a failure of the goals of British trade unionism:

Contemporary trade union action involves coming to terms with the power of capital rather than attempting to overthrow that power: collective bargaining is a process of defensive accommodation to the existing external power structure, and involves the relief or suppression of immediate grievances rather than any attempt to tackle the underlying cause of workers' problems. Therefore, the conventional role of trade unionism may be accepted as merely a protective function exercised within the constraints of capitalist domination of the employment contract: collective negotiation may secure better terms for the sale of labour power - but it does not begin to question the acceptability of wage slavery. Thus workers' organisations, which were created in opposition to capitalist control, may have come to serve as an element in that control structure.⁴²

The second significant point concerning trade unionism at Smart and Brown is the issue of multi-unionism. Quite a few workers would like to see only one union on the site. These workers feel that it works to management's advantage to have a division among three trade unions on the shop floor. Some workers expressing these views were shop stewards. At this time, the

percentage of workers who feel strongly in favour of limiting the number of unions at Smart and Brown is not accurately known. However, in turning to the Government Social Survey of Workplace Industrial Relations which was undertaken for the Royal Commission on Trade Unions and Employers' Associations in 1966, we find this conclusion under "Problems caused by Multi-Unionism":

A half of those stewards who very or fairly often had issues involving other unions said it would help if fewer unions were involved, 8 per cent said it would not, and the rest thought it would make no difference. But 80 per cent of officers who often discussed multi-union issues thought it would help if fewer unions were involved. On the other hand, only 42 per cent of works managers and 49 per cent of personnel officers who frequently dealt with multi-union issues agreed.⁴³

That managers favoured maintenance of multi-unionism in the 1966 Survey, may add credence to the cynical belief among some workers that management simply prefers "Divide and Rule" tactics because it has proven advantageous to management in the past. Black and Decker is another example already familiar to us of a situation where two unions are not capable of working together with solidarity to achieve a mutual goal which in this particular case is union recognition in the workplace. This Spennymoor worker's view of the multi-union division at Smart and Brown is typical of workers who feel the arrangement has served to divide the workforce:

They have problems on the union structure. They have five unions. You could have two people operating machines beside each other and belong to two different unions. You join the first union that gets hold of you ... I think they should have union agreements at Smart and Brown. It's a union problem ...

There used to be both the ETU and AEU working under the same roof. Negotiations were made between the two convenors and management to make one of the shops a closed section. Now no ETU member is allowed to work on coil winding and finish. But they do work under the same roof in another shop.

Marsh, Evans and Garcia (1971) have considered the complexities of British trade unionism in the Engineering sector of industry but point out that multi-unionism in engineering is the accepted status quo. Its effect in the formal sense had gradually declined over the decade prior to publication of their study. They note that although criticism is made of the multi-union nature of the industry, there are other factors to consider, such as informality of collective agreements, general arrangements for negotiations, and facilities provided by management for shop stewards.⁴¹ Nevertheless it would appear these considerations are contingent upon the ability of the unions to present a united front and this does seem to be far more difficult within the multi-union workplace of Smart and Brown.

The third point to be drawn about Smart and Brown is that the workers reflect a basic conservatism. In a broad historical view, the workers of Spennymoor have always been dependent upon single sources of employment. Until the mines closed, mining was the main source of employment. Now multinational industries have become the workers' chief source of employment. The position of the workers in this circumstance has been discussed by Cousins and Brown (1972):

Indeed communities that are isolated and dependent upon a single employer or a single source of employment are peculiarly disadvantaged in their opposition to these employers. Workers are quite likely to identify with the employer and his achievements; constraints are likely to be exercised by the community on any section that attempts to rock the boat...⁴⁵

A high degree of loyalty to Smart and Brown was noted among middle age and retired workers. However, some young workers reflected apathy rather than enthusiasm. Nevertheless, a comment such as the following reflects the conservative attitude which seemed to be prevalent among middle aged workers:

They've never been a company that paid great wages, but they've always taken care of their people.

The fourth point to be made concerning Smart and Brown's trade union structure is interrelated to the other three factors. The detachment of unionism from the rank-and-file is evident. Many workers do not feel they have any participation in or guidance from the union. The workers do not select their own trade union leadership directly. Only the shop stewards vote for Assistant Convenor or Convenor. The members are not allowed to vote, however, they can cast a vote of no confidence in the elected leaders. There appears to be general frustration about trade union affairs as expressed by this worker:

Union to me now is not the same thing as it was. It's used now by the top men because they're getting paid. They use members to get what they want; ... they don't work for the workers.

"Unions do nothing for you there" seemed to be a fairly widespread belief among former and present workers at Smart and Brown. One general Marxist viewpoint of this dilemma of which the Smart and Brown experience is but one example, is that

as long ago as 1881 Engels pointed to the contradictory character of the trade unions. On the one hand they certainly helped 'the organisation of the working class as a class' and by uniting workers they could win 'at least the full value of the working power which they hire to their employer' and even regulate 'with the help of State laws, the hours of labour'. But on the other hand, he wrote, 'It is well known that not only have they not done so, but that they have never tried' to free 'the working class from the bondage in which capital - the product of its own hands - holds it.' The trade unions operated within the system, enforcing its laws, while in order to change the system a 'political organisation of the working class as a whole' was needed.⁴⁶

Self-motivations overtake union leadership and their concern becomes not the rank-and-file's problems but rather their own relationship with the employer. Beatrice and Sidney Webb noted that in respect of the emerging trade union leadership they were gradually more segregated by character,

training and job duties from the bulk of the trade union membership; they were becoming a distinct governing class concerned with efficiency in administration and their job permanence.⁴⁷

In dealing with this problem the International Socialist in 1975 emphasised the need for trade union reform because of the absence of any real accountability to the rank-and-file. The trade union leaders represent a separate "caste" from the workers as well as the employers.⁴⁸ According to the International Socialist, the appropriate time has emerged for radicalisation of the working class through a rank-and-file movement. In this context, trade union reformism would be centred on a National Rank and File Movement headed by the shop stewards committees or work-based union branch. Keynote would be local initiatives around pertinent issues affecting the workers and inspiring confidence in their ability to rise to united, independent action without restraints from the trade union bureaucracy.⁴⁹

Flanders (1969) agrees that change is needed in the trade union structure however, his viewpoint is quite different from that expressed by the International Socialist. He upholds the viewpoint that there should be greater support from industry and government to stimulate change. Indeed, he sees it as management's and government's responsibility to provide for change by promoting a different experience within the trade union tradition.⁵⁰

In conclusion, as shown in this section, Smart and Brown have effectively neutralised the trade unions. Although they work for a multinational, the workers did not show awareness of trade union combine committees.⁵¹ They expressed strong doubt of the potential contribution an effective trade union organisation could offer. The analysis given by Theo Nichols in Workers Divided seems applicable as well for these workers in Spennymoor "... to overcome their

present lack of effective job- and wage-control, a well-grounded ideology is required which can be used to challenge existing rules; also, a strong local trade union organization of an official or unofficial kind. In the meantime, ... whereas the men do not actively legitimate management's position and policies, they lack the means and the attitude of mind which would lead them to confront it with a positive and concerted challenge."⁵²

e. Courtaulds: The Power to leave the Collective Bargaining Arena

Based on my research in Spennymoor, the workers en masse at Courtaulds were different in that they were striving to fulfil Nichols' guidelines mentioned above. A battle of major consequences in the history of Spennymoor trade unionism preceded the closure of the Courtaulds plant in 1979. The battle was between Courtaulds central headquarters and, eventually, all of the trade unions in the Spennymoor factory including the senior management union. It is regrettable that I was in the States during this time period and was unable to witness it. However, the information which I gathered while I was in Spennymoor before this event occurred is pertinent to this study and will be discussed in this chapter. There are aspects of my prior field work which do fit in with the fact that the plant closed for as we know, these workers' jobs are now gone.

We will analyse the three factors which appear to have accounted for the difference from the other two multinationals in trade unionism at Courtaulds. These significant factors to be discussed are, briefly:

- (1) A different pattern of shop floor unionisation existed at Courtaulds. There was a single union for all manual workers.
- (2) Contributing to its action as a strong, independent union was the traditional mining cohesiveness which was transmitted to the Courtaulds workplace and reinforced there.

(3) Company policies which seemed anti-social and combative concerning the wage rates were introduced by management. Here we have a paradox, for Black and Decker, the non-union company, paid higher wages and was determined to pacify workers, whereas Courtaulds' company policy in Spennymoor was to attempt the enforcement of a wage reduction while brandishing a "Big Stick" rather than any form of appeasement.

Firstly, we will discuss the trade union structure as it existed. All three unions at Courtaulds in Spennymoor had histories of conflict with management. The Association of Scientific, Technical and Managerial Staffs (ASTMS) had a violent strike in 1971⁵³ which lasted 27 weeks. At that time this strike was the longest dispute in the history of Courtaulds and was possibly the longest "white-collar" strike in Britain.⁵⁴ It began after a member was sacked for failing to comply with a proposed transfer to the warehouse and 30 Assistant Foremen were demoted to payment on an hourly basis. The 70 remaining strikers were made redundant at the end of the seven months long dispute. A government inquiry headed by Professor L. C. Hunter strongly criticised Courtaulds for sacking men purely for striking.

