## LABOUR AND THE PAST, PRESENT AND FUTURE OF WORK

Progressive Britain Paper **PBOO2** 

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#### **ABOUT THIS PAPER**

Work is at the centre of most of our social, economic, and political lives. But the political conversation around it, what it means, how it can be better, what it will look like in future is limited to jobs numbers, GDP and, occasionally, employment rights.

Labour needs a philosophy of work, that recognises its centrality to our lives and offers support for it to be more fulfilling and remunerative. This paper sets out the roots of that need, explores the current challenges and political context, and sets out the pitfalls and opportunities ahead. It is the first part of a new series on the Past, Present and Future of Work.

The pamphlet is the second Progressive Britain Paper – PBOO2.

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#### **CONTENTS**

1.	INTRODUCTION	5
2.	BETWEEN THE SHOPFLOOR AND THE BALLOT BOX	7
3.	A NEW POLITICS OF WORK	10
4.	RED PLENTY, WHITE HEAT, GREEN TRANSITION	13
	REFERENCES	14



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#### INTRODUCTION

Most of us spend most of our time at work, mostly unhappily. There are some lucky souls for whom work is rewarding, satisfying, balanced and lucrative. For the rest, it is fraught with uncertainty, anxiety and never quite enough reward. The recent example of sacked  $P\delta O$  workers being marched off ships exhibited not just the worst of employment practices, but spoke to the sense of insecurity too many people feel about work today.

Despite this, before the outbreak of Covid-19, work was seldom at the top of the political or economic agenda. In the age of austerity unleashed in the wake of the 2008 financial crisis, policy experts and activists tended to focus their concerns on the distribution of wealth rather than the conditions of its production – taxes, deficits and benefits rather than wages, skills and productivity.

Whether through stay-at-home orders, mass participation in the furlough scheme or growing labour shortages, the pandemic thrust work, and work-based policy interventions, into the forefront of people's minds. By amplifying and accelerating existing trends in the labour market and wider political economy, Covid-19 changed how we think about work.

It highlighted how society depends on forms of work that are under-recognised and under-valued. By restricting when and where we could work, it also highlighted the centrality of work to our social lives and sense of self, as well as the growing interconnection between digital technology and our home and work environments.

It brought into sharp relief new and emerging points of tension at work, such as the rapid increase in worker surveillance technology to check up on people working from home, uncomfortable partnerships between government and big tech in the use of data to develop contact tracing apps, and the failure of existing regulations and social protection systems to provide adequate cover for the most vulnerable workers.

And it stimulated interest in several existing rifts within the workforce. One of these is a generational rift between older and younger workers. Many of the former are perceived, at least, as being in occupations that offer stable occupational identity and personal security - although the long-term stability of these conditions is increasingly called into question by technological and industrial change. The latter, younger workers, meanwhile, are perceived as being more highly educated but forced into the labour market via unstable routes such as internships, temporary or on-call contracts or forms of 'false' self-employment.

A second and arguably more concrete rift has emerged between 'footloose' workers engaged in digitally connected forms of work that can be conducted from home, and those in 'fixed work involving face-to-face, transport-dependent, or on-site activities conducted in real time and space, e.g., manufacturing, maintenance, delivery, care and health services. While exacerbating differences between these groups in terms of personal safety and exposure to infection, the pandemic also brought a growing awareness of their interdependence and the unequal social, political and economic esteem in which they are held.

These rifts intersected with geographical splits, most notably between de-industrialised smaller towns, especially in the North of England and South Wales, and larger metropolitan areas with younger, more formally educated and more ethnically diverse populations – differences that were also visible in the results of the Brexit referendum and the crumbling of the so-called 'Red Wall' in the 2019 general election.

Labour has already made a start, with Keir Starmer foregrounding work and security in his conference speech last year. Last Autumn, Angela Rayner outlined plans for setting minimum standards in key industrial sectors. These Fair Pay Agreements resonates with legislation introduced by Jacinda Ardern's government in New Zealand this week which aims to 'lift incomes and improve working conditions of everyday kiwis'. Labour needs to build on these beginnings, translating ambitions into practical solutions and learning from centre-left movements in government elsewhere.

If the Labour Party is serious about healing these rifts and reconnecting with working people, regardless of where they live, it needs to engage in public discussions about the evolving nature of work in the post-pandemic economy – as well as the enduring importance of work in British society.

