

WOMEN AND EMPLOYMENT

In its industry and employment policies the Council is giving a high priority to the needs of women for more and better jobs, improved training and higher wages. Such positive action in favour of women is urgently required to counter the ways in which government policies and management responses to the recession are reinforcing women's secondary economic position.

Government ministers have said quite explicitly that the place of the majority of women is in the home. Their cutbacks in the home-help service, in provisions for the elderly and the handicapped, in the school meals service, in the health service and in child-care facilities have meant that many women have been compelled to make their place in the home. Thus, women carry out for free the responsibilities of the welfare state.

The redundancy policies of employers in Greater London as elsewhere have further deprived many women of even a precarious foothold in the wage economy. Over 80 per cent. of part-time workers in London are women; and whenever a company is in financial trouble it is the part-time workers who are the first to be cut off the wage bill.

The introduction of new technology and the 'streamlining' of offices is also making women's labour dispensable. The reorganization of the offices of the Lombard financial house is a typical case. 193 out of 417 jobs are to go; most of the women have been given their cards, while most of the men are to be redeployed. The reorganization of office employment is one reason why women workers in the south east have been harder hit by unemployment than in any other region: between 1974 and 1980 female unemployment went up seven-fold, compared to a four-fold national rise in female unemployment. In the last three years alone the number of women in Greater London who are registered as unemployed—and many women do not register—has nearly trebled: in January 1979, 35,194 women were registered as unemployed; in January 1982, the number had shot up to 88,348.

The conditions and prospects of the majority of those women who remain in employment is also grim. The Government's cutback of training boards and further education has meant that many young women have lost their chance to reach out of the ghetto of unskilled, unfulfilling jobs in which most women find themselves. Moreover, in spite of the Equal Pay Act of 1967 women's earnings are still on average only 65 per cent. of those of men. In April 1981, men's full-time average gross weekly earnings were £140.50, while the average for women was £91.40.

In order to transform women's employment prospects, the Council is carrying out a two-pronged strategy.

- (1) As an employer and purchaser the Council is setting an example by—
 - (i) Establishing crèche facilities for its employees;
 - (ii) Carrying out a programme of positive action to overcome the effects of past discrimination against women;
 - (iii) Adopting a code of good conduct on the pay and employment conditions of homeworkers as part of its contract with suppliers;
 - (iv) Actively considering job sharing schemes (it has already introduced one job-share scheme); and
 - (v) Working towards a shorter working week and other forms of flexible working arrangements.

These policies will also apply to the Greater London Enterprise Board (GLEB).

- (2) In the preparation of its industrial strategy and manpower plan over the coming year, the Council, through the Industry and Employment Committee, will—
 - (i) Give priority to industrial sectors where there is high unemployment; this includes several sectors which employ mainly women, for example the clothing and footwear industries. Through the GLEB the Council will restructure companies within these sectors by encouraging diversification and new investment, to save existing jobs and create new jobs of a higher quality;
 - (ii) Adopt a policy of positive action towards training for women both by exerting pressures on the Manpower Services Commission and the remaining industrial training boards, and by committing resources through the Manpower Board to training schemes for women;
 - (iii) Ensure that planning agreements made by the GLEB in consultation with the unions and with the companies for which it provides funds, have special provisions to protect and further the interests of women's employment; and
 - (iv) Treat child-care and aspects of housework as an economic sector with considerable scope for labour-intensive investment. For example, the Council will consider the creation of co-operative child-care centres which will both provide new jobs for men and women and extend the opportunities available to parents of young children.

The industrial strategy and manpower plan is to be drawn up with the active involvement of trade union and community groups on a wide scale. It is to be an exercise in democratic planning. Every effort will be made to encourage and provide the necessary resources for women—both in the home and in employment—to contribute their ideas and their needs to this planning process.

KEN LIVINGSTONE, Leader of the Council

EXTRACT FROM THE AGENDA OF THE MEETING OF THE COUNCIL HELD ON 3 MAY 1983

REPORT BY THE LEADER OF THE COUNCIL

27 APRIL 1983

The following report is submitted under standing order B21 (c) and will be considered on the motion 'That the report be referred to the Industry and Employment Committee'.