The second trade union on the site was the Amalgamated Union of Engineering Workers (AUEW). There were around 100 tradesmen in this union in the winter of 1976-1977, and it was an active organisation. A conflict between management and the AUEW had continued for two years. Basically, it was a wage rate issue. The company desired to recruit another 300 electricians but in a tactic designed to negotiate a pay rise the AUEW maintained it had a closed shop. This was the strategy of "exclusiveness" carried over from crafts unionism. If the company would raise their pay rate, the AUEW would agree to allowing men in the

Electricians' Trade Union (ETU) to be hired. The Courtaulds management said that the AUEW did not have a closed shop nor did they have enough members to fill the new jobs. Nevertheless, during the course of two years, management did hire a number of AUEW men. By February 1977, the company had worked out an agreement with the AUEW whereby it would have sole negotiating rights (terms and conditions of employment with management) but would allow craftsmen from other unions to be hired as long as they followed their rules. At the time of this study the management hoped to expand employment by 300 more men since this union problem had been resolved.

The third trade union at Courtaulds in Spennymoor was the National Union of Dyers, Bleachers and Textile Workers (NUDBTW) and it was the only shop floor union. It accepted everyone who worked on the machines and who was not a tradesman. Nationally there were 55,000 members in NUDBTW. Courtaulds at Spennymoor had the largest membership with 2,500. There are five districts, four in England and one in Scotland, and Spennymoor is in the largest district which covers 19 branches. A Courtaulds shop steward noted:

We could dominate all branch committees and everything, but we don't. We divide responsibilities.

They had three delegates to attend the district meeting as well as the acting chairman of the district committee. NUDBTW district meetings are held every six to seven weeks.

The workers expressed more strongly their confidence in trade union support than was expressed by the workers at Smart and Brown. Said a Courtaulds worker,

I think Courtaulds is more advanced in the community. Blokes like me always have a way out because we're backed by the union.

There was evidence of union activity on the workers' behalf. The workers relied on the trade union to get higher compensation for their labour. As one said,

It's like any other firm. When it comes to pay rises, they're sticklers. They fall in line until you say you want a pay rise. You can always go down, but not go up!

The shop stewards were elected by the men on their shift annually in elections held at the company. In February 1977, there were 17 shop stewards and one convenor in the largest trade union, the NUDBTW. Shop steward meetings were held regularly every two to three weeks or more frequently if something requiring urgent solution was pending. On each shift there were four shop stewards present. One shop steward interviewed in his home who was then involved in wage negotiations, drew this picture of his union work:

I enjoy it. Of course, a lot of time your time is wasted by trivialities. If there is no sugar in the tea machine, people will complain that it's the shop steward's fault. You get no benefits at all from it except for the satisfaction that you are improving wages and benefits of the workers. Nine out of ten days you don't get any thanks. When you get a good agreement that's the reward you get ... You're on duty 24 hours a day. If there was a job up there now, or if any advice is needed, they might come knocking at the door.

Therefore, the single union on the shop floor worked actively and fully united all of these workers. It was strong and independent of management.

The second factor which served to unify the workers was the permeating tradition of trade union membership inherited from their mining associations. In Bulmer's investigation of Courtaulds a sample of 1 in 7 of the shop floor workers employed at that time was used to gather data. He found that:

there was a strong mining background among those interviewed ... In the sample, ... about two-thirds of the men had experience of mining and slightly less than that were ex-miners ... Among the sample as a whole there was, not surprisingly for the area, a family history of mining. The fathers of 35 (out of 49) had been miners and (of those who could remember) the grandfathers of

26 out of 37 had been miners. This proportion of seven out of ten men being miners in earlier generations corresponds to the proportion of the occupied male population and mining traditionally found in homogeneous mining communities.⁵⁵

At the time of this more recent study, the Personnel Manager said that there was a predominance of former miners among shop floor workers.

Not only were mining traditions, such as the importance of trade unionism, transmitted to the Courtaulds workplace, but they continued to be reinforced and strengthened there as the shop floor workers remained a cohesive male group. Indeed, the problem of contending with the presence of female factory workers and all of the potential ramifications vis-à-vis unionism which females might present, had not occurred although females were not supposed to be discriminated against in future hiring practice as mentioned earlier. Bulmer has shown that Courtaulds encouraged continuity of social integration in the work groups by implementing a hiring policy to recruit relatives of Courtaulds workers as the factory expanded. Bulmer states:

The firm thus seemed to be exploiting a feature of the informal workings of the local labour markets, that of relatives 'speaking for' someone to be taken on.⁵⁶

This further reinforced the continuance of a traditional social mould of action at the workplace.

Keeping in mind that the majority of the workers at Courtaulds are steeped in a long tradition of trade unionism, workers there feel it is important to be in a trade union and "everyone is a member of the union." The controversy about allowing another electricians' union to come in is explained by a worker with quite a different interpretation than the management's view:

Courtaulds was guilty of malpractice; they couldn't find electricians from the union in Courtaulds. They're in the wrong in the respect that they wanted another union in - when they preached they only wanted two unions. I'm still annoyed that there are now three unions...

At Courtaulds one felt the traditional divided class structure reflected throughout the operations of the plant. A hostility between management and the shop floor workers always throbs just under the calm surface:

You're either for the company or against it. The managers are there to represent the company. The union is there to get things for you and to fight for solidarity. It's justified because workers were exploited up here ... You can't run with the hare and the hounds.

As Beynon (1971) described the conflict manifested in the factory and the elements which have contributed to "a working-class factory consciousness":

The history of British trade unionism is built on various levels of factory class consciousness. Trade unionism and workshop organisation, is, and always has been a direct response to economic forces. A response to a world where goods are exchanged as commodities on an open market. Where workers have nothing to sell but their labour power and where this too is bought and sold on the market. A factory class consciousness grew out of this; it understands class relationships in terms of their direct manifestation in conflict between the bosses and the workers within the factory. It is rooted in the workplace where struggles are fought over the control of the job and the 'rights' of managers and workers.⁵⁷

Courtaulds was unable to neutralise the effectiveness of this vigorous spirit of collective action in the factory's trade unionism. However, when conflict develops between management and the workers, the powerful ability of management to ultimately determine the workers' fate has little changed in an historical perspective. We refer to Frederick Engels' "The Condition of the Working-Class in England" written from September 1844 to March 1845:

The history of these Unions is a long series of defeats of the working-men, interrupted by a few isolated victories. All these efforts naturally cannot alter the economic law according to which wages are determined by the relation between supply and demand in the labour market. Hence the Unions remain powerless against all great forces which influence this relation. In a commercial crisis the Union itself must reduce wages or dissolve wholly; and in a time of considerable increase in the demand for labour, it cannot fix the rate of wages higher than would be reached spontaneously by the competition of the capitalists among themselves. But in dealing with minor, single influences they are powerful.⁵⁸

This bears upon the critical issue confronting the trade union at Courtaulds during the Winter of 1978-1979, and is the third point to be discussed. The company's headquarters called for a reduction in wages due to what they termed a commercial crisis, but the independently strong trade union collectively stood together in refusing to accept lower wages. Here it has to be kept in mind that the union was reacting to an experience of conflict determined by a central Headquarters decision. Flanders (1965) has suggested that only the lesson of strong coercion demonstrated by a forceful union would drive management to capitulate.⁵⁹ In this case the Spennymoor senior management team's union joined the workers' unions in demanding to keep the plant open but central headquarters did not capitulate to the combined Spennymoor Courtaulds unions' determined stand. The factory in Spennymoor was closed and the workers made redundant. The ninety-day notice of departure was received in January 1979 by the Sedgefield District Council.

Throughout the course of time spent in this research investigation in Spennymoor, in comparison to the other two companies, the Courtaulds' management was more open and seemingly more candid and did not display hostility towards the interviewer. It is relevant to point out that their candour might be described as atypical, and, especially so as regards admitting to having problems in industrial relations. As Marsh, Evans and Garcia relate, an extensive study of 432 establishments when questioned whether relations with manual and staff unions were good, bad or indifferent, disclosed that

few establishments were willing to concede that their relations with either were bad. Perhaps to have done so would have reflected a feeling of failure which no management could accept. Generally managements thought their relations were good ... Consistent with this attitude, managers were not inclined to emphasize their problems with trade unions.⁶⁰

However, their candour may have been part of a propaganda campaign openly

pursued to create hostility by the public to what were presented to be obstacles to production created by the trade unions at Courtaulds. The Courtaulds management explained:

We have a bad image in terms that people think we always have bad industrial relations. We haven't made any attempt to correct that image. We've gone on national television to put the message across. The fact it has been on media hasn't changed our image. We wanted it to be on the media.

