QEH Working Paper Number 55

India: Workers' Rights in a New Economic Order

(The first Arvind Das Memorial Lecture, 24 October 2000, New Delhi)

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With traditional forms of collective bargaining failing in the face of rapid corporate restructuring, what perspectives can the unions evolve to ensure their survival and growth? This paper argues that the labour movement has a powerful stake in shaping the agenda of corporate governance, both because implicit contracts are impossible to enforce without a role in strategic decision-making, and in the sense that public corporations can no longer be conceived merely as shareholder domains. However, in a country like India where the majority of wage earners are unorganised, the workers' rights clause will have a major role to play.

November 2000

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Following the large-scale defeat of the Bombay textile strike in the early eighties, employers mounted a concerted offensive against organised labour which was sustained into the nineties. The system of industrial relations ran into trouble in the eighties as managements resisted collective bargaining and began first a gradual and then a large-scale restructuring of employment. It is possible to argue that after 1991, with increasing competitive pressure from product markets, deregulation was squeezing profits and forcing employers to cut internalised employment systems in a more dramatic and decisive way.[1] For example, throughout the eighties large companies had been reducing workforces through natural wastage, but from the early 90s they began to structure so-called voluntary retirement schemes to induce large-scale exit from companies. This began in 1992 when the Swiss multinational Ciba-Geigy negotiated a mass retirement for 902 workers in its Bombay factory. That may have been prompted by a circular from the ministry of finance which suggested tax breaks to encourage companies to downsize. Since then there have been numerous and (for many firms) repeated voluntary retirement schemes with a very considerable loss of jobs in manufacturing. However, it is helpful to keep the two phases distinct. In the eighties lockouts were used to weaken union resistance to management demands and the gathering assault on workers' rights was not, therefore, the simple outcome of liberalisation, which came several years later. Secondly, outsourcing spread basically in the eighties, suggesting that crucial aspects of lean production had already been introduced by employers in India well before they became management orthodoxy on a world scale. The reasons why manufacturing firms subcontract are complex and vary from industry to industry, so there is no point in overstating the issue. Suffice it to say that without the extensive outsourcing networks created in the eighties, the voluntary retirement schemes of the 1990s would just not have been conceivable. Thirdly, if the resistance to bilateral settlements meant a gradual erosion of bargaining rights, other management moves in that period were more explicit. Bargainable jobs were redesignated to remove them from the union category, sales and supervisory staff were denied the right to join unions, union leaders were repeatedly chargesheeted, suspended or dismissed on various trumped up charges, federations representing workers in several establishments of the same company were fiercely resisted, etc. Judicial decisions, often the inevitable outcome of these moves, tended to reinforce the position of employers, legitimising the erosion of employees' rights though most of the eighties and into the following decade.

Standing back from all this and trying to gain some sense of the general trend, one might say that the industrial relations system broke down in the eighties and was never put back on its feet in the years that followed. Managements had recovered initiative in a decisive way after the union expansion of the sixties and seventies, and the labour movement entered the economic reforms era in a defensive mood and lacking any strategy for renewed growth. With the voluntary retirement schemes of

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[1] Peter Cappelli, 'Rethinking employment', *British Journal of Industrial Relations* 33 (1995) 563-602 deals with the breakdown of internal labour markets in most parts of the industrialised world. On why management attitudes may have hardened in the 1980s, see Peter Armstrong, 'Corporate control in large British companies: the intersection of management accounting and industrial relations in postwar Britain', in A. G. Hopwood and P. Miller, eds., *Accounting as Social and Institutional Practice* (Cambridge, 1994) 190-210, ascribing central importance to budgetary controls. A shift in management practices in the UK would undoubtedly have carried over into tighter monitoring of labour costs in overseas subsidiaries.

the last few years, certain sectors of the union movement have seen major contraction, namely, the so-called employees' unions which are tied to a particular plant or company. If the plant closes down, the union disappears, unless it has members in other establishments. The downsizing of offices and factories has thus also been a downsizing of one of the more advanced and combative forms of trade unionism in India.

