

WHAT IS THE FUTURE OF
TRADE UNIONISM IN BRITAIN?

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THE FUTURE OF
TRADE UNIONS



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EXECUTIVE SUMMARY

Trade unionism faces difficult challenges in the years ahead. The unionised working population of Great Britain is roughly half of what it was a few decades ago. Unions also tend to be heavily concentrated either in industrial sectors in decline or the public sector. And the latter might shrink in the years ahead due to numerous political factors.

Having said that, there is an argument to say that trade unions are more relevant than ever. As more jobs, particularly ones further down the pay scale, become mechanised, someone needs to fight for poorer workers' rights. As more disruptions occur within the public sector (the junior doctors' strike is a good example), the need for unions to be a voice of sanity becomes ever greater.

This paper outlines ways in which unions in Britain can revitalise themselves for the challenges that lie ahead. Some involve embracing technology (and indeed, those employed in areas of the economy created by new technology); some require a look at international examples, such as the state of trade unions in Scandinavia (where union membership can be almost three times as high per capita as British trade union membership) or the "Nevada model", and what can be learned from those blueprints; other chapters will think about whole new ways to re-imagine the traditional trade union in order to provide the same service to workers.

Every chapter suggests different solutions, but all of them agree on one central principle: that allowing collectivised working to wither on the vine is not a good idea. Think of this paper as the start rather than the end of a discussion, one that will only gain in relevance as the 21st century advances.

By Nick Tyrone

CEO of Radix and editor of this paper

1) GAVIN KELLY & DANIEL TOMLINSON: THE FUTURE OF TRADE UNIONISM AND THE NEXT GENERATION

Gavin is the Chief Executive of the Resolution Trust and Chair of the Living Wage Commission. Until recently he ran the Resolution Foundation after a long stint as a senior advisor in Number 10, Downing Street, where he was Deputy Chief of Staff.

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On the face of it you might think that the future is full of potential for trade unions. Four in five people in Great Britain think that trade unions are “essential” to protect workers’ interests. Public concerns over low pay have soared to record levels over recent years. And, after almost disappearing from view, there is an increasingly noisy debate about the quality and dignity of work in today’s Britain.

Yet none of these currents are likely to reverse a pattern of long-term decline. Membership peaked at over 13 million in 1979 and has fallen to 6.8 million – still a large number, of course, but it represents under a quarter of employees. Unions are heavily skewed towards the public sector, older workers and middle-to-high earners. In the private sector membership falls to 14 per cent, falling to around 10% in regions like London. Less than 1 in 10 of the lowest paid are union members.

These snap-shots may sound gloomy but in truth they fail to convey the size of the challenge coming down the track. To see why just consider the generational trends and the likely long-term impact of the fall in the tendency of those in their twenties and thirties to join unions. Within any given cohort union membership rates rise as workers get older but the base from which this takes place is falling over time as fewer young people sign up. If, for instance, we look at those born in the late 1960s we see that when they reached their mid-to-late twenties almost 30 per cent of them were in unions. Fast forward 20 years and we see that when those born in the late 1980s reached the same age only 20 per cent of them were in membership.

Millennials aren't signing up.

What, then, do these trends suggest might happen by, say, 2030? By looking at today's figures and projecting forward we would anticipate a further substantive decline in membership rates from 1 in 4 working-age employees today to 1 in 5 by 2030. And if we look at the first cohort of millennials – those born in the early 1980s – we project that by 2030 their membership rate will have only reached 26 per cent (by comparison when the first baby boomers were the same age, 40 per cent were members). Of course, like all projections to 2030 this will be wide of the mark. It could be pessimistic – if new union drives to recruit younger workers prove successful – but it's worth emphasising that unless union membership rises with age to the same extent as it has in the past then our projection will be on the optimistic side.

There are, of course, a wide range of factors underlying these trends. The slow-burn of industrial restructuring, the rise of smaller employers and self-employment, increasingly fissured workplaces (due to contracting out and sub-contracting), anti-union legislation, deep cuts public service spending – they all take their toll. So too do changes in social attitudes: millennials are far less supportive of collective welfare institutions than previous generations. It may well be that this perspective rubs off on their views of unions too.

But to lay the blame purely at the door of these structural factors is to excuse too much. We also need to consider how unions have responded to these challenges and the failure of other institutions to emerge.

In doing so we take a balanced perspective and avoid the clichéd denunciations of the failure of all unions which are all too common. There is plenty of good work to applaud. Among the major unions we can see that the likes of Usdaw are remarkably successful in replenishing their membership despite the huge churn among their workforce (they need to recruit one-sixth of their membership every year just to stand still); Unison have been prominent in the campaign against “wage-theft” in the care sector; GMB has led the way in seeking to clarify the legal rights of Uber drivers; and Unite has successfully championed Sports Direct workers. All contain activists with

new ideas and energy.

Some smaller unions are also seeking to reinvent, or indeed invent, themselves. Community has recently declared its ambition to become the union for the self-employed in the UK, a sector where Bectu and the Musicians' Union have already been active. And there is the occasional new entrant too: the tiny Independent Workers Union of Great Britain, only formed in 2012, recently launched a high-profile case against four London based courier firms accusing them of misclassifying their workers as self-employed.

These points of light all give cause for hope, but they are the exceptions. Most are small-scale and none of them are anything like commensurate with the scale of the challenge. Relying on largely traditional models of operation, in largely traditional sectors, is going to leave the union movement ever less relevant to a new generation of workers.

The UK labour-movement is hardly alone in this regard. Their US counterparts face an even more acute problem (membership has fallen to just 10 per cent) which is perhaps one reason why there is a far more vibrant and open debate about what 21st century pro-labour institutions should look like. It's a debate that spans unions, grass-roots civic organisations, big charitable foundations and progressive tech-sector business leaders. And it's more than idle talk and interesting think-tank seminars: over the last few years' far greater progress has been made on issues like low-pay across American states and cities than we've seen in a generation.

From a UK perspective, there is a striking willingness among at least some US union leaders to experiment. They are very upfront about the fact that they don't know what the organisational models of the future look like but – whatever they are – they want to discover them. It's hard to imagine a major UK union leader speaking with a similar sense of urgency as the likes of David Rolf, Vice President of SEIU and a founder of the Fight for \$15. His message of 'innovate or die' is repeated relentlessly – for him, pro-worker 'innovation needs to be our new religion'. Nor is he a lone voice. Others are seeking to enmesh unions within the emerging gig economy: for instance, the dynamic Freelancers Union, with around 300,000 members and rising fast, has recently forged a working relationship with Uber with the aim of securing flexible benefits for workers in the gig economy.

Another contrast is the extent to which pro-labour advocates - by no means

just trade unionists - are grappling with how tech can be used to support those facing poverty-pay or acute insecurity. Examples abound. Earlier this year the website [Hourvoice.com](https://www.hourvoice.com) was launched. It's a site on which low-paid hourly workers can anonymously enter details about their pay and conditions and compare how these stack up in comparison to others. Similarly, the National Day Laborer Organizing Network launched an app on with similar functions for New York's day laborers. The recent [success of Shyft](#) – an app that seeks to place more control over work schedules in the hands of workers (for instance directly swapping shifts with colleagues) is a case in point. Rather than being marketed to corporate HR departments it has successfully been targeted directly at staff.

