Lucas Aerospace: the politics of the corporate plan

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(As this article went to press, an agreement between the Confederation of Shipbuilding and Engineering Unions, Lucas Industries and the Department of Industry was reached over the proposed closures at Lucas Aerospace in Liverpool and Bradford. The DoI is to provide financial aid for the construction of new factories, Lucas have promised no compulsory redundancies in the next two years and the shop stewards are to be represented in future talks to consider "a limited number of alternative products" which, if considered commercially viable, will be manufactured on Merseyside.)

In January 1976 the Lucas Aerospace Combine Shop Stewards Committee publicly unveiled its "corporate plan" based on the "right to work on socially useful products". This outlined a strategy for the company with the aim of avoiding potential redundancy by diversifying production into new, socially desirable areas. The shop stewards' corporate plan represented a novel and imaginative approach towards industrial policy and, as such, has evoked considerable enthusiasm inside and outside the trade union movement. Although rejected by Lucas management the plan has received unanimous support from the Labour Party national conference and has influenced the strategy of trade unionists in a number of other firms, including Scriggs, Parsons, GEC and Vickers.

In order to evaluate the unique features of the corporate plan it is useful first to examine the background—both of the trade union organisation which was responsible for it and of the company to which it was a response.

The Combine Committee

The Lucas Aerospace Combine Shop Stewards Committee (LACSSC) is a structure aimed at coordinating trade union activity across the 17 factories comprising Lucas Aerospace and among the 13 separate trade unions to which both white collar and blue collar workers belong. Established in 1969 the combine committee is comprised of representatives elected by the shop stewards committee at each plant within the Lucas Aerospace Division and has the objectives "to support, coordinate and initiate such steps as may be necessary to improve job security, wages and conditions of all Lucas Aerospace employees". Policies adopted by the combine are recommended for adoption to each local shop stewards committee so that ultimate endorsement rests with the individual sites and trade unions.

Company-wide combines exist in a number of the large multi-plant companies in the engineering industry. They have arisen in response to the need for effective trade union intervention at the company level but are rarely formally recognised either by the official trade union movement or by management. The degree of cooperation or conflict arising from this status varies widely among different companies and trade unions.

The advantage of such a combine organisation is that a forum is available for the shop stewards representing the entire workforce of the company to develop policies related to the company. In Lucas Aerospace, although some meetings have been held in the past between the combine committee and management, the company does not recognise LACSSC formally as a negotiating body and collective bargaining is undertaken by the individual union bargainers. LACSSC represents an important attempt to overcome divisions between the different trade unions involved in the company and to coordinate activities on a company-wide basis. Naturally it has not always been free from conflict among different sections of the workforce which is to be expected in such a wide body, but it has striven to overcome it.

Lucas Aerospace

Lucas Aerospace Ltd., is a member of the Lucas Industries group of companies, which mainly manufacture motor vehicle components. Lucas Aerospace, however, is primarily involved in the design and manufacture of aircraft systems and equipment. Its operations involve about one-fifth of the resources of the Lucas Industries group as a whole. Half of the work undertaken by Lucas Aerospace is concerned with military production, the majority of which is directly contracted for by the Ministry of Defence. Lucas Aerospace, following the absorption of a number of competitors, underwent a process of "rationalisation" during the 1970s. While its turn-

1 I would like to thank Jack Gunter, until recently vice-chairman of the Lucas Aerospace Combine Committee, for providing valuable information and assistance.
over has increased, the size of its workforce was reduced from 18,000 to about 13,000 by 1977. The company has 17 separate plants in three main locations—the Birmingham—Wolverhampton area, the London region, and the North of England. The workforce involves a wide range of skills, including technical specialists in hydraulics, pneumatics, control engineering, aerodynamics etc.

This highly technically qualified character of the workforce is a special feature of Lucas Aerospace. Another, is that the type of production undertaken is primarily small-batch precision engineering rather than mass production. This allows a wider range of production tasks to be readily undertaken. Lucas Aerospace can be seen, therefore, to possess three important characteristics—expertise, flexibility and a heavy reliance on government funds.

The emergence of the corporate plan

Two elements seem to have contributed in particular to the emergence of the corporate plan concept. Both of these arose from the crisis besetting British industry. One was the experience of the trade union movement in fighting redundancies; the other was the political strategy for industry developed by the Labour Party. The pattern of "rationisation" undertaken by Arnold Weinstock at GEC had shown how a management strategy of playing off plant against plant could only be resisted by coherent company-wide trade union action. The parallel with the 1970s development of Lucas Aerospace appeared a striking one to the shop stewards. The fight for the "right to work" at Upper Clyde Shipbuilders had shown the potential for new forms of militancy.