27 April 1983

BRITISH TELECOM AND THE TWO NATIONS

'It remains our purpose, whenever possible, to transfer to the private sector, assets which can be better managed there'. So said Sir Geoffrey Howe in his 1982 Budget speech. The Government has made no secret of its intentions—the virtues of denationalization and privatization are widely extolled. They have been proclaimed as relevant across the range of nationalized industries from British Airways to British Gas, throughout the National Health Service and, increasingly, in the services provided by local authorities. What is not so clearly expressed is the motive behind the exercise. The aim of privatization is presented as to prune costs, to eliminate waste and to protect the public purse. This respectable, indeed, laudable, aim masks the truth. Privatization is no modest pruning tool. It is the Government's two-edged sword which threatens working people doubly—as consumers and as workers. In no case is this clearer than that of British Telecom. British Telecom is at the heart of technological developments which will shape the pattern of life for years to come. Privatization in this area can shape the two nations of the twenty-first century, according to the vision of the dominant one of them—the owners and managers of capital.

Privatization will disfranchise the already disadvantaged consumer in a world which increasingly centres on communication technologies, because it is the business subscribers who bring the promise of profits, not the pensioner living alone to whom a telephone can be a lifeline. Experience of services already privatized emphasizes this—'unproductive', unprofitable services soon wither away.

To the workforce of privatized enterprise the threat is more insidious. Monetarism has failed to operate as an instrument of discipline in the public sector with the same effectiveness it has shown towards private industry. The public sector unions who have resisted government cuts so strenuously represent a threat and they must therefore be broken. Privatization and its precursors are the means to fragment organized labour, cut wages and casualize employment.

British Telecom is currently responsible for services that must remain under democratic control. The telecommunications network is a precious resource that provides a vital, confidential service that could be too easily abused should it be allowed to fall into the hands of private companies.

Viewed in this context of the Government's true objectives, the threat to British Telecom is an instructive case study and one that demands a response from the Council on behalf of those Londoners whose future expectations as consumers and workers will be prejudiced by privatization.

Privatization would be the final, legislative step along a road on which British Telecom has already set out. Over a number of years, and rapidly since the Telecommunications Act—1981, a national publicly-owned service corporation has been turned into a business aimed at profitability. Privatization—selling the business to private owners—would be the logical completion of this exercise, allowing profits to accrue directly to shareholders as well as concentrating on services to those sectional interests which already dominate what is supposedly a *public* service. To float an estimated £5,000 million worth of stock (de Zoete and Bevan, Stockbrokers, recently valued British Telecom at this figure—Society of Telecom Executives—22 April 1983) on the market would cause a great deal of disruption. Investment capital would be in short supply which could quite easily force up interest rates. This process would directly cut across any current attempts to re-invest in British industry.

Privatization will remain a more costly service for the subscriber. Of British Telecom's operating capital of about £150,000 million, only £3,500 million is at present interest-bearing. The rest is the customers' title, which is being sold off and will have to make a dividend for private investors. The subscribers to the service will have to meet this dividend in increased charges.

British Telecom has spent large amounts of money on research and development of new machinery and services. Very often it has paid other companies to undertake this function for it. The removal of this investment in the future would not only mean that the development of new systems in this country would come to an end but that many workers in the telecommunications manufacturing industry would be made redundant.

Privatization is purely a class issue—a matter of transferring power, wealth and resources to owners and managers of capital and thus holding off any claims that working people might seek to impose on the direction of the corporation's development. Financially, British Telecom could be as profitable—or more so, if we see dividends to shareholders as a drain on internal cash flows—if it remained a wholly state-owned corporation. Capital investment in British Telecom is funded from current revenue, which implies that current users have a moral right to control it. Even allowing for the fact that the dominant users are inevitably businesses, not individual working people, a privately owned British Telecom, in which users only have power as the market, would be less democratic and certainly less accountable. In pressing for privatization the present Government is not concerned overall with morality. It is concerned with class power, and the privatization of British Telecom would crown an edifice of legal and managerial structures which seriously undermine the powers of working people as both users of and workers in this public service.

The Government has chosen to make privatization of British Telecom an election issue: if the current privatization bill is passed it will be held over until after the election to be implemented. In these terms the issue is plain.