Others have decided that instead of seeking to change existing business practices, the best strategy is to create worker-friendly business platforms from scratch. The National Domestic Workers Alliance has started its own innovation arm - [Fair Care Labs](#) – and is in the process of developing a new “socially responsible” platform on which cleaners will be able to find employment. [Juno](#) (just launched in the New York taxi market) and [Hello Alfred](#) (provider of a ‘personal butler’ service) are both turning their backs on the casualisation associated with the gig economy by hiring employees instead of independent contractors.

What, if anything, might these scattered straws in the wind suggest for how we think about efforts to build institutions better suited to the evolving needs of the UK's low-paid workforce?

First, there is the vital issue of how the UK labour movement uses tech to better serve worker interests and engage with new workers. It's hardly news that technology is being used to transform the nature of work and people management. Yet, for all this flux, it's telling that it is hard to point to a single major technological shift that has been deployed in an unambiguously pro-worker fashion. That needn't be so. Some of the same technology that is used to shunt evermore risk onto the shoulders of the workforce could also be used to [aggregate the experience](#) of workers so as to bear down on those who mistreat them. And if tech driven ‘disintermediation’ is going to shake-up existing sectors this at least raises the possibility of new forms of employment relation being created. For instance, many of the most insecure workers in the country working in traditional parts of the ser-

vice sector rely on employment agencies who take up a significant slice of their pay. In some sectors, experiments that remove the middle-man, putting organised groups of workers directly in touch with customers, have potential.

Second, much of the energy and action around questions of work will come from civil society and new organisations rather than the traditional union movement in isolation. Over the last decade the Living Wage campaign has led the way on low-pay. Organisations like Timewise are pushing employers to think differently about creating quality part-time work enabling career progression. Others – like Coworker.org (from the US) – have moved into the space of initiating and championing workplace campaigns spurred by the collapsing cost of organising petitions. To be clear, new start-ups are highly unlikely to replace the traditional wage bargaining role of incumbent unions in established sectors. But when it comes to some of the other roles that unions have traditionally played, or reaching into new un-organised sectors, we should expect a far greater diversity of voices and actors in the future.

A third challenge is the absence of a supportive civic infrastructure to help foster new organisations and ways of working. Innovative pro-labour ideas often struggle to get heard, never mind get funded or adopted. The links between groups thinking about how tech is transforming work, those interested in advocating for workers, and sources of social investment for new civic organisations are few and far between. All of which means there is no recognised home of incubation, no shared space to develop pro-labour ideas and few sources of funding. For a country that is generally rich in social innovation the lack of any infrastructure aimed at encouraging new ways of improving working life is striking and needs to be rectified.

Finally, there is the balance between legislative and voluntaristic strategies. The former has been the source of the major workplace victories over the last generation and more – such as the minimum wage, flexible working, and workplace pensions. This isn't about to radically change and indeed there are good new legislative causes to push for. But there is a limit to what legislative action can achieve to boost the position of those in, say, the platform-economy, zero-hours or self-employed workforce. And many younger workers – expecting less from the state than those in generations

gone by – may be more likely to be attracted by bottom-up campaigns to change employer practices. This reinforces the case for rooted institutions – to share risks, tackle bad employers, organise training, cut-better deals and give political agency to collective hopes – even if they take a very different form to the past.

The wider point is that the union movement needs to succeed in both representing millions of existing members - a formidable task in and of itself - at the same time as pursuing far-reaching institutional-innovation, particularly aimed at a new generation, many of whom will have a very different experience of work to their predecessors. Such innovation might, in the first instance at least, feel very small scale – but starting out is better than standing still.

None of us really know what this might mean for a 21st century labour movement. And a sense of perspective is needed: talk of a new uber-model of trade unionism emerging with similar clout to its industrial forebears is certainly far-fetched. But those schooled in 20th century unionism would be making a grave mistake if they dismiss the rise of so-called app-activists with new ideas as niche and naïve. It's high time a range of bets were placed on new ways of supporting a new generation of workers. If the labour movement opts to play safe and stick with what it knows it should have no surprises about what is in store.

2) NICK TYRONE:

WHAT SWEDISH TRADE UNIONS CAN TELL US ABOUT THE FUTURE OF COLLECTIVISED WORKING IN THE UK

Nick is the Chief Executive of Radix. Prior to that he was the Executive Director of CentreForum.

Comparisons between the state of trade unionism in Sweden and the UK makes for difficult reading to anyone who cares about the fate of collectivised working in the latter. 68% of Swedish workers are in a union compared to only 25% of the UK working population¹. While it must be mentioned that union membership is in decline in Sweden also (around 83% of the Swedish population were unionised twenty years ago), trade unions in that country still have a much firmer base than those in Great Britain. Partly this is because the majority of trade union employees in Sweden are actually white-collar workers, while in the UK trade unions are much more tied to an old industrial core that has been in decline for some time and is set to decline further.

Sweden is a very different country to the UK. The United Kingdom has over 60 million people, spread across four distinct nations, not to mention an incredibly heterogeneous population otherwise. Sweden on the other hand is a country of less than 10 million people, and much more monocultural than the United Kingdom. Therefore making like for like comparisons between the two countries should be carefully considered. However there are things the Swedish model of trade unions can tell us about where we might be headed in the UK – and lessons that might be applicable from Sweden to Britain in regards to the future of collectivised working.

There are approximately 3.5 million unionised workers in Sweden as at the end of 2015 (out of a total workforce of around five million). There are

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1. https://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN

three large umbrella trade union organisations, roughly split up by socio-economic factors. The largest of the three is the Landsorganisationen i Sverige (LO), generally referred to in English as the Swedish Trade Unions Confederation. It is a conglomerate of fourteen different trade unions, all of whom tend to cover blue-collar work: food, transportation, retail workers, as well as the trades (although the musicians union is affiliated as well). Overall LO has around 1.5 million members.

The second largest is the TCO or Tjänstemännens Centralorganisation, referred to in English as the Swedish Confederation of Professional Employees. It has 1.3 million members and deals with lower and middle paid white-collar work: teachers, health professionals, civil servants and journalists.

The third largest is SACO or Sveriges Akademikers Centralorganisation, or the Swedish Confederation of Professional Associations. It has 556,000 members and is generally for higher paid white-collar workers: lawyers, engineers, psychologists, dentists. Although the LO is the largest of the three large union umbrella organisations, the TCO and SACO combined have more members.

