

**Section One:**  
**CONSUMPTION**

**6.**  
**The cultural  
industries**

[Image removed at request of London Metropolitan Archive as a condition of digital distribution.]

*Working in a record pressing plant. Records on sale in London are commonly recorded in one country, mixed in a second and pressed in a third. This has led to re-organisation of record pressing across Europe, and the loss of three plants in London.*

Photo: RCA.

# The cultural industries

## Summary

1. Since the Second World War, state intervention in the cultural sector has largely taken the form of subsidy to the traditional art forms — dance, classical music, opera, the visual arts, theatre, and literature. It has also tended to serve elite rather than popular cultures. This chapter argues for a different kind of strategy, one that takes on a wider definition of culture, including particularly the electronic forms of cultural production and distribution — radio, television, records and video — and the diverse range of popular cultures which exist in London today. It is a strategy that requires the use of new forms of intervention — investment and loan finance — in addition to traditional forms of subsidy and grant-aid.
2. London is the heart of Britain's cultural industries. About a quarter of a million people are employed in the sector in London, both in the private sector and in the publicly subsidised arts. The potential profits of the sector are huge. £33.6 billion was spent on some form of 'leisure' provision in 1981, 22% of all consumer spending.
3. Within the private sector there are powerful tendencies towards monopoly — based above all on the economies of scale implicit in the electronic means of diffusion and reproduction. These pressures can be seen most clearly at the level of distribution, which is the key both to the diversity of what is available to people as consumers, and to the sector's role in creating employment in production.
4. The history of state provision of culture has not been one of undisputed success. Most people have turned to commercial forms of culture for satisfaction, whether the music hall or disco, commercial television, the popular press and pop music. For many it seems that commercial culture always has the best tunes. Yet the cultural industries are at the same time incapable of themselves creating the original ideas, talents and new forms that make cultural change dynamic.
5. The real base of the cultural industries lies rather in the practice of everyday life, and in the many small independent producers — the small record labels, fringe theatre groups, small literary presses and magazines,

independent film and video makers. As new talents and ideas emerge they are always in danger of bought up and exploited by the major companies, with the result that the profits of success are rarely reinvested in the base of cultural production.

6. The GLC/GLEB policy has been to support this base — in particular the independent producers in film and video, the music industry, press and publishing — and to support the communities of interest such as those of the women's movement, black culture, working class experience and so on. These have been particularly productive over the last 15 years. They have, however, been hampered by ineffective distribution and marketing and their inability to exploit their own successes.

7. Intervention at this level — above all, distribution — helps to preserve cultural diversity. It also creates jobs by enabling more producers to exist at an economically viable level. As well as arguing for investment in the infrastructures of cultural distribution, this chapter argues for a much greater role to be played by the library service, in the provision of services and in the distribution of the independent sector's products, particularly in areas like video.

8. As the cultural industries are organised in ever greater, and more transnational, concentrations, paradoxically the technologies of instant printing, cassette recording, video making etc., become more amenable to small scale, local and democratic control. This chapter argues for a cultural policy appropriate to the technological revolutions currently underway, and for an economic approach appropriate to the cultural revolution of which the GLC has been a part.

6.01 Since the Second World War, state intervention in the cultural sector has largely taken the form of subsidy to the traditional art forms — dance, classical music, opera, and visual arts, theatre, literature and latterly the cinema. This focus on the artist, exhibition site or performance constitutes only one possible strategy for culture. What we deal with here is an alternative strategy and a wider definition of culture — one which takes in a far wider range of what people today experience as culture, one that acknowledges the new electronic forms of communication.

6.02 The GLC is one of Britain's most important sponsors of culture. As well as being responsible for some of the most prestigious cultural sites in the country on the the South Bank the GLC also spends over £60 million each year on arts and recreation. The GLC has continued support for the major arts institutions — such as the South Bank and the Royal Opera House — but its cultural policy has shifted resources away from traditional elitist art forms towards ethnic and community arts and sports, attempting to transform many of London's cultural outlets, for example by supporting community cinemas such as the Rio in Hackney and the Ritzy in Brixton and new bookshops like Silver Moon in Charing Cross Road.

6.03 The policies of the GLC and GLEB outlined in this chapter are designed to supplement these initiatives. Though some areas of live performance will continue to depend on subsidy, what we seek to show here is that there is an alternative approach to culture which uses different forms of finance — investment through loans or equity rather than grant aid and deficit financing — and an orientation towards commercial areas of cultural activity which the state has rarely touched in the past. Substituting investment for subsidy, as advocated in this chapter, has a number of advantages. It helps to break the relationship of dependence which subsidy and grant aid always imply, a relationship which tends to make funding bodies appear to serve performers and producers rather than the general public. It also provides a stronger incentive for cultural producers to meet the demands of consumers rather than producing in the vacuum, and it means that public cultural goals can be pursued through the market which overwhelmingly dominates the production and consumption of cultural goods and services.

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6.04 Almost all the activities of a community, from the way food is prepared and consumed, clothes are designed and worn, to the stories and jokes that people tell, the social relations of work and gender, the styles of art and architecture, can be included in a broad definition of culture. Here we are concerned with the production, distribution and consumption of recognisable cultural commodities and services: with television, radio and cable, video and popular music, the press, publishing, advertising, live performance and the visual arts. We are concerned too with the relationship between these cultural industries and the wider communications industries, with cable and satellite,

the videotape and the videodisc, and with their role in London's life and economy. In many ways this chapter needs to be read in conjunction with chapter 16 on Cable.

6.05 There is a strong and deep-rooted antagonism towards any attempt to analyse culture as part of an economy. Such a step requires a conscious shift away from a powerful tradition of cultural analysis which has a defined culture as a realm separate from and, indeed, often actively opposed to that of material production and economic activity. This tradition has now lost whatever relevance it may once have had. What is available for cultural consumption and what opportunities there are for employment in cultural production are, for better or for worse, clearly determined by economics.

6.06 The significance of the cultural industries within London's economy is undeniable. Printing and publishing is now London's biggest manufacturing sector employing 112,000 people. Electrical engineering which provides, among other things, the infrastructure of cultural transmission is the second largest manufacturing sector in London employing 99,300 people. A further 50,000 people are employed in the audio and audio visual industries, 20,000 in advertising (59% of the UK total) and another 30,000 in the music industry. Employment in the sector is also set to grow substantially. According to the Institute of Employment Research at Warwick University, between 1980 and 1990 the category of 'literary, artistic and sports' will be the fastest growing area of employment, increasing by 30% nationally.

6.07 If this prediction is realised, London is likely to benefit disproportionately. It will continue in its role as the centre of cultural production within the UK, and as the home of the major institutions of the arts — the galleries, concert halls, opera houses, and theatres. It will also continue to occupy its imperial position within the world's cultural economy and division of labour.

6.08 Culture is one of Britain's more successful exports. 34% of the books produced by British publishers are exported. British records make up 25% of a world market in which Britain consumes only 6% (this is why the major record companies remain in the UK, despite making losses in the declining UK market). London-based institutions like Reuters, the BBC, Visnews, and UPITN continue to play dominant roles in transnational flows of information and culture.

6.09 What is it that makes these apparently very different industries and activities operate as a coherent sector? Part of the answer lies in the fact that cultural products and services compete in the market for a limited slice of people's time and expenditure. As a result, an increase in spending in one area — say on video rental — will be liable to lead to falls in other parts of the sector (in this case probably the cinema). The last few years have, indeed, seen major shifts in the way people spend money on culture and recreation. The most important has been the continuing shift towards higher spending on domestic hardware — on TV sets, videos, hi-fis — and a corresponding shift of cultural consumption time into the home. Britain has recently witnessed both the fastest decline in sales of recorded music and the fastest growth in VCR sales and rental in Europe.



6.10 That the battle for audiences and market is being won by the home-based technologies is all too clear. Declining attendance at theatres, football matches, cinemas and even pubs has coincided with a burgeoning market for take-away food and off-licence alcohol. (It can be noted here that the police have accentuated this shift with their preoccupation with 'keeping the streets clear' and advising people that the best way to keep out of trouble is to stay at home.)

6.11 For the media there is the additional competition for a limited pool of advertising expenditure. As a percentage of GNP it has shown a surprising degree of consistency (and remains considerably higher than in European countries). Here the creation of a new medium such as free newspapers or cable television will be liable to reduce revenue in other advertising-dependent media (one reason why magazine and local newspaper interests have invested heavily in cable and forms of videotex).

6.12 For labour, too, the different cultural industries often operate as one. A journalist, for example, can work equally in film, radio, or television. Actors work in all of these areas as well as in the theatre. This phenomenon is reflected in the way trade unions organise. In these two cases the relevant trade unions, the NUJ and Equity, organise across a wide range of different industries.

6.13 The coherence of the sector is also reflected in the way capital is organised. The heavy concentrations of ownership in culture are familiar. Five companies control 62.5% of the UK record market; nine firms control 95% of the British paperback market; six film distributors control over 90% of all film rental, while cinemas are largely controlled by just two companies, Thorn EMI and Rank Organisation. In video the top three US-owned companies, RCA/Columbia, Warner and CIC, control over 50% of the market. In the press three groups control 74% of the daily readership. Equally significant, however, are the trends towards diversification of ownership across the different industries of culture and communication, and towards the internationalisation of control. Well known examples of this include Rupert Murdoch's international empire of newspapers, television and radio stations and satellite broadcasting, or Robert Maxwell's moves from publishing (Pergamon) through printing (BPCC) to newspapers (the Mirror Group) and recently the purchase of BET's cable interests.

6.14 When the same products can be exploited across a range of different media (the record of the film of the book etc.) diversification often goes hand in hand with integration. Integration can work both horizontally and vertically, BET, for example, owns shares in Thames Television, Capital Radio, Devon Air Radio, Argus Press and the Electric Press and, until recently, in cable, reflecting an emphasis on distribution media. Others, like Thorn EMI in the UK and Time Inc. in the US are working to integrate vertically, extending their ownership from programme production and electronic publishing to distribution channels such as cable systems and radio stations. In these last two cases control over cable distribution networks has been explicitly used as a way of entering and dominating the market for programmes and software. Concentration and diversification also have an important international dimension. Companies like CBS, Bertelsman and Hachette are increasingly concerned to extend their

interests across national boundaries and to take advantage of the increasingly international nature of markets for cultural products, whether they be television soap operas, pop records or 'arts' films.

6.15 In approaching culture from the perspective of an interventionist industrial policy issues such as this cannot be ignored. The concentrations of power which these statistics reflect constitute major barriers to intervention by the state, whether at a national or local level. Other barriers, however, derive from the nature of the different paths that the private and state sectors have taken in this area in the past. The former has concentrated on overcoming the practical problems involved in packaging something as unpredictable and intangible as culture into a commodity to be sold for profit. The state sector has tended rather to derive its role from a more abstract notion of culture, that sees it as possessing certain inherent, universal values uncontaminated by class, gender or racial origin which could be damaged by the harsh winds of commerce and industry.

6.16 The modern state has also taken over a traditional notion of the 'unique' individual artist as the sole source of genuine creativity. Seeing its role as paralleling that of the wealthy patron, it concentrates on finding audiences for the artist's work. In this capacity it differs vastly from, say, the problem faced by magazine publishers who see a market or advertising gap and work backwards to the product needed to fill it. Partly as a result of this focus on the centrality of the creative artist the state has also tended to focus on traditional, pre-industrial cultural forms such as opera, painting and the theatre, forms which predate the currently dominant means of mechanical and electronic reproduction.

6.17 Only broadcasting, in the form of the BBC, escapes this focus. Significantly in terms of the state, it falls outside the specifically 'cultural' rubric of the Office of Arts and Libraries. The BBC is the most significant intervention the state has made into electronic forms of communication. The history of that intervention, whether under Conservative or Labour governments reminds us how authoritarian and class-bound a state cultural form can be.

6.18 In the first 50 years of its history the BBC made virtually no concession at all to popular cultural forms or to popular speech — except for using working class voices as a comic relief. Its recruitment policies were almost totally class bound and generally brought in privileged Oxbridge graduates. It created sinecures for upper class poets, writers, and journalists, and made available no new resources for new kinds of cultural developments amongst other social constituencies. It preserved traditional cultural forms and did this very well, yet was overwhelmingly paternalistic in its regard for the interests of the majority of the population. Such innovation as there was was always at a regional level. The BBC was always particularly resistant to musical forms other than classical or light music; folk, jazz, blues, and rock music were effectively kept off the air waves until competition arrived from pirate radio stations. As a model for state intervention in culture, the BBC can only be defended with massive reservations.



6.19 The different perspectives of the state and commercial sectors are also visible in questions of cultural content. Where the private sector is relatively uninterested in abstract considerations of content the state has tended to intervene in support of divisions between 'high' and 'low' culture, as well as in favour of a specific and class based 'national' culture. As a result of these emphases the state's intervention has found itself profoundly marginalised — to outmoded technologies, to minority elite cultural forms, and to an ideology of the creative artist which bears little relation either to the social context of creativity or to the collective forms of production which dominate film, TV, radio, or music.

6.20 It has also been an intervention that has consciously marginalised itself from the realities of cultural consumption. Consumer spending on what can be broadly termed leisure was £33.6 billion in 1981 (22.1% of total consumer spending), massively greater than public cultural expenditure (excluding broadcasting) which came to only £673 million in 1981-2.

6.21 What this means is that while the state has been preserving the citadels of 'true' culture (so for example the state's subsidy to the Royal Opera House is something like £24 per seat per performance), most people's cultural needs are, for better or worse, being supplied through the new electronic forms of cultural distribution and through the market as goods and services. For the serious wider goal of creating jobs and meeting Londoners' needs, we must therefore move on to an analysis of the dynamics of the production, distribution and consumption of culture in the market.

## **Culture as an industry**

6.22 The cultural industries share many of the characteristics of other industries. Those which use an obviously industrial form of organisation such as film, television, and to a lesser extent, recorded music — have their own factories and production lines based on complex divisions of labour between skilled and unskilled labour, between producers and sound technicians, make-up artists and sub-editors, script writers and set designers. They have also experienced similar moves towards a greater widening of gaps between unskilled and skilled mental and manual labour. These industries, too, are dominated by multinationals like Thorn EMI, Pearson Longman, CBS and RCA, which produce for an international audience and which organise their wide ranging interests at an international level. In the case of music, for example, it is now quite common for a British pop group to use recording studios in Nassau, mixing facilities in New York, for a record that will be pressed in Germany for sale in London.

6.23 Internationalisation of this kind can have a severe impact on jobs in London. To take just one recent example, reorganisation and centralisation of record pressing at a European level has led to the closure of four plants in the UK including three in the GLC area — Decca in New Malden, Pye in Mitcham,

and WEA in West Drayton. On the other hand, workers in London in other sub-sectors can exploit their relatively privileged position within the world division of cultural labour. Within advertising, for example, shifts towards global branding and advertising can serve to shift work away from locally based Third World agencies to the London agencies with their high creative reputation and links to international advertising networks.

6.24 The cultural industries also have their own special characteristics which derive from the nature of the cultural commodity itself. Perhaps the most important of these is the cost structure of production and distribution. Within a more traditional area of cultural production, such as book publishing, the cost involved in reaching an audience (paper, printing and distribution) may well be quite high relative to the costs of labour involved in writing a book. With electronic modes of reproduction and diffusion this ceases to be the case. At its most extreme, in television, the marginal cost of reaching an additional viewer is effectively zero, however many hundreds of thousands of pounds a programme may have cost to produce. The same applies to a lesser extent in film or in records. In addition, while it is virtually impossible to increase the productivity of a symphony orchestra or, for that matter, a film production team, productivity can be dramatically increased at the level of distribution, either through the creation of new markets or through using new means of distribution such as television or satellite broadcasting which can expand the potential audience to a whole continent.

6.25 These two features combine to put great pressure on cultural producers to gear production to the widest possible audience, as well as conferring great power on those who control the gateways to audiences. The nature of culture as a commodity, however, greatly complicates any simple strategy of audience maximisation. In the first place, the use value of a cultural commodity is clearly different from that of a car or a drawing board, though even these may acquire some cultural meanings over and above their everyday use. The reason for this is that cultural products carry a very much wider range of meanings for those who produce and consume them.

6.26 These are related to a range of factors — personal and collective identities, taste and fashion — which are inherently unpredictable and uncontrollable. It is a problem both for any state which seeks to make decisions about what kinds of culture are desirable or which claims to be able to reflect cultural needs, and for private companies searching for predictability. The commercial success of a cultural product can never be predicted. For example, only one in sixteen LPs, and one in nine singles actually breaks even. Culture, more than any other sector, is notorious for its dramatic successes and failures.

6.27 To overcome this, companies must systematically overproduce. Once a product is successful the profitability of a product rises dramatically as economies of scale in distribution are exploited. It is not uncommon for 3% of output in a record or film company to account for over 50% of turnover. As a result cultural companies must face the problem of repertoire. They must manufacture a range of different products to be presented to an audience, and produce sufficient 'hits' to finance the inevitably larger number of 'misses'.

This feature of the cultural industries puts a heavy premium on concentration as a means of spreading risks and makes small producers extremely vulnerable to shifts in the market.

6.28 The requirement to create hits — to finance failures and heavy fixed costs — also means that repertoires tend to fall within fairly narrow cultural limits. The success of *Star Wars* resulted in a spate of special effect SF films of a similar kind. The alternative of flexible specialisation — relatively short runs for smaller and more specialised audiences — is only beginning to make an impact on the periphery of the cultural industries. The notion that there can be only one Top Twenty, one that is favoured by the major newspapers and broadcasting services, is disproved by looking at the specialised music press where one can find up to a dozen different 'Top Twenties', one for every different kind of music.

6.29 The unavoidable problem of independent production and 'flexible specialisation' is the danger of becoming a form of free research and development for the major companies who sit back and wait to buy up the success stories. The now famous South London rock band *Dire Straits* were first played as a home produced tape on the Charlie Gillett radio show late one Sunday night. The next day they were offered a contract by one of the major labels. The Rastafarian poet Benjamin Zephaniah was first published by a small wholefood/bookshop, Page One, in Stratford, east London. His success as a performer meant that he was offered a very large advance by one of the big commercial publishing houses for his next collection of poetry.

6.30 For those seeking to sell culture as a commodity an additional problem derives from the nature of technologies of reproduction. This can be seen most clearly in the case of broadcasting where culture takes on the form of a public good, each programme being equally available to all at zero marginal cost. This has long been the rationale for providing television as a public service. Where the market seeks to provide culture in a commodity form, however, technologies such as the cassette, the video recorder and the photocopier make it very hard to control, opening up opportunities for piracy, and making the cultural contents — the song, film or text — cheaply available to anyone with the appropriate hardware. As well as being a source of conflict between producers of hardware and software, this also points to one of the key conflicts currently facing workers in these industries — the problem of copyright and the control of intellectual and creative ideas. The unpredictability of markets faces hardware and software producers alike. Two of the most dramatic failures of recent years have occurred in this sector — that of Phillips and RCA with the Videodisc and that of Atari, Warner's subsidiary and the world leader in computer and video games, which transformed a \$524m profit in 1982 into a \$325m loss in 1983.

6.31 The strategies which private capital adopts to overcome such barriers to exploiting culture as a commodity take us a long way towards understanding what kinds of culture are available to us. It is clear that control of distribution, of the route to the audience, is the key site of power in the cultural industries, one reason why the battle over cable (see chapter 16 on Cable) is so critical. The role

of advertising can be understood as the factor which determines what kinds of cultural product can be distributed to what kind of audience. Advertising is also used as a barrier to entry in cultural sectors other than the media. An intensively advertised product can in effect displace a wider range of products already in a distribution network and thus make them fail. From the hundreds of new paperback novels published each month, the wholesalers Bookwise choose just 100 to distribute to their network of shops and newsagents, and of those actively promote only five titles with advertising campaigns. As a result the great majority of novels fall by the wayside through lack of active promotion. In the music industry, advertising expenditure has increased rapidly (from £7.3 million in 1975 to £33.4 million in 1981) as the majors have struggled over a declining market.

6.32 But the use of advertising also reflects the inadequacy of simple strategies of audience maximisation. Media which depend on the sale of advertising space for their revenue, depend as much on the 'quality' (from the point of view of advertisers) as on the quantity of their readership. This, for example, ensures that whereas a middle class minority can support national newspapers, working class minorities cannot (which is why the *Daily Herald* closed despite having a circulation greater than that of *The Guardian*, *The Times* and the *Financial Times* combined). When, in the 1960s, *The Times* attempted to increase its circulation through a widespread advertising campaign, advertising revenue per reader declined as the 'quality' of the paper's readership was 'diluted'. As a result the paper lost considerable sums of money and was forced to shed readers.

6.33 Similarly in women's magazines advertisers are most interested in the 'quality' of the readership. In the top five magazines, the statistical 'correlation' between advertising revenue and total circulation is only 0.782, whereas between advertising revenue and higher income ABC1 readership it is 0.997.

6.34 We can see too how newspapers, television, and radio work with repertoires of different elements designed to appeal to the widest possible audience, and how, for example, Channel 4 works as a regulated distribution medium which spreads risks for a large number of independent producers.