And the Courtaulds management was successful in capturing public sympathy for the difficulties they experienced with the trade unions at their Spennymoor site. Spennymoor townspeople were more aware of industrial disputes involving trade unions at Courtaulds than they were whether or not Black and Decker had allowed trade unions to be recognised. But the Courtaulds' workers and trade union officials believed that management had been pursuing a policy of confrontation for an extended time period. Nevertheless, by the time they did pull out, the company had managed to convince many people that the problem was a militant union, not an anti-social policy of wage reduction and plant relocation determined by the multinational company's central headquarters.

Managers in other companies in the area are afraid of the "union organisers" now seeking jobs and one Courtaulds shop steward has not been granted interviews at a couple of establishments. When Personnel Departments inquire to the Courtaulds headquarters about his work status, they are receiving the reply that, "He was the Convenor." This worker finds himself ostracised; there seems to be no hope of employment for him.⁶¹

In summary, three factors were significant in contributing to a unified workforce with a strong, independent trade unionism. There was one single union for all shop floor workers which had demonstrated accountability to the

workers. The attitudes of traditional mining cohesiveness had been transmitted to the Courtaulds workplace and had been reinforced in that environment. The operational policies of the multinational company's central headquarters which were anti-social and provoked conflict and confrontation with the workers further unified the workforce.

f. Lack of Compliance with OECD Guidelines and Absence of Fair Collective Bargaining

The OECD Guidelines are an attempt to establish reasonable and legitimate standards of conduct for multinational corporations and an attempt to bring harmony where there has been conflict involved with multinationals' operations. They are a significant aspect of this thesis because the OECD Guidelines provide us with some standard by which to evaluate available research data and, thus, add a measure of objectivity rather than merely opinion and polemic. Here we are interested in the apparent deviation from the internationally recognised norms or standards as established by the OECD by these three multinationals' behaviour in Spennymoor. We will consider the guidelines given for "Employment and Industrial Relations"⁶², and apply them to the Spennymoor situation. All three companies have been in violation of some of the major recommendations.

Failure to recognise and respect employee trade unions and to engage in constructive negotiations with a desire to resolve differences and reach agreements is prohibited in Rule 1 of the "Employment and Industrial Relations" guidelines. However, Black and Decker does not recognise trade unions nor does it engage in constructive negotiations with the union organisers in the plant. The management actively works to keep the workers disorganised and by manipulation through paternalistic practices which reinforce instrumental individualistic tendencies amongst its workers is able to hold back unification of the workforce.

Furthermore, the management intimidates workers who are interested in being represented by a trade union. The management has developed Consultative Committees which are controlled by management personnel. There was found to be dissatisfaction amongst workers with the poor results forthcoming from these Consultative Committees. It was said that no effective progress was being made on pertinent issues.

In regard to Courtaulds and its lack of compliance with the first rule of the "Employment and Industrial Relations" guidelines, we have seen that Courtaulds central headquarters decided to close the Spennymoor plant in a completely unilateral fashion without regard to either the shopfloor workers' unions or the senior management union. The central headquarters refused to engage in constructive negotiations with a view to reaching agreements on employment conditions with which it was wrongfully tampering. We will briefly review what happened. On 27 October 1978, the central headquarters demanded 560 redundancies plus a £7 cut in workers' weekly earnings. In January 1979, the company threatened complete closure to come into effect on 19 April 1979, which would mean 1600 redundancies, if their demands were not accepted by the workforce. However, at Funt, Aintree and Skelmersdale the workforce accepted similar demands, and those plants were still closed by the company. In fact, nationally, Courtaulds has received an enormous amount of taxpayers money to build plants in regional development areas. Nevertheless, since 1970 it has reduced its British workforce by nearly 30,000. In fact the Spennymoor plant was a profitable establishment and one of the most efficient factories in Europe; this fact being published by the company in a trade journal called *Knitting International* in September 1978:

By any standard, Courtaulds Worsted Spinning Division's facility at Spennymoor ranks alongside the best that can be seen anywhere in the world.⁶³

Through accounting procedures within the Courtaulds Empire, the business accountants were able to manipulate a loss of £2.28 million in 1977 which was not an accurate picture because Spennymoor Courtaulds traded almost exclusively with other plants in the Courtaulds network. The management accountants changed prices in 1977 so that the Spennymoor plant would lose 3 pence for every kilo of yarn produced in the Courtaulds chain. On 13 March 1979, the company admitted that prices had been deliberately manipulated to make Spennymoor seem to lose money. But this did not change the central headquarters' decision to close the plant.⁶⁴

Thus, we see that Courtaulds was, and Black and Decker still is, in violation of Rule 1 of the "Employment and Industrial Relations" OECD Guidelines.⁶⁵

Rule 2 has two parts:

- (a) multinationals should provide such facilities to employee representatives as may be necessary to assist in the formation of effective collective agreements;
- (b) the management should provide to employee representatives information which is needed for meaningful negotiations concerning workplace conditions.

Black and Decker is in violation of both (a) and (b). Courtaulds admitted that it was withholding information in order to close the plant and make it appear that the union activities were the cause of closure when in fact it was the central management. Thus, Courtaulds was in violation of Section (b).

According to my research, all three multinational corporations have been in violation of Rule 3 which states that multinational corporations' management should provide to employee representatives information which

enables them to develop a true and fair perspective of the performance of the whole enterprise in accordance with local law and practice.

Black and Decker's anti-union industrial relations stance certainly places its employees in a position less favourable than the norm for British industry where trade unions are the bodies protecting the workers' rights. Thus, Black and Decker is in violation of Rule 4 which designates that multinational corporations observe standards of employment and industrial relations not less favourable than those observed by comparable employers in the host country.

Rule 5 decrees that in their operations multinational companies should train and make it possible for the local labour workforce to prepare themselves for upgrading. This is to be a cooperative effort with the workforce's representatives and with relevant government officials where appropriate. As discussed earlier in this chapter, women in the workforces of all three companies, whether on the shopfloor or in the clerical division, have been flagrantly discriminated against as regards aspirations of advancement through training and upgrading. At Black and Decker the decision-makers of the management team were all recruited from elsewhere and rotated around the United Kingdom in accordance with the dictates of the Maidenhead senior management division, therefore, Spennymoor workers whether male or female could not hope to advance through the management ranks.

Courtaulds' violation of Rule 6 was mentioned in Chapter 3. This Guideline states that any notice of intent to close a plant must be made to the employees' representatives and relevant government authorities providing "reasonable notice of such changes" and that the multinational corporation should cooperate with the employees and government "to mitigate to the maximum extent practicable adverse effects." The central headquarters of Courtaulds

closed the Spennymoor plant in a dictatorial manner without reasonable notice or cooperation concerning alleviating the harmful effect of their action.

Rule 7 of the "Employment and Industrial Relations" guidelines deals with the issue of discrimination. It states that multinational companies should implement employment policies without discrimination in the areas of hiring, discharge, pay, promotion and training in order to facilitate greater equality of employment opportunity. All three companies have been following discriminating policies in this regard. For example, as discussed earlier, where women have been employed, all three companies carefully discriminated against those female employees.

Black and Decker has been in violation of Rule 8 and still is. This guideline deals with the rights of employees to organise without having their employment threatened by the company or hindered in any way to exercise the right to organise. Black and Decker has hindered repeatedly the exercise of the workers' rights to organise through methods of intimidation and fear which are at its disposal as the controller of the livelihoods of its employees.

Lack of compliance with Rule 9 of the Employment and Industrial Relations OECD Guidelines is strikingly evident due to the absence of fair collective bargaining by Courtaulds and Black and Decker in these two companies' Spennymoor operations. Rule 9 states that employee representatives should be able to conduct negotiations on collective bargaining with management representatives who are able to make decisions of the matters under negotiation. As we have seen, the managers in Spennymoor are surrogates of central headquarters decision-makers and are simply mouth-pieces with little or no power to make important decisions independent of their distant headquarters. Indeed, the Spennymoor Courtaulds senior management had joined the workers in demanding an inquiry into central headquarters' attempts to close the plant and, furthermore, the

senior managers had declared that they desired to keep the Spennymoor plant open. Their voice was without the necessary power to implement either of these desires. As regards Black and Decker, the company continues to violate the workers' right to fair collective bargaining and has stated that decisions in respect of union recognition are to be made by the Board of Directors in the United States.

General Policy Rule 3⁶⁶ of the OECD Guidelines refers to disclosure of information and this information is in addition to what may be required by governments. This is in addition to Rule 3 of the industrial relations guidelines, and it is included here because disclosure of information is one of the most important ingredients for fair collective bargaining. It is anticipated that the OECD Guidelines may go further than the national law in disclosure of information. Concerning the three multinational companies in Spennymoor, all of these multinational companies are in gross violation of matters discussed in "Disclosure of Information". Disclosure of Information is more further particularized in the Guidelines to include the annual disclosure of the world-wide structure of each enterprise and includes the geographical areas where principal activities are carried out by the parent company and main affiliates as well as operating results by geographical area which should be readily accessible when asked for by the public. The Guidelines also require disclosure of new capital investments by geographical area and a statement of sources and uses of funds by the enterprise as a whole. Clearly these would be of great use to trade unions, for example, if the trade union at Courtaulds had known of investment projects abroad in the same technology and processes as those practised at Spennymoor, they could have anticipated closure. The same could be said of Black and Decker's Workmate removal to Ireland.