What is crucial about Swedish trade unionism is its high degree of ideological bent combined with an almost innate pragmatism. As Reinhold Falbeck, professor at Lund University, once noted:

“...one of the characteristics of Swedish unions is that they do not pursue a strictly political course of action. It is true that LO and TCO have a strong ideology but they and their member unions pursue a pragmatic policy of not alienating themselves from the employer community. Federations and their member unions work closely with employer organizations, and they cannot jeopardize that cooperation in the political arena.”²

The ideological end of the equation is interesting to consider. In particular the LO, but all of the other trade unions also are committed to the fundamentals of social democracy. It would be hard to see how the Swedish welfare state would have evolved to where it is today without the ideological drive of the relevant trade unions. But it is the particular ideology pursued that is the key element – Swedish trade unions are and have always been funda-

2. <http://library.fes.de/pdf-files/gurn/00163.pdf>

mentally socially democratic as opposed to socialist. In other words, their aim is to create a more equal and fairer society as opposed to changing society fundamentally via the elimination of the private sector altogether. This has been of unquestionable use in both its approach towards employers and the employers approach to the them within Sweden.

Another crucial element of Swedish trade unionism comes about via the sheer size of the unions in question. This has many knock on effects. For instance, it is remarkable how much less trade unions in Sweden need to resort to industrial action when compared to their British counterparts. In 2015, 169,000 working days were lost throughout the UK due to strikes or other worker action. The comparable figure for Sweden is paltry 234. Bear in mind also that 169k working days loss is a very light year for the UK: in 2014, it was 788,000 days; in 2011, it was 1.4 million. Even the worst year in this regard over the last decade for the Swedes came in 2008, due to widespread problems in the municipal sector, and even then the 100,000 working days lost in a single year was considered particularly noteworthy by Swedish standards³.

The reason Swedish trade unions take less industrial action than UK trade unions tend to is because they generally do not need to resort to this route. Again, unions are very large and powerful in Sweden when compared to those in the United Kingdom. They are also, partially as a result of their size, directly involved in employment legislation at an early stage and by sheer force of numbers they cannot be ignored by either large corporations or the government of the day. They get things done at the top table as opposed to taking things to the street.

Having considered all of this, I believe there are two important elements that British trade unions can take on board from their Nordic cousins.

1. Size – and diversity of membership – matters

Swedish trade unions generally get what they want for their members without having to resort to industrial action, the avoidance of which is generally desirable for all parties involved. The reason for this is almost entirely down to the relative size of their membership; they are too big to dismiss or get

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³<http://www.mi.se/other-languages/in-english/the-swedish-model/>

round.

Also, Swedish trade unions have penetration into every sector regardless of socio-economics. As already mentioned, white-collar workers are more unionised in Sweden than blue-collar workers. UK trade unions, meanwhile, are too concentrated in parts of the economy that are on the decline. Obviously, they need to continue servicing existing members in these sectors – the idea is to expand, not be more selective. Some way to achieve higher white-collar membership, or at least, some way of gaining new recruits in expanding portions of the economy, is vital.

The best way to approach this problem is to ask a very basic question: why do most people join trade unions? The truth is, when all rhetoric is taken from the subject, it is usually as a sort of insurance policy. If something goes wrong for an employee, they have a trade union in their corner to help them through. There is no reason that white-collar workers – or for that matter, self-employed people who bill a variety of different clients – wouldn't want to have this type of protection for themselves. Sweden is living proof of this.

Other lower paid sectors are important to capture as well as white-collar workers. Zero hours contracts for instance – instead of decrying them altogether, trade unions could look to unionise staff and simply change the rules of engagement with the employers in question, ameliorating or eliminating completely the negative aspects of zero hours contracts.

2. Political approach

In order to attract new types of employees into trade unions, a rethink of the way unions in Britain think about politics and ideology will be necessary. Traditionally, as throughout the Labour movement generally in the UK (including the Labour Party itself), socialism has been elevated to the premier ideology. This is despite the fact that no Labour government has pursued a genuinely socialist platform. This affects the way trade unions in Britain approach politics, with an often adversarial tone brought to negotiations as a result. This is obviously a massive oversimplification of the way unions operate in Britain, but it has some validity in terms of understanding the differences between the way things are handled in Sweden.

Swedish trade unions have always been squarely socially democratic in out-

look. This has made it easier to expand into parts of the economy to find workers who might otherwise have been put off by a hard left political philosophy. By working within a socially democratic ethos, any rise in workers' pay or living conditions is a result - whereas within socialism, such things are merely accomodation with a system you wish to replace.

Of course, for all intents and purposes, British trade unions have always worked within what is practically speaking a socially democratic framework. But by doing so mindfully, it could make a large difference to how certain things that are vital to the way the way trade unions operate are done, including negotiations with employers; where a union picks its battles and why; and possibly most importantly (and linking this all back to lesson one), not repelling certain audiences who may well be lured into joining trade unions otherwise.

It is often simply assumed by many Westminster pundits (admittedly usually on the right of centre) that trade unionism in the UK is in irreversible decline; that it is the product of a bygone era, destined to fade into obscurity. There is no reason this needs to be the case. Collectivised working could become more important than ever with the rise of automation replacing blue-collar jobs. The UK is also about to enter what is surely a long age of Tory hegemony, not to mention the need to rethink all aspects of industrial strategy in light of the vote to leave the European Union. Thus it will require trade unions to be more vigilant than ever if workers' rights are to remain protected.

To summarise, while Sweden is a very different country to the United Kingdom, the success of trade unions there could be mirrored here given the right amount of time and the correct approach. As anyone within the trade union movement in Britain would surely take more than half the workforce being unionised again, the lessons from Scandinavia could be vital in the years directly ahead of us.

3) TESS LANNING:

HIGH PARTICIPATION ORGANISATIONS: THE KEY TO RENEWING COLLECTIVE VOICE IN THE UK?

Tess is an Associate Fellow at the Institute for Public Policy Research (IPPR), specialising in skills and labour market policy. She is also Head of Policy and Business Development at the Living Wage Foundation, where she supports and advises businesses in low-wage industries on how to raise pay, job security and performance. Previously she worked as policy adviser to the Leader of the Opposition on all matters relating to the Department for Business, Innovation and Skills.

Trade unions are often portrayed as a throwback to the eighties. Studies suggest many young people in particular do not understand what unions are for, viewing them as old-fashioned, bureaucratic and antagonistic⁴. Unions have struggled to adapt to the end of the closed shop, rapid industrial change, waves of privatisation, outsourcing, and an increase in atypical employment. As the power of unions has declined, the wage premium they offer members has also fallen⁵. With a declining, ageing, and largely deactivated membership, the trade union movement is seen increasingly as an insurance scheme for those who have the misfortune to fall foul of an unscrupulous boss.

Yet the need for more effective representation of employee interests in the workplace has never been greater. Real earnings have declined more than 10 per cent since the financial crisis began in 2007 – the biggest fall in any developed country except Greece⁶. The Bank of England’s chief economist Andy Haldane has spoken of a “lost decade”, as half of all UK households

4. For example, Logata R (2011) Young people, unions and recruitment, TUC and Unions 21

5. Department for Business, Innovation and Skills (2016) Trade union membership 2015: Statistical bulletin, BIS

6. Trades Union Congress (2016) ‘UK workers experienced sharpest wage fall of any leading economy, TUC analysis finds’, 27 July 2016

have seen no improvement in their real disposable incomes since 2005. The economic recovery, while impressive on paper, warns Haldane, has “for most has been slow and low, for many partial and patchy and for some invisible and incomplete”⁷.