At a time of such profound change, exploring Labour's past helps illuminate the present. In different ways, Labour Together's *Labour's Covenant*, and Progressive Britain's own *Rethinking Labour's Past*, remind us that the purpose of Labour – big 'L' – has historically been shaped by the shifting demands for political expression and institutionalisation of labour – small 'l' – in the context of a changing British capitalism.

But although it began as organised labour's representative in Parliament, a seamless relationship between labour and Labour is seldom guaranteed, especially in times of flux. The test for Labour is not just to know what emerging practices it is against. It must also set out a positive vision for the future of work and its role in improving people's lives and livelihoods.

As we emerge from the pandemic and confront a rapidly evolving world, we need a new, proactive politics of work, shaped, as before, by the changing role of labour in society, and in the economy, at large.



#### BETWEEN THE SHOPFLOOR AND THE BALLOT BOX

Against this backdrop, part of Labour's job is to maintain the central position of work in the political and popular imagination in the post-pandemic world. It has an opportunity to craft a narrative around work that can reconnect the party with voters it has lost and construct compromises and coalitions across divides.

Shared experiences of work unite voters across class, parties and geographies. A compelling, political articulation of the varied ways in which contemporary work is *not* working for too many people and a positive case for a better alternative can be a point of unity for otherwise disparate communities around the country.

Conservative electoral gains in traditional Labour areas, combined with Boris Johnson's pitch to create a 'new party of workers', make such a narrative all the more urgent. Key issues like skills, productivity and industrial renewal pepper the government's Levelling Up and Global Britain agendas. These are areas where real change is needed, but their solutions - post-Brexit de-regulation, freeports, and place-based competition for Levelling Up funds - are inadequate. These policy interventions demonstrate the Conservatives' ultimate ideological commitment to the primacy of capital and competition, regardless of context or effectiveness. This defining characteristic, no matter the packaging, means the Tories will always struggle to authentically articulate a proper politics of work and the workplace.

The policy context is ripe for Labour to develop such a narrative. The pandemic, plus the current geopolitical tensions, have accelerated pre-existing tendencies towards greater interventionism in Western economies. Both sides of the political divide now talk comfortably about industrial strategy, and much of the debate on competitiveness in technology, natural resources and supply chains is justified in terms of 'good jobs'.

At similar economic and social hinge points in history, Labour has seized the reins as the necessary agent of change and consensus. As the parliamentary expression of the interests of organised labour, it has on occasion been the right party at the right time to rally the forces fit for the challenges the country faced.

It has generally done this on the basis of an optimistic vision of the future. In the 1940s it offered the promise of a universal welfare state. In the 1960s it offered mass producing, mass consuming workers a world of new technologies, tolerance, permissiveness, opportunities for creativity to flourish and an erosion of traditional class barriers. In the 1990s it proposed a 'new life for Britain' based on a 'third way' between the rigidities of Thatcherism and those of the 'old left', with an implicit promise of the best of both worlds.

In the 21st century, the Labour Party needs a clear, positive, vision that can engage with the hopes of workers present and past, young and old. This vision must be optimistic, focusing on tangible future benefits – going beyond stale repetitions of what it is against, or impossible promises to restore what has been lost in previous decades.

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The labour movement – unions and parties – has always had an antagonistic or oppositional role within British capitalism. But there is no predetermined relationship between the experience of labour at the coalface and the way workers express themselves politically. The Labour Party has always had to strike compromises across the complicated cultural and political terrain that separates the workplace from the ballot box. Union members have remained plural in their voting allegiances. Working class votes have never been 'in the bag', as some have long imagined, and Labour has seldom been a party of simple class struggle.

At its most successful moments, Labour has tended to wield a stabilising influence by organising and representing the 'labour interest' in ways that were ultimately useful for the developmental needs of the economy. Rather than radical or insurgent by design or default, Labour's story is really one of accommodation within the system and accommodation of the system to better reflect the national interest given the changing position of labour within the economy.

The rise of mass production dovetailed with forms of industrial citizenship and franchise of which Labour was the parliamentary expression. Later, organised labour and the Labour Party played a central role in coordinating the political and economic foundations of the country's war effort between 1940 and 1945. As the world consolidated into national economies and systemic rivalries in the Cold War years, Labour steered a developmental state whose industry and productivity was underpinned by social partnerships between business, unions and government.

In the mid-twentieth century, the party, and the 'labour interest' it represented, constituted a core element of a social and industrial compromise struck between workers, business and the state in the name of national security, productivity and competitiveness.