The Guidelines require disclosure of the average number of employees in each geographical area and research and development expenditure for the enterprise as a whole. They also require disclosure of intergroup pricing policies and principals followed by consolidated information in published accounts. It is entirely appropriate that these disclosure requirements should go further than what may be required by national law because of the great flexibility of multinational enterprises. Trade unions, often not even organised on a local national basis need more information about multinationals in order to achieve a more equitable collective bargaining situation. Far from detracting from the interests of the multinational companies, a full disclosure of information as required by the OECD Guidelines would contribute to a feeling of confidence in the depth of commitment of a multinational company to activities within a local host country if it could be seen by the workforce that the investment by the multinational company in that country were indeed significant and of a long term basis.

The OECD Guidelines require disclosure of policies followed by the multinational corporations in respect of intergroup pricing. Disclosure of this information is fully justified if the workforce is to measure in any realistic way its value in the local market place. Clearly this information is required from a multinational corporation whereas it might not be required of a company all of whose activities were confined to the host country. If workers are to be rewarded for the true market value of their efforts, it would be manifestly unfair for wage negotiations to be carried out on the basis of an artificially underpriced product.

In the Spennymoor situation the disclosures made by the three multinational corporations are totally inadequate as judged against the standards set by the OECD Guidelines. The three companies involved met the standards

set by the British government. They published such annual financial statements as were required by British companies but they failed completely to make disclosures of a nature deemed appropriate for multinational corporations by the OECD. This was demonstrated by the incomplete responses given by all three multinationals and the total lack of awareness of the structure and operations of those enterprises demonstrated by the workforce including leaders of the local unions. One is compelled to come to the conclusion that the local workforce had sufficient skills and knowledge to negotiate at the three plant sites in question in Spennymoor, but were totally inadequate insofar as information is concerned to negotiate in a meaningful way in a multinational context. It is a mockery to apply the term collective bargaining in such a context.

It is altogether reasonable that a multinational corporation should identify itself as such rather than state "we are only a British company", such as Black and Decker U. K. Ltd. does. It is quite probable that all parties would benefit from full disclosure as envisaged by the OECD Guidelines. If a community and workforce understood beforehand that a particular operation is for the exploitation of a short term opportunity rather than a long term commitment, they might still welcome the technical efficiency and jobs to be offered by a multinational corporation. The type of disclosure envisaged by the OECD Guidelines would help to overcome some of the misunderstanding and bitterness which often results from inadequate comprehension by the workforce of the nature of the commitment by the multinational. Some multinational corporations certainly do have significant long term commitments to countries outside their jurisdiction of incorporation and the strength of this commitment along with the worldwide assets and expertise of these firms can be a source of confidence to the workforce in those situations where the commitment is basically permanent. But a consideration of the great disparity between a highly sophisticated and informed

organisation such as a multinational corporation and a fragmented workforce certainly supports the conclusion that the workforce needs much more information.

It is evident that multinational corporations pose important new problems for working class organisations and the way in which workers' aspirations can be realised. Therefore, questions about the adequacy of traditional trade union practices are necessarily raised. We must conclude with the sombre observation that industrial relations in Spennymoor have totally failed to achieve working class objectives and aspirations.

CHAPTER 6

CONCLUSIONS: THE PRESENT SITUATION AND AN ASSESSMENT OF THE FUTURE

We have been examining the effect of three multinational corporations in Spennymoor, a town which until the 1960s was a traditional coal mining community. The sociological areas of interest in this study have been the effect of the multinationals on community life, on the workplace environment and on industrial relations.

In reviewing the saga of Spennymoor workers to the present time, the point should not be overlooked that although the coal mines had been nationalised, the workers did not control them. Time may show that far greater efforts should have been made to avoid making the coal miners of Spennymoor redundant. Part of the tragedy may have resulted from a crisis of faith in coal, a basic industry, which while not controlled by the workers of Spennymoor, was managed by a British nationalised industry not a multinational. The industrial democracies of the world in their joint summit in Venice (1980) declared their resolve to double the extracted tonnage of coal in the 1980s. The growth in world demand for coal is expected to be enormous. Britain sits on one of the greatest reserves of coal in the world but the National Coal Board does not believe it will be able to achieve this increased production goal.

Although most of industrialised society was caught by surprise by the oil crisis which has turned the world upside down, nevertheless, it is part of the job of the Coal Board to forecast the need for coal and make arrangements to meet it. Some might say it is too harsh and simplistic to say that the Coal Board created the problem of unemployment in Spennymoor, nevertheless,

the Coal Board now appears unlikely to be able to meet the demand for its product. This dilemma certainly is ironic and there does appear to be some justification in saying they must share part of the blame for the hardships of Spennymoor. Perhaps it just is not good enough to say the coal veins were not as productive as they had been because that sounds too much like Courtaulds' excuse.

As coal mining declined in the late 1950s and the number of unemployed Spennymoor workers grew, townspeople supported their town leaders' efforts to encourage multinational employers to set up plants in Spennymoor and this movement gained momentum in the 1960s. To the extent workers' views were taken into consideration they largely supported the 1960s drive to modernity in city planning and industrialisation. The town leaders who included a social cross-section ranging from a former owner of a family business in Spennymoor to coal miners whose only jobs had ever been "under", were loyal supporters of their town and their motivations were sincere in earnestly seeking to examine and adopt planning ideas presented by outside experts as the road to survival. For instance, the scheme to provide new housing for workers in Spennymoor and at the same time clear away a slag heap in the central part of town was an idea which was sincerely and even enthusiastically accepted. The motivation combined civic pride with a resolute hope for a better future for the town. The failure was not the result of an internal plot¹. Although it may overstate the point, today the idea seems tragically exemplified by a phrase in respect of the ancient imperial city of Hue in the Vietnam War: it became necessary to destroy the city in order to save it.

Today the only solution to Bessemer Park seems to be to level it and replace the pre-fab flats with traditional two-storey terraced houses or semi-

detached houses which would have individual gardens. The increase in vandalism and juvenile crimes committed around Bessemer Park make it a living nightmare and signifies a breakdown in the traditional community solidarity. The decline in the local business district where shopkeepers once flourished has resulted with the implementation of a scheme devised by the Durham County Council which was carried through by the Sedgefield District Council whereby traffic has been re-routed away from High Street. Furthermore, company stores at two of the multinational corporations plants, Black and Decker and Smart and Brown, have contributed to the reduction in trade. It was noted that this is contrary to the OECD general policy that multinational corporations should seek to cooperate with local business interests.

It is most pertinent here to present a development of great import for the townspeople: the destiny of their town became firmly controlled by outsiders and external forces in the 1970s. The argument should be considered that control of the town was taken out of the townspeople's hands, thus, rectification of the housing scheme and county planning scheme which has resulted in a deserted High Street is not possible by the people of Spennymoor. They feel frustrated because projects which would benefit the townspeople, such as the swimming baths scheme, have been shelved by government bureaucrats who do not live in Spennymoor nor are these outsiders directly affected by the bad consequences of Bessemer Park and the High Street metamorphosis. The area council reorganisation in 1974 was one factor which contributed to community power being taken out of the hands of townspeople. Secondly, a stagnant social stratification emerged as the bosses of the multinational corporations as well as the government bureaucrats chose to live in areas removed from Spennymoor. Multinational corporations did provide employment but at the tremendous cost of

control by absent owners. Formerly the local business entrepreneurs of family owned companies and coal owners lived near their workers and shared a common esprit-de-corps of town loyalty. Thirdly, the extent of community involvement by the multinational corporations is an important sociological variable. Smart and Brown is the only multinational which has a company policy to be involved in supportive ways in communities where the company has its plants. Both Black and Decker and Courtaulds have violated the OECD guideline recommendation that enterprises should favour close cooperation with the local community.

We have seen that sociologically multinational corporations pose real questions for community models. The power of decision-making resides outside the community. The Spennymoor traditional community in the past contained "us" and "them" but now it is only "us" who live in Spennymoor. "They", the power controllers, live in the South of England or in suburban Maryland in the U.S.A. Decisions dictated by forces far removed from the townspeople's sphere of interests deeply affect all areas of their lives. One side of the primary participants in industrial relations decisions are not in the community so we can only observe the workers' struggle, while the power base is far away. In fact, the isolation of the management decision-makers from the human problems of Spennymoor seems to immunise them and make them insensitive to the needs of the workers, thus, they assume a dictatorial role without the give-and-take participation which normally occurs in conflict resolution by effective collective bargaining.

Furthermore, a mono-class structure has become a hallmark of "multinational towns" whenever the managerial ranks are able to live in distant locations removed from the shopfloor workers. Modern Spennymoor

is mainly a mono-class social grouping with a few notable personalities, such as a local artist of national renown and a distinguished university lecturer, who stand out but pleasantly not apart from their neighbours. Thus, the residents of Spennymoor now form a sociological group with less varying characteristics than those contained in their former traditional community. Inter-class social interaction is non-existent outside of industrial relations and a deepening in the cleavage between social classes is reinforced.