6.35 The primacy of distribution as the site of power and profit is reflected in the structure of the cultural industries. Around distribution and channels of access to audiences we find the highest levels of capital concentration and capital intensity, and the classic industrial forms of process and related forms of trade union organisation. These features are particularly noticeable in the manufacture of consumer hardware, the home-based infrastructure of cultural distribution, and in the channels of software distribution in television, cable, satellite broadcasting, video distribution and record pressing and distribution, in each case linked to a specific mode of reproduction. RCA and Phillips, for example, each spent several hundred million dollars developing the video-disc, more in real terms than was invested in the development of colour television on the 1960s. As the Japanese had done with videotape and the VCR, RCA and Phillips were gambling on pioneering a change in modes of consumption.



6.36 Around these clusters of power are those carrying out or organising cultural production — the independent television production companies, session musicians and record producers, literary agents and writers and so on. These satellite areas are characterised by high levels of insecurity for labour, by forms of payment such as the royalty and commission, and by a complex mixture of casualisation and widely differing rates of pay.

6.37 It is a form of organisation which solves many problems for the majors. It means lower fixed costs, it spreads the costs of innovation over a lot of unpaid labour and allows for the flexibility required to organise creativity. It is clear to even the most conservative major companies that culture cannot be produced in the same way as steel or textiles. Profitability depends rather on how autonomy and creativity are controlled, encouraged and monitored.

6.38 In these peripheral parts of the cultural industries fragmentation is on the increase: this can be seen for example in the disaggregation of media buying and creative functions in advertising, in the growing role of independent film production under contract to the main studios in Hollywood, in the creation by ITV companies of subsidiaries using freelance labour for film or programme production and in the creation of multiple labels under the major record companies.

6.39 The real 'raw materials' of the cultural industries are to be found in the practice of daily life. For packaged culture is only the tip of the vast iceberg of cultural activity. For every book that is published (44,000 in 1982, more than in any previous year) dozens are rejected. The same phenomenon occurs in music and the visual arts where the primary means of production — literary, musical or visual literacy — are easily accessible. Because the cultural industries can feed off a mass of cultural activity the gatekeepers of these industries, the editors, artists and repertoire executives etc., play a profoundly important role. This role involves both the positive editorial function of developing repertoires and creating audiences for certain kinds of work, for new genres and new styles, and a negative power to silence areas of cultural activity, a fate suffered, for example, by much working class writing and certain kinds of popular historical traditions. Since the last war this editorial function in culture has become increasingly complex as it shifts away from a parasitic dependence on pre-existing cultural activity towards an emphasis on commissioning products to fit an already conceived audience. Forward planning and 'product development', combined with the task of identifying and developing audiences have, in other words, become ever more integral to the editorial function in all of the cultural industries.

6.40 The contradictory changes in the way cultural production is organised can also be seen from another perspective, that of the faltering emergence of a regime of 'flexible specialisation'. During the 1970s Britain witnessed the growth of a new generation of small independent cultural producers which exploited the inability of the 'majors' to cater for rapidly changing cultural needs and tastes. Many pioneered new cultural practices and created new audiences: examples include alternative and community newspapers like the *Islington Gutter Press*, *West Highland Free Press*, *Oz*, *Time Out*, publishers like

Virago, Pluto, Writers and Readers, and Centreprise, New Beacon and Bogle L'Ouverture, record labels like Rough Trade and Factory, and more recently the independent programme producers around Channel 4. Apart from their base in wider social shifts and the unresponsiveness of the majors, they also benefitted from changes in the organisation of distribution and retailing.

6.41 Here, the moves by the major high street chains like Woolworths, Smiths and Boots into retailing mainstream cultural products combined with new pressures from the major distributors and wholesalers (on margins, delivery times, minimum batches etc.) to force specialist retailers into further specialisation. These often converted themselves into political or community bookshops, record shops oriented to new wave, jazz or reggae, and created the base for new distribution networks like the Publications Distribution Co-operative, Rough Trade and the Cartel.

6.42 The independents had many weaknesses, not least their frequent dependence on semi-voluntary labour, their lack of resources and the ability of the majors to buy off their more successful offspring, such as feminist publishing. They did, however, point to the possibility of creating cultural products for smaller markets. Without the massive overheads and systematic over production of the majors they could often break even at much lower levels. Despite declining markets in many areas in recent years (most notably in music), these companies managed to benefit from changes in the technologies of production. New developments in computerised typesetting, new music and video recording technologies and changes in tape duplication and printing techniques can dramatically lower the level of viable economic production.

6.43 Nevertheless the problems of spreading risk, of creating repertoires and avoiding dependence on a few successful products and of controlling distribution remain critical. In book publishing and music, for example, during the current recession many radical independents which had flourished in the 1970s have had either to join larger outfits (as was the case with the publishers Virago and History Workshop and the independent record label Stiff, which sold a 50% stake to Island Records at the beginning of 1984) or face crises of capitalisation as they tried to expand their lists to reach a wider market.

6.44 Distribution and retailing of cultural products are undergoing a rapid period of change reflecting shifts in the technologies of culture and consumption patterns. The single clearest trend is towards a reduction in the number of outlets and an increasing tendency for multiples to dominate retailing across a range of different products. Between 1961 and 1983 the number of newsagents in Britain fell from 71,108 to 30,000. Many have been under threat from the rise of freesheets, from the bulk purchasing power of the multiples and from the use of supermarkets to retail magazines (Comag, the largest magazine distributor, for example recently made a deal to distribute through Sainsbury).

6.45 For the small outlets the greatest fear is of the tie-up between distribution and retailing: two of the three largest distributors — W.H. Smith and John Menzies — also own retail chains (462 shops in the case of Smiths). As a result



they can effectively dominate the market. Smith's recent, unsuccessful, attempt to take over Martin's 400 outlets has confirmed this trend. In other areas a similar pattern of consolidation is underway. In the book trade, although as a whole the trade has borne the recession successfully, many small bookshops are under threat. Net profitability in bookselling was only 1% in 1983 (compared to 5% in 1972), with 36% of (mainly small) bookshops reporting losses. Only 18% of books are now sold through specialist bookshops with the multiple chains and bookclubs dominating the market. For the book and magazine markets the various threats posed by the multiples are being compounded by moves to harmonise EEC policies for VAT by imposing it on books and the press. In music, too, multiples like Boots and Woolworths have entered a record market in decline as the proportion of teenagers falls. Unemployment has hit spending power and new technologies like video compete for consumer spending.

6.46 Video is also complicating the picture of distribution and retailing in the sector. In 1984 there were an estimated 5.67 million home video recorders, representing a 27.3% penetration of the number of households with televisions. Video has been used by many newsagents as an element in their diversification strategies, but has brought with it many problems. As distributors like RCA move from leasing to sale to outlets pressures on them are increasing, changing the terms of trade against outlets. The emergence of videos for sale at around £10, pioneered partly by CIC, combined with rapidly falling tape costs, is liable to turn videos into a commodity more like a book, with a possible change in the way it is made available to consumers, coinciding with a downturn in the demand for video rental.

## **Channel 4 as a model**

6.47 One model which has sought to alter the balance between independence for producers and their relative weakness in comparison with the majors which control distribution is that of Channel 4. The new channel was specifically designed to redirect resources from the ITV companies with their monopoly over television advertising towards programming for specialised and minority audiences not catered for by ITV or BBC. Rather than organising programme production in-house it was decided that the channel should be organised as a distribution mechanism for several hundred independent production companies.

6.48 Channel 4's success in building up new audiences for television around programmes like *Brookside*, *Diverse Reports*, *No Problem* and *The Tube* — audiences which have paralleled those created by the independents in other media — has combined with the creation of as many as 4,000 new jobs in London in production companies, facilities houses and the Channel itself. The model developed around Channel 4 is one that could be used in other sectors. In effect it is a model for using a tax on near-monopoly controllers or distribution (in this case ITV companies) to fund a redistributive programme

which can serve both to create jobs and meet hitherto unmet cultural needs. In the press, for example, taxes on advertising revenues (above a certain level) could be used to subsidise newsprint for small circulation newspapers aimed at audiences which aren't wealthy enough to generate advertising revenue, or for start-up funds for new publications. In music, funds generated from radio airplay could be used according to similar principles rather than going to those who are already successful.

6.49 Levies on films shown on television or video could equally be used to finance new production by independent units or companies. By committing publicly accountable commissioning bodies to support diversity and to counteract the socially regressive workings of the market, a wide range of independent producers can be supported. This not only creates new jobs but also redresses imbalances in the way the sector is organised. Advertising in the press tends to pull cultural resources — the best designers, photographers, film-makers, and the best equipment and materials — towards the cultural and informational needs of wealthy audiences.

6.50 Measures of the kind mentioned above can serve to redirect cultural resources towards cultural needs which are currently not being met. Existing models for using taxation within the cultural sector almost always tend to favour those who are already successful. The Eady levy is distributed in proportion to box-office takings, the PLR scheme in proportion to book borrowings (so favouring already successful authors) while proposals to levy blank audio and video cassettes always tend to assume that funds should be distributed to record or video companies according to sales. We would argue that since the majors are already feeding off a sphere of production whose costs they do not have to bear there is a strong case for funds to be redistributed in an opposite way, to support diversity and plurality at the periphery of the cultural industries rather than consolidating the power of the majors at their heart.

6.51 The double edge involved in structures of this kind cannot, however, be ignored, and is summed up in the word independent. For until independent programme producers develop alternative distribution outlets (e.g. foreign television, or video in the UK) they are entirely dependent on revenue from the body which controls their distribution, namely Channel 4. The same would undoubtedly apply to producers dependent on an alternative funding source.

6.52 Channel 4's particular importance derives from the fact that it provides a way of organising television. Television is by far the most important form of cultural diffusion. 98% of households own a television set, and on average British people spend 22 hours a week watching it. In the last few years the TV set has become the key site for a wide range of industries in telecom and information services, hardware manufacture and software production, a phenomenon discussed more fully in chapter 16 on Cable. Public service broadcasting is the state's most important area of intervention. The income of the BBC alone in 1982 was £563.6 million, almost as large as all other public expenditure on culture put together. The BBC is as significant a patron of the arts as the Arts Council through its sponsorship of plays, concerts and so on. The public sector also exercises powerful regulatory controls over commercial

television and radio, imposing rules of cross-subsidy, quotas on imported material and mandatory programming. These play a crucial role in preserving employment in the British programme production industry, while it is of course out of public regulation rather than private innovation that the Channel 4 model has emerged. Television's significance derives from its enormous efficiency as a distribution medium which can provide programmes for as little as 2p an hour cost to the consumers. The battles both between broadcast television and cable, video and satellite, and between the public services principle and the market are dealt with more fully in chapter 16. Here, it is sufficient to recognise the position of television as by far the most important medium of cultural distribution, and indeed as the most important medium for informing people about other forms of culture.

6.53 The struggles in which European television services are currently locked are relevant to the other cultural industries. The central struggle is focused on the role of the international market. The powerful commercial forces which are ranged behind the cable, satellite and commercial television industries argue that a freer international market for television programmes would bring with it a wider range of choice. For Britain however, even before the arrival of free-market cable, the combined effects of spiralling production costs, pressures to reduce the real value of the licence fee and to increase programming hours have led the British programme production industry into an ever more urgent search for international links and sources of finance, especially with the USA, through co-production deals, pre-production sales and an ever greater emphasis on producing exportable programmes (with, perhaps, an American in the lead role and an 'appropriate' mix of drama and violence). In other words the free international market in practice means openness to domination by the most powerful market, in the case of Britain by the USA.

6.54 As well as exercising a wide range of powers over broadcasting the public sector also owns what is perhaps the most significant single infrastructure for the distribution of the physical commodities of culture. This is the public library service. The fact that cultural goods often behave like public goods has already been mentioned and lies behind the collective, usually free provision that the libraries represent. The origins of the public libraries also typify the dual nature of much of the state's intervention in culture — on the one hand a major gain for the principle of collective provision, and on the other a displacement of pre-existing autonomous activity — in this case a deliberate attempt to displace the many autonomous and self-organised working class libraries and Mechanics Institutes that existed before the birth of the public libraries. Their origins are reflected in the intimidating aura of Victorian paternalism — the atmosphere of a temple or museum rather than a cultural centre — which many libraries retain.

6.55 Libraries do, however, represent the most important area of direct spending by the state on culture (£359.6 million in 1981-2), particularly for local authorities (£320.5 million in the same year). They also provide services for many who are discriminated against in the cultural market place, notably the

old and unemployed. London alone has well over 440 libraries, run by local boroughs. A very large proportion of this spending is taken up by staff and building costs. Libraries have only recently begun to come to terms with the new technologies of culture, with records and tapes (including, after a long delay, popular music) and now, video (already being provided in 50 out of 187 library authorities in the UK).

6.56 Many would argue that the libraries could considerably expand their sphere of operation to encompass the provision of information services and cultural services for those not working during the day. With cinemas continuing their steep decline libraries would make ideal venues for film and video exhibition, linked to the provision of childcare facilities. Moves along these lines could build on the libraries' recent, belated, concern with exploring the information and cultural needs of the public they are meant to serve. Initiatives of this sort are critical. Many of the state institutions of culture have been markedly unresponsive and unaccountable to the public, in stark contrast to the private sector's obsession with market research and information about consumer preferences.

6.57 In the long term, too, libraries could play a larger role in the local cultural economy. They have the resources and expertise to stock much wider ranges of product than the high street shops and could develop by providing quite specific and agreed retail services in parallel to free lending. This already happens in Hackney and elsewhere where locally produced books, postcards and photographs are sold over the library counter. In some areas, libraries are also being developed as centres of access to the means of cultural production — to recording studios, video production and printing facilities.

## **GLC strategy and the role of GLEB**

6.58 Our analysis of the cultural industries leaves little doubt that the market is a very inadequate means of meeting cultural needs or of guaranteeing opportunities for people to work in this area. The forces of the market often act to limit choice and to smother diversity, rather than being the guarantors of plurality they claim to be. In short we see powerful tendencies at work in the market which are moving towards a regime where fewer and fewer films, books or records will be made for ever larger, and more international audiences. We see these trends as being crucially linked to the increasing importance of electronic modes of distribution and of the new telecommunications systems of cable and satellite. The results of this trend are bound to be serious not just for jobs in London and elsewhere but also for the nature of our culture. Such conditions necessarily breed an homogenised culture: transnational, synthetic and cleared of idiosyncrasies and rough edges.

6.59 The experience of the British film industry points to the dangers. Despite a range of regulatory measures adopted after the last war (including quotas, the Eady levy and the creation of the NFFC) the British industry has largely been



left to the logic of the market place (unlike, e.g. the French film industry which is publicly funded to the tune of over £70 million each year). The results have been dramatic. Between 1972 and 1982 the number of British films registered for release fell from 103 to 24 per year, leaving an industry dependent on a fluctuating exchange rate and the vicissitudes of capital allowances to bring it international work. What small revival there has been since then has depended to a significant degree on Channel 4's finance of over 20 films each year and on a few isolated successes in the US market. Now even the Eady levy and the NFFC are being abolished, to be replaced by a remarkable invention — a privatised public body to finance film production.

6.60 The important point to recognise is that dependence on the free market will always be liable to lead to dependence on the largest market within the international market place: for Britain, as for much of the world, this means dependence on the American cultural industries. While the market undoubtedly has some positive features — a potential for responsiveness, openness to popular cultures, and an ability to reflect changing cultural needs — it is open to powerful pressures towards monopoly and concentration, particularly at the level of distribution. In other words, if left to itself it is liable to undermine the very diversity that freedom of choice is meant to guarantee.

6.61 Conversely we would not wish to underestimate the degree to which the public institutions of culture — notably public service broadcasting and the libraries — have been insulated from the pressures of the market. This has had the further effect of insulating them from changing popular tastes and demands.

6.62 These considerations require us to work both in and against the market: against the market's narrowing commercialising tendencies, but in the market place which is currently the main site where cultural needs are met or ignored, the site where jobs are created and destroyed. For the GLC as a major arts funding body it has also meant coming to terms with London's lively and pluralistic popular culture and with the ideologies embedded in definitions of art, in the artificial distinctions between high and low culture and in the words, images and sounds of culture itself. For the first time a major funding body has shifted resources away from the elite arts towards new areas like video, photography and popular music and towards the cultural needs of women, ethnic minorities, the young, the unemployed and the elderly — all those discriminated against in the cultural market place. It has also meant using some of the techniques of the market — forms of market and audience research — to enhance our understanding of who actually uses cultural resources and services and why, so that the traditional problem of publicly funded art — producing goods and services for which there is only a limited and self-defined audience — can be avoided.

6.63 For GLEB, as the GLC's arm of industrial intervention, working in and against the market creates a new range of problems and issues. There is little direct way of influencing the decisions of a Thorn EMI or a Pearson Longman, although majors such as these play a primary role in creating and destroying

jobs in London's cultural industries. Yet adopting a 'small firms' strategy in culture raises distinct dangers. Issues of repertoire and distribution make small independents and sub-contractors critically dependent on the majors and highly vulnerable to the shifting sands of the market. It is these small firms that bear the brunt of risk and failure.

6.64 However, given certain conditions, there is a good case for supporting small independents in this sector — particularly those working in alternative or minority cultures. Where the independents have a clear cultural profile as in music or video, where they work within alternative or minority cultures, there is scope for intervention to strengthen distribution and to provide common services which enable the small independents to compete more effectively with the majors.

6.65 Here the aim is to enable projects to secure a solid financial base so that they can reinvest the proceeds of their successes rather than seeing them exploited by large companies or multi-nationals. Such a strategy permits a diverse number of alternative areas of culture to develop with a secure economic and human base, to take advantage of the parallel shifts towards flexibility in technologies and fragmentation and specialisation in the market for cultural goods and services. Interventions of this kind serve also to enable small producers to enjoy some of the economies of scale — either in distribution or marketing and management expertise which the majors have internalised. GLEB is also committed to supporting co-operatives as a way of strengthening labour's position within the sector, and as an alternative way of organising production.

6.66 In particular areas, such as ethnic minority culture, in the absence of investment or risk-taking by the major companies, there is little choice but to adopt a small firms strategy to meet the twin goal of creating jobs and improving the ability of producers and distributors to meet unmet needs.

6.67 The above considerations have led to a number of different strategies. The emphasis on distribution has sometimes meant working with existing distributors such as the Cartel and Rough Trade, Making Waves and Jungle in the music industry. Here GLEB is backing an initiative to computerise a nationwide network of distributors and wholesalers serving the independent sector, as well as investing in marketing and other ancillary services. In other cases, such as the book trade, GLEB has initiated new distribution agencies for the alternative and black publishers. In the press sector, GLEB has intervened through an investment and training scheme in ethnic newspaper and magazine distribution as well as investigating the scope for joint advertising sales between a number of Afro-Caribbean and Asian papers. These differing investments reflect the varying structures of distribution within the sub-sectors: in music, for example, although distribution is largely controlled by the majors who are, of course, also involved in production, there is a strong base of independent distribution. In books, and particularly in newspapers, distribution is largely controlled by a small number of large distributors — such as Bookwise and Surridge Dawson, who have relatively few direct links with production or who are linked to retailing, as is the case with W.H. Smith. In the



video industry on the other hand distribution is still in a relatively fluid state, combining the vestiges of leasing arrangements from the major suppliers with purchase and hire, mail order, and illicit operations which retain at least a third of the market. Here the main thrust of GLEB's work has been to encourage the libraries to make a fuller use of video and to concentrate on building up much wider ranges of material than is available in the commercial video rental shops, with an emphasis on educational, campaigning and documentary material as well as on feature films and entertainment programmes.

6.68 GLEB's second line of intervention has centred on support for what can loosely be described as common services. Where there are a large number of small units in a sector, functions such as marketing and management advice can be provided more efficiently at the level of the sector than the individual enterprise. GLEB-supported projects of this kind range from the provision of music recording and video post-production resources through joint worker/user co-ops, to work involving London's independent bookshops. Interventions of this kind have more than a strictly economic significance. They can also build on the identity of a sub-sector and create the conditions for greater co-operation, sharing of skills and experiences which are essential if small units are not to become totally dependent on and subordinate to the much more powerful, multi-sectoral companies.

6.69 The work being done on the libraries points to the need to link distribution to retailing and outlets for goods and services. The retailing weight of W.H. Smith or Our Price Records confers considerable power over what material is available and over what is given prominence. Two kinds of strategy can be pursued to compete with this. One is strictly political. Campaigns over stocking policies have clearly shifted W.H. Smith towards a more politically neutral stance. Publications like *Spare Rib*, *Marxism Today* and *New Socialist* are now available through their shops. Political campaigns can also have an impact on the provision of cultural services on television, radio or cable by provoking public reaction.

6.70 The second kind of strategy involves building on alternative outlets, whether through the existing infrastructure of the library service or through publicly funded multi-media outlets which take advantage of moves across different media, and links between live performance and retail buying. In New York, for example, the majority of book sales take place in the evening in the main entertainment centres. In many areas of cultural production there is also a clear case for some forms of collective provision. In video, for instance, although the economic structure of the industry is moving towards purchase becoming the dominant form of provision (as tape costs fall), usage patterns suggest that few people want to see a film more than once or twice. This provides the logic for some form of collective provision. The same applies to a lesser extent to the provision of records, tapes and books. What experience there has been with video also suggests that it can bring an entirely new section of the public into the libraries.

6.71 Any strategy for the cultural sector must also take note of training which is notoriously chaotic. Despite a range of institution-based courses in

organisations like the BBC, National Film School, London College of Printing and various polytechnics there is a marked lack of co-ordination of a kind that tends to work against the interest of hitherto-excluded groups. In the long run we would argue the need for local education authorities to come to terms with the new audio and audio-visual technologies and teach the new forms of literacy which they constitute. The GLC and GLEB have worked to provide cheap access to music recording, video production, word processing and printing facilities. These should go hand in hand with more explicitly training based projects.