Let me turn, somewhat rapidly, from this background to 'Corporate governance'.[2] This, as you know, refers firstly to the general drive in most markets in the industrialised world, including countries like India, to define rules which encourage companies to function in more professional, transparent, and socially accountable ways, insofar as they rely on some form of capital market financing. These rules have increasingly acquired a formal expression in the so-called 'codes of corporate governance' which spread rapidly in the late 90s, drawing their inspiration from the 1991 Report of the Cadbury Committee, which emphasised self-regulation and drafted recommendations for independent boards and more reliable corporate reporting practices. Cadbury was largely a reflection of the then prevailing state of opinion in the UK accountancy profession, which saw itself under mounting public pressure,[3] and of course of the growing concerns of institutional shareholders, and the basis for its rapid diffusion as a model can likewise be explained by the spectacular growth of US and UK institutional investments in European and emerging markets in the 1990s. In a broader sense, of course, corporate governance gives us a way of discussing the whole set of issues related to corporate ownership, control, and accountability, including, most fundamentally, the question, 'Who should be regarded as having a valid interest in the company?' This is only in part an academic question since both union theory and union practice, at least among the more militant employees' unions that have successfully ridden the storm of the last ten years, revolves precisely around this issue, to various degrees of explicitness. I recall unions like the Philips Employees' Union arguing aggressively in the early eighties that a company was not its management but more than its management and substantively different from it. One recalls also that the legally savvy general secretary of the Hindustan Lever Employees' Union has repeatedly quoted Gower's *Principles of Modern Company Law* to the effect that 'In so far as there is any true association in the modern public company it is between management and workers rather than between the shareholders inter se or between them and the management'. That quote continues by saying, 'But the fact that the workers form an integral part of the company is largely ignored by the law'.[4] Both of these are unions that have intervened legally in their management's business decisions, either the sale of assets by their company to other companies or mergers likely to impact employment. Employees' unions have also begun to use AGMs as forums for sometimes spectacular public interventions.

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[2] The research for this paper was funded by DFID under a two-year research project on Corporate Governance and the Indian private sector. I would like to take this opportunity to thank DFID for its valuable support and Barbara Harriss-White for an active and stimulating association with the study of the Indian corporate sector.

[3] Judith Freedman, 'Accountants and corporate governance: filling a legal vacuum?', *The Political Quarterly* (1993) 285-97

[4] Paul L. Davies, *Gower's Principles of Modern Company Law*, sixth ed. (London, 1997) at 10.

Now it is abundantly clear that till now much of the corporate governance movement, worldwide, has been driven by financial interests, namely, the drive of institutional investors to gain tighter leverage over corporate management and boost the returns to portfolio capital, generally regardless of the price paid for this by other constituencies, notably labour. This has happened, of course, through so-called restructuring. The general issue I want to start from is that of the effectiveness of collective bargaining in the face of corporate restructuring and the implications of it being shown, for example, that *traditional forms of collective bargaining are in fact largely ineffective in a period of restructuring*. If this is true, as it certainly appears to be from the inability of the unions to halt the erosion of wages and conditions and of employees' rights throughout the last twenty years, then it would inevitably mean an *endemic* crisis of union perspectives. It is this crisis that the more far-sighted unions in India have sought to battle their way through by muscling into corporate investment decisions, which means legal challenges to those decisions and challenges to the law regulating decisions of that type. At a largely theoretical level, so to speak, I'd like to suggest that there are three interesting strands of the corporate governance literature which could help to reinforce the long term position of unions who are not willing to lie down and die quietly. I shall call these 'implicit contracts', 'legal architecture', and 'labour's capital' respectively. The paragraphs which follow are simply a mapping of possible union perspectives and of course they beg the question of why union densities have levelled off and run into what looks like an impassable plateau.

By 'implicit contracts' I mean the powerful argument developed since the late eighties by Katherine Stone that public policy choices shape the background legal rules which govern labour relations and determine whether employees can or cannot enforce their implicit contracts.[5] Because some of the investment that employees make in their training is firm-specific, the employees' value to their employer increases over time as they acquire such firm-specific capital, while their value to other employers may not. The idea can be dressed as a model of life cycle earnings, during the middle periods of which workers have made an investment for which they have not yet been compensated, and for which they anticipate deferred compensation. If they suffer involuntary job loss during that period, their investment is lost. Workers' investments in firm-specific capital and deferred compensation are made not on the basis of some explicit contractual arrangement, but rather take the form of an implicit contract. The implicit contract in the internal labour market is that in the early phases of their career, employees will be paid less than the value of their marginal product and less than their opportunity wage in exchange for a promise of job security and a wage rate later in their working lives that is greater than the value of their marginal product and their opportunity wage. It follows that middle-period employees have made an investment which they need to protect. The model also shows that corporate restructuring has involved managements in the systematic violation of implicit contracts in the internal labour market. In other words, the employment relationship contains a built-in incentive for managers to breach their implicit promises of job security and deferred compensation, and appropriate that investment to the firm or themselves. This would explain why in the Bombay region, for example, the structuring of voluntary retirement schemes usually involves careful deliberation and