Many of Spennymoor's workers interviewed in the period of 1976-1977 had positive attitudes towards multinationals with sincere feelings that "bigger is better" and should mean more secure employment. Unfortunately, industrial relations between workers and the three multinational corporations in Spennymoor have failed to enhance the security of the workers. When a multinational's distant decision-makers choose to cut back production or leave a town such as Spennymoor which has become a restricted mono-class type of community, the total vulnerability of these working people is evident by the helpless state in which they are left jobless and without alternative opportunities. Balfour (1973) recognised this when he said, "Men and women are now fully-fledged citizens, consulted, cajoled and flattered by politicians, national and local, who seek office and power. Yet many workers have no power to influence their working lives in the area or factory where they spend most of their time."²

Even in this sad state of affairs men are more equal than women. The traditional role of the female in a mining community was submissive and suppressed. We have seen that sexist management policies formulated by male managers have maintained a discriminatory position of female factory workers who are fulfilling their modern role of contributing to the family's

income by working outside of the home in addition to doing domestic chores. Discriminatory practices which existed against women at Smart and Brown and Black and Decker in 1977 were in the areas of: hiring practices, job classification and pay rates due to job evaluation studies devised by male managers, and training and advancement opportunities. The practice of making redundant more females than males was enforced at Smart and Brown but such a policy was not clearly discernible at Black and Decker. Courtaulds had not employed women in the factory due to the continental shift system but in the offices in 1977 all of the female employees held clerk positions which are the lowest paid white-collar job. Concerning the female shopfloor workers, if jobs requiring manual dexterity were higher paying than jobs requiring physical strength, it would then be interesting to see how many men would be competing for these jobs which are now undesired by men because of their lower pay, therefore, relegated as 'women's work'. In the modern Spennymoor multinational factory environment women working on the shopfloor and in the offices are unequal to men because they are exploited by a socio-economic system which is controlled by men who are able to undervalue their skills and talents.

In a work of this nature the result of social investigation is to uncover areas of conflict while attempting to understand the interacting processes involved. This study revealed four major conflicts occurring in the Spennymoor milieu which are significant: the traditional community society in conflict with international corporatism; the conflict between workers and managers/District government bureaucrats; the conflict between female workers and a male dominated society; and, the conflict between multinational industry and fair collective bargaining via trade unionism. Resolving the latter conflict and providing a new international framework for fair collective bargaining

between workers and multinational corporations is a social imperative of the first order.

Tensions and future conflicts in the field of industrial relations between workers and the management of multinational corporations loom ominously as a lively prediction until an equitable balance of power between the two conflicting forces can be effected. The obvious conclusion is that trade union action must be coordinated on an international level as a counterforce to the international management teams of transnational companies. Has any progress been made in this endeavour so far? It was pointed out in an article in The Economist that trade unions:

... have more reason than governments for arguing that multinationals escape their reach, and their interest in official curbs - codes and so on - arises because their own answer, multinational trade unionism, has not made great progress ... The output is still mainly paper.

The secretariats have some tales to tell of multinational strikes. There has even been a successful union-organised boycott, in Scandinavia, to force the Texas jeans manufacturer Farah International to accept unionisation. The main sufferer was Farah's Belgian subsidiary, and, as the unions sadly admit, readiness to suffer for one's overseas brothers is not abounding ...

... Especially since the OECD code arrived multinationals, in reaction, have tried to pretend that their (international trade) union equivalent does not happen ... Half-a-dozen companies, like Gillette, told your reporter that 'of course we accept unions where the law or custom requires it - but where the choice is open we prefer not.'³

Thus we find that various international trade union organisations have made mainly individual efforts in dealing with the same industry or multinational corporation due to the ideological and political divisions prevalent in the worldwide labour movement. Even within these organisations the priorities differ between national groups. For instance, the trade unions in a developing country may have the inducement of capital for economic development and employment as a goal whereas an industrialised country's trade unions would be concerned about

the possibility of job losses and unemployment due to the export of capital abroad and the relocation of a company's operations. There is, nevertheless, agreement on many basic issues, but these have not gone beyond sympathetic expressions of mutual support.⁴

Therefore, we could not say that strong independent trade unionism such as existed at Courtaulds or the company orientated trade unions of Smart and Brown are likely to have been the beneficiaries of international trade union organisation vis-à-vis their bargaining position with these two British multinationals. Certainly my research interviews disclosed absolutely no international union activity in Spennymoor at all in 1976-1977. In fact there was little awareness or enthusiasm for such activity. Most workers interviewed were unaware even of the different countries in which their multinational employers operated. Probably the absence of an international perspective to collective bargaining problems in Spennymoor is a manifestation of worker deprivation under the British class system. On that view nationalism becomes a disease enslaving the working class. Workers are hardly being led to an enlightened view of the international aspects of their dilemma by the shyness and embarrassing backwardness of the British Labour Party's views and conduct towards and within the European Economic Community. In their defense it can be said that the Socialists were the only group to fight seats in every member country in the first direct European Elections. But the reluctance of the British Labour Party to embrace fully its own principles of unity among workers of the world does a great disservice to the interests of working people, not just in Europe, but throughout the world economy.

As concerns Black and Decker, my research shows that it fits squarely into the category of an American multinational which attempts

... to impose personnel and collective bargaining practices on overseas subsidiaries which are alien and contrary to the practice in the host countries. In particular, the attitude ... towards trade union recognition very much reflects the American experience, and the success of certain highly profitable companies in maintaining a degree of anti-union paternalism is almost unknown in large companies in Western Europe.⁵

Significantly the paternalistic practices of American companies are a result of the policy of non-recognition to trade unions. In Black and Decker my research isolated some of their paternalistic practices and the effects which these practices had. However, with Black and Decker the problem is not so much apathy among the workers but fear concerning their job security if they do join the trade union. On one hand the management extends a warm welcome to each new employee while with the other a warning finger threatens his job should he sign up with the trade union. Fear is the main control factor in the Black and Decker plant.

We have noted the lack of acceptable standards of behaviour and a lack of sufficient international regulatory control. Thus, the Guidelines developed by the OECD may provide only a rudimentary standard against which to measure the activities of multinationals. The trade union movement must advocate the necessity of national and, especially, international control of multinational corporations if it is to work as an effective leverage in helping to meet the pressing worker demands of better working conditions and higher wages. Indeed, the trade union movement must move from advocacy into unified action in order to gain awareness where apathy or fear now hovers. All of the power rests in the hands of the management of a multinational corporation and until there is an effective organisation of international trade unionists for the workers there is little hope of regulating international management decisions which affect the local lads.

Capitalist ownership has excluded the workers from a share in the means of production. A basic conflict exists between locally based trade unionism and the much wider terms of reference of the multinational corporations. We have seen that the paternalistic practices of Black and Decker have impeded union recognition and thwarted effective collective bargaining. The numerous trade unions at Smart and Brown have been neutralised by personnel policies which integrate the union into the company structure. The bitter experience of the Courtaulds closure demonstrates the inadequacy of existing trade union structures, even at their best, to carry out effective collective bargaining in the face of the international mobility of the multinational corporations. Perhaps new frameworks are needed.

The OECD Guidelines provide some minimal standards by which to measure the conduct of multinational corporations and we have noted a number of failures to meet these standards in Spennymoor, especially by Black and Decker and Courtaulds. The OECD Guidelines are not legally operable because at this time the multinational corporations cannot be legally regulated by these standards of conduct, therefore, the guidelines are not kept.

It is a bad thing to violate these rules and actually not in the longterm interests of multinationals although they do not appear to be sensitive to that fact. However, the time for a change in multinational corporations' intransigent and often insensitive attitude towards the workers of the world is at hand.

As Paul Tharp has noted,

Fortunately or unfortunately, depending upon one's point of view, the international economic system seems to be heading rapidly for a 'showdown' on the issue of the allocation of world wealth and resources ... Given the rate of acceleration of events, some form of major economic confrontation seems inevitable within the next decade. Hopefully international law will provide a means for resolving this confrontation peacefully.⁶

He would like to see implementation of the OECD Guidelines utilised as a model for international legal regulation of multinational corporations.⁷

The solution might become international law but first the solution will have to take into account the reality of a world economy and will have to be negotiated through a new collective bargaining framework in which the multinationals see that for the maximisation of their own interests and to assure their welcome in host countries, they cannot aggravate unemployment and social problems by unilateral decisions on the subjects of production allocation and facilities development. A new framework for collective bargaining must take into consideration the reality of the centralisation of power in the multinational's home country. For instance, perhaps more negotiations should take place in that home country. The OECD Guidelines provide that the multinationals management in each host country are to have sufficient authority to negotiate meaningfully upon all points of concern to the workforce in that country. On the point of allocating production between countries, locating new facilities and closing existing facilities, it appears to be unlikely that local management in a host country or even in the home country as Spennymoor Courtaulds' closure exemplifies, can conduct meaningful negotiations with the workforce.