In a situation where such threats to jobs were likely to become more frequent due to the economic recession affecting many important industries, there was an evident need for more fundamental examination of future prospects and possible new directions for some of these industrial sectors. This trade union experience pointed to the importance of developing the capacity for more effective intervention at the company level.

The interests of the combine committee interacted with the Labour Party's industrial strategy proposed in 1974 in a politically interesting manner. The strategy, articulated by Tony Benn and Stuart Holland, placed much greater emphasis on detailed transitional policies towards the social ownership and control of British industry.

It sought to fill the gap between the traditional alternatives of either uncritically buoying up the private sector or full-scale nationalisation of major industries. The key elements of this strategy related to the extension of public control over individual companies by investment through the National Enterprise Board, and by the negotiations of compulsory "planning agreements" between government, employers and the unions with the unions being involved in drawing the agreements up. The concept of the planning agreement system was that support would only be given to firms if their longer term objectives for production were agreeable to government. This strategy did not arouse the degree of enthusiasm on the left that it merited. It was subsequently emasculated in the Labour Government's post-referendum shift to the right with the removal of Benn from the Department of Industry and the dropping of the compulsory planning agreement provisions. However, its emphasis on socially accountable company policies sparked off the idea that later came to fruition as the Lucas Aerospace corporate plan. Following a meeting with Tony Benn in November 1974 the combine committee decided that it would develop its own corporate plan to be presented to the company within the collective bargaining framework with a view to subsequent government support. This derived from, but was a significant modification of, the planning agreement concept.

Anticipatory

What emerged from the combine committee was a strategy which was anticipatory and offensive, rather than reactive and defensive. The combine committee identified a number of factors which were quite likely to affect the size of the Lucas Aerospace labour force within the foreseeable future. These included:—

(i) Possibility of cutbacks in government expenditure on military and other aerospace projects;
(ii) Projected rationalisation and expansion abroad of Lucas Aerospace;
(iii) Structural unemployment accompanying the introduction of new automated capital-intensive production systems;
(iv) Probable effects on aerospace industry of economic recession and energy crisis.

Overall, the combine committee felt that the signs pointed to further contraction. This was an attempt to forecast the future employment prospects of the company rather than wait for redundancies to be announced. Many trade unionists had found to their cost that reacting after the event was difficult, involving much haste and little chance of success. The anticipatory approach sought to identify long term trends in the industry as a basis for the workers' own evaluation of possible future events. The combine committee aimed to be more prepared than it had been when confronted with the loss of about 4,000 jobs in the period following 1971.

Offensive

The anticipation of future redundancies needed to be coupled with a positive alternative policy for
the company which the workforce could press for. Reliance on a "backs-to-the-wall" defence of existing jobs with no detailed case to justify their retention lacked credibility. In some industries, such as those concerned with military production, it could also result in the contradictory situation of trade unionists defending projects which in wider social terms they saw as undesirable. This was particularly relevant to Lucas Aerospace and the combine committee. The shop stewards welcomed the projected cuts in military expenditure in line with the national policies of most of the trade unions represented on the combine committee. However, in order to avoid being trapped into the equally contradictory position of endorsing their own redundancy, an alternative strategy of diversification into other product areas was proposed. This transformed the workers' position from a defensive to an offensive one. Two options were open—either to shift more resources into civil aerospace production or to open up new non-aerospace product areas. The combine committee's view was that many of the factors influencing the industry were likely to restrict the potential in the civil aerospace field as well. It was much less optimistic than the management in its appraisal of future possibilities for expansion in the North American and European markets. It adopted a position, therefore, which emphasised a partial, although by no means total, shift away from aerospace products and a diversification into new product areas which appeared to be socially useful. It was also anxious to encourage the use of labour-intensive production methods retaining inherited skills rather than simply allowing human labour to be replaced by machine.

**Drawing up the corporate plan**

During 1975 the corporate plan was developed taking about one year to accomplish. Questionnaires were sent out to each plant asking for information about existing production and suggestions for alternative products. Letters were also sent to about 150 outside experts requesting ideas for socially useful products. Most of the feedback came from within the company although a small number of external experts made a contribution. At Burnley a mass meeting of the workforce from the various plants was held. The result of these endeavours was a plan which outlined about 150 possible new products for the company to manufacture accompanied by about 1,000 pages of technical and economic analysis. The combine committee concentrated on 12 products in its presentation of sections of the overall plan in January 1976.

These included the following proposals:—

**Hybrid power-pack**

This power unit combines the features of both an internal combustion engine and an electric motor with the aim of securing better performance and fuel economy than the standard motor vehicle engine.

**Road-Rail vehicle**

This was developed in collaboration with North East London Polytechnic with the aim of producing a vehicle capable of utilising both road and railway track. Applications of such a vehicle in developing countries without coherent transport systems were envisaged in particular.

