

**THE BULLOCK COMMITTEE AND THE LOW PAY  
COMMISSION: SOME REFLECTIONS  
UNIVERSITY OF WARWICK**

**29 NOVEMBER 2001**

**I. INTRODUCTION**

1. **Ladies and Gentlemen/Colleagues and Friends**

2. **Reply to Introduction**

3. **Outline**

- (a) I was, together with Jack Jones, a member of the Bullock Committee on Industrial Democracy in 1975-6, the last industrial relations commission of the previous Labour Government.
- (b) For the last four years, I have been the Chairman of the Low Pay Commission, the first industrial relations commission of the present Labour Government.
- (c) Hence I thought I might briefly:
  - (i) reflect on the differences of serving on the two commissions; and
  - (ii) draw some conclusions from these experiences about the potential of “social partnership” in industrial relations policy making.

**II. THE COMMISSIONS**

1. **Nature and Composition**

- (a) The Bullock Committee was set up in 1975 to consider how employee representatives could best be placed on the boards of British companies.
- (b) The Low Pay Commission was set up in 1997 to make recommendations on the coverage and initial level of the National Minimum Wage.

- (c) Both Commissions had nine members: three employer, three trade union, and three independent.

## 2. **The Outcome**

- (a) Bullock failed to agree. It produced:
  - (i) a majority report signed by the three trade union members and the three independents;
  - (ii) a note of dissent on certain specific points in the main report signed by one of the independents; and
  - (iii) a minority report signed by the three employers.
- (b) The report received a vitriolic reaction from business, the media, and some sections of the labour movement.
- (c) After much debate, a White Paper with compromise proposals was published. But a Bill was not introduced into the House, and Bullock was dead even before the Callaghan Government was defeated in 1979.
- (d) Unlike the Bullock Committee, the Low Pay Commission produced a unanimous report signed by all its members.
- (e) Unlike Bullock, it received a broadly favourable reception from the media, business, and the trade unions – a reaction best summed up by a headline in the Independent: “minimum wage, minimum fuss”.
- (f) All but one of the report’s twenty-four recommendations were accepted by the government; a Bill was introduced into the House; and it became law on 1 April 1999.

## 3. **Critical Success Factors**

- (a) Why was Bullock a failure and the Low Pay Commission a success? Several reasons, but I will mention only four.
- (b) *Union Solidarity*
  - (i) Worker representation on company boards presents unions with a dilemma.
    - The form of board representation most likely to give them greater influence over company policies is also that most likely to burden them with responsibilities for these policies and compromise their independence from management.

- This dilemma caused the unions to split on Bullock: the centre (e.g. TGWU, ASTMS) were in favour; the far left (e.g. the Communists) and the far right (e.g. the EEPTU and AUEW) were opposed.
- (ii) In contrast, although the unions differed on the appropriate level of the National Minimum Wage and some of the details of implementing it, they had been broadly united on the desirability of the principle of a National Minimum Wage since 1986. And the Labour Party had firmly committed itself to that principle and, when elected to government, were under considerable pressure to implement it.
- (c) *Commissioner Unanimity*
- (i) The members of the Bullock Committee did not agree: in effect, they produced two and a half reports. Their disagreement made the government's task of implementing proposals on industrial democracy harder, and its inclination to do nothing easier.
- (ii) In contrast, the members of the Low Pay Commission agreed on all their recommendations. Their unanimity not only gave the government clear guidance on what to do, it also greatly constrained the government's ability to impose its own views – which is one reason why commissioners were so keen to have a unanimous report.
- (iii) The different outcome of the two Commissions is partly explained by their different compositions. Although each had the same number of employer, union and independent members, there was an important difference.
- (iv) On the Bullock Committee, the employer and union members were of the first rank: the chairman of three major companies and arguably the two most important union leaders of the 1970s (Jack Jones and Clive Jenkins). In contrast, as Fred Bayliss critically pointed out, the employer and union members on the Low Pay Commission were not of the first rank.
- (v) But Fred missed the point. If, say, Rodney Bickerstaffe and John Edmunds had been members of the Low Pay Commission, together with leading employers, their ability to discuss the issues on their merits and to come to a common understanding would have been greatly constrained, as it was on the Bullock Committee, by the policies of the organisations which they led and which they were responsible for implementing.