The OECD Guidelines are hopeful and helpful in showing the concerns and the path that the future could take. They are resolutions of good intentions. In reality no solution is likely to be imposed from above unless it caters for the interests of all concerned. There may be a reasonable amount of optimism that some multinationals may begin to see that a new framework for collective bargaining must take into consideration more people:

It is, however, by no means certain that all multinational corporations will continue to view the development of international bargaining with abhorrence. It is possible that many may come to see an advantage in entering into international

agreements since this would give them the advantage of uniform standards of employment. It may well become increasingly difficult to justify differences in pay and terms of employment when under the rules of the European Economic Community they are called upon to pursue a common pricing policy.⁸

There is a considerable amount of work going on in this field concerning formulations of new framework for collective bargaining between multinational companies and their worldwide workforces.⁹ Perhaps some of these may prove fruitful in finding a solution for the dilemma of industrial towns such as Spennymoor.

A major requirement is that of solidarity and unity among the workforces of multinationals. Some are hopeful that shop stewards' combine committees, that is, an organised network of shop steward committees nationally and internationally in the different plant locations of a multinational company, will provide a more effective framework for dealing with global corporations. It could also result in a radical transformation in the structure of British trade unionism. A convenor at one Vickers plant illuminated these ideas by explaining that,

The combine committee is a very important development. It is the means of establishing the basis for eventual negotiations with head office about all major issues. It could have the ability to gather a wide range of facts from the various plants which could be invaluable in negotiations. But it will have to be highly organised to combat the policy decisions of multinational companies.¹⁰

He has highlighted the necessary formula for attempting to gain parity with the multinational companies: a universally well-informed and organised workforce united in their aims of negotiation in order to bargain collectively from a position of power.

We can only deplore the current state of affairs which has in effect recreated a work arena where the employer, if a multinational, is able to

operate from a powerful position in what is a defacto laissez-faire state due to the limited applicability of one country's law in another. Thus, there is at this time no effective regulation of the multinational employers' decisions to cut back production or move to areas where labour is cheaper. There is no balance of power; all power emanates from the multinational employer. Hopefully, restitution of this situation will provide the workers of the world with a more equitable position and, what is most important of all, control of their jobs.

Introduction - Endnotes

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2. Margaret Stacey's description of the relationship between social class and geography in Banbury applies equally to the Spennymoor class dichotomy. See Tradition and Change: A Study of Banbury (London, 1960), pp. 20-21.
3. Margaret Stacey, Methods of Social Research (Oxford, 1969), p. 80.
4. C. Selltitz, M. Jahoda, M. Deutsch, S.W. Cook, Research Methods in Social Relations (Great Britain, 1959), p. 262.
5. M. I. A. Bulmer, The Study of Spennymoor, Rowntree Advisory Committee, Paper Q3 (Durham, 1970).
6. Alan Townsend and Clive Taylor, "Sense of Place and Local Identity in North-East England", North-East Area Study, Working Papers No. 4 (University of Durham, 1974) or see C. C. Taylor and A. R. Townsend, "The Local 'Sense of Place' as evidenced in North-East England", in Urban Studies (University of Glasgow, 1976), Vol. 13, pp. 133-146; and A. Townsend and C. Taylor, "Regional Culture and Identity in Industrialised Societies: The Case of North-East England", in Regional Studies (Great Britain, 1975), Vol. 9, pp. 379-393.
7. Stacey, op. cit. (above, Note 3), p. 4.

Chapter 1 - Endnotes

1. "The United Nations and most scholars in the Third World countries prefer the term transnational corporation or enterprise. Their point of view is that the term "multinational" should be reserved for companies which are truly owned and managed by persons or other legal entities from several countries. Most big international companies do not fit this definition at this time." Paul Tharp, "Transnational Enterprises and International Regulation: A Survey of Various Approaches in International Organizations", International Organization, Volume 30, Number 1 (1976), p. 47.
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9. Ibid., p. 121.
10. Ibid., p. 125.
11. Charles P. Kindleberger, "Size of Firm and Size of Nation", in Economic Analysis and the multinational Enterprise, Ed. John H. Dunning (London, 1974), p. 354.

Chapter 1 - Endnotes (cont...)

12. Organisation for Economic Cooperation and Development (OECD), International Investment Guidelines for Multinational Enterprises, Cmnd. 6525 (1976), p.1. (See Appendix II, p.215).
13. Ibid., p. 4.
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19. Ibid., pp.96-97.
20. Christopher Tugendhat, The Multinationals (London, 1971), p.169.
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22. Arthur Marsh, Industrial Relations in Engineering (London, 1965), p. 9.
23. Report of the Committee of Inquiry on Industrial Democracy, Chairman Lord Bullock (London, 1977), p.11.
24. Ibid., p.19.
25. Ibid., p. 22.
26. Ibid., p. 23.
27. Royal Commission on Trade Unions and Employers' Associations, 1965-1968, Chairman Lord Donovan (London, 1968), p.12.
28. Hugh Armstrong Clegg, The System of Industrial Relations in Great Britain (Oxford, 1976), pp.343-344.

29. Richard K. Brown, "From Donovan to where? Interpretations of industrial relations in Britain since 1968", The British Journal of Sociology, Volume XXIX, No. 4 (December, 1978), p. 441.
30. Richard Hyman, "Comment on From Donovan to where?" The British Journal of Sociology, Volume XXIX, No. 4 (December, 1978), p. 462.
31. Note discussion of this in Charles Levinson's International Trade Unionism cited above, the chapter entitled "The Trade Unions' Structural and Organisational Response", p. 500. See also The Workers' Report on Vickers by Huw Beynon and Hilary Wainwright (London, 1979).

Chapter 2 - Endnotes

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2. Ibid., p. 10.
3. J. R. Atkinson, Written Analysis, County Development Plan,
County Council of Durham (Durham, 1969), p. 2.
4. See "Or Place of Shingle-Huts?", Letter to the Editor of The Northern Echo
(Undated), inserted in edition of John Reavley's book (cited above) in
University Library, Palace Green, Durham.
5. James J. Dodd, The History of the Urban District of Spennymoor,
(Spennymoor, 1899), p. 5.
6. Spennymoor Urban District Souvenir Official Guide, (1973 Edition), p. 17.
7. Reavley, op. cit., p. 8.
8. M. I. A. Bulmer, The Study of Spennymoor, Rowntree Advisory Committee,
Paper Q3 (Durham, 1970), p. 230.
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10. Ibid., p. 7.
11. Bulmer, op. cit., pp. 92-93.
12. The strong commitment to staying in Spennymoor was a dominant and recurring
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Attachment" to area (pp. 22-25) by Alan R. Townsend and Clive C. Taylor,
in "Sense of Place and Local Identity in North-East England", North-East
Area Study, Working Papers No. 4 (University of Durham, 1974), that the
Spennymoor respondents scored the highest of four groups in considering the
area where they lived as their "real home", the place where they really
belong (86 per cent), whereas only 13 per cent said it was just a place to live
and 1 per cent gave another answer (p. 23).

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Some townspeople feel the present problem of High Street may be the result of an "external" plot by a national corporation which may have falsely represented the High Street Plan in order to eventually be able to move in and take over the town's commercial centre.
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Appendix I

The following questions were used to gather data for this research project:

Category I: Townspeople who worked in the factories and lived in Spennymoor.

1. What 'positions' have you held in the community - background, education, etc?
 - (a) How did you feel after your training program for your first job?
 - (b) What was your reaction to your training program?
 - (c) Do you feel that it was adequate?
2. How do you think you have changed as a result of working at _____?
3. Do you feel you have a voice in the company?
4. How secure do you think the managers are in their job?
5. Do you feel that your job is secure?
6. (a) Are older employees secure?
 - (b) Have you ever known of any being sacked?
7. Are opportunities for advancement by you available?
8. Do you feel that there is much competition within the (plant or management) structure at _____ for promotions?
9. (a) What perquisites, incentives and bonuses are provided?
 - (b) Do you believe these are equal to, less than or greater than the norm for British companies?
10. (a) Do you feel the practices and policies of _____ differ from what you know about other companies?
 - (b) How?
11. What policies have been formulated concerning female employees?
12. To what extent have women advanced in job positions?

13. Are you satisfied with the situation here as it exists for female employees?
14. Are most management decisions made at the plant site or referred to some other location?
15. To what extent do the managers travel on business in Great Britain and abroad?
16. What is the company's attitude and policy towards unions?
17. How has _____ tried to make its presence felt in the community of Spennymoor and to what extent?
18. Other than providing employment has _____ made contributions to the community?
19. What major changes have been made in the community during your life here?
20. Do you think these changes are for good or bad, generally?
21. In general, what do you think of the changes made from the mining life to factory life?
22. Is the employment structure of the community as stable as it was at an earlier period?
23. (a) All things considered, do you prefer: mining or multinational industry? Why?
(b) All things considered, do you prefer: multinational or local industry? Why?
24. (a) Have many people left _____ for employment elsewhere?
(b) Why do you think most of the people left who have?
25. Do you think _____ has local shareholders in its stock?
26. Do many employees use their option to buy _____ stock?