**Alternative energy technologies**

The development of windmills and heat pumps as energy sources of a non-polluting character, not wasting non-renewable sources, was suggested. Lucas already possesses expertise in these areas. New sectors which the company would perhaps enter included solar-power and fuel cell technology.

**Medical technologies**

Lucas already has an involvement in the manufacture of kidney dialysis units and as is well known there is an acute shortage of such machines in the National Health Service. The plan called for a significant increase in their production. New areas of medical technology drawing on existing skills and expertise included artificial limb control systems, drawing on knowledge of control-engineering, and aids for the blind, drawing on experience with automatic landing systems for aircraft.

**Braking systems**

Applications of "retarders"—braking systems used in aircraft—to road vehicles, particularly buses and coaches were seen to offer safer and more effective methods of braking.

**Telechiric machines**

Existing expertise, linked with skills in remote control, was considered to offer the possibility of applications for fire-fighting, mining and underwater devices. These would retain the need for individual skills in handling while avoiding human contact with a dangerous or unpleasant working environment.

These examples illustrate the attempt to link existing knowledge and experience to some well defined areas of social need. The proposals exhibit an interesting blend of advanced technology with products of direct relevance to the community. This avoided either the extreme of "Big Technology" for its own sake or the small-scale individualism of the "Alternative Technology" movement.

**Overcoming Divisions**

The process of drawing up the corporate plan was important in a political sense for the manner in which it challenged the traditional social role of expertise. This involved the transcending of existing social divisions in two distinct but crucially important ways:—

**Alternative Technology** movement.
1. Within the company workforce

The sectional differences between manual and mental workers play a major role in hindering the collective identity of the workforce as a whole. Not only can this restrict the potential for action on immediate economic demands but it also is a serious obstacle to developing the political unity of the working class necessary to challenge the domination of capital. Certain technical and research expertise, although a quality possessed by sections of the workforce, is seen to be directed and organised on behalf of the owners and managers of industry. This relationship often legitimates the existing structure of ownership and control. One of the key features of the development of the corporate plan was the challenging of this apparently "natural" alliance. By linking the knowledge and skills of sections of the workforce expressed as proposals for new products, with a strategy developed through the combine committee for the workforce as a whole, an alternative alliance began to be constructed. This released an enormous amount of initiative, enthusiasm and ideas which had been stilled under the existing arrangement. It was important in awakening a confidence within the workforce of its capacity to innovate and organise production which traditionally were defined as characteristics possessed solely by management. The ideological importance of such a process lies in its wider effect of encouraging a view of the working class as the leading force in society.

2. The workforce and other sections

Similar divisions also exist between the workforce and external groups (e.g., academics, experts).

In this context the combine committee contacted many people with academic, environmental or other interests asking for ideas about diversification into socially useful products. The shop stewards found the overall response disappointing. However, this was probably a reflection of how little work had been done in applying, for example, ideas of alternative technology to an industrial context. However, links were established with academics at the Open University and at the North East London Polytechnic. The latter led subsequently to the formation of an entirely novel research unit at the polytechnic—the Centre for Alternatives in Industrial and Technical Systems (CAITS)—which had the objective of promoting ideas of socially useful production as well as acting as a clearing house for work on the corporate plan. So, one of the consequences of the approach adopted was the formation of new links and relationships between scientific and technical intellectuals in the educational world with a working class organisation. Again, the political significance of such relationships in the construction of an alliance to challenge the dominance of the existing relationship between intellectuals and the capitalist class is striking.

Campaigning for the implementation of the plan

The expressed object of the corporate plan was twofold:

"Firstly, to protect our members right to work by proposing a range of alternative products on which they could become engaged in the event of further cutbacks in the aerospace industry. Secondly, to ensure that among the alternative products proposed are a number which would be socially useful to the community at large."

The combination of these two elements was a great strength of the plan, in terms of the breadth of support that it engendered, but it could also be a source of practical difficulties. How was one to couple immediate practical demands for saving jobs with a wider perspective which the committee recognised as a "fundamental challenge to many of the economic and ideological assumptions of our society"? The ambiguities that were possible as a result of this were acknowledged by the committee though not really fully resolved. The alternative products included some that appeared to be profitable according to conventional criteria as well as some that were not. The argument was for a mixture of these to be implemented. The feasibility of this seemed to rest on the extent to which government financial backing could be won. Given the existing degree of government funding for the firm it could be strongly argued that resources taken from military expenditure could be shifted to other areas of government consumption. Similarly the cost of supporting unemployed workers could be contrasted favourably with that required to support production of goods for which there was a public need. Ultimately, then, the full implementation of the plan would require political intervention by the state, for example, through some form of planning agreement. However, with the abandoning of enforceability of such agreements and the political changes in government industrial policy, the situation here was far less favourable than earlier. Even so, this still left room for possible initiatives from the company alone. The initial demands in the plan had mainly been for research and investigation of the new products as the starting point for a transition; not insistence on a total and immediate change. The economic viability of aspects of the plan had also been shown in June 1975 at Hemel Hempstead when proposed redundancies in ballscrew production had been withdrawn following market research analysis by the shop stewards which showed much greater potential than the company had indicated.