Low levels of employee engagement also underpin persistently poor performance in innovation, investment and productivity relative to our main competitor countries. The Thatcher Government’s war on the trade unions was supposed to drive productivity by reducing business costs, making the labour market more flexible and putting an end to industrial strife – marking the beginning of a new, more productive phase of employee relations. The reforms did create new opportunities for business growth, but they also hastened the decline of manufacturing and led to a significant increase in low paid, low skilled work. Wages polarised, work intensified, and the ability of employees to determine how to organise their work and utilise their skills in the workplace fell⁸, followed by a sustained decline in employer investment in training since the turn of the millennium⁹.

Predictions that workplace conflict would decline also proved to be optimistic. Instead, the nature of conflict simply changed shape, as the fall in industrial action and strikes since the 1980s was replaced by a rise in individual conflict, grievances, and employment tribunal applications. The Coalition Government dealt with this problem by introducing employment tribunal fees for claimants, leading to a dramatic fall in tribunal claims by limiting the right to recourse for unfair treatment in the workplace. Predictions that workplace conflict would decline also proved to be optimistic. Instead, the nature of conflict simply changed shape, as the fall in industrial action and strikes since the 1980s was replaced by a rise in individual conflict, grievances, and employment tribunal applications. The Coalition Government dealt

7. Haldane A (2016) ‘Whose recovery?’ Speech in Port Talbot, Wales, 30 June 2016

8. Green F, Felstead A and Gallie D (2016) ‘Job quality and inequality: the unequal world of work in the UK, 1986-2012’, *Juncture*, Vol. 22(4), Spring 2016

9. Green F, Felstead A, Gallie D, Inanc H and Jewson N (2013) What has been happening to the training of workers in Britain? LLAKES research paper 42, Centre for Learning and Life Chances in Knowledge Economies and Societies, Institute of Education

10. Saundry and Dix (2014) “Conflict Resolution in the United Kingdom”, in Roche et al (eds.), *The Oxford Handbook of Conflict Management in Organizations*, Oxford University Press

11. The introduction of fees has led to a 67 per cent decline in single cases and a 72 per cent decline in multiple cases. See: Pypers D and McGuinness F (2016) *Employment tribunal fees*, Briefing paper 7081, House of Commons Library

with this problem by introducing employment tribunal fees for claimants, leading to a dramatic fall in tribunal claims by limiting the right to recourse for unfair treatment in the workplace¹¹.

There is increasing recognition across the political spectrum of the need for employee interests to be better represented in economic decision-making. Concerns about excessive executive pay, high levels of in-work poverty and insecurity, a short-term decision making culture and sluggish national productivity have led the current Conservative Government to pursue an uncharacteristically interventionist agenda. David Cameron introduced one of the highest minimum wages in the western world and a levy to pay for an increase in apprenticeships, while Theresa May kicked off her premiership having made a bold commitment to put workers on company boards. The challenge for trade unions is to ensure these legislative levers lead to a broader culture shift, encouraging more firms to create the higher skill, higher wage jobs that support the rewarding work and rising living standards citizens deserve and expect.

In other Northern European countries, trade unions play a central role in shaping the nature of growth and the workplace. They resist abuse and negotiate fairer rates of pay, but also seek to influence organisational culture and strategy – often working within a broader institutional fabric that supports employers and employees to work together to solve problems or tensions, negotiate different interests, and ensure a fairer distribution of rewards. As well as board-level employee representation, which is common throughout most of Europe, this can include democratic works councils that have a right to be consulted on company strategy across a range of areas, and strong social partnership bodies that advise on, negotiate and coordinate policy implementation in areas such as employment law, welfare, and vocational education and training.

The maintenance of strong labour market institutions in these countries has helped mitigate the polarising impacts of globalisation and technological changes since the 1980s and better protected living standards¹². Stronger

7. See Lawton K and Lanning T (2013) Sharing profits and power: Harnessing employee engagement to raise company performance, IPPR

8. See Lanning T and Lawton K (2012) No train no gain: Beyond free market and state-led skills policy, IPPR

employee voice has also tended to promote competitive strategies that generate value, resilience and a well-skilled workforce¹³. Comparative studies suggest the egalitarian impact is greatest in the Nordic countries, where unions have strong political influence and adopt an inclusive strategy, covering non-unionised as well as unionised workers¹⁴.

The British labour movement has been traditionally resistant to these approaches, and rejected opportunities for employees to formally participate in state or company decision-making processes. Historically trade unions have focused on public ownership to improve conditions, and have been sceptical of proposals to work in partnership with employers on company strategy or to take on non-pay job quality issues such as skills and job design. Some argue this scepticism is due to the view of labour as a commodity, rather than a creative economic actor in its own right. This approach has limited unions' interest in influencing the means and aims of production¹⁵. British trade unions have also traditionally prioritised the rights of unionised workers and industries over the workforce as a whole, with poor representation of marginal workers and ambivalence to proposals for universal rights.

Faced with the dramatic decline in membership, trade unions have adopted alternative approaches. The first major attempt at renewal came in the late 1990s with efforts to revive membership by training new workplace activists to organise and empower workers, led by the TUC's new Organising Academy. Since then there have been experiments with area-based organising, schemes targeted at marginalised workers, and alliances with community and campaign groups to extend their reach into the non-unionised population¹⁶. Unions today campaign for stronger employment legislation and have become increasingly involved in promoting learning and skills at work. Some have entered into partnership agreements with employers – committing to organisational success in return for shared rewards, formal con-

14. Gallie D (2007) *Employment regimes and the quality of work*, Oxford University Press

15. For example, Wainwright H (2013) 'Notes for a Political Economy of Creativity and Solidarity' in Satgar V (eds.), *Solidarity Economy Alternative: emerging theory and practice*, Durban, South Africa: University of KwaZulu-Natal Press

16. See Holgate J (2015) 'Community organising in the UK: A 'new' approach for trade unions?' *Economic and Industrial Democracy*, Vol. 36(3), pp.431-455

17. For a discussion of the definition and debate on partnership, see Johnstone S, Ackers P and Wilkinson A (2009) 'The British Partnership phenomenon: a ten-year review', *Human Resource Management Journal*, Vol 19(3), pp. 260–279

sultation arrangements and policies to balance flexibility with employment security¹⁷.

However, resistance to partnership remains strong among many British trade unionists, reflecting concerns that collaboration with management leads to moderation and thus weaker outcomes for workers. In general, unions showed little interest in capitalising on new rights for employees to request formal consultation arrangements in businesses with more than 50 employees, introduced through EU legislation in 2005 and seen by some as an opportunity for new forms of workplace democracy and representation to take root in the UK. Studies suggest that attempts to increase employee participation have been concentrated in areas where unions are already strong, with the impact hampered by limited resources, internal opposition and a deeply embedded 'service culture'¹⁸. By far the most common issue union representatives report spending time on is supporting individual workers with grievances¹⁹.