6.72 The emphasis we have given here to the new technologies of culture should not detract from the importance of supporting live forms of culture. The impossibility of raising productivity in live performance while it increases elsewhere in the economy means that the real cost of live performance tends to rise. Even most rock and pop concerts are now subsidised by record companies. In general, support for live performance and festivals of the kind provided by the GLC is, and will remain, indispensable.

## **The national dimension**

6.73 While there is much that local government can do, without action at a national level jobs in many of the industries discussed in this chapter will remain at risk. Mergers or takeovers in Fleet Street, contraction in the film industry or decline in export markets for British publishers could all lead to serious job losses in London. The brunt of these are likely to be predominantly borne by the independents, sub-contractors and by manual and less skilled workers in areas like printing, record pressing and retailing.

6.74 We would argue for a range of measures which can link economic and employment goals with the aim of encouraging a diverse and lively cultural scene. In broadcasting, we would argue for the use of quotas for national and local programming on cable, for the extension of elements of the Channel 4 model to existing broadcast television, for positive action training programmes within ITV and BBC, and for a levy on films shown on television to be channelled back into new productions and training. We would also argue for the BBC and ITV to work on developing a new relationship with Third World countries in the world television market. The second strand of policy concerns taxation. We would argue for an extension of the Channel 4 principle of redistributing advertising revenues within sectors of the media. According to this model, revenue for national and local newspapers, television and radio can be channelled back into subsidy for distribution and materials for smaller producers through the use of levies linked to the scale of advertising revenue and size of market share. In radio, such a system could be used to raise finance for smaller community and community-of-interest radio stations broadcasting on unused frequencies. Not only would taxes of this kind make sound economic sense — as Channel 4 has demonstrated — and create jobs; they

would also help to provide a much more representative media than we have at present.

6.75 Thirdly, we believe that the time has come to set up an integrated Ministry of Culture, co-ordinating the different functions currently covered by the Home Office, the Department of Trade and Industry and the Office of Arts and Libraries. The chaos that has pursued the government's cable policy with debilitating conflicts between different departments, shows how damaging this outmoded division of responsibilities can be.

6.76 Finally we would argue for a change in the mentality which dominates the powerful institutions of culture and the arts. The Arts Council, under the monetarist Sir William Rees Mogg, remains locked in outmoded ideologies and an archaic understanding of art and culture. Its narrow elitism is now being compounded by an obsession with business sponsorship and with turning the arts into an extension of corporate marketing.

6.77 Instead of speaking of a free market in culture — a free market that almost everyone working in culture realises in a myth — the government should be playing an enabling role; expanding the realm of public provision in broadcasting and the libraries while experimenting with new forms of accountability and new methods of gauging audiences needs, while intervening in the markets of culture to ensure maximum diversity and choice. This means that the state should be working to encourage genuine diversity in cultural forms rather than trying to impose its view on a sceptical public. We believe that distribution is the key.

6.78 The cultural industries are currently undergoing rapid change. New techniques for distributing and consuming culture are emerging at the same time as struggles are underway between public service principles and the requirements of the market, and between national and local cultures and the needs of the multinationals. In this context we see a major role for the state to play in the cultural sector to protect diversity and employment and to guide the direction of change.

6.79 Whether the same companies will control the production of culture and its distribution to audiences, what space there will be for democratic forms of organisation, and what scope there will be for local and minority culture to gain access to the new means of distribution will all be crucial struggles. What is essential, we believe, is that the state plays its part in the key battle currently underway between the forces of private capital which require a predictable market for a few mass international sellers and the cultural need for true diversity and real choice.

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## Proposals for action

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1. The GLC will support the campaign for a minimum 2p rate to be spent by all local authorities on support for culture and the arts, using the money raised both for subsidy and for investment in local cultural industries. The GLC will invest in expanding and improving the distribution of music, books, videos, newspapers and magazines made by independent producers. Investment will also be directed towards the provision of common services — e.g. advisory services on management or co-operative structures, marketing, use of new technologies etc. — for independent producers.

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2. The GLC will consult with all London libraries on ways of improving their service, expanding their role as a distributor of video and locally produced material, shifting towards provision of day-time services such as film and video screening with childcare facilities.

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3. The GLC will give support to local retail outlets — community bookshops and multi-media outlets — offering an alternative service to that of the High Street multiples.

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4. The GLC will support training schemes along the lines of the film and video 'Jobfit' scheme pioneered by the GLTB whereby levies on producers within an industry can be used to provide training programmes particularly geared to the needs of women and ethnic minorities.

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5. The GLC will consult with the relevant trade unions on ways of improving and democratising the service provided by the London-based broadcasting institutions, in conjunction with investment in local and community of interest radio stations using London's empty radio frequencies.

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6. The GLC will support campaigns for a new regime of taxation in the cultural sector based on the Channel 4 model whereby taxes on the advertising revenue of the major producers and distributors can be ploughed into creating new jobs and widening the range of cultural products available.

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7. The GLC will support the campaign for all workers to have a statutory

right to 150 hours each year to be spent on cultural and educational purposes, to be linked in with programmes to enable people to learn the new audio and audio visual literacies.

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8. The GLC will support moves to integrate the different cultural functions at a national level — the Office of Arts and Libraries, the Home Office and Department of Trade and Industry — under a single Ministry of Culture overseeing a number of competing local and national funding bodies.

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9. The GLC, in conjunction with local councils, will investigate new, mutual relationships with the Third World, focusing both on a two way flow of television programming and film, and the provision of currently unused cultural hardware — such as film projection equipment, printing and copying machines to state and non-state organisations in the Third World.

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**Section Two: CARING  
AND CURING**

**7.  
Domestic  
work and  
childcare**

*Looking after a home and the people in it is an important part of an industrial strategy, even though it is usually unpaid. The GLC's economic policy starts from the needs of the people of London. For women, this means that account must be taken of their labour in domestic work and childcare.*

Photo: Gina Glover/Photo Co-op.

[Image removed at request of London Metropolitan Archive as a condition of digital distribution.]

# Domestic work and childcare

## Summary

1. Work performed in the house, usually by women, is unpaid and largely unrecognised. But it makes an important contribution to the economy and affects how wealth and work for wages are distributed.
2. In one sense housework is recognised as having economic significance: it provides a market for household gadgets. These can help to reduce the burdens of housework. But they are not the solution. They are not available to many of those who need them most and they cannot substitute for care of children and elderly or disabled dependants.
3. The boundaries between the tasks that are performed privately in the home and those that are publicly provided or communally performed are not fixed. In the 1920s there were radical visions of a communal organisation of everyday domestic life. The health and welfare services, education, and public libraries have taken over some of the functions previously thought of as exclusively domestic and private. The public services have defects of their own, especially their remoteness from public control. But the priority has now become, of necessity, to preserve them against wholesale cuts. The current government plans explicitly to transfer their work back into the home and onto the shoulders of women. 'Care in the community' is an empty slogan unless facilities and resources are available.
4. But women also now make up more than 40% of the paid work force in London. They are often forced to work because they are single parents or because a single wage is inadequate. But the jobs they can get are limited and usually badly paid. A desperate balancing between children's or relatives' needs and working for a meagre living is often necessary.
5. Solutions require root and branch reorganisation of society, in how work is divided and rewarded, in the hours of work, the value attached to different skills and how skills are developed. Meanwhile something can be done. The

GLC has a commitment to equal opportunities. This clearly cannot be put into practice without much greater provision for children and dependants, and the GLC has supported and funded efforts to meet this need. The GLC Women's Committee is putting £3.5 million into childcare in 1984. It has worked to improve the conditions for childminders and the care provided by them. Most of the projects proposed and funded by the GLC include the provision of childcare, and there are now two workplace nurseries in the GLC itself. The GLC has also helped to preserve communal laundry facilities. Women have been involved in discussions about transport and other areas of planning. Many aspects of the changes needed are outside the powers of the GLC. But the strategy of helping people to help themselves means that neglected needs can surface.

## Introduction

7.01 The work of looking after the home and the people within it is usually taken to lie outside the economy. It is certainly unusual to consider it as part of any industrial strategy. Housework and childcare are not organised industries with outputs that can be measured in pounds and pence and employees paid a rate for the job. The work is usually private, individual and unpaid, which makes the idea of direct intervention at the point(s) of production strange to contemplate.

7.02 At the same time it is a myth that the work done in the home for 'love' rather than money is not subject to economic pressures and political decisions. Whole areas of domestic work have been transformed by investment decisions made with an eye to the profitable; changes in public services, in tax and social security provisions, in housing policies, in standard working hours, in the relative wages of men and women all profoundly affect this supposed private realm of household work and the division of such work between men and women. When women's industrial work has been needed in wartime explicit policies have been made for housework and childcare. On the whole, in peacetime people are expected to make do as best they can.

7.03 According to the 1981 census, there were 2.5 million households in Greater London. Of these 750,000 had children under the age of 16 and 168,000 had children under five. About 170,000 had an adult in need of some day time care. One in six married women care for a sick or elderly dependant in addition to a husband or children. Surveys by the BBC of the way people spend their time suggest that in a typical week about 100 million hours are spent by Londoners in paid work and over 180 million in 'domestic' work. The latter figure would be higher still if the hours spent babysitting were included in addition to those spent actively relating to children. Over two-thirds of the 180 million hours are done by women. However, men's contribution is inflated in these figures, which include time spent on gardening, DIY and car maintenance. In three-quarters of all households men admit that most housework is still done by women and in half that women spend much more time looking after children. The GLC's strategy takes this time and energy into account, not so that the state can get more work out of women, as in war, but from the point of view of women.

7.04 The organisation of this work is an important aspect of an industrial strategy which has as its starting point the needs of people. For the quality of life does not simply depend on the goods that can be purchased on the market or on the processes by which they are produced, but also on the work done within the household and the burden that the work imposes on people. For women, involvement in the workforce and access to an independent income depends crucially on the demands made by housework and childcare. The GLC is committed to improving opportunities for women; one such opportunity is that of spending less time on housework and the care of dependants in the knowledge that the people concerned will not suffer. In

order to widen opportunities in this way, a whole range of policies of the GLC, central government and other local authorities need to be reconsidered and opportunities for investment identified.

7.05 Despite the rise in the proportion of women in paid work and despite improvements in housing and the increasing number of labour saving devices, the scale of household work has not altered dramatically. The work is certainly less arduous, but it is not necessarily less time consuming. In the United States the time spent on housework was as great in the 1960s as in the 1920s. In Britain the BBC's figures point to a fall of about an hour a day in the 1960s and early 1970s when large numbers of women were taking up paid work but hours have not evidently fallen since. For some groups, cuts in real income have increased the amount of household-based work; holidays are increasingly taken on a self service basis; the expansion of the convenience food market has come to a standstill and in many ways the new technologies are helping to transfer elements of waged work back into the household. The increasing standard of living has brought with it rising expectations of domestic comfort and at the same time the demands of childcare have increased in many ways. Decisions about transport, schools, hospitals, parks, housing, shopping are often taken by people who have no understanding of the practical consequences for housework and the home life of working class people. The result has been to add to stress and strain and the work of women in the home.

7.06 This industrial strategy is concerned to create alternative ways of providing the caring work done by women in the home. Sometimes this is a question of the type of goods produced in the market, sometimes it is a question of how, and under whose control, public services are provided and sometimes it is a question of looking at how paid work can be reorganised so that men do more of London's domestic work and women less.

7.07 In this chapter we look in particular at policies for the daytime care of children and other dependants, but the issue of reducing the burden of caring work on women has ramifications for all sectors of industrial strategy. Housework and the care of children could be far easier if housing standards were better, if the planning of housing took better account of the needs of children for safe areas of play, if streets were safer. As chapter 2 on the Food Industry discusses, the pattern of food production and distribution has important effects on health and the work of women in the home. An industrial strategy which cuts down the work of preparing food in the home without sacrificing quality could make a big impact on women's lives. But a planned intervention is required because profits are only readily made where quality is low or prices are high relative to the free labour of women in the home. Similarly, shopping could be far easier and cheaper for the large numbers of London households that do not own a car if the proposals for improved local facilities discussed in chapter 5 on Retailing and in the GLDP were put into effect. Clothes washing could be less of a strain for those unable to afford their own washing machines — and a much more social activity for those that can — if good quality public laundries were provided. It might also be less of a strain if manufacturers could be persuaded to produce attractive clothes that could all be readily machine washed.



7.08 A large unrecognised area of women's work is the care of older people and those with disabilities within the home. This chapter discusses the possibility of different forms of day time care. What is also needed is a strategy for extending the independence for older people and those with disabilities. This is partly a matter of design and of the provision of particular aids but for people with disabilities it is also often a question of the provision of suitable paid work. For the old, the disabled and the sick the development of a health care strategy as outlined in chapter 8 will mean a better quality of care and at the same time will free many women from the obligations so often imposed on them by virtue of their sex.

7.09 A strategy for housework and childcare is partly about creating paid jobs from the work that is currently done at home. This does not imply taking people from their homes into institutions or dissolving what is best in personal relationships, but it does imply some radical interventions in the market. Market processes have of course been important in transferring certain labour of the home into waged work. The processing of food and the production of clothing are obvious examples; another is the development of childminding. But the development of markets for 'household' services is limited on the one hand by the high labour content and high cost and on the other hand by the low purchasing power of most women and the expectation that they will do the work for free at home. There is a huge gap between what the market provides and the need for services like childcare, prepared meals and cleaning because of this. The least well off are least able to acquire such services on the market and poor women are more tied in than ever to domestic work; wives of unskilled and semi skilled men are much less likely than others to be in paid work. So the scope for creating jobs in the private sector from household work is of limited help to most women; at most it transforms unpaid household work into low paid work and provides services for the better off.

7.10 Some women have been able to develop co-operatives selling various household services — cooking, childcare, cleaning — but they remain constrained by the low purchasing power of women who need the services they provide. Co-operative ventures are not a solution to the problems of domestic work but they can prove to be as effective a form of job creation as any other.

7.11 For the most part, however, the creation of jobs out of unpaid domestic work will require massive public investment on the services women need but can barely afford. The question of whether this can be done without creating bureaucratic and impersonal institutions which are more about controlling peoples lives than serving their needs is an important one.

7.12 The attempt to improve the conditions of housework and childcare highlights the defects of the forms of state provision of services which was accepted by the labour movement after the Second World War. It also contributes to the case for recognising the limiting role of the market as an adequate provider of basic human needs for care and nurture.

## The limits of commodities

7.13 The proliferation of market products to maintain homes and care for the young is one of the most obvious changes in domestic consumption. It ranges from washing machines (in 81% of UK households by 1982) and refrigerators (in 96% of them) to cream cleansers, detergents with conditioners, and the mounting baby care industry. The commodities themselves have proved a mixed blessing. They are meant to be labour saving, make housework a gracious delight, even commodious. It is an undoubted improvement not to have to go through the wearisome process that washing was before mechanisation. It is convenient to keep food in freezers and refrigerators and to use 'Pampers' and 'Snugglers'.

7.14 But the snags have become more and more apparent; for example the high energy cost of some electrical equipment, the preservatives in frozen and tinned food, the organisation of shopping in favour of able-bodied car drivers, and unecological disposables.

7.15 Gadgets are a help. They are not the solution. They shift and partially remould needs and standards rather than really save time. This is even more apparent when it comes to childcare and looking after dependants. There cannot be a technological solution to emotional needs. A disproportionate amount of the resources in our society have been geared not to solving the human problems of how we can best care for our dependants and enable all women to live full and creative lives, but to marketing products which promise more than they can deliver. It is often thought that these 'labour saving' devices have freed women to take up employment but as we have seen the time spent on household work has not diminished appreciably. People have had to struggle to earn more in order to spend money on goods which help them maintain their houses! The pressure for both men and women to go out to work have been affected by these changes in the household.

7.16 The changes and improvements provided by the market have strings attached — new disciplines of labour time for those who are 'doing all right' and a new form of poverty for the lower paid. The families most likely to have all the labour saving devices are those that would have had domestic servants 50 years ago — instead of supervising people, the wives now operate machines.

7.17 So while the manufacture of goods for the home appeared to give greater choice and benefit a mass consuming public, choice was defined to meet only those needs for which markets could be found. It was constrained by the attendant social changes which domestic patterns of spending brought with them, and it was inherently inegalitarian. In a recession these inadequacies and inequalities become more noticeable. The poor simply lose out.

7.18 An example of the present incongruity in how domestic resources are made available is indicated in a study of under-fives and their mothers in Earls Court in 1980. It was found that women on low incomes in privately furnished

rooms with inadequate housing and very young children were the least likely to have washing machines and dryers. They were thus more likely to buy disposable nappies, an added expense. In this case a hidden social inequality is bearing particularly heavily upon women in the poorest section of the working class. Many black women are in these low income groups. People caring for sick or elderly dependants are also likely to be economically disadvantaged and be greatly in need of washing facilities. A similar pattern can be observed in relation to childcare. Again it is the case that from those that have not it will be taken. Inequalities of class, sex, age, race and disability affect the arrangement of domestic life. It is children from middle class backgrounds who are still most likely to get pre-school education.

7.19 The attention paid to the needs of those who have high purchasing power, and the relative neglect of household needs which require public resources or might have been better served by changes in the organisation of domestic work, is not a chance affair.

7.20 The development of individual domestic commodities has taken place partly because they meet needs up to a point, but also because they proved more profitable for capital than producing a smaller number of large-scale products or, indeed, public services. The development of these commodities was thus neither natural nor inevitable but took place in a particular social context in which powerful interests determined how the need for assistance with domestic labour was met.

7.21 The commercial imperative of large firms, many of them now multinationals, has been shaping our lives at home in ways which are only partially realised. Home, sweet home is tied to the market for better or worse, for richer or poorer.

## **Battles around the boundaries**

7.22 Changes in how services which relate to housework and childcare are provided have affected women both as housewives and as wage workers. There have been historical shifts in the boundaries between services performed in the home without payment, private waged services and the public provision of welfare services and benefits. For example, laundry was a private service, then a commercial activity and through domestic technology, became partly a home-based service again.

7.23 The determination of what are social and private responsibilities has always been a political issue. It has never been a static, unchanging matter which can be taken for granted. Public health, education, libraries, parks, mother and baby clinics and the rest were all seen as a scandalous waste of money and fiercely resisted. Change has not been solely towards the growth of welfare. Trenches have been taken only to be lost again, and then retaken. For example, early this century co-operative and labour movement women

campaigns for public laundries. Many of these have since declined. Similarly after the First World War, it was assumed that nursery education would expand along with elementary and secondary schooling. It did not.

7.24 There are flashes of a vision of the co-operative reorganisation of every day domestic life in the journals, memoirs and resolutions of working class women influenced by socialist feminism in the 1920s. Why not have co-operative kitchens, communal electric power and central heating, mothers' and infants' welfare centres, municipal cafes and cinemas? It is sad that it had taken a war to bring the demand for change in social organisation of domestic life to the surface. Sad too that the depression and the subsequent boom in consumer durables both thwarted and obscured these radical hopes. The form in which they survived is to be found in the apparatus of the welfare state. The services, needed as they were, were delivered from the top down. The notion of users' control present, to a certain extent, in their original conception receded from memory.

7.25 Socialism became confused with state provision, and this retained elements of the condescension of the Poor Law — despite the efforts of many state employees who believed in the new democracy of welfare. The recipient of welfare was vulnerable to investigation from people who professed objectivity and neutrality. But somehow their findings could be used by others in the less clement recesses of the state. Those who received were still expected to be grateful rather than to bargain for greater choice and control over services.

7.26 As society changed, new problems of living and consumption appeared. But public services were conceived in an earlier era. Even their supporters were slow to realise that the disregard in which they were held was not necessarily a rejection of a principle but a dislike of authoritarian structures, municipal worthiness and chipped grey tiles.

7.27 As public services froze into fixed bureaucratic moulds community groups began to campaign for new forms of provision which drew on public resources but were controlled by the workers and users themselves, not 'the local state' of the council administration or the welfare bureaucrats. Black people and women played a significant part in these movements in the 1970s.

7.28 However many critics of the welfare state found themselves having to change tack in order to defend bare essentials. Services were whittled away by the Labour government trying to cut its losses without upsetting the rich. Then the 1980s saw the concerted onslaught by the present government on public services. It has become apparent that what is at stake now is not simply the inadequacy or running down of public welfare. The present government seeks quite explicitly to tilt the present balance between what is done at home, in the welfare sector and for private profit. It aims to reduce the public sector in two ways, by putting services out to private contractors and by increasing the tasks done in the home for no pay.

7.29 As yet these aims have not in practice occurred on the scale desired. There is a contradiction between the ideological intent of the present

government's policy and the actual impact of the economic restructuring which is taking place. Nonetheless the attempt to change the existing relationship between the money economy, welfare provision and domestic life is explicit in the government's economic and family policy.

7.30 Even when ideas do not precisely match reality they have a certain force to set the terms of what is acceptable and taken for granted. It is remarkable how people will submit to priorities defined by a privileged few. For the government is in fact saying that as a society we cannot afford to care for people who cannot be set to work. But we can afford to pay millions and millions of pounds on weapons.