(d) *Research*

- (i) Another difference between the two Commissions was the amount of research which underpinned them. In the case of Bullock, only two overseas fact-finding visits – to Germany and Sweden – and two brief research reports – by Paul Davies and the late Eric Batstone.
- (ii) In contrast, the Low Pay Commission embarked on an extensive set of fact-finding visits throughout the length and breadth of the United Kingdom which built good relationships with the relevant interest groups and provided a great deal of evidence about actual practice in low-paying sectors.
- (iii) In addition, although the Low Pay Commission, like the Bullock Committee, had to report within a year, it not only drew upon a large body of published research on low pay, it also undertook a great deal of original statistical analysis, and commissioned original research from a variety of academics, consultants, and government departments.
- (iv) The fact-finding visits, together with the other research, gave Commissioners a shared and well-informed understanding of the facts which helped them to reach a consensus. It was, as my fellow Commissioner, Willy Brown has noted, a shared and mutual education.
- (v) Indeed, it would have been difficult, if not impossible, to introduce the National Minimum Wage without this research, much of it based on the academic industrial relations tradition of institutional case studies grounded in empirical evidence. The same can be said, even more strongly, of our second and third reports.

(e) *Social Partnership*

- (i) Union solidarity, commissioner unanimity, and the quantity of research are important differences between the two Commissions, but the main difference is the nature of the topics they were required to investigate. In neither case were they asked to decide on the principle involved – that is, whether there should be employer representation on company boards or whether there should be a National Minimum Wage – but only on the details of how these principles should be implemented.
- (ii) In the case of the Low Pay Commission, the details were mainly concerned with the definition of the National Minimum Wage, its coverage, its level, and its enforcement. These are largely second-order, technical questions which, to a greater or lesser extent, could be reduced to a monetary value. And like most monetary questions, they lent themselves to negotiation, trade-offs, and compromise.

- (iii) Bullock was quite different. It was concerned fundamentally with power.
  - What proportion of employee representatives should sit on a board, whether it should be a supervisory or a management board, and whether the representatives should be drawn from trade unions or work councils are second-order questions, but they are not just technical questions.
  - They are concerned with the fundamental relationship between capital and labour – or, if you prefer, between employers and trade unions – and they do not readily lend themselves to compromise through fact-finding, research, and mediation by independents.

### **III. CONCLUSION**

1. This observation provides some guidance as to the potential of “social partnership” in industrial relations policy making in the United Kingdom.
  - (a) It probably has little potential on questions such as whether there should be a statutory requirement to recognise trade unions or, given this requirement, even what the procedural rules for recognising unions should be.
  - (b) It has much greater potential on questions such as how statutory individual rights for employees should be introduced and administered. For example, social partnership would almost certainly have made the implementation of the Working Time Directive less troublesome.
2. Even on questions concerning how statutory individual rights for employees should be introduced and administered, however, the potential for social partnership can be limited.
  - (a) Last week the ten members of the Work and Parents Taskforce submitted a unanimous report to the Government on the rights of parents of young children to request flexible working. The Government accepted our nine recommendations and will introduce legislation to implement them early in the New Year.
  - (b) Success? Yes, but the Taskforce had greater difficulty agreeing its recommendations on flexible working than the Low Pay Commission did on the National Minimum Wage.
  - (c) There were many reasons for this:
    - (i) We had only five months on the Taskforce compared with a year on the Low Pay Commission to reach a conclusion.

- (ii) The Taskforce comprised not only representatives of employers and trade unions but also those of parents groups and the EOC, and had only one independent, the Chairman. In short, it was much more factionalised than the Low Pay Commission.
  - (iii) Several members of The Taskforce lacked front-line negotiating experience.
  - (iv) But the main reason is that The Taskforce was much more concerned with questions of managerial power and, in particular, the right of managers to organise work in what they regard to be the most efficient and effective manner without having their reasons second-guessed by an employment tribunal.
3. In short, social partnership is not a panacea. It is, like arbitration, a limited-purpose tool which can be useful in dealing with specific questions that are not fundamentally concerned with the balance of power between the parties to industrial relations.