[5] See Katherine Van Wenzel Stone, 'Labour markets, employment contracts, and corporate change', in Joseph McCahery *et al*., eds., *Corporate Control and Accountability* (Oxford, 1993) 61-90, for what follows.

calculated incentives to induce specific seniority groups to retire. Finally, Stone argues that the erosion of labour rights[6] and the practicalities of labour relations make it next to impossible for unions to police or enforce the implicit contracts during times of restructuring. The upshot of much of this is that insofar as labour law rules make enforcement of employees' implicit contracts problematic, which is certainly the case in India and also in the US, for example, 'it is important to consider what other enforcement means are available'. Stone herself opts for what she calls a 'collectivist contractual approach' which envisages changes in the legal rules governing collective bargaining which emphasise union participation in strategic-level corporate decisions. This means, basically, a much stronger corporate governance role for unions. As she says, 'From this perspective, we can imagine collective bargaining transposed to the boardroom, where unions can the contend not only with management, but with all the other constituent groups that comprise the firm. This is already occurring in the United States in Chapter 11 bankruptcy reorganisation proceedings, where unions sit on creditor committees and negotiate with all the different classes of creditors about every aspect of the fate of the enterprise'. The boundaries between bargaining and governance have to be redefined to allow the board of directors to expand into a governance instrument of more than just the stockholders, since workers too have transaction-specific investments at risk for which conventional collective bargaining is simply not an adequate governance structure.[7]

This takes us to strand two, which concerns the legal architecture of the modern public company.[8] It does so because, if, axiomatically, the board is a 'means by which to safeguard the investments of those who face a diffuse but significant risk of expropriation', as Williamson writes, with *shareholders* in mind,[9] then the issue this raises is whether a stronger governance role for unions is at least compatible with the underlying premises of modern company law. Here it is important to state at the outset that the whole corporate governance movement is crucially underpinned by the

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[6] E.g., Katherine Van Wenzel Stone, 'Labor and the corporate structure: changing conceptions and emerging possibilities', *University of Chicago Law Review* 55 (1988) 73-173, documenting the erosion of union legal rights in the US.

[7] It is worth recalling that asset specificity was central to Mallet's thesis of the 'new working class', where it formed the basis for the worker's 'integration' into the enterprise, see Serge Mallet, *La nouvelle classe ouvrière* (Paris, 1969), esp. 80ff. and his case study of the Caltex refinery at Ambès, 107ff.

[8] The most thoughtful analysis is Mary Stokes, 'Company law and legal theory', in Sally Wheeler, ed., *The Law of the Business Enterprise: Selected Essays* (Oxford, 1994) 80-116. For a Marxist perspective, see Paddy Ireland, 'Company law and the myth of shareholder ownership', *Modern Law Review* 62 (1999) 32-57, arguing for the depersonification of the public company, supplemented by Ireland, 'Capitalism without the capitalist: the joint stock company share and the emergence of the modern doctrine of separate corporate personality', *Legal History* 17 (1996) 40-72, and Ireland, Ian Grigg-Spall and Dave Kelly, 'The conceptual foundations of modern company law', in P. Fitzpatrick and Alan Hunt, eds., *Critical Legal Studies* (Blackwell, 1987) 149-65. For the liberal-pluralist perspective, which converges with Ireland's in important respects, see Gavin Kelly and John Parkinson, 'The conceptual foundations of the company: a pluralist approach', *Company Financial and Insolvency Law Review* 2 (1998) 174ff.