27. Do you feel that you belong to a national company?
28. Do you feel that you belong to a worldwide company?
29. Do you know where the products which you produce go?
30. How large do you think _____ is?
31. Where are other plants located?
32. Do you feel that the management decisions are British, internationally or American oriented?
33. In general, do you feel differently about the rest of the world from before you were employed at _____?
34. (a) Are there any benefits or advantages in working for _____?
(b) Are there any disadvantages?

Category 2: Made up of non-factory workers who were Spennymoor residents and who had contributed in some significant way to the community; also, people who did not live in Spennymoor but whose livelihood was directly or indirectly connected to the town.

- C1. What positions have you held in the community?
- C2. Do you remember when _____ came?
- C3. What decisions were involved?
- C4. Did you have any specific involvement in it?
- C5. What contact did you have with the company at the time of the decision that _____ would come to Spennymoor?
- C6. Since their arrival, what contact have you had with the company?
- C7. Do you think the Council should have any influence over what a company does after it comes?
- C8. How responsive are they to the people in the area? To the Community? To employees?

- C9. Other than providing employment, has _____ made contributions to the community?
- C10. Do you think others believe the _____ company to be beneficial to the community?
- C11. Concerning _____ employees, do you think they are adequately involved in the community? What civic groups do they tend to belong to? Churches? Political parties? School activities? Cultural activities? Sporting activities?
- C12. Do you think _____ differs from the other companies in Spennymoor? If you do, in what way(s)?
- C13. Do you think if _____ as a British company? Does it differ from what you expect of a British company?
- C14. When did you become aware of the fact that it is a multinational company with its parent company in the States?
- C15. Have you ever had occasion to visit the _____ plant?
- C16. Do you think people employed by _____ earn more or less than those employed by other companies?
- C17. Are most management decisions made at the plant site or referred to some other location?
- C18. To what extent do the managers travel on business in Great Britain and abroad?
- C19. (a) Are there any benefits or advantages in working for _____ ?
(b) Are there any disadvantages ?
- C20. Do you know what is manufactured at the plants?
- C21. What are the company's attitudes and policies towards unions?
- C22. How large do you think _____ company is?

- C23. What major changes have been made in the community during your life here?
- C24. In general, what do you think of the changes made from the mining life to factory life?
- C25. Do you think these changes are for good or bad, generally?
- C26. Is the employment structure as stable as it was at an earlier period?
- C27. All things considered, do you prefer:
- (a) mining or multinational industry? Why?
 - (b) multinational or local industry? Why?
- C28. How has _____ company tried to make its presence felt in the community and to what extent?

Category 3: Managers of the three multinational companies in Spennymoor, none of whom lived in the town.

- F1. Why did you choose Spennymoor for this plant location?
- F2. Did company officials see the film about Spennymoor?
- F3. (a) Was it mainly the Government program of incentives which drew you here?
- (b) What decisions were involved?
- (c) Number of employees? Percentage of males and females?
- F4. (a) First recruitment policy?
- (b) Has your recruitment policy changed?
- F5. Have you been happy with the work force here?
- F6. What difficulties have you had to confront with workers here?
- F7. How good has the company's growth rate been here?
- F8. How does your shift system work?
- F9. (a) What type of job training is used for management courses at institutes in the area?

- F9. (b) What type of job training is used for foremen and supervisors?
How are they selected?
- (c) What type of job training is used for plant workers?
- (d) Do you feel these training programmes differ from other
British companies? If yes, how?
- F10. (a) What have been the advantages of locating in Spennymoor?
- (b) What have been the disadvantages of locating in Spennymoor?
- F11. (a) Is your management mainly from the North East?
- (b) Is the movement of managers confined to the United
Kingdom or does it extend abroad?
- (c) How many management employees come from outside of the
United Kingdom?
- (d) Do you ever have outside consultants?
- F12. What do you consider to be your main problems with public relations
here?
- F13. Does your company set projected goals to be reached within a
certain time period?
- F14. (a) What is the company's policy vis à vis community involvement
and contributions?
- (b) How has your company tried to make its presence felt in
the community and to what extent?
- F15. Do you think your company differs from the other companies in
Spennymoor? If yes, in what way(s)?
- F16. (a) What is manufactured here?
- (b) How is it manufactured?

F17. At what point of technological development are these methods of manufacturing considered to be?

F18. (a) Working hours? Days?

(b) Payment policy (more or less than elsewhere in Great Britain)?

(c) Benefits; bonuses?

(d) Sickness leave?

(e) Vacation time?

F19. Types of jobs?

Appendix II

Annex to the Declaration of 21st June 1976 by Governments of OECD Member Countries on International Investment and Multinational Enterprises

GUIDELINES FOR MULTINATIONAL ENTERPRISES

1. Multinational enterprises now play an important part in the economies of Member countries and in international economic relations, which is of increasing interest to governments. Through international direct investment, such enterprises can bring substantial benefits to home and host countries by contributing to the efficient utilisation of capital, technology and human resources between countries and can thus fulfil an important role in the promotion of economic and social welfare. But the advances made by multinational enterprises in organising their operations beyond the national framework may lead to abuse of concentrations of economic power and to conflicts with national policy objectives. In addition, the complexity of these multinational enterprises and the difficulty of clearly perceiving their diverse structures, operations and policies sometimes give rise to concern.
2. The common aim of the Member countries is to encourage the positive contributions which multinational enterprises can make to economic and social progress and to minimise and resolve the difficulties to which their various operations may give rise. In view of the transnational structure of such enterprises, this aim will be furthered by co-operation among the OECD countries where the headquarters of most of the multinational enterprises are established and which are the location of a substantial part of their operations. The guidelines set out hereafter are designed to assist in the achievement of this common aim and to contribute to improving the foreign investment climate.

3. Since the operations of multinational enterprises extend throughout the world, including countries that are not Members of the Organisation, international co-operation in this field should extend to all States. Member countries will give their full support to efforts undertaken in co-operation with non-Member countries, and in particular with developing countries, with a view to improving the welfare and living standards of all people both by encouraging the positive contributions which multinational enterprises can make and by minimising and resolving the problems which may arise in connection with their activities.
4. Within the Organisation, the programme of co-operation to attain these ends will be a continuing, pragmatic and balanced one. It comes within the general aims of the Convention on the Organisation for Economic Co-operation and Development (OECD) and makes full use of the various specialised bodies of the Organisation, whose terms of reference already cover many aspects of the role of multinational enterprises, notably in matters of international trade and payments, competition, taxation, manpower, industrial development, science and technology. In these bodies, work is being carried out on the identification of issues, the improvement of relevant qualitative and statistical information and the elaboration of proposals for action designed to strengthen inter-governmental co-operation. In some of these areas procedures already exist through which issues related to the operations of multinational enterprises can be taken up. This work could result in the conclusion of further and complementary agreements and arrangements between governments.
5. The initial phase of the co-operation programme is composed of a Declaration and three Decisions promulgated simultaneously as they are complementary

and inter-connected, in respect of guidelines for multinational enterprises, national treatment for foreign-controlled enterprises and international investment incentives and disincentives.

6. The guidelines set out below are recommendations jointly addressed by Member countries to multinational enterprises operating in their territories. These guidelines, which take into account the problems which can arise because of the international structure of these enterprises, lay down standards for the activities of these enterprises in the different Member countries. Observance of the guidelines is voluntary and not legally enforceable. However, they should help to ensure that the operations of these enterprises are in harmony with national policies of the countries where they operate and to strengthen the basis of mutual confidence between enterprises and States.
7. Every State has the right to prescribe the conditions under which multinational enterprises operate within its national jurisdiction, subject to international law and to the international agreements to which it has subscribed. The entities of a multinational enterprise located in various countries are subject to the laws of these countries.
8. A precise legal definition of multinational enterprises is not required for the purposes of the guidelines. These usually comprise companies or other entities whose ownership is private, state or mixed, established in different countries and so linked that one or more of them may be able to exercise a significant influence over the activities of others and, in particular, to share knowledge and resources with the others. The degree of autonomy of each entity in relation to the others varies widely from one multinational enterprise to another, depending on the nature of the links between such entities and the fields of activity concerned. For these reasons, the guidelines are

addressed to the various entities within the multinational enterprise (parent companies and/or local entities) according to the actual distribution of responsibilities among them on the understanding that they will co-operate and provide assistance to one another as necessary to facilitate observance of the guidelines. The word 'enterprise' as used in these guidelines refers to these various entities in accordance with their responsibilities.

9. The guidelines are not aimed at introducing differences of treatment between multinational and domestic enterprises; wherever relevant they reflect good practice for all. Accordingly, multinational and domestic enterprises are subject to the same expectations in respect of their conduct wherever the guidelines are relevant to both.
10. The use of appropriate international dispute settlement mechanisms, including arbitration, should be encouraged as a means of facilitating the resolution of problems arising between enterprises and Member countries.
11. Member countries have agreed to establish appropriate review and consultation procedures concerning issues arising in respect of the guidelines. When multinational enterprises are made subject to conflicting requirements by Member countries, the governments concerned will co-operate in good faith with a view to resolving such problems either within the Committee on International Investment and multinational Enterprises established by the OECD Council on 21st January 1975 or through other mutually acceptable arrangements.