Privatization of British Telecom is against the interests of working people—in jobs and in service. It challenges the basis of the Council's economic policy. Privatization must be opposed. The privatization of British Telecom is a test case, for a whole style of anti-working class politics. To London's 85,000 Telecom workers (55,000 in the London region and a further 35,000 headquarters staff) and 2½ million residential subscribers, this is a major issue: domestic subscribers will lose money and services to business users, and the workers will lose 10-15,000 of all jobs over five years. This is the danger inherent in existing trends. It is certain if privatization goes through.

Privatization must not go through.

Liberalization: the customer or the profit

Before privatization came liberalization—breaking most of the trading monopolies traditionally enjoyed by the national state telecom corporation. There is a level at which part of this action—accomplished in the 1981 Telecommunications Act—was necessary and desirable. This is expressed in the rhetoric of turning British Telecom's face 'outwards, to face the customer'. This would be a real advance, if British Telecom's real majority customers—domestic subscribers—were actually faced and their actual needs addressed in the strategy of British Telecom. But this is not the effect, nor the intent of Telecom's liberalization. The intent was to force British Telecom to face the market, and the market is dominated by highly aggressive profit-based sellers and profit-based buyers—business users. Liberalization is not a move towards real people's needs, but a radical turn towards destroying the idea of public service and entrenching the power of money over people.

'Customer choice', promised by 'liberalization', is not the main issue even though there can be some advantages to individual households. The issue is the power that people and organizations with money have got, in preventing access to the service by the widest possible sections of the community. This power is especially that of corporate spenders. The Telecommunications Act was passed with a minimum of trade union opposition; the six Telecom unions are now opposing the sequel. But 'liberalization', like privatization, is an issue of class politics. This shows strongly when we look at the profit-based structure which now exists in post-liberalization British Telecom.

The damage already done—profit centres and area reorganization

Telecommunications and computing, currently converging into a single industrial sector, is a central arena of capitalist restructuring, and it is in this context that the significance of British Telecom's reorganization begins to be clear. The 'liberalization' of telecom—that is, opening British Telecom to the full force of international competition—provided an excuse for a strict division of the nationally-owned corporation into profitable and unprofitable units. British Telecom now operates as a system of 'profit centres' competing one with another. The main aspects of British Telecom's post-liberalization and reorganization are:

- (1) Whole sections of work singled out as 'unproductive' (equating in meaning to unprofitable) and therefore liable, under British Telecom's new standards of performance, to be axed. A prime example of this is in the services provided by operators to callers, for example, directory enquiries. Another case is maintenance and installation of telephones in people's homes, where levels of service are bound to decline and costs arise. Higher charges, reduced services and job cuts will flow in due course, in these and other 'unproductive' areas. Meanwhile sales and service to business subscribers will increase provided that British Telecom can cut its costs to match competition. Installing computerized phone systems for offices is one area of 'productive' work (needing hardly any skill, thanks to 'advances' in technology). Running networks for fast, secure, inter-city transmission of voice and data between business is the most 'productive' area of all, but the new profit-centred organization of British Telecom does not allow profit from this area to subsidize services to people's homes.

(2) British Telecom is in the rush to sell new services down the phone line, or through cable links. The plug-in highly styled telephone chosen from a growing variety on offer, is the thin end of a wedge which British Telecom—like other corporations—hopes will become a major new market comprising sales of hardware and value added services.

(3) Because the corporation is state-owned, for changes in British Telecom to serve fully the accumulation of private capital the 'productive' parts of the corporation must be sold to private owners. The 'unproductive' parts are then in line for cuts, back to an unavoidable minimum, using traditional tactics of intensified work, rationalization, and investment in new technology (eg, System X Switching systems).

(4) It is important to recognize how much damage has already been done. The criterion of public service—providing jobs and services to meet directly the population's needs—has been driven out by the criterion of profitability. This is a policy which the Council, with its own economic policy of protecting jobs, skills and services, cannot endorse.

(5) The demolition of public service as a principle has been taken through rapidly into practice. British Telecom now is reorganizing all work within telephone areas according to profit standards, and a comprehensive system of management accounting is operating, designed to enforce these retrograde standards. These are real effects which will continue to work through in numbers of jobs, pay, conditions and services whether the privatization bill becomes law or not. Their effect—and their intent—is to force market discipline into every operation of the national telecommunications corporation, thus tending to drive out policies and practices based on social criteria, and protection of people who do not have any real power in the market—the old, the chronically ill or disabled, a growing proportion of working class people, including the unemployed and those trapped in poverty by low wages and regressive social security policies. This is one of monetarism's legacies to the working people of Britain.

