

Case example: **Arthur Scargill**



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Within each module there is a section called 'Case examples' which feature interviews and case studies to help illustrate key learning points. They are not essential but help to bring the learning to life and you may be able to research some of these further online.



Please note: This case example is linked to the second scenario '**Your first meeting**'.

Case example: Arthur Scargill

Introduction

In the early eighties, **Arthur Scargill** wanted to limit the investments that the **Mineworkers' Pension Fund** could make, but he came across a problem.

Who was Arthur Scargill?

He was a very active member and, for some time, leader of the **National Union of Mineworkers (NUM)** – you might remember him from the miners' strikes in the 1980s.

He was also a trustee for the **Mineworkers' Pension Fund**.

What were the investment limits he wanted to make?

In 1982, the board had to rewrite its investment policy.

Scargill, and other NUM-nominated trustees, refused to sign it unless it banned investing in companies that sold gas or oil.

What were the arguments for Scargill's ideas?

Scargill thought that investing in companies in competing industries would strengthen them – and therefore weaken the coal industry.

He thought this would cause problems for everyone in the union.

Were there arguments against Scargill?

There were lots of arguments as a result of **Scargill's** demands. The whole thing ended up in court.

Some of the other trustees thought **Scargill's** views didn't make sense financially.

There was a lot of money to be made in fuel companies. The more money they made, the better benefits they could give all their members, not just the active ones.

They could get bigger pensions for people, maybe give pensioners discretionary increases, or give the employer a contribution holiday.

What happened at the end?

The trustees had meeting after meeting but couldn't all agree. The judge decided that **Scargill** and the other union trustees couldn't let personal ideals get in the way of making money for the scheme.

He said it wasn't acting in the best interest of the beneficiaries, and that trustees had to consider everybody affected by the scheme.



You have now completed this case example.