HAVING REGARD to the foregoing considerations, the Member countries set forth the following guidelines for multinational enterprises with the understanding that Member countries will fulfil their responsibilities to treat enterprises equitably and in accordance with international law and in accordance with international law and international agreements, as well as contractual obligations to which they have subscribed;

GENERAL POLICIES

Enterprises should

- (1) take fully into account established general policy objectives of Member countries in which they operate;
- (2) in particular, give due consideration to those countries' aims and priorities with regard to economic and social progress, including industrial and regional development, the protection of the environment, the creation of employment opportunities, the promotion innovation and the transfer of technology;
- (3) while observing their legal obligations concerning information, supply their entities with supplementary information the latter may need in order to meet requests by the authorities of the countries in which those entities are located for information relevant to the activities in those entities, taking into account legitimate requirements of business confidentiality;
- (4) favour close co-operation with the local community and business interests;
- (5) allow their component entities freedom to develop their activities and to exploit their competitive advantage in domestic and foreign markets, consistent with the need for specialisation and sound commercial practice;
- (6) when filling responsible posts in each country of operation, take due account of individual qualifications without discrimination as to nationality, subject to particular national requirements in this respect;
- (7) not render - and they should not be solicited or expected to render - any bribe or other improper benefit, direct or indirect, to any public servant or holder of public office;
- (8) unless legally permissible, not make contributions to candidates for public office or to political parties or other political organisations;

- (9) abstain from any improper involvement in local political activities.

DISCLOSURE OF INFORMATION

Enterprises should, having due regard to their nature and relative size in the economic context of their operations and to requirements of business confidentiality and to cost, publish in a form suited to improve public understanding, a sufficient body of factual information on the structure, activities and policies of the enterprise as a whole, as a supplement, in so far as is necessary for this purpose, to information to be disclosed under the national law of the individual countries in which they operate. To this end, they should publish within reasonable time limits, on a regular basis, but as least annually, financial statements and other pertinent information relating to the enterprise as a whole, comprising in particular:

- (i) the structure of the enterprise, showing the name and location of the parent company, its main affiliates, its percentage ownership, direct and indirect, in these affiliates, including shareholdings between them;
- (ii) the geographical areas* where operations are carried out and the principal activities carried on therein by the parent company and the main affiliates;
- (iii) the operating results and sales by geographical area and the sales in the major lines of business for the enterprise as a whole;
- (iv) significant new capital investment by geographical area and, as far as practicable, by major lines of business for the enterprise as a whole;
- (v) a statement of the sources and uses of funds by the enterprise as a whole;

* For the purposes of the guideline on disclosure of information the term 'geographical area' means groups of countries or individual countries as each enterprise determines is appropriate in its particular circumstances. While no single method of grouping is appropriate for all enterprises, or for all purposes, the factors to be considered by an enterprise would include the significance of operations carried out in individual countries or areas as well as the effects on its competitiveness, geographic proximity, economic affinity, similarities in business environments and the nature, scale and degree of inter-relationship of the enterprises' operations in the various countries.

- (vi) the average number of employees in each geographical area;
- (vii) research and development expenditure for the enterprise as a whole;
- (viii) the policies followed in respect of intra-group pricing;
- (ix) the accounting policies, including those on consolidation, observed in compiling the published information.

COMPETITION

Enterprises should while conforming to official competition rules and established policies of the countries in which they operate,

- (1) refrain from actions which would adversely affect competition in the relevant market by abusing a dominant position of market power, by means of for example,
 - (a) anti-competitive acquisitions,
 - (b) predatory behaviour toward competitors,
 - (c) unreasonable refusal to deal,
 - (d) anti-competitive abuse of industrial property rights,
 - (e) discriminatory (i. e. unreasonably differentiated) pricing and using such pricing transactions between affiliated enterprises as a means of affecting adversely competition outside these enterprises;
- (2) allow purchasers, distributors, and licensees freedom to resell, export, purchase and develop their operations consistent with law, trade conditions, the need for specialisation and sound commercial practice;
- (3) refrain from participating in or otherwise purposely strengthening the restrictive effects of international or domestic cartels or restrictive agreements which adversely affect or eliminate competition

- (3) Cont. . .
and which are not generally or specifically accepted under applicable national or international legislation;
- (4) be ready to consult and co-operate, including the provision of information with competent authorities of countries whose interests are directly affected in regard to competition issues or investigations. Provision of information should be in accordance with safeguards normally applicable in this field.

FINANCING

Enterprises should, in managing the financial and commercial operations of their activities, and especially their liquid foreign assets and liabilities, take into consideration the established objectives of the countries in which they operate regarding balance of payments and credit policies.

TAXATION

Enterprises should

- (1) upon request of the taxation authorities of the countries in which they operate, provide, in accordance with the safeguards and relevant procedures of the national laws of these countries, the information necessary to determine correctly the taxes to be assessed in connection with their operations, including relevant information concerning their operations in other countries;
- (2) refrain from making use of the particular facilities available to them, such as transfer pricing which does not conform to an arm's length standard, for modifying in ways contrary to national laws the tax base on which members of the group are assessed.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Enterprises should within the framework of law, regulations and prevailing labour relations and employment practices, in each of the countries in which they operate,

- (1) respect the right of their employees to be represented by trade unions and other bona fide organisations of employees, and engage in constructive negotiations, either individually or through employers' associations, with such employee organisations with a view to reaching agreements on employment conditions, which should include provisions for dealing with disputes arising over the interpretation of such agreements, and for ensuring mutually respected rights and responsibilities;
- (2)
 - (a) provide such facilities to representatives of the employees as may be necessary to assist in the development of effective collective agreements;
 - (b) provide to representatives of employees information which is needed for meaningful negotiations on conditions of employment;
- (3) provide to representatives of employees where this accords with local law and practice, information which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole;
- (4) observe standards of employment and industrial relations not less favourable than those observed by comparable employers in the host country;
- (5) in their operations, to the greatest extent practicable, utilise, train and prepare for upgrading members of the local labour force in

- (5) Cont...
co-operation with representatives of their employees and, where appropriate, the relevant governmental authorities;
- (6) in considering changes in their operations which would have major effects upon the livelihood of their employees, in particular in the case of the closure of an entity involving collective lay-offs or dismissals, provide reasonable notice of such changes to representatives of their employees, and where appropriate to the relevant governmental authorities and co-operate with the employee representatives and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects;
- (7) implement their employment policies including hiring, discharge, pay, promotion and training without discrimination unless selectivity in respect of employee characteristics is in furtherance of established governmental policies which specifically promote greater equality of employment opportunity;
- (8) in the context of bona fide negotiations* with representatives of employees on conditions of employment or while employees are exercising a right to organise, not threaten to utilise a capacity to transfer the whole or part of an operating unit from the country concerned in order to influence unfairly those negotiations or to hinder the exercise of a right to organise;

* Bona fide negotiations may include labour disputes as part of the process of negotiation. Whether or not labour disputes are so included will be determined by the law and prevailing employment practices of particular countries.

- (9) enable authorised representatives of their employees to conduct negotiations on collective bargaining or labour management relations issues with representatives of management who are authorised to take decisions on the matters under negotiation.

SCIENCE AND TECHNOLOGY

Enterprises should

- (1) endeavour to ensure that their activities fit satisfactorily into the scientific and technological policies and plans of the countries in which they operate, and contribute to the development of national scientific and technological capacities, including as far as appropriate the establishment and improvement in host countries of their capacity to innovate;
- (2) to the fullest extent practicable, adopt in the course of their business activities practices which permit the rapid diffusion of technologies with due regard to the protection of industrial and intellectual property rights;
- (3) when granting licences for the use of industrial property rights or when otherwise transferring technology do so on reasonable terms and conditions.

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The clippings pertain to Spennymoor's three major factories, Smart and Brown, Black and Decker, and Courtaulds detailing events in the 1960s and 1970s.

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Relevant articles from The Northern Echo:

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"Courtaulds strike hope," 8/6/71.

"... Courtaulds too," 18/6/71.

"150 strikers have no jobs - Ministry," 19/6/71.

"Textiles giant may cut outlay," 22/6/71.

"We're neutral say strike mix-up Ministry men," 22/6/71.

"Minister may set up strike inquiry," 28/7/71.

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"Union to seek key to 'white collar' deadlock," 22/10/71.

"It's over - but union loses the longest battle," 26/10/71.

"Courtaulds pay talks break up in deadlock," 20/12/71.

"Sit-in after firm suspends seven workers," 1/10/74.

"Sit-in men await top official," 5/10/74.

"Sit-in on half shift," 9/10/74.

"Textile workers end week old sit-in," 11/10/74.

"Slump hits fibres firm" 25/11/74.

"Courtauld's close down threat lifted after top level talks," 8/2/75.

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"Courtaulds offer too low for union," 9/9/75.

"Talks may end 15-week strike," 23/9/75.

"Strike ends as 'defeated' engineers vote to return," 26/9/75.

"... as council steps in over machine exodus," 24/10/75.

"Short time ends as Courtaulds land big order," 12/11/75.

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