(6) It is important to recognize that this strategy is not just economic, in the sense of being 'merely' to do with creating conditions for profitable operation of telecoms companies. It is also a political strategy—but not simply because it involves a powerful stream of deeply conservative and Victorian ideology—profits, competitiveness, private ownership, 'paying your way'. This reorganization of British Telecom is a deliberate and thorough attack on the bargaining strength and trade union organization of a not normally militant but potentially powerful section of public sector employees servicing a vital national infrastructure.

(7) If the privatization bill becomes law then the fragmentation of British Telecom workers' organizations will take a radical form—they may find themselves working for a range of different employers and so would have different wages and conditions, and would either serve different markets or compete in the same market and would be open to legal provisions against secondary picketing in industrial action. No union organization can be expected to deal well with a blow like this, and the workers' conditions and pay, which because of present national negotiating systems are generally quite good, will inevitably suffer. Even where expanding markets exist and pay rates might therefore remain high or increase, very aggressive international competition (eg in sales of terminal equipment to business) and competition from under-unionized sub-contractors with fewer overheads (eg, in laying optical fibre cable) would tend to lead to labour shedding.

(8) The division of British Telecom into profit centres—and the follow-through from this into area reorganization of management structures and (in some areas) job contents—is a textbook illustration of the strategy put forward by the Institute of Directors of breaking the power of the trade union movement. The Institute's report argues that further Tebbit-style legislation is not at present the main priority. Instead, the public sector unions should be deliberately put under pressures which will fragment their organization and allow existing legislation to pick off in small groups any workers engaged in serious industrial action. According to the report, public sector unions are dangerous because they have 'bargaining monopolies'—that is, they represent many members nationally, in a unified organization. These monopolies must be broken, and the recommended means for this is 'a massive programme of privatization'. Again, British Telecom is the test case.

(9) Large scale redundancies cannot be far away, once the new management structures and profit accounting systems have been in operation for a few more months. Existing redundancy agreements are unlikely to hold in a post-liberalization commercial environment. Growing markets (which exist only in some areas of business, such as the national network services, where Project Mercury, British Telecom's only private sector competitor to date offers weak competition) can in many cases be potentially offset by labour-saving electronic technologies which dispense with many demands on labour among construction engineers, maintenance engineers, exchange operators and clerical staff. Hardly any workers will be significantly better off in the post-liberalization British Telecom, and especially among non-managerial grades the prospects of most employees in pay and security of employment are declining.

(10) British Telecom workers' pay and security of employment is an issue of obvious relevance to the GLC's economic policy, given the size of this employment sector in London. The strategic importance of the telecoms network, as a key growth point in each development and as the site of an anti-trade union political strategy, merely underlines the urgency for the Council to take a definite line on development in British Telecom.

London and Jobs

London differs from most locations, including other cities, in the effects of existing and proposed changes. The natural tendency of the present British Telecom is two-fold: on one hand, selectively to favour the development of business (capital) goods and services over domestic goods and services in restructuring the economy for renewed accumulation, and on the other hand, where expansion of domestic markets can be profitable, selectively to favour households where there is spare income and where support from state services is least needed. This implies a potential aggravation of the already serious differentials of poverty and affluence visible for example between east and west inner London.

It also implies a cushioning of the effects on some of London's Telecom workers because of the intense concentrations of 'productive' work in the City. Although not 'productive', the concentration of government offices in Westminster is also not likely to lead quite so rapidly to early cuts in levels of traffic and services. However, some areas of outer London are much more similar to typical provincial telephone areas, and share their susceptibility to cutbacks in investment and services. As with other aspects of the Council's economic policy, these variations make it difficult effectively to defend, let alone create, new jobs in London. No single policy will bring greater control by the Council and London workers over the future of their city's prospects.