7.31 In many areas of domestic activity and care of young children, there has been a long term tendency to leave people to find private solutions. So despite the desperate need for help there is no assumption of the right to public resources as there is in the education of children over five. Public provision is patchy; institutional care for older dependants is often impersonal.

7.32 Clearly the answer is not that we want all aspects of life to be taken over by the state in its present form. When the present government stresses the freedom and responsibility of parents as a front-line of defence they touch on real problems in the existing demarcations between voluntary care and the state. But simply reducing public provision is unrealistic and irresponsible unless the weaknesses in existing state provision are replaced by democratically controlled services which are needed and cannot be done in families or by charity. To the extent that the dismantling of public services is successful it will simply increase inequality, stress and hardship at work and at home.

## **The changing structure of women's employment**

7.33 These political decisions have a direct bearing on women, for it is women who are doing the bulk of the caring in the home and are now being promised a bigger, and unrecognised, share of toil. Women in the past have combined work for wages with housework and childcare. But a continuous role in the paid labour force outside the home with only a short interval when children are very small is a modern development.

7.34 After remaining static at 30-32% the proportion of women workers began to increase in the 1950s and after a dramatic rise in the 1970s women now make up more than 40% of the London workforce. Unlike in earlier periods a majority of London's married women — 59.5% — now do paid work. This rises to 67.6% above the age of 35 when children are most likely to have started school and to 71% by the time the youngest child is 10 years old. In 1981 the economic activity rate of Afro-Caribbean women in London in the 25-34 age range was 66% and in the 35-44 age range it was 81%. Black women are more likely to work full-time and to have to do overtime and shift work. They are thus more likely to be in low paid jobs and on piece rates.



7.35 The income women earn has become a crucial part of the family budget. Three times as many households would be below the poverty line if the women did not work. In many cases single women are the sole supporters of families. According to the 1981 Census, there were more than 24,000 single parent families in Greater London with children under five: 96% of these single parents were women. More than a third of these single parents with young children were classified as economically active or available for work; of these, nearly 3,000 were registered as unemployed. The 1981 Census shows that nearly 20% of all families in Greater London are single parent families; in inner London the percentage averages 27%; in Lambeth and Hackney it is over 30%.

7.36 The expansion of women's employment occurred in private and public services. With the recession the proportion of married women in the labour force has begun to fall. Projections suggest, however, that the number of economically active married women in London will increase to well over a million by 1991, so that women overall will constitute 44% of the labour force and married women 27%.

## **Women's access to employment**

7.37 In these circumstances it does not make sense to think of the typical worker as male with a financially dependent wife to take care of him and his children. If London's employment opportunities in the future are to fit the needs of Londoners any better than they do at present it is vital that the organisation of paid work makes space for the work of looking after ourselves, each other and children. The structure of work as presently constituted does not fit in with lives in which these aspects matter and take time too. It does not fit in with how women's lives are organised today, nor with how men's lives could be if there were to be greater equality.

7.38 Care for children, even more than housework, determines what kind of work women can do. For cleaning, shopping, working and washing can be packed into a busy day. Children, being small dependent people, cannot and should not be programmed and switched off. Caring for children (and other dependants) is not just a task, but a relationship which can involve the deepest passions, love, rage, delight all rolled into one or two or however many.

7.39 The labour market, being on the whole indifferent to human passions, does not of course allow for the time and energy which goes into housework and care. By fitting work round domestic care women are more likely to be forced to accept low pay and bad conditions. Half of London's married women workers are limited to part-time work in a very small range of jobs.

7.40 Childcare provision is hopelessly inadequate. In 1982 the estimated number of children under five in Greater London was 412,700. In 1982-3 the London boroughs' social services spent over £37.5 million on day nurseries and play groups, most of it on day nurseries. These collectively provided 10,057

council day nursery places — 24 places for every 1,000 children; private and voluntary day nurseries provided 7,244 places — 18 places for every 1,000 and registered childminders provided 21,245 places — 55 places for every 1,000 children. Between these types of provision, therefore, 93 places for every 1,000 children were available.

7.41 The hours of work for wages do not usually take domestic responsibilities into account. Many educational and training classes do not provide childcare. Women are often working shifts and rostered hours in a desperate attempt to combine home and employment. As the GLC's work on the cleaning industry makes clear, it is not that cleaning work is convenient, only that cleaning is possible whilst other jobs are not. (See chapter 18.)

7.42 Several women said that they had to do more than one job to make ends meet. It was not convenient, they said, to work nights to feed your family, or to leave home at four or five in the morning, or to work rotating and irregular shifts without weekends off (like many Asian workers do at Heathrow airports), sometimes covering a thirteen-and-a-half hour day at short notice just to keep the job. It is not a neat fitting together but a desperate balancing act between children's needs and working for a meagre living. And women from ethnic minorities are most likely to be forced to accept the more oppressive options in order to earn enough to survive.

7.43 Quite apart from the social injustice of women carrying the double burden of domestic labour and low paid employment, there is an obvious loss to society as a whole. For mothers are frequently unable to use skills they have gathered in their jobs. They take part-time work which is less skilled or do not return to work. The recession has intensified this.

7.44 In *Women where are your jobs going?*, Haringey and Lewisham Women's Employment Project cite Wendy's experiences:

Before her children were born Wendy had a variety of jobs. She worked as a punch-tape operator for three months, a telephonist, a receptionist for five years, a clerical officer for four years and a progress clerk for one year. Wendy left work in 1978 to have her first child. She now has two children, one aged three years and the other five months. She has been unable to return to work because there are no childcare facilities available to her. Wendy is 28 ...

7.45 Women's caring responsibilities do not necessarily cease when children grow up. About 170,000 London households include older dependents. Again women as a sex are taking on a disproportionate load. An Equal Opportunities Commission survey found that three times as many women as men were looking after elderly and handicapped relatives. There is a wide range of needs: people with physical and mental handicaps, those suffering from mental illness or chronic sickness and elderly people who are unable to live alone because they have grown weak as they grow older and have very little money.

7.46 Housing and transport systems are designed for the able-bodied. Carers

and dependants can be isolated in the home. Some dependent people, for example elderly people suffering from senile dementia, cannot be safely left alone. Again caring for adult dependants traps women in a cycle of low paid, insecure, often part-time employment.

7.47 Institutional state care can be bureaucratic, impersonal and under-resourced. It is notoriously insensitive to class, race and sex differences. Its inadequacies have brought support for the slogan 'community care'. The problem again is that unless social resources are made available for the needs of dependants and unless collective forms of care are explicitly created, it is back to the private unpaid services of women in the home. Black women and working class women who have fewer options in employment will be even more constrained and overworked.

7.48 Many people are forced into dependence for economic and social reasons. Increasingly they are making demands on services and developing new forms of provision which they can control. An important influence has been a greater cohesiveness among black people against the racist assumptions in much state provision.

7.49 Care in the community could mean a whole series of small local residential and day care centres and a wide ranging provision in the recipients homes. Ideally these could be democratically controlled and link in to voluntary care from neighbours and friends. In practice, though, 'the community' tends to boil down to somebody's daughter and somebody's mother.

7.50 It is sheer hypocrisy for the government to idealise 'the community' and 'the family' while denying people who live in them the resources and means to look after one another. There are many things wrong with existing state welfare provision. But the principle of social responsibility for human beings beyond our immediate family and neighbours is a fundamental basis for a co-operative rather than competitive way of life. The market system has shown itself incapable of providing adequate care for those who are dependent except at the expense of women's economic and social well-being.

7.51 This weakness in a society geared to profit could be covered over in more prosperous times, particularly as the power to determine political priorities has been predominantly the prerogative of men who were themselves shielded from the harsh consequence of this particularly social contradiction. In hard times it becomes more acute.

## **What are the alternatives?**

7.52 A massive extension of existing state services is not necessarily an attractive solution to many people. There is a real fear that it would involve an invasion of personal life and privacy. Such fears need to be addressed by developing much more responsive forms of state care. Simply extending private services which is the American pattern, will increase the class

inequalities in access to domestic aids. It will benefit women in well-paid jobs but not women in lower-income groups.

7.53 Simply calling on men to take a fairer share of the housework will not of itself solve the problem. But if we allow men to continue to absent themselves from housework and childcare, the problem will be perpetuated. Caring work will always be seen as womens' work and it will always be undervalued and underpaid. If men can earn much more than women for every hour they work, it always seems to make sense for the unpaid work of the home to be done by women. So change has to be on both fronts; opening up opportunities for women *and* pressurizing men to accept responsibility for caring work. The 'private' solution of men taking a greater share of work within the household only goes so far. It is much easier where money is not tight, where low wages do not force men to do long hours of overtime. And it is not much use as a policy for single parents. But a move to sharing must be part of an alternative and a strategy for housework and childcare has to develop the means of encouraging such sharing.

7.54 The solution of this quite basic human problem would require absolutely fundamental changes throughout society, in how work is divided and rewarded, in the hours of paid employment, in how skills are valued and passed on. But it is not enough to wave a flag saying change everything. Most people prefer the devil they know. Everyday life is effort enough without being told to turn the world upside down. If we are to find a way out of the impasse it must be by putting particular improvements into practice and opening up possibilities for people to extend and alter them as the need arises.

7.55 It is important to record and learn from changes which have been put into effect to assess what is effective and what is not. The long term aim is to find a new balance between freedom and loving association, a society in which economic and social independence and interdependence between equals is possible.

7.56 This means imagining new forms of collective aid which can meet needs that people in present day families cannot resolve. It also means that values and relationships which people cherish in their existing families could be resources for developing wider forms of co-operative associations. In creating new relations of waged work and domestic care the more humanising elements of both could be combined and the oppressive aspects of both reduced. Perhaps we might make a future in which the meanings of work, creativity and care were transformed, so that work was not onerous toil, creativity not for the favoured few and care not the responsibility of a single sex. We can do a certain amount here and now, learning from trial, error and partial success.

## How the GLC sees the the problem

7.57 The steps take by the GLC indicate how a new approach could take shape. The present administration set off with a political commitment to women's opportunities for equality in employment and to making sure that the

recipients of local government services had a greater control in how they were provided. It became obvious that childcare and care for adult dependants were crucial factors in the chain of women's economic and social subordination. It also became apparent that both were areas of tremendous unmet needs.

7.58 The evidence kept coming in from many aspects of the Council's work. The Women's Committee's investigations in to childcare needs and the Industry and Employment Committee's assessment of women's employment showed the extent of the problems women tussled with every day in London. The demand for change emerged from the practical work done in localities by Women's Employment Centres and Projects.

7.59 Thus Lewisham Women and Employment Project reported underutilisation of formal qualifications amongst women returning to work after having children, and lack of childcare provision, either locally or in colleges, preventing women from undertaking training. Similarly the funding of an employment worker in the National Childcare Campaign has helped to show the interconnections between childcare work and training. The Women's Committee produced a study of women caring for dependants and again showed what changes were needed and what could be done.

7.60 The need for change is also apparent in other aspects of the Council's economic strategy. A GLC funded course on how to set up worker co-ops in Newham showed that many women had considerable difficulty in attending because of inadequate transport and domestic duties. Some Asian women were getting up at 5.00 a.m. in order to cook the family meals for the whole day so they could go on the course for two days a week.

7.61 The GLC supports co-ops as a means of creating jobs and securing a greater degree of democratic control for the work force. But democracy is an empty phrase unless attention is paid to the material and social circumstances which make control over everyday life beyond the reach of many people in society.

7.62 The GLC is also committed to getting resources to people to work out better economic and social alternatives for their own localities. In Tower Hamlets and Newham alternative strategies for the local economy drew on the knowledge in mother and toddler groups, under-fives, nurseries and childminders as well as groups of people with disabilities, to find out what was lacking in the area. They argued that these were areas where job creation would assist voluntary carers and improve services.

7.63 The powers of the GLC are limited. It has no influence on the government's financial and economic policies. Nor of course can it change employment laws. It cannot decide there will be more state nurseries or better state benefits for those caring for dependants. But it does have a limited amount of public resources which it can make sure reach those in the greatest need through voluntary groups in a democratic way. And the GLC's economic strategy of encouraging socially useful work means that a much wider range of human activity can be taken into account. You do not have to be earning a wage



to be socially useful. Both these broad aims have big implications for extending democratic control over public services and for a radical redefinition of economic policy.

## What has been done and its wider implications

7.64 The GLC Women's Committee put £3.5 million into childcare in 1984-5. Over 140 childcare projects run by voluntary groups had been given grants by the end of 1983. These vary from full day-care schemes for under-fives to latch-key projects for children before and after school. Toy libraries, drop-in centres, workplace nurseries are also funded. The aim is to increase the possibility of control by the workers and users in the projects which are given support. A whole range of services have developed in an *ad hoc* manner to meet needs. It can sometimes be quite bewildering finding out what they are. The GLC Popular Planning Unit has given some money to a group of parents who did a guide to under-fives provision in Wandsworth.

7.65 Childcare and the care of dependants is seen by the GLC not only as an area of need but of employment. Improvement of employment conditions in funded groups has been important. The Women's Committee issues guidelines to groups applying for funding on where to place advertisements for staff, rates of pay and conditions of work etc.

7.66 Improving employment and the services provided involves better training. Changes in childcare for instance have revealed the necessity of tackling how non-sexist, non-racist care for children can be developed. The Greater London Training Board has been funding short courses on 'Nurseries Now' and 'Running a Nursery' at the Polytechnic of South London. A follow-up course is now being planned.

7.67 Childminding receives very little in the way of public resources. It is not a particularly good form of childcare. Even a good minder has few facilities. It can even be hazardous for the children if the minder is overworked. But because there is such a need, childminders are many people's only hope. So the GLC tries to get resources out to improve standards and assist the childminder.

7.68 The GLC Women's Committee is concerned to achieve recognition of the contribution made to childcare by childminders. The Women's Committee funds support projects, the aim of which is to encourage childminders to pool resources and expertise and provide a campaigning base for better terms of employment. Childminders are also given the opportunity to further their education and training. Childminding is currently an underpaid and undervalued occupation; the GLC is working to promote the interests of minders by improving their conditions of work, their pay and their status in the community.

7.69 The Popular Planning Unit gives money through the Adult Education Institutes to help groups get together to work out demands and alternatives. In

Tower Hamlets they helped the Under Fives Working Group set up a course for childminders in the Autumn of 1983. The curriculum was planned partly by visiting childminders at home. It includes advice on the business side, on how to make contracts and how much to charge, welfare, health and social services visits, on how to join the National Childminders' Association, on how to obtain free milk. It covered ideas for creative play including multi-cultural play and advice on local resources. Relationships with parents, the children's needs, racial views were also discussed.

7.70 As a result of the course the childminders said to the Social Services they needed:

- Courses for new minders;
- A chance to meet regularly with help with transport, creche provision and meeting places;
- A list of childminders in the borough;
- Information on toy libraries, bulk buying, play groups.

7.71 In *What every childminder should know*, a report by Tower Hamlets Under Fives Working Group, the minders said how valuable it had been to meet together and what a relief it had been to have transport and a creche provided. They also bequeathed a recipe for playdough which they had enjoyed making on the course.

7.72 It is not only the training of childcare workers which poses a problem. Women with small children are not able to train for other jobs because they have no help with childcare. With GLC backing, the 'Women into Skills Centre' campaign are trying to make sure that MSC funded training courses provide childcare facilities for would-be trainees. The GLDP recognises that childcare can be needed in connection with a whole range of activities: employment, training, shopping, leisure pursuits. Otherwise women with small children are forced to stay at home and many aspects of life in London are barred to them. The GLC tries to reverse this immobility which the city's present day structure imposes upon people caring for young children by making sure that projects providing jobs and training and other facilities consider childcare needs.

7.73 But a recent decision by the Inland Revenue to treat employer subsidies to workplace nurseries as a taxable perk for parents could spell disaster for many workplace nurseries. It had been assumed that such employer contributions were exempt in practice from taxation and this assumption was encouraged by the Inland Revenue's failure to collect tax on these benefits and advice from the Inland Revenue itself that this was the case. The Revenue, by re-considering the issue in 1983, will put many workplace nurseries in jeopardy because parents will simply not be able to afford the places. Anyone who earns £8,500 after the employers' contribution to the nursery place is taken into consideration will be eligible for tax. For instance at Kingsway Nursery anyone earning more than £5,740 will be liable for tax on all the employer's contribution. The Revenue are also demanding that individual parents pay tax arrears of up to £3,000. All appeals against this must be treated individually,

they are told. A campaign has been formed to fight the Revenue's ruling and press for legislation to exempt employers' subsidies to workplace nurseries from taxation. The GLC believes that nursery places are not a perk, like company cars, but an essential means of allowing parents to work, and it is therefore supporting this campaign.

7.74 The GLC itself is an employer and many women on the staff never return after having babies. The workplace nurseries for GLC workers mean more women can come back to work after maternity leave. The costs are on a sliding scale according to income. Employees can also claim financial assistance with childcare for children who cannot be looked after in the nurseries. It took a long time though to establish the nurseries and get this scheme; many women simply had to find their own solutions in the meantime. The GLC's economic and social strategies have to operate in the world as it is. There is a continuing tension between the prevailing economic order and the general aim of the practical changes which have been started in the last three years.

7.75 In the companies funded by GLEB, those in the declining traditional manufacturing industries like clothing which tend to employ women are operating in a tight market. Childcare costs have not yet been considered.

7.76 They have been considered though for co-ops employing women. But even here the problem of productivity and collective childcare costs has caused difficulties. One co-op, called Poco, composed of women made redundant from Lee Jeans who got together to make children's clothes with GLC help, decided they could not organise production to fit in with the childcare responsibilities of one of their members and she had to leave. In another small co-op, Lambeth Toys, Asian and Afro-Caribbean women make jigsaws with pictures of local black children and dressing up clothes from several countries. They were helped by Lambeth Mobile Creche; without this help some of them would not be able to use the carpentry skills they learned from a development worker.

7.77 Another example is Stonebridge Bus Garage Project, a community based venture in north London aimed at creating jobs for local unemployed people. There is a computer training course, carpentry and building workshops, a construction company, a cafe and an under-fives centre, all in a building which used to be a London Transport bus garage.

7.78 Newham residents who became involved in the GLC-supported People's Plan for the Royal Docks are busy setting up a resource centre. There will be full childcare provision for users of the centre. This is essential as the North Woolwich area has no under-fives provision whatsoever; it will be a means of allowing women to use the resources available in the centre.

7.79 What is emerging, partly stimulated by GLC finance which makes it possible to establish a series of small gains, amidst the upheaval and devastation in the London economy, are new combinations of work, education and care. These are both practically convenient and help to break down some of the arbitrary administrative demarcations between work and life which remove state bureaucracies from how people experience needs.

7.80 Childcare has been the area of domestic activity which emerged most immediately as a desperate need and produced the most practical response. But care for other dependants is now becoming a major concern. There has been less agitation for public resources for other aspects of work in the home, although there has been a certain amount of pressure on the GLC to help community laundries threatened with closure.

7.81 These laundries were won in the teeth of opposition from private laundry owners between the wars but gradually closed down in the 1950s and 1960s. Westway laundry in Notting Hill survived moves and lack of funds through the 1970s, with a devoted campaigning group arguing fiercely for its usefulness. With a GLC grant, it was finally able to buy new machines for washing, drying and ironing which were energy-saving. The laundry is vital for people without any washing or drying space on the nearby estate and it also does the washing for a nursery next door. The children's pictures are all around the wall, along with a portrait of a 19th century campaigner for public washing.

7.82 Westway is not only a place you go to wash. It is a friendly centre which people value. Two of its users explained:

'I came to live round here when I was 14. My mum had nine of us. I used to use the old laundry, we had great big tubs. We used to put blankets, everything, the lot into them. At the back there was a big boiler where we could boil all our tea towels and babies' nappies. I used to have a pram to take all the washing there. There was a place where you could get a cup of cocoa and bread and jam.

When we lost the old laundry we did not know what to do. It cost us a fortune, not only for the machines but for the driers, and then if you did get it dry there was all the ironing to do by hand. I'd be lost without this. I don't know what we'd do without it and that's the God's honest truth.

My young daughter, she's got four little children and in the flat where she lives she's got no washing machine. There's nowhere she can wash except the private laundrette and that costs a fortune. So I come over here. I do it for her. There's nowhere in her flat to do washing unless you do it in a sink and you can't do big clothes like sheets. She can't afford a washing machine and she's got four children and you know the washing four children make. I come over here every Wednesday. They don't shut till about 8 o'clock. We all have a chat and a cup of tea. It's marvellous the machines are really.'

7.83 Informally Westway is a place elderly people can get help with forms and information about their rights. Other laundries are being funded in Tower Hamlets and Haringey.

7.84 What is emerging from this is not only the provision of facilities which serve needs, make jobs and connect to employment opportunities. They provide not just a greater degree of control but are a genuine attempt to enable people to enjoy pleasant relationships and connections in the course of doing everyday tasks.

7.85 The negative side of city life, the fear, violence, tension is more usually in the news. The efforts to counter this by encouraging association, trust, pleasure and mutual aid are less dramatic but nonetheless vital. Civic life has come to be seen as symbolic pomp. But civic life can have a more popular grass roots, or more appropriately ground floor, meaning and the GLC is contributing to this shift. These have been important elements in drawing up the GLDP. The everyday needs of many groups who have contributed show that radical change in the design of daily life is required. Women have made the point that the transport system often fails to meet their needs.