The launching of the corporate plan in January 1976 was followed by intensive discussions within
and outside of the company, over the ideas raised. The response of Lucas management which was published in May 1976 was a refusal to negotiate with the combine committee over the plan. The inclusion of the demand for the adoption of socially useful products in a wage claim put to Lucas Industries in June 1976 by national officials of TASS, on behalf of their 4,000 members in the firm, was without success.

Meetings of workers began to be arranged for the different sites within Lucas Aerospace. Following a meeting at Burnley, negotiations between shop stewards and management resulted in a commitment to a small heat pump development project. This seemed to indicate a more favourable attitude to the corporate plan by local as opposed to national management. Indeed towards the end of 1976 the Lucas Aerospace management adopted a position of non-recognition of the combine committee on the grounds that it did not form part of the official negotiating machinery within the company. This argument subsequently provided a convenient screen for management to avoid making any serious response to the plan.

As with the the drawing up of the plan, the campaign for its implementation overcame sectionalism in important ways. The meetings at individual sites again involved all sections of the workforce. However, the overall degree of involvement of the workforce is difficult to assess. Sizeable meetings were successfully held, even during a period when there was no direct threats to jobs, though probably they involved only the more active trade unionists.

The emphasis on socially useful products aroused considerable interest in the community outside the company. These links are politically very significant. It has become all too common for workers as residents and consumers to be totally divided from workers as producers. This fragmentation obstructs class unity and allows sections of workers in struggle to become isolated. The corporate plan breaks out of this divide by relating the needs of the different sections in a practical and comprehensible fashion.

Until early 1977 the threat to jobs in Lucas Aerospace remained anticipated rather than actual. In February 1977 the company informed trade union officials that there was a 20 per cent labour surplus at three sites which implied a possible 1,100 redundancies. The basis established by the corporate plan allowed an immediate response by the combine committee which rapidly held a meeting with Labour MPs to bring pressure to bear on government and the company. The government response was that it was an issue for employees and management alone. Lucas management continued its "divide and rule" strategy by refusing to discuss the plan for the company as a whole. However, the implementation of the redundancies was delayed. During 1978, however, the threat again materialised and the company announced that it planned to close the Liverpool and Bradford factories.

The existence of the plan has continued to enable the workforce to respond by arguing for a definite diversification programme. In response to the "non-recognition" approach of the company the combine committee approached the Confederation of Shipbuilding and Engineering Unions to open up further channels for negotiation. This led eventually to the formation of a CSEU working group on Lucas Aerospace. The widest support by the trade union movement for the Lucas Aerospace workers and their corporate plan is needed if the struggle is to be successful.

Wider political significance

A number of features of the Lucas Aerospace struggle stand out as political characteristics of general significance for socialist change.

The Lucas Aerospace campaign is marked by an approach based on extensive involvement and discussion by workers of their own future and that of the industry in which they work. It is an important and perhaps surprising point that, by in a sense restricting the limits of an alternative plan to a particular capitalist company, one creates the potential for a much higher degree of identification, involvement and concern among the workers in that company for an alternative that at the same time suggests a different form of social and economic organisation. The resolution of this will, of course, require intervention and political change at the level of the state. Few would seriously propose a "red-base" strategy for industry based on "socialism in one company". However, changes in state policy, even those involving extensive social ownership must be accompanied by political change on the shop-floor. Unless a workforce has the experience and interest in a different set of social priorities for its industry then it is given a purely passive role in what appears as simply a change in administration from the top. The lessons of nationalisation in the UK and of industry in some socialist countries must be borne in mind in this respect. This can only be achieved by accompanying national political initiatives with a decentralised self-activism of manual and mental workers.

The corporate plan shows how trade union activity can attempt to combine immediate practicable demands with an explicit general political perspective. The linking of employment to social needs and production priorities transcends economism in a non-utopian manner. By developing detailed and specific alternatives to be fought for immediately it enables a practical intervention to be made while pointing to the need for a different way of running things. Posing issues of social control over production links
industrial struggle to democratic, political struggle.

These are two political characteristics which are vital to a democratic transition to socialism. The spread of attempts to develop alternative plans to other industries is one of the most promising developments on the industrial front in recent years. No doubt these will vary considerably from the model established in Lucas Aerospace. The special characteristics of aerospace production involving highly skilled labour and a flexible form of production may well not exist in other industries. However, the general characteristics of the intervention initiated by the Lucas shop stewards have the possibility of diverse applications within British industry. An urgent political task is to initiate and lead such a development.