Nationally, British Telecom employs about a quarter of a million workers, almost a third of them—around 55,000—in the London telephone region and a further 30,000 in the headquarters. (The region is slightly larger than Greater London.) The largest section of the workforce is in the engineering grades, which lay cable, install phones and private exchanges, supervise the construction of exchanges and maintain them. Workers in these grades are almost entirely men, represented by the Post Office Engineering Union (POEU). The two major clerical unions, the Civil and Public Servants Association and the Society of Civil and Public Servants have 15,000 members between them most of whom are women. The Union of Communication Workers (UCW) represents about 10,000 telephone operators, telegraphists, caretakers and cleaners, the UCW the majority of them women telephone operators and telegraphists. In all there are six unions representing British Telecom employees, working together through the British Telecom Union Committee (BTUC). Labour relations in British Telecom are characterized by a highly centralized, if often slow and bureaucratic, system of negotiations, and national agreements over pay, work practices, staffing levels and technical standards.

Privatization and 'liberalization' are not the only movements affecting British Telecom workers' work and job prospects. 'Modernization' is an issue which has a longer history and is tied into the present restructuring. To date employment levels in engineering have not been seriously affected by the updating of technology, but telephone operators were badly hit by the introduction of (Subscriber Trunk Dialling (STD)) and this year 400 telegraphists were made redundant in London as a direct result of new technological systems. The present wave of innovations will have a more serious and general effect, partly because of the commercial climate in British Telecom and partly because of the designed impact of the equipment and techniques. De-skilling, regrading, automation-reduced maintenance and increased management information and control are all direct implications of 'modernization'.

Sub-contracting is one form of privatization which is spreading over the public sector, as in hospital laundries or local government refuse disposal. In British Telecom, as in large corporations generally, there are many areas of work in which cost-cutting managers could consider sub-contracting: cleaning, catering, even—especially with new generations of electronic equipment—maintenance of exchanges. This would result in a loss of direct jobs in British Telecom. The strategy is not yet widely adopted but under present conditions it is almost certain to come into its own (although smaller scale building projects have been sub-contracted for some time). The jobs created in sub-contracting firms would be fewer in number and conditions of employment generally far worse.

London is the location of many of the office jobs connected with the 'productive' operations of British Telecom—National Network Services (NNS) and British Telecom Enterprises (BTE). Workers in these areas, and also in international switching centres and the British Telecom head office itself, are already under heavy pressure. Nevertheless it is unlikely that office jobs in British Telecom will escape the general movement against overheads which is beginning to be visible in London employment, in part made possible by the new telecommunications technology being sold so avidly by NNS and BTE.

Middle managers in British Telecom generally are said to be raring to go, full of enthusiasm for casting every operation in profit terms, for cutting costs rather than considering (non-financial) benefits. On the other hand many of British Telecom's older middle managers are likely to be 'beached whales'—unfitted to the new style of management and too numerous to be 'productive'—so they themselves will be victims of a senior managers' shake-out.

Detailed relevant statistics are unavailable on employment trends in London. It is possible, however, to make order-of-magnitude estimates, taking into account the general tendencies outlined above. A national figure of 45,000 job losses was scrupulously not repudiated by British Telecom's chairman, Mr Jefferson. Applied to London's employment and roughly adjusted for London's unique mix of work and markets, this gives a possible range of 10-15,000 jobs at risk in London (probably towards the higher end of that range). As another estimate, 25 per cent. job losses over five years would not be surprising under present conditions (under privatization this would rise): this implies nearer 20,000 British Telecom jobs at risk, and more if there is another term of monetarist government.

Privatization will not only mean more expensive domestic services, as subscribers will be financing the dividends paid to shareholders, but it will have a serious effect on the quality of services available from the telecommunications network. The scenario which follows is all too credible. Many of the non profit-making but essential elements of the services, those that people have come to rely upon, will be weeded out to maintain profit margins. Already the residential connection charge is only £10 below that for a business subscriber and privatization will rule out forever the chance for those 25 per cent. of homes without a telephone to acquire one. Furthermore, subscribers will be expected to carry out an increasing proportion of the installation work of the telephones in their homes. 'Do-it-yourself' extension telephone kits are already on the market and will no doubt be promoted vigorously. Not only will the maintenance of instruments be charged separately but customers will have to take their phones into a shop or depot in order to get them repaired—taking up their own time and incurring travelling expenses. Directory enquiries, a labour-intensified but crucial part of the present system would be priced beyond the reach of domestic consumers and ultimately axed by the private companies.