[9] Oliver Williamson, *The Economic Institutions of Capitalism* (1985) at 306, adding, 'Thus regarded, the board of directors should be seen as a governance instrument of the stockholders'.

largely ideological (rather than legal) doctrine of 'shareholder primacy'. This is so deeply rooted in the Indian context, for example, that even unions who use corporate governance as a platform to launch public challenges to business decisions of management (notably, the Philips Employees' Union in a very recent struggle) will, in private, enunciate a view of corporate governance as something entirely and intrinsically shareholder-driven. The fact is, however, that there is a great deal of confusion in modern company laws about the precise status and rights of the shareholder. The shareholder-centred model of governance rests on the untenable assumption that shareholders actually 'own' the company or at least its 'capital'.[10] But this is simply not the case in law. As Gavin Kelly and John Parkinson note, 'It is simply not the case, as a matter of law, that the shareholders are owners. They do not own the company itself, since the company, as a legal person, is incapable of being the subject of ownership rights. And, while they own their shares, shareholders do not own the assets used in the business, which belong to the company as a separate legal person'.[11] And it follows of course that '*If* it is untrue that shareholders own companies, then justifying their exclusive governance role by reference to their antecedent property rights must fail'. The share, of course, is a form of fictitious capital which entitles its owner to the firm's residual income, but the crucial rights of possession, use and management of the firm's assets lie with the directors. Secondly, 'As a matter of law [..] the directors' powers are original, not delegated powers, allocated to them by the company's constitution. They are not transferred to them by the shareholders'. 'In short, the contention that the shareholders are entitled to exclusive possession of governance rights because they are owners rests on a false premise'. There is of course a growing body of literature that supports this view in detail, and some of it is wonderfully trenchant. Yet it is true, all the same, that in jurisdictions like the UK, apparently, and India, company law continues to be obfuscated by the obsolete doctrine that 'ultimate control' resides with the 'owners of the company', in the sense, for example, that shareholders have the power to appoint and dismiss directors, and that directors are, ostensibly, accountable to them above all. (Margaret Blair has argued recently that American corporate law is much less obscure on these questions, since under American law, boards have no legal obligation to comply with shareholder resolutions, even when those are unanimous.)[12] To cut a long story short, the centrepiece of the new legal architecture of the public corporation remains the modern doctrine of separate corporate personality, and working out the implications of *this* doctrine from a consistent corporate governance perspective,

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[10] Contrast Margaret M. Blair, 'Corporate "ownership": A misleading word muddies the corporate governance debate', *The Brookings Review*, Winter 1995, 16-19, John Kay and Aubrey Silberston, 'Corporate governance', *National Institute Economic Review* August 1995, repr. in F. Patfield, ed., *Perspectives on Company Law* 2 (1997) 49-67.

[11] For this and the next three citations, see Kelly and Parkinson, 'Conceptual foundations', 175-7.

[12] Margaret M. Blair and Lynn A. Stout, 'A team production theory of corporate law', *Virginia Law Review* 247 (1999), repr. in *Journal of Corporation Law*, Summer 1999, 751ff., esp. at 778ff., rebutting the notion that 'American corporate law follows the shareholder primacy model' and suggesting that in American law directors are more like trustees than agents. D.J.H. Greenwood, 'Fictional shareholders: for whom are corporate managers trustees, revisited', *Southern California Law Review* 69 (1996) 1021ff, argues that in corporate law the 'shareholder' is merely a personification of capital, an abstract or 'fictional' creature, not a collection of real shareholders.

namely, that directors owe their fiduciary duties to the firm (and not to any particular constituency), would certainly create more governance space for employees.

Finally, there is a strand of thinking which is in tension with both the above, which I have referred to as 'Labour's capital'.[13] The idea here is that organised labour has the potential to influence the development of capital through the pension funds, insofar as the latter now own a considerable part of the domestic industrial sector in many economies. For example, by the mid 1990s the world-wide accumulated assets of pension funds were equal to the market value of all the companies quoted on the world's three largest stock markets![14] The problem, of course, is that by and large pension-scheme trustees do not manage their funds internally. Pension funds are under professional management by specialist fund managers who work for the fund or asset management subsidiaries of the world's largest insurance companies and investment banks.[15] The majority of these institutional investors have been key drivers behind corporate restructuring. Thus the issue here is one of control; or rather lack of control by policy-holders, of a new and paradoxical form of alienation in which workers' savings are used to undermine their jobs and communities. The political idea is that organised labour has the potential to influence the development of capital by exerting its influence among institutional investors (as it has started to do in the US)[16] or, more ambitiously, and in the longer term, by reappropriating control over the way pension funds are managed and deployed. Perhaps the most elaborate expression of this strategy were the employee investment funds proposed by Rudolf Meidner of the Swedish TUC, which the employers identified as a major threat in the early eighties. One wonders how Marx would have handled the idea that the 'socialisation of capital' which has reached such massive proportions through the dramatic expansion of the global asset management industry is in fact, to a large degree, a capitalisation of labour's deferred wages and a potential means of labour re-appropriating control of social ownership.[17]