Successful attempts at revival suggest the key to renewal may lie in the ability to draw on the best of both Anglo and European union traditions. Between 2004 and 2008 a small team of mainly female organisers led by Jane McAlevey at the Service Employees International Union succeeded in winning comprehensive trade union agreements across a series of private hospital chains in Nevada – a US state with a highly transient population and hostile legislative environment for trade unions. The small team faced down hardened union-busters to increase membership to 70 per cent overall. At some hospitals membership rose from a little over 20 per cent to nearly 90 per cent in a matter of months²⁰.

These remarkable results stem from the transformation of the local union branch into a high participation organisation, characterised by organising drives led by workers themselves and big, open negotiations involving as many employees as possible. McAlevey argues that most failures to effec-

18. Wright C.F (2011) What role for trade unions in future workplace relations, ACAS

19. Van Wanrooy B, Bewley H, Bryson A, Forth J, Freeth S, Stokes L and Wood S (2011) The 2011 Workplace Employment Relations Study: first findings, Department for Business, Innovation and Skills

20. For an account of Jane McAlevey's work in Nevada and elsewhere, see McAlevey (2014) Raising Expectations (and Raising Hell): My decade fighting for the Labor Movement, Verso Books. Some of the discussion of the techniques she uses is also based on a seminar and workshop run by Jane McAlevey at Leeds Business School in June 2016.

tively organise workers are rooted in problems identifying real ‘leaders’, with trade unions and other social movements too often mobilising self-selecting activists – people already sympathetic to their aims and values – and ignoring people who do not agree with them. She is particularly scathing of the “grievance mill” model, arguing that it delivers weak results for the workforce as a whole, can put too much power in the hands of union reps seeking to build an electoral base by filing grievances, and inevitably ends up defending some workers who deserve disciplinary action.

The Nevada model was based instead on the identification and organisation of workers with a clear ability to influence their colleagues, whether or not they were union members or even pro-union. When these people had been convinced that the union was the best way to get things done, they were put at the forefront of a process to systematically chart and engage the wider workforce. Only once they had signed up a significant majority of staff (no less than 65 per cent – ideally 85 per cent) would they approach the employer. Crucially, the strategy was consciously inclusive, with skilled and less skilled workers organised under the same contracts, in recognition that people in lower skilled roles struggle to make the same gains without the participation of less disposable workers (in this case the nurses).

McAlevy is critical of weak forms of partnership that involve minimal participation of employees, such as corporate and political deals, which she argues have led to weak outcomes. However, in practice broad-based worker participation leads to a focus on organisational performance, internal employment relations and company decision-making processes, as well as contractual issues. In Nevada, the negotiations she led won higher pay, better job security, and free healthcare for staff at the hospital. But they also included the wholesale redesign of work systems to deliver a high performance culture, safer staffing levels, and a new model of conflict resolution through teams with representatives from staff and management that sought to reduce the number of formal grievances and give staff a real say in how to solve problems. On other campaigns her strategy has gone further still, seeking to tackle the issues that affect employees outside their working lives as well as in, such as poor quality housing, and organising community institutions and politicians to deliver change.

In the end the high participation approach in Nevada was undone by internal union politics and an aggressive raid by a rival to cream off the higher

skilled workers – highlighting the fragility of workplace-level strategies without broader political support. This requires a strategy to increase the legitimacy of employees’ voices in the workplace and ensure their creative potential does not go to waste. In the UK, widespread public scepticism of the ability of politicians to deliver meaningful change – most dramatically expressed in Britain’s vote to “take back control” from the EU – make the need for effective labour market institutions more important than ever. Greater employee participation and inclusive employment strategies have a key role to play in tackling the disconnection between growth and rising living standards in the UK – within the trade union movement as well as in company decision-making.

4) JOE ZAMMIT-LUCIA: IMPROVING THE WORKERS' LOT - A TIME OF OPPORTUNITY

Joe is a trustee of Radix. He is also a member of the Dean's Advisory Board at the College of Arts, Sciences and Education at Florida International University, has acted as Special Advisor to the Director General at the International Union for Conservation of Nature, and serves on the board of non-profit organisations. He is a Fellow of the Royal Society of Arts.

"A foolish consistency is the hobgoblin of little minds."

Ralph Waldo Emerson

Nobody wants to return to the Britain of the 1970s. We were the sick man of Europe and the country needed to be bailed out by the IMF. Thirteen million working days a year were lost to industrial action and the ways that trade unions sought to exercise their power culminated in the 1979 Winter of Discontent. It brought down the Labour government and ushered in Thatcherism. By flexing their muscle to the extreme, trade unions sowed the seeds of their own destruction. They lost the support of the public and thereby enabled their own emasculation.

There is little doubt that Britain today is a generally more prosperous country than it was in the 1970s. Standards of living have improved. In spite of the relatively recent financial crisis, persistent low growth throughout most of the developed world and an increasing British workforce boosted by immigration, Britain has near full employment. Whether that will last as Brexit unfolds remains to be seen. Health and safety at work have improved dramatically and levels of poverty have decreased. As a result of this increasing prosperity, many have questioned whether trade unions have any significant role left to play in a 21st century world. The answer to that depends on whether or not unions can find ways to tackle effectively some of the social issues that our society faces today and to be effective in capitalising on the opportunities that exist for them to make a difference to people's lives.

In spite of the increasing economic prosperity, income and wealth inequality

and poor working conditions for the less skilled have become key political and social issues – issues that are now an integral part of the zeitgeist and have been recognised by politicians of all colours. These issues have reached a point where they are shaking the public’s confidence in our institutions and our political system. They have been substantial contributors to the recent popular vote to leave the European Union. As an anecdotal illustration, one middle class voter who started out intending to vote Remain ended up voting Leave. She put it like this:

“Basically, it comes down to this. When I look at what has happened to working class communities, they’ve been screwed for decades...

*See most people working at the bottom end see a load of cheap migrant labour, usually exploited to a greater or lesser degree, and driving down the wages of local people. Now, I’m sure politicians could come up with all sorts of numbers that try and argue that immigration doesn’t drive down wages. But the fact is, it probably does, and even if it doesn’t then it allows working conditions to be even sh**tier.*

*...Think of migrants sleeping in sheds and shared houses, working excessively long hours doing backbreaking work in fields. Think of s**t warehouse jobs along the line of sports direct, clocking in, clocking out, on a zero hours contract. Sick? Tough. There’s a migrant who will take your shift. Waitressing, your son breaks his arm? Tough. A migrant will replace you.”*

There is little doubt that these are major social issues that need to be tackled. In addition, recent OECD data show that, since the financial crisis, Britain has had the largest drop in wages in the developed world bar only Greece. The question is whether trade unions will be the ones who take the lead in finding ways to resolve these issues or whether others – NGOs, think tanks, economists, businesses themselves – will be quicker off the mark, more imaginative and more effective.

The World Has Changed

Today’s, and tomorrow’s, world is different from the world of the late 20th century. We live in a world of global trade that has seen the continued rise of the multinational corporation as a significant economic and political power. Multinationals can move investment from one country to another in

short order. This gives them the power to play one government off against another and place their investments, and their employment, in those countries that offer the best deal. This is now a fact of life and it is pointless to believe that it can be reversed.