7.86 The experience of the GLC indicates the possibilities of a more democratic approach to planning which goes deeper than experts consulting people. Instead by pooling the problems of everyday life and the skills and knowledge gained at work, people can begin to develop proposals for change.

7.87 A catering co-op of black women on a Lewisham estate called Obaa (an African word for black women) is a different type of example. They received a small grant for a leaflet from the GLC. It is hard for them to get the capital to start a cafe on the estate. Besides money, time is a problem; the domestic pressures on them are tremendous. Co-op members have fifteen children between them. One of the group described her struggle for time.

'I have to get up early, get the kids ready and take them to school, come here, go home, do my work there, pick the kids up from school and make their dinner. When I get home from catering I'm so tired I can hardly keep my eyes open.'

7.88 As black women, the members of Obaa have everything against them in the job market. But if they try and build on the skills they possess they are operating in a low paid sector of the economy. On top of this they have their children to care for. Their predicament and the problems of the other co-ops show how the subordinations of class, sex and race converge and intertwine. If there is to be equality for women all these have to be tackled.

7.89 A just solution for how we as a society care for our dependants, young, sick, disabled, old, would mean the work involved was shared fairly between both sexes and the resources created by people's labour distributed to those in need. Clearly this would be a very different economy and a different society from the one we know.

7.90 The GLC cannot deliver utopias by decree in one city. But it can enable aspirations for a better way to take shape, grow in strength and find a life of their own. It can also uncover snags along the way which it is as well to be prepared for in advance. Despite all the practical obstacles there have been real innovations in the last three years. Once you have seen something being done and observed that it works it becomes a commonsense argument to extend its benefits rather than a flight of fancy.

7.91 At the GLC's Jobs Festival in June 1984 hundreds of thousands of people drank passion fruit juice, bounced on inflatables, surveyed technology



networks, listened to bands, observed the economic trends of multinationals, and tramped round an impressive exhibition about childcare and domestic work.

7.92 Jobs for a Change indeed. Appropriately Women Co-operative Guild tea-cloths were on sale commemorating 100 years of an organisation which struggled to improve the conditions of domestic, economic and political life. There, depicted on every tea towel, a women stands with a basket gazing over the city towards the distant sky beyond. Once you have glimpsed and hoped, you remember for the rest of your days. Especially if you hold the utopian vision everytime you have to do the washing up.

7.93 Even if they demolish the GLC and crush all the projects it has helped, many women will never let the politicians and economists forget again.

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## PROPOSALS FOR ACTION

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1. The GLC supports the more equitable distribution of the resources of society towards the care, nurture and development of the young and other dependants, so that women, especially working class and ethnic minority women, are not torn between the demands of domestic care and earning a living.

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2. The GLC's employment policy recognises the importance of domestic work and its effect on the employment opportunities of women. It will therefore promote, both within its own workforce and in areas where it has influence, flexible working arrangements, well-paid part-time jobs and job-sharing. It will back community projects, job creation and training schemes which provide practical solutions to the need for childcare and support services for carers of dependants.

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3. The GLC will oppose cuts and privatisation of public services and restore them where it has the power to do so. It also backs many voluntary and community projects with the aim of helping these to grow into democratic, effective and flexible forms of serving our mutual welfare.

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4. The GLC recognises the right of women to participate actively in the planning processes (transport, housing, leisure, economic development,

shopping, the provision of services). It will use its existing powers to make sure new buildings and conversions are designed to meet the needs of people with domestic responsibilities, for example by providing creches in shopping centres, access for pushchairs and prams, provision for workplace nurseries, washing and drying facilities in flats, more housing designed for children. It seeks to make the roads safer and sport and leisure facilities more available to all children.

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5. The GLC is committed to backing the involvement of local communities in planning processes and when it does so to ensuring that the needs of the most disadvantaged, especially domestic carers and women from ethnic minorities, are taken fully into account.

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6. The GLC is also committed to ensuring that the GLEB puts GLC policy on domestic care into effect in the firms in which it invests by including workplace creches or other needed childcare facilities in the enterprise plans which it draws up, finding out what other needs exist and responding to them, and including provision for workplace creches in the buildings and industrial sites owned by GLEB. This means that the criteria for GLEB loans and financing should be adapted to include subsidy for those projects which improve the circumstances of domestic work and provide collective solutions to childcare and after school provision.

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7. The GLC supports the project currently being developed by one of the technology networks for energy saving systems for washing machines and dryers in community laundries or laundrettes; and will in future support research into improved technologies which are of social benefit in reorganising housework and childcare.

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8. The GLC believes that child care which everyone can afford should be available throughout Greater London. It will use its influence with other public bodies, especially London boroughs and the ILEA, to increase childcare and nursery provision within their range of authority. The provisions needed include democratically controlled nurseries, playgroups, adventure playgrounds, toy libraries, after school projects, holiday camps as well as back-up for childminders and improved training for all childcare workers.

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9. The GLC will continue to campaign against the Inland Revenue's decision to tax employers' contributions to childcare provision in the workplace as a perk.

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10. The GLC will also continue to back the campaign to ensure that all training courses provide a creche and it will put this into practice in the training schemes it supports through the Greater London Training Board.

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11. The GLC backs community care with adequate resources based on small local residential day care centres combined with wide ranging provision in the recipients' homes as a way of creating jobs and providing full support for those who care for dependants in the home.

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12. The GLC will make more public resources available to enable people to develop ways of sharing and collectivising the unpaid work done in the home to offset the existing inequalities. This would include improving existing council services and helping groups campaigning on this issue to work up and develop alternative ways of shopping, cooking, etc. It will be particularly guided by the views of women on the most useful services as women are mainly responsible for these tasks at present.

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13. The GLC will campaign to revive and extend the powers of local authorities to provide municipal services in catering, laundries and other domestic work services, both as a means of relieving the pressure on the woman as housewife and as a means of securing better pay and conditions in the jobs which employ many women, especially from ethnic minorities.

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14. The GLC believes that a recognition of the value in both social and economic terms of both paid and unpaid caring work is vital. While promoting jobs from childcare and caring work it must be realised that these jobs are traditionally badly paid, reflecting the low value placed upon them by society. The GLC will direct resources to challenging these value judgements and to strengthening campaigns for the improvement in pay, conditions of work, training opportunities and status of caring workers.

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**Section Two: CARING  
AND CURING**

**8.  
Health care**

*A pensioners' health festival in Hackney. The pensioners argued for more health care to be provided in the community and discussed the connection between physical and mental health. The NHS — which is the largest single employer in London — must develop its caring services.*

Photo: Yvonne Leguit.

[Image removed at request of London Metropolitan Archive as a condition of digital distribution.]

# Health care

## Summary

1. Health is not an industrial sector. However, all industrial, economic and social policies bear on the quality of our everyday health. Our conditions of life have a far greater influence than medicine on how long we live and how healthy we are. Local and central government has a responsibility to examine the health impact of all their policies. Responsibility for the healthiness of the population cannot be left to health care agencies. The role of health care is to do what it can to make us better, and to provide the best quality of care while we are ill.
2. In London present resource constraints are being felt particularly sharply. The historic presence of the teaching hospitals has meant that London's acute hospitals have been better funded than elsewhere. But the effect of government policies to equalise funding between the regions has been that London has suffered more severe cutbacks than elsewhere. The consequence is that services that are already underdeveloped are being particularly damaged. While, in general, facilities for sophisticated medical intervention are being maintained, basic routine health care is suffering, particularly through the closure of the smaller general hospitals catering for older patients with routine conditions. The present problems of the health service run deeper than a shortage of money. In particular they are exacerbated by a philosophy which places more value on medical intervention than routine caring.
3. The problems health service users and workers face are compounded by deeper issues, including attitudes to black people, women and the elderly. There is also a crisis in medicine itself. Far less progress is being made in treatments for killer diseases and routine conditions than was expected when the NHS was founded.
4. NHS resources should be increased by at least 25% to raise Britain's proportion of GDP spent on health care to the level of France and Germany. New investment however should not follow old patterns. The emphasis should be on the development of a labour intensive service, with special attention given to caring as well as curing. Innovation should be supported by grants. Government commissions should investigate the efficiency of medical intervention, ways of reducing drug spending, and the development of health care education. GLC policies should be concerned with improving conditions for the health of staff, including better incomes for the low paid, as well as providing support for initiatives to defend and transform the NHS.

8.01 Health care is a major sphere of employment, but health itself is not a sector. It is almost universally accepted within health policy circles, but little known among the general public, that medicine has little overall impact on life expectancy or on the frequency and seriousness with which people get ill. This is true all over the world, whatever the stage of industrialisation. Our conditions of life are a far more important influence on how long we live and how well we are. Governments and local authorities wishing to improve health must pay attention to the quality of our work and home lives. Responsibility for health cannot be hived off to a particular authority or government department.

8.02 There is no more graphic illustration of the impact of our conditions of life on our health than the government's own statistics on mortality and morbidity. The man who is a university lecturer is three times more likely to live to enjoy retirement at 65 than a machine tool operator. For every two women who are married to coal board officials who die before they are 65, five miners' wives will die. Twice as many women and men in social class five have a limiting long-standing illness as people in social class one. Almost every category of illness from heart disease and cancer to depression and headaches occurs more frequently in people at the bottom of society than in people at the top. If you live in a council house and have not got a car, you are twice as likely to be dead before you are 65 than if you are an owner occupier in a two car household.

8.03 Although these facts are grim they are also cause for a good deal of hope. They are the evidence that the possibility of widespread improvements in people's health need not be consigned to a time when expensive and uncertain medical research has finally delivered miracle cures. There is no scientific reason why vast improvements in the health of the majority of people cannot be made now.

8.04 In looking at the changes that are needed to improve health, there is a tendency to focus on the physical hazards, damp housing, poor food, work hazards and pollution. These are all crucial areas, but the capacity of people's bodies to resist illness is also crucially affected by their feelings and experiences. The direct experience of racism and sexism for instance are as important causes of ill health among black people and women as bad housing or poor working conditions. The social changes needed to improve our health are as much to do with issues of power and relationships between people, as our physical conditions of life.

8.05 The main factors which are at the root of inequalities in health can be summarised as follows:

- (a) *Incomes.* Money buys good food, warm and spacious housing, gardens and holidays, all of which are crucial to most people's physical and mental health. We hear a lot these days about diseases of affluence, but paradoxically these too occur most among the least well off people.
- (b) *The physical environment.* Pollution, hazardous working conditions, damp housing, noise, and food additives are damaging to health.

Clean air, a green environment, and wholesome food benefit our health.

- (c) *The social environment.* Our mental and physical health has also been shown to be linked to our feelings and experiences. How much worry we experience, how hopeless or hopeful we feel, how bored and alienated or how excited and fulfilled we are, how powerless or powerful we feel, even how loved or lonely we feel are crucial influences on our health. Living and working conditions bear on all of these areas of feeling.
- (d) *Intensity of labour.* How long we work and how hard we work during those hours has a direct bearing on our health. Habitually working long hours in exhausting jobs is destructive of health. Stressful and pressurised work, shift work, the double shift of domestic labour, and increased workloads all take a further toll.

8.06 Policy makers wishing to examine the impact of their policies on health should start by examining them in the light of these four dimensions. Take employment policy. Expanding job opportunities can be health promoting as all the studies of the health damaging effects of unemployment have indicated.

But it is also essential to ask:

Is the work sufficiently well paid to guarantee reasonable living conditions?

Is the working environment safe and hazard free?

Is the work potentially satisfying and stimulating?

Is the pace of work in tune with what feels right for the worker?

Do the hours of work allow sufficient time for rest, recreation, and domestic life, including childcare?

Does the worker have a voice in decision-making and adequate control over his or her work?

Does the work provide opportunities for human contact and friendship?

8.07 What is good for our health is often no more than common sense. On the whole, what feels good is good for our health. The best guide to action on health is being in touch with our feelings and instincts about our own human needs, and recognising that they are probably what most other people need too.

8.08 While the health service cannot be held responsible for health standards in society, its role must be to do what it can to help people get better, to alleviate pain and suffering, to care for the sick and the dying and to help people understand and act on the causes of ill health. London's health service is in crisis. The rest of this chapter is about some of the dimensions of this crisis and about policy directions which might alleviate it.



## London's Health Care Crisis

8.09 The NHS is London's largest single employer. Over 200,000 people work in London's hospitals, surgeries and clinics. The vast majority are employed by London's 31 district health authorities, which together had a budget in 1984-5 of £1,689.5 million. When spending on GPs, doctors, dentists and drugs is taken into account, more than £2,000 million a year is spent on health care in London. Three out of four of London's health workers are women. Nine out of ten non-career nursing jobs are done by women, and women also do seven out of ten cleaning, laundry and catering jobs, almost half working part-time.

8.10 Between 1983 and early 1984 London health authorities cut the equivalent of 4,000 full-time jobs. Seven out of ten of the NHS jobs cut in England and Wales were in London. At the same time resources to health authorities in Greater London were reduced by 1.5 % in real terms. As the DHSS calculates that a growth in expenditure of 1.2 % is needed simply to maintain services at their present level to account for the increasing cost of medical technology and the growing numbers of elderly, this represents an overall reduction in resources of 2.7 %. In 1984-5, calculated on the same basis, a further cut of 2.3 % has been made. Since 1977 London has lost 8,967 acute beds. Each year the loss increases. Last year alone hospital and ward closures brought a reduction of 1,876 beds. In 1968 London had 357 hospitals. By 1984 this had fallen to 230. Regional Health Authority forward plans propose that by 1991 London will have only 170 hospitals. Every one of London's smaller local and cottage hospitals is threatened.

8.11 Inner city districts, which are bearing a disproportionate level of cuts, are being particularly hard hit. In Wandsworth for instance, where four hospitals have closed since 1976, a further 25 % cut in beds is planned for the next ten years. This will probably mean the closure of a further three hospitals. Jobs, too have been more severely hit in the inner city areas where unemployment is already high. Between 1982-3 and 1983-4 inner London District Health Authorities lost 2,065 posts — 43 % of the national total, and nearly 3% of their existing workforce. Between 1982-3 and 1986-7 the NHS will have reduced its budget by £27 per person in real terms in inner London, and by £5.70 in outer London.

8.12 London is in a peculiar position in relation to the health service in the rest of the country. For over a hundred years there has been far more health care activity in London than in other parts of the country because of the presence of the teaching hospitals. Even today more than half the country's teaching hospitals are in London. In order to maintain the teaching role London has always received a share of NHS resources disproportionate to the size of the population. Since 1976 the government has cut back resources to the four Thames regions as part of its strategy to achieve a more equitable distribution, but at a lower standard, throughout the fourteen English regions. This policy is known as RAWP, after the Resources Allocation Working Party which developed it.

8.13 London's problem has always been, however, that the presence of so many teaching hospitals has not guaranteed high standards in the rest of the service. Impoverished geriatric hospitals and run-down GPs surgeries can be found within a stone's throw of some of the most prestigious hospitals in the world. While the teaching hospitals thrived, basic routine health care services have been underdeveloped. The geriatric and smaller acute hospitals and the massive green belt mental illness and mental handicap hospitals have been under-capitalised to the point where in some cases their fabric is irreparably decayed. At the same time standards of general practice, particularly in inner London, lag behind the rest of the country. As the Acheson report has documented, London has a high proportion of single handed GPs working from lock up premises, relying heavily on deputising services.

8.14 Both Labour and Conservative governments have argued that London is 'over-bedded' and have pressed for a reduction in acute beds. This policy fails to recognise the high levels of illness, particularly in the inner city and the difficulties of nursing people at home, in areas where housing is poor and a high proportion of people, particularly the elderly, live on their own.

8.15 As resources have been reduced the power relations which have shaped the double standard in London's health care system have continued to bear on resource distribution. Services with the least powerful defenders, including community services, services for elderly, mentally ill and mentally handicapped people have suffered. Small general hospitals are often closed on the basis that funds will be diverted to services for the mentally ill, the mentally handicapped and the elderly. There is no evidence, however, that such a transfer of resources has taken place. Acute hospitals still take up the same proportion of NHS resources as they did ten years ago.

8.16 On the surface there might be an argument that at a time when money is short resources should be concentrated in the best equipped centres of excellence. This view fails to recognise that the older smaller hospitals play a vital role in taking care of people who do not need sophisticated medical care but basic nursing, for instance if they have had strokes or chronic bronchitis. When numbers of beds are reduced it is these patients for whom it is most difficult to find a place.

8.17 Teaching hospitals do not want too many of their beds full of people with routine illnesses especially if they are likely to stay a long time. They want interesting cases. The smaller general hospitals provided basic nursing particularly for elderly people with conditions such as strokes, and chronic bronchitis. The larger hospitals, and particularly the teaching hospitals, are concerned to limit strictly the numbers of such people coming through their doors.

8.18 The result of the policy of closing the smaller hospitals is that London is now seriously short of acute beds. Often hospitals have to close their doors temporarily to emergency admissions. The cancellation of operations at short notice to maintain sufficient emergency beds has also become a routine practice.

8.19 While acute beds are cut back, many of the smaller hospitals have been converted to geriatric hospitals. Despite this apparent recognition of the needs of the elderly, pensioners have been among those most active in opposing this development. They do not want to be ghettoised in impoverished institutions.

8.20 Lack of co-ordination between health authorities and local authority social services departments often compounds the problems caused by reducing the acute sector and long term care for the mentally handicapped and mentally ill. With rate-capping and the severe financial pressures on local authorities there are likely to be fewer home helps, meals on wheels and residential facilities despite the growing need created by NHS resource constraints.

8.21 Because London is the centre of teaching, it has also become the centre of private commercial medicine and this may be a cause of further reductions in resources. Until now, health service planning has not taken account of the existence of such hospitals. However, the government is now considering new moves to restrict further NHS spending in London, by adjusting the resource allocation formula to take account of private provision on the grounds that the NHS need provide fewer services if some are being provided privately.

8.22 In the main, District Health Authorities, which are not elected but appointed, have readily endorsed government policies. They have propounded the view that their primary task is to balance the books rather than to highlight the needs in their districts. On the few occasions when District Health Authorities have challenged government policy, they have found there is little scope for local autonomy. The handful of London Health Authorities who have refused to implement privatisation, for instance, have been told that they are to have their resources reduced by an amount which is equivalent to the 'savings' which would have been incurred by privatisation.

## **Present Policies**

8.23 Despite its overall higher level of funding, London has become the focal point for the resistance to the cutbacks in the NHS, because the crisis has been more sharply felt here. Almost every hospital closure has been challenged and since the mid 1970s workers and their supporters have demonstrated their commitment to jobs and services in a series of hospital occupations, involving long and bitter struggles. While very few of the hospitals fought over have been reprieved, the campaigns have served as a clear reminder to the government of the extent of popular commitment to the NHS. They have also highlighted the lack of local accountability and democratic control within the NHS. Because the NHS is suffering so badly at the moment, it is hard to see what has been achieved so far as a victory. Fighting job losses, cuts and hospital closures is a rearguard action. Nevertheless the NHS has not suffered cuts on the scale of the housing or education sectors. The government was forced to make a public commitment to maintain the NHS in the 1983 General Election. Had there been

no resistance to hospital closures, the picture might well have been very much bleaker.

8.24 Despite their public statements on the need to reduce waste in the health service, the government knows that the NHS is very cheap. Britain spends only 5.7% of its GDP on health care. Of all the countries in Europe, only Greece and Austria spend a smaller proportion. Sweden spends nearly twice the proportion of Britain. Even the government's most recent report on efficiency in the NHS — the Griffiths Report — admitted that on the whole there are very few further savings to be made.

8.25 Despite a general commitment to expand the market economy, the government also knows that there would be little to be gained by a comprehensive shift to private health insurance. The system would be costly to administer and the NHS would still have to cater for all the people unlikely to be eligible for health insurance, including elderly, mentally ill and mentally handicapped people who form a high proportion of those who make a heavy demand on NHS services. Private health care is profitable precisely because it does not provide comprehensive care. It primarily caters for a very specific sector of the market, non-emergency operations. It is able to do this profitably because it has the back up of the NHS, which generally has more sophisticated equipment and can take on the very difficult cases. If the private sector had to provide a full service, it would be very much more costly.

8.26 The recognition of the limitations of a comprehensive shift to privatised health care does not mean the government has given up on ways of expanding the private sector. With the expectation of severe cuts in the NHS and a government favourable to the development of private health care, private hospital building and private health insurance boomed in the early 1980s. 4.3 million people are now covered by private health insurance in Britain, of whom 700,000 live in Greater London. In the outer London boroughs 13% of the population subscribe to private health insurance, while in the inner boroughs the proportion is between 8 and 10%. In Wales, Scotland and the North the proportion falls to 3%.

8.27 The boom is now over, however. The private sector, too, is in crisis. The private health insurance companies estimate that the growth in individual and company schemes is more or less finished. The annual growth rate for BUPA, for instance, fell from almost 30% per year in 1979-80 to no growth at all since 1982.

8.28 The pattern of the smaller health insurance companies has been similar. Ambitious private sector building programmes have been abandoned. Competition is fierce. There are too many private hospital beds in London and some of the smaller companies are likely to go under. Most private hospitals are operating on occupancy rates of around 50% which represents a serious under-utilisation of resources. NHS hospitals today have occupancy rates of around 90%. The private sector will not develop further without specific assistance from government. One possibility, under active consideration at

Cabinet level, is to provide tax relief on company health insurance schemes, shifting them from the status of a perk to a pension.