Let me try and pull together the three strands of argument into a more coherent perspective. Several decades of 'restructuring' have had a major impact on the strength of unions worldwide and pushed wage earners on the defensive. Each of the perspectives just outlined offers, potentially, a way out of this crisis. The first emphasises the need for the unions and the state to redefine the boundaries between bargaining and governance and for employees to assume a much stronger corporate governance role. The second creates legal and ideological space for the acquisition of corporate governance rights by constituencies other than shareholders. And finally, as

[13] Notably, Richard Minns, 'The social ownership of capital', *New Left Review* 219, September-October 1996, 42-61, and Robin Blackburn, 'The new collectivism: pension reform, grey capitalism and complex socialism', *New Left Review* 233, January-February 1999, 3-65.
[14] Minns, 'Social ownership', 43.
[15] G. P. Stapledon, *Institutional Shareholders and Corporate Governance* (Oxford, 1996) Ch. 3.
[16] Teresa Ghilarducci, James Hawley, and Andrew Williams, 'Labour's paradoxical interests and the evolution of corporate governance', *Journal of Law and Society* 24 (1997) 26-43, esp. 36ff., for US organized labour's 'growing influence in the institutional investor community'.
[17] The relevance of this perspective to employees in India presumes the growth of a proper pension funds business. A key issue is coverage. Even with 25 million subscribers to the provident funds, barely ten per cent of the labour force is currently affected.

Aglietta has noted, 'If the trade unions are to regain the power to influence the distribution of income, they must realise that the battle to be fought and won is the battle for control of company shareholdings…Companies are controlled..to an ever-increasing extent by pension funds'.[18] The three perspectives converge in their general orientation, even if there is an obvious tension between the corporate law claims of the second, denying shareholder primacy, and the 'shareholder' premises of the third. In particular, 'Implicit contracts' and 'legal architecture' underline the centrality of legal reform to the renewal of the labour movement.

On the other hand, what happens if the majority of the labour force is not covered by unions, not covered by any form of provident fund, and totally excluded from the social democratic sector of capitalism? Indeed, what happens if the unions are being destroyed within the corporate sector itself? These questions take us back to Katherine Stone's emphasis on the crucial nature of the *legal* background against which markets operate. There are two points to be made here. First, 'Legal regulation shapes the markets in which contracts are made', that is, markets are legally constructed as much as they are economically, they are a product of regulation as much as of economic activity. And second, the background legal rules that govern labour relations embody normative choices about the distribution of power and advantage in society. A society that condemns 90% of its labour force to a condition of slavery is a society that has made a public policy choice to base its political democracy on economic servitude. There is a powerful lobby today that seeks to reinforce this position by further deregulation of the labour market on the grounds that international investors find our labour laws too rigid. But interviews with the top management of UK international firms conducted in Britain some years ago suggested that confused policies and lack of infrastructure were more powerful deterrents to a substantial flow of inward investment into India. The same lobby is fiercely opposed to the incorporation of a workers' rights clause in international trade agreements, something for which there is strong support in the international trade unions affiliated to the ICFTU. That Indian big business should brook no interference in the internal management of its affairs is hardly surprising. On the other hand, it is disgraceful that some of the central trade unions should buy into their arguments.[19] The organised labour movement has failed to stem the growth of the unorganised labour sector and is now being progressively pushed back because of this failure. So the question about background legal rules can be restated as follows - if the labour movement is too weak to make a substantial difference to the vast majority of wage-earners in this country, including millions of children, does it make any sense to continue to oppose international union pressure for the introduction and monitoring of core labour standards through the WTO's trade policy review mechanism? The propaganda opposing the workers' rights clause emphasises sanctions and their potential to be a covert mechanism of protectionism against the developing countries. This misses several points. In the first place, all WTO members made a commitment at the first WTO Ministerial Conference at Singapore in December 1996 to respect the internationally recognised core labour standards of the ILO. India is a signatory to the Singapore declaration and as such the

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[18] Michel Aglietta, 'Capitalism at the turn of the century: regulation theory and the challenge of social change', *New Left Review* 232, November-December 1998, 41-90, at 80, in a section titled 'Corporate governance, institutional savings, and the redistribution of income'.