We also live in a time of exploding technological innovation. While this has brought undoubted benefits, it has also led to an atomisation of the workplace. Work is split into component parts done in different places by people with different skills many of whom no longer need to be employees of the companies using their services. While this has led to a demand for skilled and flexible workers that outstrips supply, it continues to put increasing pressure on the less skilled, the less flexible and the less mobile for whom any decent form of employment is becoming a rarity.

There is little doubt that since the 1980s, the balance between the power of workers and the power of employers has shifted dramatically in favour of the latter. However, the watering down of union power through legislation is only one of the factors that have driven this shift. Maybe more important, as outlined above, is the changing nature of business and the dramatic change in the nature of work. In this brave new world, it is pointless simply to fall back, in knee jerk fashion, onto old time solutions – nationalisation, collective bargaining, increased power for industrial action and so forth. And for two reasons. First of all, regressing to the methods of the 20th century industrial economy will fail to command the support of the wider public – and no party that advocates such policies is likely to be elected to government. Secondly, such approaches will not be effective in a fast moving, ever-changing, globalised, technologically enabled knowledge economy. The challenge is to capture the zeitgeist and work towards solutions that are appropriate to the times.

Trade Unions Need A Broader Focus

Trade unions have traditionally seen their role as protecting the rights of their members – workers who sign up for union membership. But that is no longer sufficient. Unions need to broaden their focus. First of all, they need to be active – and seen to be active – in ensuring that the economic conditions are right to encourage adequate investment and economic growth to generate good and secure jobs. Job creation should be as much their remit as are working conditions for the already employed or the self-employed. Secondly, they need to examine the changing nature of work and find ways

of improving working conditions for the many millions of workers who, in a world of atomised employment, are highly unlikely ever to belong to a trade union or benefit from collective bargaining. In other words, they will need to shift from the narrow focus on the needs of their membership to being involved in the much broader discussion of the nature of work in a globalised market economy. In other words, unions need to grapple with the question of how, in a globalised world, Britain can succeed by building an economy that represents a race to the top rather than a race to the bottom.

None of this can be achieved by clinging on to the confrontational, militant, “power of the proletariat” mindset; or by returning to renewed power for industrial action as the main weapon; or simply by defending at all costs dying industries and work practices that are well past their sell by date. Rather, unions need to find a credible and constructive place at the heart of policy discussion on the economy, investment with a long-term focus, job creation, the nature of work in a globalised world, the adequacy of our education system for a 21st century world, the fate of the less skilled in a knowledge economy and ways to ensure that the workforce can be trained and encouraged to be adaptable and continually employable as the nature of the industrial base continues, inevitably, to change. Change and adaptability in ways that improve the economy and the lives of those who work in it must be the Unions’ watchwords for the 21st century.

The days of pitting labour versus capital and private versus public are also well and truly over. Capital and labour need each other to succeed and the new economy needs to find better ways of integrating public and private activities.

Businesses themselves will also need a change in mindset. They will have to moderate entrenched notions such as the idea that short-term shareholder returns must trump every other management consideration; that constant deregulation is the road to paradise; that the idea that privatisation is the answer to all ills is just as nonsensical as the idea that nirvana will come from a binge of nationalisation.

All of this can only succeed in an atmosphere of collaboration and mutual exchange between business and the trade union movement. Given the history, it will take time and effort to build trust and build bridges. But business knows that, in the wake of the financial crisis and repeated scandals from BHS to Sports Direct and endless others, public opinion demands changes in

business practice. The conditions are ripe for embarking on positive change.

In spite of the many poor business practices that dominate the headlines, Britain is full of companies that are hugely successful while providing good, stable jobs, reasonable wages and benefits and good working conditions. Trade unions should be seeking these businesses out, working with them to codify best practice and then working with government to make such best practice standard practice across the country. If the best businesses can do it, then so can everyone else.

The policy areas that need to be addressed to make this vision a reality are too numerous to mention here. They range from modifying company law that places shareholder interests above all else, to finding ways to reduce workers' dependence on subsidies rather than the fruits of their own labour, to the unequal tax treatment of capital versus income, to very many others. But the opportunity to tackle all these issues is higher now than it has been for decades. It remains to be seen whether the trade union movement can capitalize on the strength of existing public opinion or whether they will turn public opinion against them by reverting to unpopular, outdated and therefore ineffective approaches.

The Politics of Trade Unionism

Should trade unions remain so closely affiliated with the Labour Party?

This is a question that has received attention over time. While the historical links are strong and intimate, it may well be time for a re-think. I suggest that the close links that still exist today are not helpful either to the trade union movement, or to workers or to the Labour Party itself. While corporations claim to be non-political, they are anything but. What many of them try to be is non-partisan. They realise that their interests are best served by being able to work effectively with governments of all colours. The same should be true of trade unions. While they maintain their strong partisan position, they are unable to serve workers' interests over the long term. They cannot be effective if they can only serve their members' interests when a Labour government is in power while languishing for years and decades in the political wilderness when government is of a different colour. To serve workers' interests, unions need to have influence and be trusted and respected partners whatever government is in power. Their inability to do just that in the current state is an abrogation of their duty to their members,

the wider working public and our society as a whole.

Neither do the close links necessarily help the Labour Party. More than half of respondents who expressed an opinion in an Ipsos-Mori poll conducted in February 2014 agreed with the statement that trade unions would have too much power under a Labour government. This does not help Labour's electoral prospects.

For these reasons, trade unions should be prime movers for party finance reform. They should work to free the Labour Party of its dependence on trade union finance while maintaining a level playing field for the finance of all political parties. That would free them of their shackles to one single political party and enable them to use their time and not inconsiderable resources to protect and enhance workers' interests whatever the government of the day.

Conclusions

Today's world of increasing, and increasingly visible, inequality, stagnant wages and poor business practices all provide a golden opportunity for trade unions to capture the public sentiment and make a significant contribution to the world of work and our society in general. They also have the opportunity to capitalise on the fact that trade unions are, today, more trusted by the public than are business leaders – or politicians for that matter. But such trust is easily lost if the wrong direction is pursued.

To achieve positive change, unions need to adopt approaches that are relevant and effective in today's world. They must become trusted partners in the broad range of issues that we all face as the structure of our society and our economy continues to change at an unprecedented rate. And unions must be in a position to exercise their influence and make a positive contribution to the public debate irrespective of which government happens to be in power. There is no future for a trade union movement that only wants to wind the clock back to the industrial relations of the 1970s and preserve in aspic a world that is long gone.

To conclude, it is interesting to note that there is one notable, and salutary, exception to the rule that business continually prioritises shareholder value over worker compensation. That exception is the financial services industry. Bloated salaries and bonuses divert most of the gains in financial services to

employees rather than to shareholders or to re-investment in the business. The result has been paper-thin margins and the inadequate capital reserves that have resulted in the need for massive taxpayer-funded bank bailouts in the face of the recent financial crisis. This is a valuable lesson in the perils of taking workers' compensation to an extreme. In spite of this, it is hard to find any trade union leader who supports the practices of Wall Street and the City of London - what Anatole Kaletsky in his book *Capitalism 4.0* describes as "the last bastions of Marxist workers' control."