8.29 The model the government now has for health care appears to be that the NHS should provide a basic minimal system, while those wanting better care can buy private medical treatment. But how far it goes down this road will depend on how far it sees a political benefit in developing a two tier system.

8.30 For the moment, the main thrust of government policy still focuses on reducing costs in the health service. The general philosophy is to intensify hospital work by reducing staff and increasing the speed at which patients pass through hospital. In the past ten years hospital 'throughput' — a measure of the speed at which patients pass through beds — has increased dramatically, while the average length of stay has fallen. The government places great stress on 'performance indicators'. In measuring performance there are no indices of whether the patient gets better or worse, nor of the quality of their hospital experience. Indeed for the purposes of government statistics it does not matter whether the patient leaves the hospital dead or alive. In the official figures deaths are not distinguished from discharges.

8.31 Behind the trend towards intensified bed use is a notion that the real work of hospitals is medical intervention. Functions which are to do with basic caring and rehabilitation, in both the long term and the acute sectors, are increasingly regarded as the province of the sick person's family. Cuts in jobs, the emphasis on community care without the provision of adequate resources, and the pressure to conform to 'performance indicators' are all a reflection of this approach.

8.32 Since coming to office the government has encouraged health authorities to look for ways of privatising some of their functions, particularly catering, laundering and cleaning services. This is a way not only of cutting costs but also of breaking trade union strength. Until recently these moves met with little success, being largely ignored by health authorities. Now the government is insisting that all health authorities put their services out to tender. Five London authorities are still resisting. Meanwhile, as the first contracts are finalised the consequences are becoming clear. Fewer workers are being employed for fewer hours, while being expected to cover the same amount of work. Frequently hours are being reduced below the level which guarantees statutory rights. Wages and conditions are often below the Whitley council rates on which NHS workers are paid. Sometimes there are no sickness or maternity benefits. The combination of the reduction in pay and hours and the intensification of the workload — often one woman is being expected to take on the work of two — is now the major issue facing hospital workers. For many health workers involved in caring, particularly domestics, privatisation means not only a deterioration in pay and conditions, but a change in the quality of their work. In the new high productivity arrangements there is little time for befriending patients. This impoverishes the quality of hospital care and reduces job satisfaction.



## Deeper troubles

8.33 While the cuts and privatisation form the basis of the present battle between the government and the NHS, counter policies must involve more than increasing spending and halting privatisation. The problems of the NHS run much deeper than the shortage of funding. There is a crisis in relationships among workers and between workers and patients which is in turn linked to a crisis in medicine itself. Hospital work is shaped by a dual hierarchy. There is an administrative management structure, with a factory-style emphasis on throughput and productivity, and the medical system, in which basic caring is subordinated in matters of clinical intervention and diagnostic interest. The bulk of the workload of most hospitals, even the acute hospital, is basic caring. Yet many health workers find that they are constrained in their capacity to do this well by the combined values and practices of the medical and administrative structures. The problem is partly that medicine has the first call on resources so that the prestige specialities are relatively well resourced while the long stay hospitals are impoverished. The 50% of NHS beds designated for the elderly, mentally ill and mentally handicapped receive only 20% of hospital resources. But it is also that many health workers find their initiative, creativity and sense of being in control of their own work undermined by medicine. Cure and the curers have high status, while care and the carers have lower status. At almost all levels, health workers have more to give than the structure of their work allows. In particular the talents of ancillary workers are seriously underused and underdeveloped.

8.34 Sexism and racism are deeply entwined in the hierarchies. The vast majority of low paid staff in the NHS are women. The vast majority of top consultants and administrators are men. A high proportion of the low paid staff in London's hospitals are also black or from ethnic minorities. Black women were recruited from the West Indies in the 1950s to fill the dead end SEN posts, while SRN career nursing was primarily the province of white nurses. Even today the divide is perpetuated. Among consultants there are more women and black people in the least prestigious jobs, for instance in psychiatry, geriatrics and mental handicap.

8.35 The dissatisfaction of patients has been spelt out particularly by women, black people and pensioners. The factory values are transparent to many patients, whether it is in the two minute consultation with their GP or a premature discharge from hospital. They feel denied information about their own bodies and illnesses and that there is no one to listen. 'The doctor starts writing on his pad before I've sat down' is one of the most common complaints. Often, especially if they are not white, young or middle class, they sense attitudes which sometimes border on antagonism. People sense their problems are often not taken seriously and do not like being made to feel the troubles they face are their own fault.

8.36 In response to these dissatisfactions, there has been a major growth in initiatives primarily outside the health service, which help people to take their

health into their own hands. Organisations for sufferers of chronic conditions from epilepsy to psoriasis have sprung up. There are self-help groups about coming off tranquillisers, compulsive eating and stress reduction. There are women's health groups, pensioners' health groups, and black health groups. There is enormous interest in diet and exercise. Within adult education, women's and pensioners' health courses and courses in alternative medicine and natural healing are popular. The trend to alternative medicine is also reflected in the rapid growth of practitioners and a spate of new magazines and TV programmes. Campaigns around community health hazards and health and safety at work are also a part of the popular health movement. The NHS should be both learning from and giving its support to these initiatives.

8.37 Popular criticism of the NHS often extends beyond the attitudes people encounter to the treatment they are given. Many people are unhappy about the drugs they are given and often do not bother to take them. They are unsure of their efficiency and dislike the side effects. This is one reason for the growth of natural healing. Uncertainty inside and outside the medical profession has also been fuelled by the withdrawal in the past year of a series of non-steroid anti-inflammatory drugs found to have dangerous side effects.

8.38 While medicine can offer some useful palliatives, it still lacks effective treatments for the major killer illnesses including most forms of heart disease and cancer, and for a host of debilitating but non-life threatening conditions from arthritis to stomach complaints which make up the bulk of general practice. While investment in research, particularly by the drug companies, has soared in the last 20 years there have been far fewer breakthroughs in medical progress than most people imagine. Despite all the drug companies' efforts there has not been an advance on the scale of the discovery of antibiotics in the past forty years. By far the biggest development has been in understanding the biochemical processes in illness and in diagnostic techniques. Sadly, however, it is a myth that advances in diagnostic technology bring new cures in their wake.

## **Issues for policy**

8.39 To serve its users better and to provide better paid and more satisfying jobs the health service needs to change in many ways. In exploring these there are a number of major issues:

### **Democracy**

8.40 The present organisation of decision-making in the NHS is based on a system of upward accountability. The Chairmen of District Health Authorities are appointed directly by the Secretary of State and the majority of their members by the Regional Health Authority. Within the labour movement there has long been a call for democracy in the health service. In addition to the

question of clarifying what is proposed — directly elected bodies, control by local councils, or representation from trade unions and community bodies — there are a number of other issues. Formal democracy is not sufficient to enable workers and users to contribute their knowledge and experience to decision-making. A way of enabling workers, especially non-medical workers, to take control of their own work and make an input into larger scale decisions is needed. Particularly in long stay hospitals, which are effectively the homes of thousands of people, patients also need much more space to make decisions for themselves. Democratic health care also involves enabling patients to be better informed. This would also help NHS users to become involved in wider decision-making.

### **A labour intensive service**

8.41 The thrust of government policy in the NHS is to save money by shedding labour. The problem is that so much of health care — including the work of domestics, porters and ambulance drivers — is about human contact, without which people will not get better. High quality health care is irreducibly labour intensive. Within health care there is endless scope for the provision of worthwhile and satisfying jobs. Planning for the health care sector should be based on the recognition that its workers are its primary asset, in line with a philosophy which recognises care is as important as medical intervention.

### **Care as well as cure**

8.42 At the moment decision making and resource provision are dominated by medical priorities. Ways must be found of developing the caring side of NHS work, both in terms of nursing and rehabilitation in the acute sector and of the community services and long stay hospitals. Present policy does not address the realities of the vast bulk of NHS work in which mentally handicapped, mentally ill and elderly people form the majority of those being cared for. The services provided for them, as indeed for many people in the acute sector, is much more about everyday care than medical intervention.

8.43 While the efficiency of some forms of medical treatment and the validity of medicine's general approach are increasingly matters of controversy, the necessity of the bulk of the NHS's caring work remains above doubt. Planning in the health service should recognise that the aim of health care is not only — or even primarily — about medical intervention but about giving people the best possible environment in which to get better, to live with their illness or to die.

8.44 In practice this means both increasing resources to nursing and the care of people with long term conditions and finding ways of developing nursing as a field of work. Nursing should be less about doing medicine's dirty work and more about contributing a whole range of different but equally valuable skills in the relief of ill health and suffering.

## **Promoting innovation**

8.45 Advocates of the market economy point to its capacity to innovate and react quickly to consumer demand. The NHS is at present constrained in its capacity to innovate by its highly centralised structure, exacerbated by resource constraints. Particularly in the fields of obstetric care, primary care, long term care and the care of the dying, there is no shortage of ideas from workers and users about how services could better meet needs. Women's organisations and radical midwives have developed their own approaches to obstetric and ante-natal care. Charitable and voluntary organisations have developed new approaches to residential and community care which improve the quality of life both for patients and carers. The hospice movement has developed new standards in the care of the dying. In the field of primary care, community health projects and natural healing centres offer new ways of helping people deal with everyday health problems. Ways of supporting and extending these initiatives on a much wider scale are needed. At the moment energy and initiative is being stymied in the NHS. If the public sector is to respond to its critics, new methods must be found for promoting change and enabling the service to benefit from the ideas and commitment of the people who work in it.

## **The social causes of ill health**

8.46 While the job of the health service is primarily to attend to the sick, it could also have an important role in transforming our understanding of health and disease and promoting prevention. At the moment most of us are unaware of just how much illness is the result of the way we live and how society is organised. We look to medicine rather than our lives for solutions. In all kinds of ways the NHS could be promoting new ways of looking at illness and health. Far more research effort could be devoted to epidemiology — research examining the wider environmental and social causes of ill health. Health education could be concerned with encouraging people to feel angry rather than guilty about the damaging consequences of food and tobacco production. Doctors and primary care workers could spend more time encouraging their patients to explore and act on the causes of ill health in their own lives.

## **Reducing unnecessary treatment and drugs**

8.47 While some valuable medical procedures such as hip replacement operations are not carried out as often as they might beneficially be, many other medical procedures and drug treatments are carried out without certain benefit. Medicine has a long history of fashions for particular forms of medical intervention which later become discredited, from pneumothorax in TB, to routine tonsil removal and radical mastectomy. In addition, some procedures and drugs may be being over-used. Antibiotics are perhaps the most useful type of drug ever invented, but it is also widely agreed that they are over-prescribed.

8.48 By using alternatives to drugs, like relaxation, some general practitioners

have halved their prescription rate. To conserve resources and to respond to the growing criticisms of medicine, more effective ways of assessing the benefits of drugs and medical treatment need to be found. There is also a need to investigate the role of medical technology companies in creating demand for questionable products, and in draining resources from the NHS. To improve services in the NHS, new policies towards these growing and highly profitable industries are needed.

### **Division of labour**

8.49 The division between medicine and nursing is at the root of many of the problems of resource distribution and of patients' and health workers' dissatisfactions. Medicine has its origins in a service for the rich provided by male physicians and bought and sold as a commodity. Nursing and alternative medicine have their roots in the lay healing traditions in which women undertook the care of the sick as an integral part of their unpaid domestic work. Nursing began with the employment of unskilled working class women in the voluntary hospitals. Today medicine and nursing each still bear the character of their tradition. Medicine goes for bold, brave, dramatic interventions, just as in the days gone by it applied mustard plasters and leeches. Nursing and alternative medicine expect and encourage the body to heal itself and rely on gentler methods to help it along.

8.50 The time has come to reassess the traditional division of labour within health care and to explore new forms of training and specialisation in which health workers are equipped with skills which draw on medicine, nursing and alternative medicine.

### **Modern disease patterns**

8.51 When the NHS was first established nearly 40 years ago, the majority of people died from infectious diseases. Today heart disease and cancer are the major killers. Infectious diseases are a residual category in the mortality statistics. As a consequence the workload of both GPs and hospitals has changed dramatically. Today, stress-related conditions dominate the GPs workload. This profound change has consequences both for the organisation of services and the morale of staff. In the 1940s and 1950s there was a justified optimism that medicine was equipped to deal with the major problems facing it. The present primary care system with its child health clinics, health visitors and school nurses was developed to meet the needs of the period. Today medicine does not have the means to successfully deal with heart disease, cancer and stress related illnesses. There is widespread agreement that the emphasis should now be on prevention. But a practice to reflect this aspiration has yet to be developed.

### **The popular health movement**

8.52 The NHS, in many ways, is so difficult to fight for that the task is often as grim and joyless as the bleak buildings the picket lines defend. Meanwhile



others wanting to improve their own and other people's health are finding their own ways through what we have described as the popular health movement. In looking to the development of its own services, the NHS will benefit by learning from and giving support to these initiatives.

## First steps

8.53 However willing the policy makers, there are no straightforward ways to transform a structure with such deep rooted and complex problems. The NHS is made up of thousands of individuals with their own personalities, training and expectations. When so many of the problems are to do with attitudes and informal power relations, the scope for head on policies is limited. In these areas policy might be directed to containing those forces which have historically shaped the health service, while seeking ways of liberating energy for innovation and transformation.

8.54 The first steps of a government wishing to improve the health service might be as follows:

- (1) Cancel all directives towards health service privatisation.
- (2) Raise the proportion of GDP spent on health care raised to the level of France and West Germany. This would mean a 25% increase in the NHS budget. It could be financed by a cut in defence spending which would result in an increase in employment because of the greater labour intensity of health care. This money should not be invested according to present allocation patterns but directed into:
  - (a) improving wages for the low paid.
  - (b) improving care for elderly, mentally ill and mentally handicapped people both by providing small scale living units near where people live and improving community services.
  - (c) developing preventive work within primary care.
- (3) Introduce a wages policy for the NHS aimed at raising wages for the worst paid. Freeze incomes at the top level and redistribute merit awards for consultants and other perks.
- (4) Transfer health authorities to local control, with representation from workers and users organisations. Explore establishing procedures to improve accountability at all levels of health care provision.
- (5) Replace the existing management system with one based on elected representation from wards, clinics and other units. Establish a commission on organisation to advise locally elected bodies on ways of replacing the present management approach which is closely modelled on business procedures with

forms of organisation which are more appropriate to health care. This should include the development of equal opportunities policies for health service staff.

(6) Introduce generic prescribing. Establish a commission on drugs and the drug industry with the brief of:

- (a) generating a list of basic drugs for general practice and hospital work.
- (b) providing information on their uses and side effects to the public and the medical profession.
- (c) making policy recommendations on:
  - (i) ways of reducing prescribing in general practice including education for doctors and the public, restrictions on drug advertising and promotion, encouraging alternative methods and extending the prescription system to include herbal remedies.
  - (ii) the likely impact of nationalisation of the pharmaceutical industry and other possibilities for stricter controls on the industry.
- (d) investigating other approaches to the manufacture of pharmaceutical products including publicly owned initiatives and co-ops.

(7) Establish a commission on medical procedures. The commission should review the evidence for the value of common medical procedures, commissioning epidemiological research where necessary. The commission would not impose restrictions centrally, but provide information for local decision-making.

(8) Establish a commission on medical technology to:

- (a) review the costs and benefits of medical equipment, particularly new diagnostic technology.
- (b) publish the commission's findings.
- (c) make recommendations on areas where production could be developed, particularly in the field of aids to the disabled.
- (d) make policy recommendations on the medical technology industry, including the scope for nationalisation.

(9) Make an immediate increase in resources for staff and capital works in the long stay hospitals to enable short term improvements to take place and secure basic living conditions such as hot meals, heating and a cheerful environment. No more building or major works should take place in the long stay hospitals. Long term investment should be made in smaller units near to people's homes and improved facilities to support people being cared for at home. Families and

sufferers should be able to make a choice between well-supported home and residential care. Some of the money for the development of local services should be available on a grant basis to voluntary organisations, users groups and co-operatives of health workers to develop facilities on the basis of their own ideas and experience. Voluntary provision can be an important test bed for public sector initiatives.

(10) Begin transforming primary care through a two-pronged strategy involving both encouragement for improvements in general practice and support for innovative initiatives outside it:

- (a) a major fund should be established to make grants to local initiatives offering services with a preventive focus. These could be initiatives by doctors, alternative practitioners, other health workers, psychotherapists and counsellors, or initiatives by users. They could include self-help and education, occupational and environmental health, alternative medicine and natural healing. These services would be complementary to general practice. Larger projects involving at least one medical practitioner should be allowed to take on registered patients up to a maximum number, depending on their facilities. The rules governing general practice should be changed to enable doctors working in grant-aided schemes to prescribe and refer to NHS hospitals.
- (b) GPs should be able to retain their independent contractor status. They should also be able to opt to become salaried. Taking the salaried option would provide a guaranteed income level for GPs against reductions in list size resulting from the grant-aided schemes. Other benefits of the salaried option should include improvements to practice premises and the provision of extra staff to work alongside the doctor, including nurses, psychotherapists, counsellors and alternative practitioners. In this way salaried practices would become another focal point for innovation. Workloads would be reduced by being shared, allowing more time for listening and preventive work.

(11) Impose an immediate condition of entrance to medical schools of two years nursing or ancillary work. Establish a commission on education to make policy recommendations on improving education for both health workers and lay people. Areas for exploration would include:

- (a) grant aid to adult education institutes, schools, colleges and primary care centres to run courses for lay people.
- (b) development of a new form of training for basic health care workers, who would be taught the basics of health care and when to refer cases to more qualified staff.
- (c) development of a training course for integrated practitioners drawing on the traditions of nursing, alternative medicine and orthodox medicine.

- (d) reform of the curriculum in nursing and medical schools to include options in holistic and natural healing, and more community experience and social, environmental and occupational health teaching.
- (e) changes in the organisation of health work and education to enable all staff to gradually develop their knowledge and skills and to move more freely between jobs. Instead of spending a lifetime as a doctor, nurse or ancillary worker, all staff should be able to move through a flexible modular system which enables them to develop their potential. Each person who begins doing unskilled work, should be able to go on and learn basic skills. Then as they develop their own interests and skills they should be able to specialise to the limits of their interest and ability.
- (f) a review of the funding arrangements for teaching hospitals to ensure that resources are not siphoned off from their services.

## GLC work on industry, employment and health

8.55 While health care remains the responsibility of central government, local authorities can make little direct input into health policies. They can, however, examine their own policies for their impact on the health of their staff and the public. They can also be a major voice in spelling out the health care needs of the people they serve.

8.56 Within the GLC Industry and Employment Branch health has been a major consideration in the development of the GLC's food policy. It has also been a concern in our policies towards office work, construction, domestic labour and cleaning. Other work on health within the branch has included:

- (1) Information and research on London's health service detailing job losses and cuts.
- (2) Support for health campaigns, including funding three full-time workers for the London Health Emergency Campaign, six full-time workers for other local health emergency campaigns, and small grants to assist health campaigns with organising meetings and publicity. It has also funded the production of audio-visual materials including a exhibition, tape slide show and two videos.
- (3) Exploration of ways of promoting change in basic routine health care by support for model projects. A detailed feasibility study was carried out in South Tottenham into the establishment of a Centre for Health. This would have offered a new approach to preventive care, by combining orthodox and alternative medicine, psychotherapy, self-help groups, educational activities and advice on occupational and environmental health. After discussions with community groups it was clear there was not sufficiently widespread support

for the project to go ahead. A lot was learned, however. Some of the conclusions included:

- (a) there is considerable enthusiasm among health service users and workers for new approaches which involve self-help, education and alternative medicine.
  - (b) doctors, health authority officials and others in official positions are not closed to this kind of development.
  - (c) local groups are likely to want to put more into developing and running new health initiatives if they have been involved directly in devising them themselves than if they are proposed centrally. It is unfair to expect a high level of local involvement and community control of projects and/or initiatives thought up and initiated directly by the funding authority.
  - (d) clear guidelines for anti-racist practice are essential and must include the recruitment of a high proportion of black and ethnic minority staff. Grant aid to projects initiated and run by black and ethnic minority groups must be a high priority if white assumptions and values are to be challenged.
  - (e) the relationships between initiatives outside the NHS and health service provision needs more thought. The hope for 'exemplary practice' is that it provides directions for change within mainstream provision. It is also possible, however, that as new projects outside the NHS are developed, pressure on the NHS to change might be undermined.
- (4) Investigating the health consequences of the shift to one person operated buses. The link between loss of jobs and damage to health is being investigated through a survey of 4,000 London busworkers. Their views and experiences are also the subject of a video. Both the survey and the video are being carried out with the support of the Transport and General Workers Union and the involvement of bus staff. The aim of the project is to investigate how policies which involve both shedding labour and the intensification of work for those remaining, affect the health of both those who face losing their jobs and those whose workload increases.

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## Proposals for action

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The GLC does not have, and does not seek, an executive role in directly providing health services to people in London. The Council is committed to the ideal of a National Health Service funded out of taxation and free to all at the time of use.

As the strategic authority for London, the GLC has a duty to be concerned about the operation of London's health services and to represent the interests of Londoners wherever necessary on health service matters. This is particularly required since there is no health authority dealing solely with London, and no consumer voice at the regional level where the most crucial decisions are taken.

As a major employer in its own right, the GLC has a clear duty to be concerned for the health of its own staff. It has an opportunity to give that concern concrete expression through exemplary and innovative measures for improving staff health.