[19] See Rohini Hensman, 'World trade and workers' rights: to link or not to link?', *Economic and Political Weekly*, xxxv/15, April 8, 2000, 1247-54, esp. 1252.

government of India can hardly go back on the commitments India accepted along with other WTO members. This may seem like a formality but it underlines the point that the issue of labour standards is not strictly an open one. (Note that India has still not ratified Conventions 87 and 98 on the freedom of association, the right to organise, and the right to collective bargaining; and not ratified Convention 138 on child labour.) Secondly, it is developing countries trying to respect these rights and improve working and living conditions that are the most vulnerable to being undercut in world markets by countries seeking comparative advantage though suppression of workers' rights.[20] A good example of this is the impact of Indian child labour on the Nepalese carpet weaving industry. Though the anti-protectionist argument seems to be directed against the advanced capitalist countries, it is actually an attempt to justify a race to the bottom among the developing ones. And third, it is worth clarifying that the international union pressure for a workers' rights clause has been much less emphatic on sanctions than it has on positive incentives and improved market access as well as assistance in implementing the labour standards.

The biggest myth of globalisation is to believe that a race to the bottom is somehow inherent in the logic of global capital. On the contrary, the global integration of capitalism renegotiates the value of labour power at the international level, and it is the early phases of this process that we seem to be witnessing. It was Marx who wrote that 'since capital is by its nature a leveller, since it insists upon equality in the conditions of exploitation of labour in every sphere of production as its own innate right, the limitation by law of children's labour in one branch of industry results in its limitation in others' (*Capital*, 1.520). Here Marx sees the regulation of labour as inherent in the accumulation of capital, and posits a tendency for levelling upwards. At the political level, globalisation is producing a massive and powerful current of convergence, with a systematic collapsing and obliteration of the old political divisions and languages, a Europe-wide convergence of the parties of the Left, and continued intensification of the protean character of nationalism, which *par excellence* is now the terrain of the right. The challenge for theory is enormous. For the labour movement to retain a sense of perspective in these rapidly changing conditions, it is important for the unions to avoid capitulating to either the pessimism or the paranoia about 'globalisation'. The paranoia about globalisation has less to do with the actual extent and forms of global economic integration, even in today's world economy, which are far less than claimed or imagined both by globalists and by the opponents of internationalisation,[21] than with the attempts of domestic economic élites to retain substantial control over government, markets, and regulations in their home jurisdictions. Globalisation has been primarily a financial process. The integration of financial markets is being driven by the accumulation of foreign assets by institutional investors. But there are limits to the international diversification of institutional investor portfolios. On the other hand, the pessimism about globalisation is mostly designed to reinforce a politics of national sovereignty, and the convergence I referred to is largely, in India, a convergence around the rhetoric of nationalism. It is this convergence that has sabotaged the prospect of India signing the Comprehensive Test Ban Treaty (CTBT), isolated the devastating conflict in Kashmir from international intervention, disowned international pressure for the elimination of child

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[20] Several background papers on the ICFTU web site www.icftu.org argue this, e.g. 'International labour standards and trade', statement to the 17th Congress dated 7/4/00.

[21] Linda Weiss, 'Globalization and the myth of the powerless state', *New Left Review* 225, September-October 1997, 3-27.

labour, and sustained the myth that the continuing degradation of labour conditions in India is primarily due to the multinationals. The left's strategy of blaming the ills of Indian capitalism on the global forces that impinge on it plays directly into the hands of those forces in Indian society that are working hard to reconfigure nationalism or the fantasized sense of national identity into the kind of nationalist disaster that we know as fascism.[22] Both factors have been at work in the Indian situation (pessimism as well as paranoia) and their combined effect is to deflect the labour movement from any forms of intervention other than ritualised opposition to 'new' economic policies which are now almost a decade old. In this lecture I have suggested some of the lines along which a more dynamic labour perspective might be debated, focussing on the need for a stronger corporate governance role for employees, on the conception of the public corporation as a social enterprise, and finally on the potentially important role of funded pension schemes which are subject to the control of employee policyholders. Of course, none of these perspectives will make much sense outside the context of a younger and more qualified union leadership which is able to push the boundaries of collective bargaining both further into the labour force and deeper into the decision-making of the company. By working through the logic of the new economic order rather than outside it, it should be possible for the labour movement to finally challenge business's one-sided control over the economic and industrial policies which are currently shaping the agendas of liberalisation in ways that marginalise labour.

[22] Cf. Tom Nairn, 'Reflections on nationalist disasters', *New Left Review* 230, July-August 1998, 145-52.