5) PAUL KIRBY: WHAT DO WE NEED TRADE UNIONS FOR?

Paul is a non-executive member of the Cabinet Office board. He was head of the Policy Unit at 10 Downing Street, under the Coalition government, from February 2011 to March 2013.

A lot of workers are losing out. And an even bigger number face huge threats coming down the line. Workers need more help. Help to get better wages, help to gain new skills, help to create new careers, help with child-care, help to work longer and help to cope with dramatic changes from new technology and global competition. Where are they going to find that extra help? Not many of them are seeking it from trade unions. In the UK, only one in seven private sector employees are in a trade union and that's higher than most other Western countries. Maybe the State has made trade unions, or much of what they currently do, redundant. In most western countries, workers don't need to join a trade union to win employment rights now guaranteed by the State (e.g. holidays, parental leave, health and safety protection, non-discrimination, etc) and the State has taken the financial heat off employers in providing old age pensions, top-ups to low wages and free healthcare. Indeed, France has the lowest union membership in the OECD, but the highest employment protection. Employment issues (e.g. the minimum wage, migration, childcare, etc) are front and central in the political agenda in Western countries, but it is no longer the trade unions driving this agenda. Has the baton for helping workers been permanently passed from unions to governments? Are governments doing the right things for the future and are there limits to what the State can do? If so, is there a need for a new era of organised labour and what should that look like? The answers depend on what extra help we think workers need.

One thing many workers need is access to more job and career opportunities. And that means weakening the grip of some existing trade unions. The Left likes to portray trade unions in terms of a struggle between labour and capital, or labour and the State. But a lot of trade union activity is about creating and protecting a set of privileges for one group of workers at the ex-

pense of others. This matters because the labour market is increasingly sharply divided between a smaller number of professionalised and licensed jobs, which are well-rewarded but have high barriers to entry, and a bigger number of lower-skilled jobs, which are easy to access but less well-rewarded. A good example is the divide between nursing and social care. In the UK, the nursing union campaigned to make nursing a graduate-only profession. This means that people wanting to be a nurse have to undertake five years of post-compulsory education, including a degree in nursing. Unions and Government have combined to centrally plan the numbers to be college-educated and recruited to nursing, making sure that numbers don't undermine the scarcity value of nurses. The graduate-only and restricted-numbers policies have been a disaster. The UK has a desperate shortage of nurses and even after exceptional levels of overseas recruitment it cannot fill its nursing vacancies. There is a much larger nursing workforce called social carers. In reality nursing is a broad continuum between some highly specialised medical tasks which require doctor-level education and very basic personal care which requires no training at all, with all shades of tasks in between. But nursing unions, and the regulation they have sponsored, overly restrict the nursing tasks which social carers can undertake. Unless social carers can take years out of the labour market to become a graduate nurse, they are limited to low-paid, low skill and dead-end jobs.

Nursing could be re-regulated to allow modular accreditation of social carers to undertake specific medical tasks, with the ability to work towards full nurse status through in-work training and assessment. By taking on higher value tasks, social carers could earn higher wages, develop a rewarding career and be upwardly socially mobile. In turn, the tasks and status of doctors should be opened up to nurses in a similar modular approach to in-work progression. Even this one example matters - as within the next decade social carers will become one in ten of the UK workforce.

But the problem is much more widespread. It is particularly entrenched in three areas: the regulated professions (e.g. law, accountancy, banking, medicine, architecture, etc), the public services (e.g. education, police, social work, health, etc) and where licences-to-trade are required (e.g. taxi drivers, financial advisers, street traders, driving instructors, etc). The privileges accorded to each of these jobs have their origin in the medieval patronage of the State affording workers and traders exemption from competition. In the twenty-first century, one in three American jobs is state-licensed and it is

one-in-four in Europe. More generally, the demarcations and exclusive roles of many professions and licensed-occupations are the same now as when they were created 200 years. In most cases, it is organised labour which preserves these privileges for the current job-holders. The organising form varies from traditional trade unions through professional institutes to licence-holder associations. But they are all unions, and they are anti-competitive unions. In many cases, consumers are denied the benefits of open competition and technological innovation. But it is also the wider labour market which suffers. Workers are locked out of the chance to move up the food chain, or to move across and combine roles, or to move into a new job in middle age, or to innovate with new types of job. Most of these privileged workers are increasingly worried about being replaced by software and artificial intelligence. But new technology can be used by lower-paid and lower-skilled workers to augment their own skills and knowledge and allow them to take on higher-paid and higher-skilled jobs.

Meanwhile the privileged workers are doing their best to slow down these threats, e.g. the remarkably slow adoption of technology in education. In order to open up the best job opportunities for the many rather than the few, western countries should create a powerful Employment Opportunity Regulator. The regulator should be empowered to identify and remove any unnecessary restrictions on open competition between workers, in the same way that the best regulators open up competition between companies. The regulator would cover all areas of the labour market, accelerate new technology, remove unnecessary restrictions and, where restrictions are necessary, force modular accreditation which allows workers at any age to be approved for specific tasks, or to move up to the next level or to combine any roles together in new types of hybrid jobs. There will be losers, as privileges are removed. But there will be lots of winners. And just as importantly, there will be more dynamism in the labour market, fuelling productivity growth and better social mobility. The goal would be an Opportunity Society, where anyone at any age can have a fair crack of making the most of their talents.

But workers also need more economic security. How can we square the circle of increasing the dynamism of the labour market with improving economic security for workers? The answer lies in the State creating the right system of “flexicurity” which supports workers throughout their life as they change jobs and careers. At one level, balancing flexibility and security is a

matter for an individual employer and its employees, both collectively and individually. It is at this level that traditional trade unions are an important part of rebalancing the power of employers and employees. But it is not enough. This is particularly true given the scale of technological change that we face and the urgency of improving productivity. The State needs a national system of flexicurity which ensures that employers are free to manage their business and respond to the market, whilst workers are able to have a successful working life, find new jobs when they want them, develop new skills and cope with periods of unemployment, under-employment or low income.

Workers are voters and most voters are workers. Public confidence in the national system of flexicurity is the key to the politics of economic change. Millions of workers feel threatened by new technology, migration and international trade. This is manifesting itself in populist politics, nationalism and anti-business sentiment. Politicians appear to be offering one of these three types of solution to the public's search for more security:

- *a promise to resist change and to turn back the clock;*
- *a plan for the State to take back control from the market economy;*
- *an offer of more support for workers affected in exchange for letting the market rip.*

I am broadly in favour of the last option. And therefore the State should offer workers a flexicurity system with these features:

- *keeping it (fairly) easy to fire workers, so that it also easy to hire them;*
- *encouraging flexible jobs (e.g. part-time, self-employed, zero hours, etc) to increase participation in the labour market;*
- *Generous State top-ups to the earned income of low-wage workers;*
- *State-funded healthcare so that workers can take more risks without worrying about losing employer-funded healthcare;*
- *Generous, time-limited out-of-work State benefits, easing the transition for workers as employers improve productivity;*

- *rights to employment flexibility, for parents and people with disabilities;*
- *State-funded lifelong education, with income-contingent repayment from workers through loans or specific taxes;*
- *good transport links and a sufficient supply of affordable housing to allow geographical mobility, both regionally and nationally.*

Most western governments have a lot to do to fully deliver this framework, e.g. France needs to liberalise employment, the US needs to boost self-employment, the UK needs to sort out housing and everyone needs to sort out lifelong learning. If governments can deliver on this policy framework for flexicurity as well as open-up new opportunities for all in the labour market, then we need modern trade unions to take on two big roles.