Non profit-making telephone kiosks would be reduced leaving large sections of the community without easy access to the emergency services. Despite Government promises even the emergency services themselves—999 calls—could be at risk. At the very least private companies may seek to shift the burden of emergency services to the local authorities (e.g. via the police) placing yet another burden on the local rates.

This tendency to make the facilities offered by the service only available to an increasingly smaller more affluent section of the community is further highlighted by the major investment that is being undertaken in providing the new cable network. Once again the pattern is emerging of the range of functions that will only be available to those who can afford to pay their relatively high costs.

Where should the Council stand?

As has been stressed above the telecommunications network is at a watershed.

Privatization, 'liberalization', and the introduction of new technologies are all leading the way to greatly reduced services, employing many fewer people, yet at greatly increased costs for subscribers. The subsequent reduction of workers' pay and bargaining power, and influence by users and workers over the future of the network are all problems that will be increased for workers if these developments are allowed to continue. Private undemocratic control of the industry is the political tool that is being used to make all of this possible.

It is in the interests of everybody in London that the telephone system is as widely available as possible and continues to make its present important contribution to the City's economy, both in terms of jobs and services. Its potential has scarcely been touched as a means of helping the most disadvantaged—the elderly and disabled. Trade unions in the industry are mounting campaigns that highlight these points to start a process of public debate that will make these developments politically attractive.

The Council must help in this work to establish:—

- (1) The restoration of the network monopoly under national and local democratic control in the interests of jobs, skills and public services;
- (2) The closest possible working links between the trade unions in both the private and public sectors of the industry and the users of the service; and
- (3) The widest possible public debate about the implications of these developments for the industry.

Restoration of the monopolies

There is no question that this is an extremely difficult task which, even under a sympathetic government, might be difficult to complete. The crucial monopoly, however, is the operation and ownership of the network itself, and the weak showing of Project Mercury leaves this—at present—substantially intact. The Council must explore all the possible ways of ensuring the maintenance of the monopolies and it is proposed that the Industry and Employment Committee be asked to draw up proposals as to action the Council can take to further this important task.

Supporting and developing working links

As in any activity aimed at preserving and developing jobs and services it is vitally important that all

the interested parties are able to work together as closely as possible. The Council is committed to supporting this process wherever possible.

The programme of 'popular planning' work being carried out by the Council's officers is directed towards the development of new forms of workplace participation. The central role of telecommunications in determining power relations in society gives a strategic significance to popular planning in and around British Telecom, whether or not privatization succeeds. Working people, organized together in research and action, are the necessary basis of an anti-market strategy, that highlights the need to reorganize all parts of industry in the interest of people rather than private profit.

In supporting the principle of closer working links to oppose the attacks implicit in the current reorganization of British Telecom, the Council must do whatever it can. Already a programme of joint workshops with the Trades Union Congress now being arranged by the Popular Planning Unit and the Council's officers have undertaken to hold at an early date a number of workshop sessions involving London members of all the Telecom's unions. Whatever else the Council can do—even if only offering meeting rooms—it must do. Again the Industry and Employment Committee should be asked to look at all possibilities.

Developing the public debate

The implications of the proposed reorganization of the Telecom industry are of great significance to everyone. They will affect how we all can live in the future and should therefore be subject to the widest possible public discussion. The Council is well placed to promote this debate throughout London.

Officers of the Council have developed two packs of educational materials, on modernization and reorganization in British Telecom, and on the cultural and employment implications of cable television. These will be available in May and June respectively, for purchase and hire by trades union branches, community organizations, Adult Education Institutions, trades councils, constituency political parties, shop steward committees and similar groups. The Telecom materials are designed for use in large or small group discussions and are available from the Popular Planning Unit.

I propose that the Council asks the Industry and Employment Committee to investigate all the possible ways to promote this public debate that will build on the work currently being undertaken. Public inquiries with trade unions and community organizations presenting evidence about the implications of these changes could lead on to the development of a plan to make sure the telecommunications network keeps social need uppermost in its future activities. Debates in community centres, clubs and pubs could all be part of this process.

I hope the Council will agree to refer this report to the Industry and Employment Committee and in so doing to ask the committee to consider the issues it raises and the action the Council can take to combat the threat to Londoners of British Telecom's privatization.

KEN LIVINGSTONE, *Leader of the Council*