Under the Local Government Act 1963 (S.71) the GLC also has a duty to inform Londoners about the operations of all statutory agencies (including the NHS) in London.

Future GLC action on health should include the following components:

1. The GLC will conduct a major audit of the conditions for health of GLC staff, with a view to:

- (a) Increasing the incomes of the low paid.
- (b) Making work more enjoyable through changes in the division of labour, the organisation of work and the management structure. The Council should recognise that everyone has the right to satisfying work and a say in decision-making. Routine and repetitive work should be shared. All jobs should involve the possibility of learning new skills.
- (c) Examining the pace and intensity of work to ensure that all jobs involve a balance of stimulation and interest, without being exhausting or unnecessarily stressful.
- (d) Setting the highest possible health and safety standards, paying particular attention to the use of new technology and asbestos removal.
- (e) Providing high quality food and recreation facilities for staff.



- (f) Reviewing the existing medical service for GLC staff.
  - (g) Giving time off as a right for people involved in caring for elderly, disabled or sick people at home.
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2. The GLC will conduct an audit of Council policies for their potential impact on health and include a section on health implications in every Committee paper.

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3. The GLC will consider establishing a health promotion unit within the council to carry out (1) and (2) above, to provide information about the causes of ill health for GLC staff and policy makers and to encourage attention to health issues throughout the Council's work.

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4. The GLC will continue to monitor the effects of cuts and privatisation on London's health service and publish this information in an accessible way.

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5. The GLC will continue to give support to campaigns to defend and transform London's health service and look for ways of extending this support.

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6. The GLC will continue to investigate specific features of London's health service and publish reports.

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7. The GLC will support projects with the aim of promoting change within the NHS by:

- (a) establishing a fund for the provision of grants to innovative health projects, to enable them not only to provide information, advice and mutual support groups, but to employ health care staff including alternative practitioners;
  - (b) assessing the feasibility of setting up an innovative project directly run and managed by the Council.
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8. The GLC will publish a series of papers on new directions for health care, including an examination of the drug industry, primary health care and medical education with the aim of encouraging debate about the future of the NHS.

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9. The GLC will use opinion surveys, publications, and conferences to promote the widest possible discussion among Londoners about the kind of health care they would like to see.

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10. Through publications, the production of audio-visual materials and other means the GLC will encourage debate among Londoners about the social causes of ill-health and ways of attaining better health.

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**Section Three:  
ENGINEERING**

**9.  
Vehicle  
manufacture**

[Image removed at request of London Metropolitan Archive as a condition of digital distribution.]

*The Ford factory at Dagenham. Over the last ten years the workforce has been almost halved, and the plant's future is under threat, despite the big profits made by Ford in Britain in the early 1980s.*

Photo: John Sturrock/Network.

# Vehicle manufacture

## Summary

1. The Ford Motor Company is London's largest manufacturing employer. Since the mid 1970s its labour force in London has been nearly halved. The process of job loss is continuing and the future of the Dagenham estate as a manufacturing plant is under threat. It may soon be little more than a 'screwdriver' assembly plant for imported kits. Meanwhile three other Ford plants in London at Woolwich, Enfield and Croydon have very insecure futures.
2. In the last five years, Ford have been responding to intensified international competition, particularly from the Japanese, which has both increased pressures to cut costs and increased demands for quality and flexibility in manufacturing. Their response has been centred on their 'After Japan' programme to shed labour and increase all aspects of their productivity. At the same time they have continued to internationalise their network of production on a world scale.
3. Britain is one of Ford's most important markets and was a crucial area of profitability during the crisis that the company went through in recent years. Ford have retained a 30% share of the British market but they have been steadily shifting from supplying these cars from their British factories to supplying them through 'tied imports'.
4. Ford are rapidly restructuring their worldwide operations. They have no long term commitment to basing production in any particular country and they will play the world market to maximise their competitive advantages. In this situation the future of their British operations is necessarily uncertain.
5. While Ford operate on a global and strategic basis, their workforce has hitherto responded only on a local and reactive basis. The objective of GLC intervention in this context is to narrow the gulf between Ford and its workers on matters of information and resources. By assisting the development of international trade union co-operation the GLC can significantly strengthen labour.



6. At the same time, the GLC is collaborating with other national and local authorities who have a similar relationship to Ford to develop a range of policies to constrain the actions of such powerful multinational companies and to insist on the development of mechanisms of social responsibility and public accountability.

## Ford in the London Economy

9.01 The Ford Motor Company is London's largest manufacturing employer. Some 15,000 hourly-paid workers are employed on the Dagenham estate, and a further 1,500 are employed at their Enfield, Croydon and Woolwich plants. But at their peak in the early 1970s these plants employed nearly 28,000 workers (see Table 1). The loss of jobs has already been drastic, but more is to come. Ford's stated target is to cut hourly-paid employment at Dagenham to 11,000 by 1990, and the threat of a general run-down of Ford's UK manufacturing operations hangs in the air. What lies behind these developments, and what can be done to prevent a giant multinational like Ford acting in whatever way it decides regardless of the social costs to London and the UK?

9.02 Ford's conduct of its Dagenham operations can only be understood in terms of its worldwide business strategy. Ford came to Dagenham in the 1920s. It was Ford's gateway to Empire and British markets. National tariff barriers were restricting the spread of Ford's cheap standardised cars around the world and Ford decided to overcome this by setting up manufacturing operations in the biggest markets. Later, for many years, the UK became the pivot of Ford's European operations.

9.03 From the 1920s until the 1970s, the American automobile multinationals dominated the world, and Britain and Dagenham had a share in this growth. These giants were powerful and profitable, but they were also sluggish. From the 1930s, car technology stagnated. The cars of the 1950s were remarkably similar to those of twenty years earlier, and Ford and GM competed by annual cosmetic face-lifts for their cars, by advertising and by an informal division of overseas markets abroad and oligopolistic 'room-for-all' policies in the US. Aggressive competition and product innovation were not wanted. Most notably, both Ford and General Motors regularly rejected proposals to make a small car for European markets on the grounds that 'small cars equal small profits'. Instead they did not worry too much about productivity, paid relatively high wages and offset this by charging big mark-ups on large 'gas-guzzler' cars. One result of this was that European producers had little difficulty in holding their own against the Americans and Ford, for instance, was not able to increase its share of the British market between the 1930s and the early 1970s.

9.04 This picture has been dramatically transformed during the decade since the oil crisis of 1973. Rising petrol prices and the associated US government fuel economy regulations brought a new convergence of demand on smaller cars both in the US and worldwide. Demand for small, efficient low-cost cars expanded rapidly at the same time as recession and 'market saturation' (the point at which the level of car ownership tails off in developed markets) limited overall demand. In this situation, the Japanese who produced exactly this sort of car and who had been the most dynamic producers of the previous decade were ideally poised to make inroads in the world market.

9.05 The new pattern of competition unleashed by these developments

turned out to be more than a simple shift in the size and fuel economy characteristics of the car market. Simultaneous with the market shift came an intensification in technical change and innovation in the industry on a scale unparalleled for many years. The impetus came from the need for fuel economy, but it soon became clear that simply 'sizing down' existing cars was not adequate.

9.06 Smaller cars implied a technological revolution and the need for major experimentation with unfamiliar technologies. The quest for fuel economy, better interior space in smaller models, lower weight to power ratios, aerodynamics and often the more power-efficient front-wheel drive led to a process of more or less continuous technical change and product redesign. As models converged around popular market segments, the ability to take a lead in shaping or capturing consumer taste became more and more a decisive feature in competitive success. Greater customisation of what would otherwise be 'lookalike' cars developed: more complex finishing and fitting became a crucial selling point and a lead in an ever-growing checklist of technical specifications became an essential ingredient of market success. Meanwhile the

Table 1: **Employment at Dagenham**

	1980	1981	1981	1982	1983
Assembly	5,057	5,202	4,776	4,774	4,128
Body	5,497	5,189	5,254	4,771	4,311
Engine	4,868	3,920	3,216	2,853	2,784
Foundry	3,839	3,236	2,667	2,050	1,385
Forge	204	184	176	161	146
General Services	1,740	1,643	1,542	1,897	1,759
Knock Down (for export)	737	735	728	488	398
Misc. (App. Training, etc.)	687	740	640	?	124
River			675	544	468
All Dagenham	23,056	21,283	19,674	17,538	15,377
Croydon	296	280	274	271	248
Enfield	1,294	1,210	1,125	967	434
Woolwich	81	423	375	323	280
All London	25,129	23,196	21,448	19,099	16,839

Source: Ford Motor Company

simultaneous development of micro-electronics both offered new scope for technical innovation in engine and body technology and, through the emergence of Computer Aided Design and Computer Aided Manufacture (CAD-CAM), shortened lead times for innovation, research and development. It also presented new possibilities for the linking-up of the processes of design and production engineering, and the rapid increase of automation at the point of production.

9.07 Initially, the US multinationals' response to this new situation was to look to the development of a 'world-car', i.e. a small car for all markets based on a high volume production and economies of scale to offset narrower profit margins. General Motors moved first into this strategy and out-paced Ford in response to the crisis. But the enormous investment programmes that these new cars required was caught halfway by the renewed oil crisis of 1979 and the subsequent sales and profits slump. While the US producers were grappling with this transformation, the Japanese were already able to fill the gap and, at the same time, began to set new standards of product sophistication and differentiation.

9.08 The early 1980s have therefore seen a degree of modification of the world-car strategy. The multinationals have shifted towards more regionally conceived cars and greater awareness of the need for continuous innovation rather than a once-for-all change. Partly this was because financial stringency made wholesale global renewal of the product line impractical and compromised the initial world-car vision. Partly the risks of committing themselves to a single design came to be so large that there was bound to be some hedging of bets. But also it became increasingly clear that as markets converged on certain broad segments, the key competitive elements became product differentiation, innovation and targetting of key sub-segments within the overall market category.

9.09 These pressures posed a major challenge to the old 'Fordist' methods. Even when pursued with greater vigour than in the past, standardisation and the pursuit of economies of scale were not enough. Product differentiation and innovation were now essential for maximum sales. Japan's winning formula was based not simply on cost advantages, such as cheap labour and high productivity, but on their combination of economy and diversity achieved through their use of flexible manufacturing systems quite alien to Ford's own methods. While US methods had centred on economies of scale, Japanese manufacturers had been pursuing a form of production based on an ability to switch rapidly between models and produce in batches while at the same time minimising inventories and down-time for machines — the 'kanban' system. As a result in the late 1970s the Japanese were able to produce diverse models for targeted market segments at about the same cost as, or rather less than, the US firms could produce less strategically placed models.

9.10 Ford and GM are now moving to incorporate key elements of Japanese methods into their operations. They have not abandoned their 'Fordist' mass production methods: in fact, they continue to extend Fordist methods on a global basis in major programmes of 'commonisation' of key mechanical

components. Their engines, chassis, gearboxes and suspensions are designed for maximum interchangeability and compatibility and then sourced on a worldwide basis to take maximum advantage of cheap production costs. One factor here is the use of cheap labour; but most of these items are extremely capital intensive and the choice of location is often determined by favourable government subsidies and taxation policies. Alongside this, in their operations in the more developed markets in Europe and the US, they are pushing towards flexible manufacturing to maximise alternative combinations and product differentiation for segments of regional and national markets.

9.11 These developments have resulted in dramatic changes in Ford's UK operations in the last ten years. Until the 1970s, the pattern was that Ford operated through largely autonomous nationally based companies, such as Ford of Britain or Ford of Germany, supplying their own national markets and conducting a certain amount of export business in their respective spheres of influence. The Dagenham plant was in some senses the classic instance of this model. It was a highly self-sufficient plant. It had its own blast-furnaces and coke plant, its own power generation, its own foundry. It manufactured a wide variety of vehicle components and it assembled finished vehicles. But through

Table 2: Ford UK Sales and Tied Imports

	'76	'77	'78	'79	'80	'81	'82	'83
UK Sales (000s)	325	340	392	486	465	459	474	518
Tied Imports	29	87	138	237	217	203	230	240
Supplies from:								
Germany				114	85	77	100	—
Belgium				65	49	53	67	—
Ireland				10	14	14	10	—
Spain				47	69	59	52	—
Others				1	0	0	0	—

Source: House of Lords Select Committee on the European Communities, 27th Report, HL302, 1984

Table 3: Ford Profits UK and Worldwide 1976-83

	1976	'77	'78	'79	'80	'81	'82	'83
North America (\$)	546	968	891	-208	-2,119	-1,447	-1,271	1,519
Europe (\$)	556	1,045	1,271	1,219	323	289	451	449
UK (£)	59	116	144	386	204	165	192	N/A.

Source: Ford Motor Company Accounts

the 1970s, Ford was slowly integrating its European operations and unifying them in a single company Ford of Europe, organising production and the division of labour at a European level.

9.12 Until the late 1970s, nearly all the Ford cars sold in Britain were manufactured in Britain, and Ford held a powerful 30% share of the British market. Over the last seven years they have held on to that share, but now almost half of their sales in Britain are of 'captive imports', that is, cars manufactured in Ford factories elsewhere in the world and imported into Britain (see Table 2). Nearly one-third of all Cortinas sold in Britain were imported from Belgium, half of the Fiestas sold in Britain were imported from Spain, half of the Escorts sold in Britain were also imported. Ford uses the relatively high prices prevailing in the UK car market to take higher profit margins on its imported cars. Yet at the same time they retain the significant advantage that consumers perceive Fords as being *British* cars. A typical instance is that of a major regional police force whose Police Authority refused to sanction the purchase of a fleet of BMWs because they were German made. Instead they ordered a fleet of Granadas. *All* Ford Granadas are now made in Germany.

9.13 Ford have made very big profits from their British operations in recent years — indeed in their period of crisis in the early 1980s, they played a crucial role in Ford's corporate survival. In 1979 the UK operations made a record profit of £386 million, which made up 70% of Ford's global profits in that year. They paid a dividend of £135m and loaned the parent company £229m cash at a time of acute cash flow problems. The *Financial Times* noted at the time that: 'Ford needs Britain about as much as Britain needs Ford'. This export of profits continued for three vital years (Table 3). Yet while the profits of Ford UK's operations remained high, they were not being ploughed back into the development of UK manufacturing operations. Thus the crucial investment in the Sierra which was to replace the Cortina was starved of funds. Despite its innovative body, it retained inside the conventional mechanics of the old Cortina. Ford were not willing to invest in Britain in 1982 to introduce a new car *and* a new engine at the same time, as they did with the Escort at Halewood in 1980. The result was that the Sierra was a technical half-way house and this undoubtedly contributed to the Sierra's inability to match the past sales performance of the Cortina.

9.14 Ford operates on a world-scale and it is therefore quite possible for a national operation to achieve high profits and yet see its manufacturing base simultaneously run down. One possibility for Ford is to carry this development to its logical conclusion and pursue the 'Vauxhall model' which GM have carried through successfully in recent years. GM have cut their car manufacturing presence in Britain down to a mere token and yet have been able to boost dramatically their 'captive import' sales of UK badged Opels (Cavaliers). Ford generally assumed that manufacturing and importing had to run in tandem, but the GM successes suggest that there is relatively little market resistance to a manufacturing rundown combined with import expansion as long as it is handled 'sensitively'.



9.15 This is one possible outcome. But Ford's overriding priority is to achieve maximum flexibility in response to uncertain world conditions. As a result, they pursue a delicate balance between national manufacturing and international integration. Full integration on a world basis is too vulnerable to problems of long lines of supply, tariffs and trade restrictions, changing government policies, fluctuating exchange rates and erratic oil prices. But on the other hand Ford will not tie their hands by making any specific commitments to long-term manufacturing in any particular national market.

9.16 They would like to have a worldwide series of specialised manufacturing centres which they could link together in different ways according to their operations, which could be easily jettisoned, and which can at all times be played off against each other in the continuing campaign to force down costs. Britain can expect to receive major investments in particular projects, but no long-term commitment to developing Britain as a manufacturing base. Thus, in the last five years, Ford have invested in the new Escort and Sierra programmes and the Bridgend plant. But these investments do not represent any guarantee for the future. Any major new model change, the failure of a model such as the Sierra, or significant shifts in the international locational advantages (labour costs, fuel costs, exchange rates, government subsidies, wars, etc.) could result in the next wave of investment going in a quite different direction.

9.17 What do such footloose activities imply for the UK? Ford will continue to operate and invest in the UK in the foreseeable future. Britain is a crucial market and a British presence is strategically important in sustaining it. British labour is cheap. Currently Ford has to pay 40% less for a week's work by a British worker than by a German worker. Ford regularly complain that British labour productivity, or output per person, is much lower than in Germany, but on the basis of wage costs once British productivity comes anywhere within striking distance of German, then Britain becomes a very cheap place to produce. In addition, British governments may be willing to bribe Ford to produce in Britain, as, in effect, they did with the massive investment subsidy they paid out to secure the Bridgend investment.

9.18 But the nature of Ford's presence will change. The emphasis on international sourcing and flexibility will continue and the British operations will be reshaped accordingly. Dagenham stands to be the biggest loser in this process in the coming years. As we have noted, Dagenham was conceived and has always existed as an integrated manufacturing operation. Now bit by bit it is being broken down and re-structured to function as just one more producing module in a multinational network. The process began almost unnoticed in the mid 1970s with the closure of the Dagenham blast furnaces and coke ovens. But in the mid 1980s the trend seems set to accelerate.

9.19 The closure of the foundry and the re-sourcing of engine production that took place in early 1984 indicate the direction in which Ford is moving. In 1980 the Ford foundry employed well over four thousand people. But iron castings in automobiles are on the decline as lighter aluminium and plastic products are used. The foundry was ageing and quality problems were beginning to increase. In 1981 Ford decided to close the foundry and turn instead to buying

out their castings on the open market, mainly from Germany and Italy. But they did not immediately announce their intentions. Instead, they put forward a 'new concept' proposal to the workforce whereby, in return for a 57% cut in the labour force, Ford would invest £56 million over nine years to develop a smaller high-technology foundry. The unions decided they had no choice but to co-operate and by 1984 the workforce had duly been halved and new working practices accepted. But the new investment never materialised. Ford's assurances about the future proved worthless and when the closure was finally announced the depleted foundry was unable to mount effective resistance. Ford had achieved their aim: a major plant had been closed without industrial action.

9.20 At the same time as the closure of the foundry, Ford announced a major restructuring of their engine operations which will make the future of the Dagenham engine plant very precarious. Until this time Dagenham had made half of the total of Ford's major passenger car engines sold in the UK. The future prospects of diesel engines are uncertain and despite Ford's optimistic assumptions about diesel demand, heavy job losses are almost certain to follow. Now a further series of closures are impending as Ford cut back the Dagenham estate to its core operations. The forge and the KD plant (Knock-Down for export) will close. The press shop, stamping and wheel plants face closure or cut backs. The group tooling department is under threat. In parallel, the services and ancillary structures at Dagenham will be cut drastically. Outlying plants linked to Dagenham such as those at Woolwich and Croydon will also almost certainly close. If these closures take place Dagenham will be well on the way to ceasing to be a manufacturing plant and becoming a 'screwdriver' plant assembling mainly imported components.

9.21 The implications of Ford's policies for aggregate employment are serious enough. But they are also combined with a major offensive against working conditions and gains won over the years by the unions. The threat of closures is the stick behind Ford's new strategy at the workplace. Under the slogan 'After Japan' Ford are insisting that workers can only secure their jobs by accepting that they have to improve their productivity to Japanese levels. First and foremost, this requires workers to accept a major intensification of labour without any compensating increase in pay. Workers are required to take on new tasks of maintenance, inspection or rectification with no increase in pay. Manning levels will be cut, relief time reduced and arbitrary mobility of labour between jobs increased. Union controls over job allocations, promotions and job demarcations will have to be surrendered with possibly damaging effects on their members. A new and rigorous disciplinary code will be enforced. At the same time through new Employee Involvement programmes, Ford hopes to cut out shop stewards and deal directly with individualised workers on the shopfloor, thus undermining the unions' bargaining strength. Alongside this will go a continuing programme of automation and new technology which will constantly erode the level of employment.

9.22 So far, the unions have had some success in resisting these changes. But they are under severe pressure, and unemployment and the political climate

makes it hard for stewards to mount effective shopfloor resistance to managerial demands. Every Ford plant is under threat. Ford are in control. If they do not get the increased productivity they require, they can threaten closure. If they do get it, they can threaten another of their plants with closure for not matching the record of the first. And so the downward spiral of workers' conditions would go on.

9.23 Working for Ford is hard, and it has never been highly paid. Even in 1984 most production line workers have a basic wage of only £127 per week. Poor conditions and wages have meant that until the current recession made people hang on to any jobs they could get, Ford has always had a high turnover of labour. This was particularly so in the late 1960s and early 1970s. At this time, as in other industries, it was only those who found most difficulty in finding decent jobs elsewhere who stayed long. Thus black workers came to be a majority of the Dagenham workforce. One estimate is that there are now some 70% black workers in the Assembly plant and 50% in the Body and Engine plants. Only in the KD plant, the skilled areas and among foremen are there a majority of white workers. These black workers have been active and militant in shopfloor struggles from the start, but it is only recently that they are beginning to make headway in the unions. Recently, however, the first black plant convenor was elected in the Paint, Trim and Assembly (PTA) plant.