Firstly, we need to see a big step forward in industrial democracy. Every employer of a certain size should be legally obliged to appoint an independent, third party “Staff Association” to organise and represent employees. If the minimum size was 50 employees, 50% of the UK workforce would be covered; if it was 10 employees, the coverage would be two-thirds. The key word is “appoint”. In my model, the employer and employees would have to agree on which independent Staff Association they chose for their company and it would then be appointed by the employer. They would choose after a beauty parade of potential providers and a secret ballot of employees. Many of these providers would be existing trade unions or professional associations, but private companies and NGOs would be free to compete for these roles. The Staff Association would be funded through a mix of payroll deductions and employer contribution, at or above a statutory minimum fee. Like traditional trade unions it would operate through staff representatives, supported by the professional staff and services of the Association. If there is no agreement between staff and employer on which Association to choose, then an independent statutory office would select and mandate a provider.

The dual-key appointment (and future re-selection) of the Staff Association is at the heart of this model. Both sides need to work together to help the business adapt to change, thrive in the market and share the risks and rewards fairly between the owners and the employees. They need a Staff Association which builds co-operation, pushes for better management and

helps engages and motivate the workforce. The Staff Association would have at least one seat on the Main Board and be represented in the Remuneration Committee. All employers (above the minimum size) should also be legally obliged to formally consult their staff, at least once every five years, about employee ownership. Employers would be required to set out the options for greater employee ownership, explain the company's approach and listen to staff opinion. The options could include stock options, profit sharing, voting rights and full or partial mutualisation. There would be no compulsion on companies to increase employee ownership, only to consult upon it.

Secondly, we need to a big step-forward in the mutual support workers offer each other. Governments should help nurture a set of "Career Guilds". Guilds would offer workers a community, over and above their current job. They would address the issue that workers don't stick to one employer or career for life and therefore people's long-term success increasingly depends on their personal networks and their ability to update, reinvent and market themselves. Whereas many well-off people already have formal or informal career guilds, the majority of workers don't. In this model, Guilds would compete for their members, but their aim would be lifelong retention of their members, offering them the support they need to thrive as they navigate their career through a variety of jobs, employers and customers. The Guilds would be owned by their members and - whilst they would offer a wide range of professional services - their focus would be on organising mutual support between members. They might be industry-focused (e.g. construction or childcare), or they might be geographically-focused (e.g. a big city) or they might be solving a common issue (e.g. women in engineering). There would be no compulsion for anyone to join a Guild, but Governments would incentivise membership, e.g. refunding membership fees through a tax rebate to workers, seed-funding a dozen Guilds for the first three years of their life, moving some of the vocational education funding from public colleges to the Guilds, etc. Over and above promoting an esprit de corps and an intensive social network between members, the Guilds would provide a variety of services:

- *Employment agency - Guilds could eliminate the need for their members to work through separate employment agencies. In the UK, 1.2m workers are on a temporary contract via an employment agency, which is taking a significant percentage of the total wage paid by the*

employer. Employment agencies in the UK are a business, with 96,000 staff, more than the total number of trade union representatives. The Guild could act an employment agency, pushing for the best wage deal for its members and mutualising any profits back to them. Most other countries have a much higher proportion of temporary workers than the UK, e.g. one in four in the Netherlands vs one in twenty in the UK. So their prize is bigger still.

- *Sharing economy within the Guild - Guilds could digitally match-up their members to pool their resources. For example, parents with part-time jobs could provide regular, free and reciprocal childcare for each other on the days they themselves are not working. Or self-employed members could share vehicles, tools, premises and office services to improve utilisation. Flexible workers might pay a commission to each other for helping them find work. Some members might start small businesses to meet the needs of other members, e.g. offering P.A. services or security. Guilds might offer peer-to-peer funding, as a saving and credit union, as well as a source of capital investment.*
- *Digital marketplaces - Guilds could offer their members digital marketplaces, their own version of Uber or Task Rabbit, but where all the profits are mutualised back to Guild Members. For example, there is a great opportunity for home carers in adult social care. In the UK, local authorities pay an average of £15 per hour for this service, with the carer typically earning a minimum wage of £7.20. Many workers and clients are equally alienated by the way they are allocated to each other by remote agencies. An Uber style marketplace could allow carers to directly choose and rate self-employed carers, allowing those carers to earn much more of the full £15 and possibly more where they are highly appreciated by their clients. Guilds could bring this type of disruptive empowerment to other areas of blue-collar alienation, like contract cleaning and security.*
- *Skills and accreditation - Guilds could transform vocational training. They could turn their community of Members into a hive of mentoring, apprenticeship, work experience and collaboration. They could commission high-quality digital education for their Members, with world-class content, learning records and peer-to-peer forums. They could commission and brand their own accreditation of key skills,*

whether they have been self-taught, learnt on the job or gained through an educational programme.

- *Financial services - Too many financial products (e.g. pensions, vehicle and equipment leases, unit trusts, insurance) offer poor value for money. Guilds could use their muscle to provide low-cost or special-ised options. But Guilds should be able to go further than this. For example, they should be able to offer personal pensions which members take with them as they change jobs and into which each of their employers makes its contribution during a period of employment. Guilds should be able to offer their members opt-outs from state social insurance, e.g. for unemployment insurance. Many flexible workers (e.g. self-employed) will need high quality administrative services (e.g. book-keeping, payroll, etc) and Guilds could offer a trusted service to their members.*
- *Mobility - Guilds could help their members to move around geographically. This might be through encouraging members to offer accommodation to each other (e.g. a spare bedroom for someone working away during the week) or it might be having dedicated student-residence style accommodation for people who are working away or just settling in a new area. However, it might often be about members offering friendship and support to other members moving into, or considering moving into, their area.*

I think any new support for workers has have to have the four stands I have set out:

- *the State acting to open-up job and career opportunities by re-regulating professions and licensed occupations;*
- *the State putting in place the right system of “flexicurity” to be on the side of the disrupters and the disrupted;*
- *a legal obligation on employers to appoint a third-party organisation to organise and represent its employees;*
- *a new movement of mutual-aid organisations which help workers support each other throughout their working life.*

If we act on all the strands together, we could build the new progressive

institutions we need to unlock economic growth, improve equality of opportunity and to rebuild social cohesion.

RADIX



THINK
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