9.24 Black workers are, however, still disproportionately at the lower end of the job scale. Others do even worse. Ford's record in relation to women's employment is particularly bad. On the whole Dagenham estate there are only just over 200 hourly paid women workers, nearly all sewing machinists in the River Plant. Ford have never employed women on the production line, allegedly because of legal restrictions on women's ability to work shift-work; yet this has not prevented other motor companies from employing female track workers. Even on sewing machines women face discrimination. For the last seventeen years they have been demanding regrading to give them parity with male assembly workers. Six times they have taken their claim through Procedure or to Fair Employment tribunals without success. In 1968 they struck unsuccessfully for three weeks in support of their claim: in 1984 they struck again. Their job requires six months training, whereas most line jobs require only a few days of familiarisation. Yet the company has continually resisted their claims and many of the women feel that the unions have been ambivalent in supporting them.

9.25 The other women at Ford — a majority West Indian — are mainly canteen workers. This group are largely cut off from the mainstream of union organisation in the plant. They are employed by outside catering contractors, Gardner Merchant (a subsidiary of Trusthouse Forte), and are represented by the GMBATU who have only a limited presence elsewhere on the site. They do not have a representative on the Dagenham joint trade union panel and they have made little headway with their longstanding grievances, such as those of the nightworkers who have been unable to obtain a rotation of day and night shifts and who have to work permanently on nights.

9.26 From the plant, the impact of Ford and its employment policies spreads

out into the local community. For every job lost at Ford, it has been calculated that a further two jobs are put at risk outside the plant, either in component suppliers or in shops and services. The reduction in local spending power saps the quality of life of the whole community. In addition the 2,000 foundry redundancies cost the public purse £8 million in the first year of redundancy in the form of tax and insurance contributions foregone and extra benefits paid out. If the knock-on effects of job loss are taken into account, this figure rises to at least £24 million.

9.27 The pattern of closure, intensification of labour, and the erosion of union organisation is clear enough. The starting point for policies to counter these developments is to recognise that Ford operates on a global and strategic basis with long range planning horizons. They face a workforce which, even when it is organised responds on a local and reactive basis. Even in regional and national terms, Ford is able to exert great pressure on governments and states. Clearly major effective curbs on the power of such a multinational would require national and international interventions at government level, involving a range of policies that might include the following:

- (a) *Local content regulations.* These would be designed to ensure that Ford production in the UK is commensurate with its sales here. Ford would be required to buy or produce a certain percentage of their components in the UK.
- (b) *Import controls.* While a national protected industry is not desirable and would in the long run lead to a high-cost and uncompetitive industry, specific restrictions on Ford's ability to move its production around and to decide to increase the volume of its tied imports in comparison to its UK production will be necessary tactical controls.
- (c) *Transfer pricing.* Ford are currently able to juggle figures around in their corporate accounts so that, for example, they realise higher proportions of their profits in countries where they encounter the lowest rates of tax. Similarly they are able to use sophisticated accounting to obscure and falsify the exact performance of particular plants within the company. Stricter legislation on the form and presentation of accountancy data could help to restrict such activities.
- (d) *Disclosure of information.* Effective restraint on the power of multinationals depends on effective monitoring of their performance. In the 1970s, for example, the British government was a major shareholder in Chrysler UK, yet this did not enable them either to control the company effectively or, in the end, prevent the company from selling up and moving out. The Vredeling proposals on information disclosure in the EEC are a first step in the direction of more public accountability of big companies. A British government intent on exerting some real control over multinationals will have to develop an array of measures to ensure adequate information about the company.
- (e) *Public purchasing.* Ford depends heavily on fleet sales to maintain volume for its car operations. Within this segment, local authorities

and national government contracts play an important role. No figures are currently available on this but a co-ordinated purchasing policy could be a further point of leverage.

9.28 However, there are fields in which the GLC itself can make a significant contribution. There is a vast gulf between the information, resources and planning capabilities of Ford and its international workforce. In addition, Ford has constantly been able to evade public accountability for its actions. These are the areas where the GLC can take action in the short term and where significant moves have already been made.

- (a) In association with other local authorities, both in Britain and in other countries where Ford operates, the GLC can provide resources and facilities for international meetings of Ford workers and Ford union organisations. In February 1984 GLC support made possible a conference for lay representatives of trade unions from all the major Ford plants in Europe and Brazil at the TGWU Centre in Eastbourne. One result was an internationally agreed set of guidelines which unions will use in their dealings with Ford. These include demands relating to the standardisation of hours, wages and conditions throughout all Ford plants; the acceptance of the principle that there should be no investment in one country at the expense of disinvestment in another; and a policy for a shorter working week in all countries both as a benefit to Ford workers and as a way of combatting high unemployment. This will be the first of what it is hoped will become a regular series of meetings where international links and co-operation can be built up.
- (b) The GLC can fund research and investigation into Ford's plans and operations, bringing together a wide range of research facilities that would not otherwise be available to the unions and enabling them to subject Ford's stated aims to critical assessment.
- (c) The GLC can bring public pressure to bear on Ford both to bring their plans into the open and to subject them to critical examination. In early 1985 the GLC held a public inquiry into Ford's future plans for their Dagenham and other UK operations. This was a first step in a campaign for increased information disclosure and the public accountability of Ford.



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## Proposals for action

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1. To curb a powerful multinational like Ford will require both direct action by workers and a range of government interventions at national and European levels. Ford plays off one country against another and plans strategically on a world scale. To combat this requires alternative planning on an international scale, and regulation of companies through agreements on the allocation of production, local content and the location of the industry.
2. As a strategic city-wide authority, the GLC can take a lead to establish long-term perspectives on the future of the car as a system of personal transportation and its relation to integrated city transport systems.
3. In the medium term, the main objective of the GLC is to prevent Ford turning its Dagenham factory from a manufacturing plant to a mere assembly operation putting imported kits together. The closure of Ford's other London plants is linked to this central development.
4. In the absence of government action the unions are the main lever for progressive change. Union organisation has, however, grown up on a plant by plant and national basis and is historically weak faced with the problems of organising against multinationals. The GLC and other local authorities are already playing an important role in strengthening new forms of international trade union organisation and shopfloor links. Resources and assistance allocated here both lay the foundations for international union co-operation and action and also help to break down nationalist traditions in unions which have in the past provided major barriers to effective action. Now that the links are coming into existence, the next step will be the development of international strategies.
5. The GLC is seeking to develop co-operation with other local authorities in their policies towards multinationals. It will promote co-ordinated monitoring of multinational activities and seek to prevent competitive bidding in the form of public subsidies or tax relief by regional local authorities to attract big vehicle manufacturers to their areas.
6. The GLC already has links with Merseyside, the West Midlands and



other British local authorities on these issues. The public inquiry into Ford will develop these links further and promote co-ordinated policies.

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7. The GLC can bring to bear important research capabilities in support of the above aims. This can make possible 'early warnings' and 'shadow planning' and provide shop stewards and local authorities with vital information resources. In addition the GLC will campaign for enhanced legal provisions for information disclosure by companies along the lines set out in the Vredeling proposals.

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8. Within motor companies significant discrimination against women and black workers continues. At Ford, women are confined to only one tiny sector of the factory. The GLC will encourage the unions to take these matters more seriously than in the past.

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**Section Three:**  
**ENGINEERING**

**10.**  
**Motor**  
**components**

*[Image removed at request of London Metropolitan Archive as a condition of digital distribution.]*

*Motor component manufacturers have been hard hit by increased imports and the decline of the industry. Many have relocated outside London. The survival of the sector as a major employer in London is in doubt.*

Photo: GLC.

# Motor components

## Summary

1. In the last five years the motor component sector has seen a wave of closures and the abandonment of London by many component firms.
2. These closures have been mainly due to the rise of 'tied imports' by multinationals like Ford and General Motors, and the continued decline of British Leyland, which have put firms out of business. In addition there has been a certain degree of relocation out of London.
3. Many component firms are wholly dependent on one or two large vehicle manufacturers. In recent years, these manufacturers have been demanding increasing quality and speed of delivery and at the same insisting on frequent cuts in prices.
4. The car companies have acted with little concern for the long-term health of their supplier base and are showing an increasing readiness to import components to cut costs. Currently they are dropping many component suppliers and moving towards a 'Japanese model' for their suppliers, based on single-sourcing, and demands for increased flexibility and quality. It is extremely hard for smaller firms who have made little profit in the last few years to meet these increasingly stringent requirements.
5. The decline in the London component sector still leaves opportunity to regenerate the sector. However, in the light of the weakened state of many firms and the vulnerability of the remaining jobs, there are certain particular interventions that are being pursued to defend jobs and enhance the quality of those that remain.

## Motor Components

10.01 The impact of contemporary trends in the motor industry described in the previous chapter is not confined to the car making firms themselves. The vehicle manufacturers are only the apex of a pyramid of component manufacturers and suppliers, and these firms are also undergoing a period of rapid change. The UK motor industry traditionally buys out a much larger proportion of its components than its main international competitors, and it was on the basis of this practice that Britain's automotive component giants like Lucas, GKN, Dunlop, AE and Automotive Products grew up. Most of these firms were based in the West Midlands but, until recently, a number of large components manufacturers were also located in London. The last five years, however, have seen these companies retrench and largely abandon their London operations. Smiths Industries, the instrumentation firm, have withdrawn from automotive operations and closed down their two factories in Cricklewood; Firestone Tyres, Champion Spark Plugs and Zenith Carburettors have also closed their London factories; Chloride Batteries have cut their workforce by half since 1979 from over 1,000 to little more than 500; Lucas CAV and Glacier Metals are in the process of further major closures. Of the big names of the industry, only Chloride, Trico-Folberth (windscreen wipers) and Ripaults (electrical components) remain in London.

10.02 A substantial number of small to medium car component firms remain, providing significant employment. In London the largest category of surviving component firms are specialised accessory makers in market niches, covering a wide range from door-closing mechanisms, DIY testing mechanisms, rubberised bumper trims, to chrome-plated exhaust pipes for showrooms and exhibitions. Employment levels in car components are always hard to assess because of the great variety of products involved (electrical, glass, rubber, metal, plastics) and the varying levels of dependence of different firms on car products. But the British Automotive Parts Promotion Council believes that nationally employment in components fell by 46% between 1980 and 1983 and the components workforce in London is now in the region of 20-30,000 workers. The future survival of this sector in London must be very much in doubt.

10.03 This decline cannot be explained in terms of high wages or the activities of trade unions. Many of these small and family firms remain un-unionised, even in a sector where it might be expected that unions would be strong. Several firms employing between 80 and 150 workers are non-union and in the others the union presence is weak. Wage levels tend to follow the local norms.

10.04 The root cause of the car component makers' problems is the decline of motor manufacturing in Britain: import penetration in components has grown in line with the import of completed cars. The UK now produces a smaller proportion of its own domestic demand than any other major automobile producing nation. Vauxhall and Talbot are almost solely based on the assembly of imported kits. Ford cars built in the UK currently have about 90% local content, much of it manufactured in-house. But, as we have seen in chapter 9,

almost half of their UK sales are of complete cars brought in as captive imports in which British content is negligible. The prime customer for UK components remains BL who purchase 85-90% of their bought out components in the UK. BL's recent problems are well-known. The next few years may continue to see a partial revival of the company, but it will never return to its former dominance of the UK market, and an important part of its revival depends on its links with the Japanese firm Honda, which will inevitably increase its import sourcing from Japan, especially in the most important high value-added components.

10.05 BL have recently announced that they are seriously considering replacing a long list of components that they currently buy in the UK with imported parts. While recognising that the British component firms have made major productivity improvements, they refuse to give any guarantees that they will continue to use British parts unless they are able to compete with their world rivals on quality and cost.

10.06 The larger component firms have responded by increasingly internationalising their production and investing heavily in overseas subsidiaries (as Lucas and GKN have done) or attempting to diversify out of the industry altogether, like Smiths. A few years ago it seemed that the dominant trend would be towards standardisation of components for 'world-cars' supplied from international sources and that internationalised component giants would squeeze local suppliers on this basis. This seems to be what has happened in certain core components, notably power-train components, castings, forgings and certain types of electronics. But there has also been a countervailing trend towards increased variety of models, upgrading of trim, more extras and the revival of quality cars, and this has produced continuing scope for specialised independents and locally based small to medium firms. Moreover, vehicle manufacturers have drawn back from increasing their proportion of in-house supply, partly because they do not want to have to sustain a diverse research and development burden and partly because it is easier to squeeze labour costs in suppliers than in in-house production. The pattern is, therefore, that a range of suppliers can continue to exist but they are faced with increasingly stringent demands and controls by their dominant customers.

10.07 Until the 1970s suppliers operated very much through close personal and informal relations with the manufacturers. Price constraints were slack and suppliers often made sizeable profits: only when the market tightened and the car companies began to probe more deeply into their suppliers' costs did it become clear how broad the profit margins had been. Once the balance of power shifted the car companies often squeezed their suppliers in the same way that they felt that they themselves had been squeezed before. But until then, contracts were often settled on a personal basis and once companies had secured contracts they rarely lost them. This cosy world came to an end once BL began to be shaken up in the late 1960s and early 1970s. In its place came an atmosphere of distrust, with the manufacturers trying to offload as much as possible of the burden of cost-cutting on to their suppliers.

10.08 Most of the 1970s saw BL and Ford exploiting the dependency of the suppliers as they cut their schedules, multiple-sourced to play off suppliers



against each other and forced the suppliers to bear more and more of the burden of stockholding. BL were notorious for their late payment of invoices and erratic scheduling: suppliers frequently complained that deliveries were turned away at the gate with a demand that they be delivered again 48 hours later, with the suppliers to bear the costs of the delay. In addition, from 1979 to date, the vehicle manufacturers have enforced a virtual price-freeze on their suppliers, often using the *threat* of foreign sourcing to enforce their will. Firms in sectors with considerable over-capacity are unable to resist such pressures. The weakest firms have been driven out of business by these price wars, but at the same time *all* the firms in the sector are weakened. Yet while prices have been stable or falling, costs have been rising steadily.

10.09 Many of these firms are locked into a single vehicle manufacturer which might take 50% or more of their sales; if they do not do what the manufacturers want they stand to lose their major customer. Inevitably they accept price cuts even when they are uneconomic. This initiates a downward spiral. They cannot afford to invest and cannot move away from low-technology labour intensive production into the more advanced methods that the car companies have come to require. Hence, in recent years, they are unable to respond when BL begins to insist that their suppliers 'catch up' with their own dramatic increases in productivity of the last few years. BL have certainly been guilty of buying with little care for the health of their supplier base. In the long run this may jeopardise their own security.

10.10 The position of small to medium suppliers in both the West Midlands and London have become precarious as a result of these developments. But the recent developments of 'flexible' manufacturing processes among the car companies have intensified the pressures. The car companies are becoming more and more insistent on advanced technology among their suppliers. Rapid technological advances are going on even in relatively humble components such as fasteners, valves and mirrors. Manufacturers are coming to require that suppliers produce not just an individual item but a module or 'system' that can be slotted into their assembly process. At the same time they are implementing so-called 'black-box' conditions for suppliers, whereby *all* responsibilities for defects and quality control within the product are shifted on to the supplier. The car firms refuse to accept any inspection responsibility for incoming supplies and the aim is to move to direct delivery by the supplier on to the assembly lines, cutting out both inspection and stockholding. These are techniques already developed in Japan where they are also extended to include flexible production in smaller batch sizes and shorter response times. Both Ford and BL are now pressing their suppliers to introduce CAD-CAM technology linked to the manufacturers' systems to streamline these processes. The technology exists, but not many of the smaller suppliers can yet afford the capital costs of such developments.

10.11 In the West Midlands these developments offer certain opportunities for local producers to capitalise on their locational advantages of proximity to the manufacturers and move towards a successful flexible local infrastructure modelled on the Japanese 'just-in-time' system. Many medium sized firms

hope to find niches based on their flexibility, proximity and readiness to pursue advanced technology. BL would like to see this, but they are not ready to pay the price of stabilising their relationship with their suppliers and easing the most immediate pressures. In these circumstances, many of these firms are looking for outside assistance, from local government or elsewhere, to bridge the costs of modernisation, and thus make possible much closer and more stable buyer/supplier relationships. Ford have already gone a considerable way down this road in terms of selecting the best suppliers and providing detailed advice and assistance for chosen firms in a long-term relationship.

10.12 In the West Midlands, there is an option for local government intervention to help this process along and assist in the reorganisation of a regional industrial infrastructure. Certain voices in local industry and local government are urging an active role by national government in encouraging co-operative relations between vehicle manufacturers and suppliers, including mobilising resources for agreed restructuring, retooling and providing local or national government aid to chosen suppliers on the basis of joint consultation with vehicle manufacturers. The dangers of such a course are immediately apparent: local government operates simply to facilitate rationalisation for private interests and does the job that the powerful car manufacturers are themselves too short-sighted to do.

10.13 But whatever the pitfalls, there are clear opportunities for local government to look towards regionally conceived interventions in the West Midlands. In London, unfortunately, no such options exist. The London firms are not the core but the periphery of the component industry. Many of the firms are dynamic and capable, but few hold the position of market leaders in their particular segment. They are usually sited in London for historical reasons and derive no positive locational advantages from their position. Ford does not play the same role in London as BL does in the Midlands. Ford buys little from London suppliers — though it does still manufacture a significant number of its own components in-house in London. Instead it too buys most of its British components from the West Midlands.

10.14 What options exist to defend employment in this vulnerable sector? There are five main areas in which the GLC in conjunction with GLEB can play a part in securing a long-term future for employment in this sector.

- (a) Certain firms have the possibility of moving into market niches as specialist producers, making the best product in their class and winning a long-term relationship with the major manufacturers on this basis. But such firms have usually made little or no profits in the last few years and are desperately short of the investment funds needed to make such a move. GLEB will aid here, both through direct investment and through providing technical assistance for the development of new technology through its Technology Networks.
- (b) Many family-owned firms which have experienced a severe profit squeeze over the last five years are vulnerable to being sold-off by despairing owners and asset-stripped and closed by outside corpora-

tions. Some of these firms are basically sound operations which can be turned around by new management and an injection of investment funds.

- (c) Such a turnaround might involve the upgrading of the product as described above or else take the form of diversifying out of the industry. Diversification has often proved very hard for small to medium specialist firms. All their sales and development resources are extremely specialised and closely geared to fulfilling the needs of their major customers. They lack the time and space to look for alternative products or investigate potential new outlets. GLC/GLEB resources can be used to explore such possibilities and again provide funds and expertise to cover a difficult period of transition.
- (d) As we have already noted, a significant part of Ford's London employment is, in effect, based on in-house components manufacturing. In the near future this is vulnerable as Ford move to international sourcing and cut back their London operations. The campaign to defend jobs at Ford will make these jobs a particular concern, highlighting the diminished local content that would result from these changes and stressing that Ford's reputation as a 'British' producer from which it derives so much advantage, will be jeopardised if it does not act with more responsibility towards its British workforce.
- (e) The stabilisation and development of component firms depends crucially on their being able to take a long-term view of product development. Public purchasing power could be utilised to exert pressure on the manufacturers to stabilise their relations with their suppliers.

10.15 A first step in the implementation of such policies has been taken with the acquisition by GLEB of Magnatex Holdings, London's leading manufacturer of car mirrors. This was a firm that had managed to make profits throughout the difficult years of the early 1980s but which had suffered from short-sighted family management and a lack of strategic development. During 1983 the firm was on the point of being bought up and asset stripped by a big conglomerate with the resulting loss of over 200 jobs. GLEB stepped in to buy the company, save the firm and inject funds into it to carry out a vital up-dating and up-grading of its products. One immediate result was that BL who had lost confidence in the future of the firm and had started to re-source their orders have been won back to buying from the firm, and the prospects of a long-term relationship look good. Magnatex aims to become the best in its class as a mirror supplier and GLEB is backing the renovation of its product line. At the same time, through GLEB the company is now more able than ever to contemplate moving into new product lines or diversifying. Two hundred jobs have been saved and the future prospects of the company look healthy. The first steps towards Enterprise Planning have been taken and improved consultation and communication with the unions is already a fact.

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## Proposals for action

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1. Stabilise the relationship between component suppliers and vehicle manufacturers. The current cut-throat relationship make long-term development and investment by component firms very difficult. Without this, product innovation and quality will decline and the door will be opened for more and more imports. A healthy component industry requires stable long-term co-operative relations with manufacturers.
2. GLEB investments in selected firms will be designed to enable component firms to develop flexibility and quality, and to facilitate product development or change and the long-term stabilisation of relationships with vehicle manufacturers.
3. GLEB will seek to assist specialised component firms to diversify into new products, it can provide a breadth of expertise unavailable to most of the London firms in this sector.
4. The Technology Networks will be encouraged to provide technical assistance in the up-grading of products.
5. Where family owned firms have failed to modernise their systems of management, GLEB can facilitate a transition to more professional management. Magnatex is a clear example of this in practice.
6. GLEB will introduce Enterprise Planning and the greater involvement of the workforce in tandem with the development of flexible manufacturing methods.
7. The GLC and GLEB will campaign to prevent the closure of Ford's London component factories in Woolwich, Croydon and Enfield.
8. Public purchasing power should be used to ensure that vehicle manufacturers source their components from the UK to a degree commensurate with their sales. For instance, General Motors (Vauxhall) have the lowest local content of any so-called British manufacturer; their British operations largely assemble imported kits. National and local government bodies and nationalised industries could withdraw their substantial purchases if acceptable levels of local content are not attained.

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