However, the changing conditions of capitalist competitiveness in the wake of the unravelling of this compromise in the I97Os rendered the incorporation of the labour interest increasingly contrary to the requirements of a functioning economy. The conditions for growth and profitability switched from coordination with labour to suppression of the labour interest in the new Thatcherite mode of governing economic relations.



New Labour, along with the New Democrats and third way social democrats in Europe, later acted as a vehicle for the expression and institutionalisation of a somewhat different 'labour interest'. Post-deindustrialisation, it was felt that the political expression of labour could only find success at the ballot box if it spoke to an emergent 'aspirational' service, finance, and knowledge economy. While the legal rights of workers were expanded, and more women and previously excluded people were brought into the workforce, the legacy many had hoped for was not secured. In the UK, the financial crisis led to an anti-worker Conservative government, Brexit re-opened issues of workers' rights long thought settled, and technological shifts presented new challenges such as the platform or 'gig' economy.

#### A NEW POLITICS OF WORK

Twelve years into opposition, the question for Labour is what kind of political and institutional mediation of the labour interest resonates with the direction of the economy today. There can be no winding back the clock, no nostalgic resurrection of the past, but we can at least learn from the roles Labour assumed in the wake of past transformations to guide our approach to those underway in the here and now.

There is of course considerable autonomy, both in terms of policy and voting behaviour, separating political from economic drivers. But the past shows that Labour (big 'L') has found space to operate where the state recognised that coordination of and with labour (small 'l') is the foundation of prosperity and national competitiveness. This has often been compelled by crises, especially international conflict, both of which look likely to be a defining feature of the present period.

These crises are causing some, even on the supposedly 'neoliberal' right, to propose the future requires a retreat from globalisation and the popularisation of a more strategic approach to industries, productivity and trade. Progressive responses both to the pandemic and changing global picture need to focus on redefining future relationships between work, capital, local places, and the global economy – not fighting the battles, or reaching for solutions, associated with previous decades.

The emerging shifts in innovation, technology and the global order pose opportunities and risks that neither main party has yet fully engaged with. Connectivity, data and innovation long ago came to augment traditional physical assets such as coal and steel in defining economic power. These changes to our economic model will accelerate over the coming years, with big tech, great power rivalry, and authoritarian state capital driving the development of automation, artificial intelligence and algorithmic control. In this way, the same technology that enables new forms of value creation also undermines security and provides the spark for polarisation.

This raises important questions for Labour and progressive advocates, just as similar turning points did in the past. How can the Labour Party articulate and advance a role for labour that resonates with the new economic demands of a changing, and more dangerous, world? As Labour's collapse in the 198Os and the realignment of the Brexit years laid bare, such a symmetry between material economics and practical politics should not be taken for granted. Labour's refreshed 'values offer', offered in its fullest form yet at the 2O22 party conference, attempts to address the space where this asymmetry is worked out, the cultural ground that



bridges economic life and political behaviour. In the background, some creative economic thinking is emerging across the shadow treasury, defence, and foreign affairs teams, as well as the new Levelling Up brief.

This agenda shows Labour is starting to take seriously the centrality of a politics of work, and productivity. Rather than garnering a few lines in a future manifesto, it suggests work can represent a red thread running through a wider policy platform.

We need a new politics of work, attuned to the times, that speaks to a constructive vision for work in relation to the ambitions of individuals, families and places - helping people to get on, not just get by. This red thread of policy needs to tackle structural challenges, such as productivity and shared growth, as well as practical issues around communities and jobs.

Productivity has been an elusive policy goal for successive governments. A dry and abstract topic in the hands of politicians and policymakers, workers experience productivity drives as a managerial imposition aided by new surveillance technologies and means of data collection over which they have no control. The changing role of trade unions and collective bargaining in a shifting economy has eroded previous means of sharing mutual gains between capital and labour, meaning workers today lack clarity about how they can benefit from productivity increases.

Time is a key battleground. Longer hours, an always-on culture, lack of control over work shifts (e.g. zero hours contracts) and concerns over longer-term pension provision cut across all job types. A fashionable response to the time pressures felt by specific groups of workers has been the proposal of four-day week, but ultimately such a one-size-fits-all approach suits some sectors and occupations more than others and would need to be underpinned and augmented by other institutional frameworks and interventions.

A more comprehensive policy framework for rebalancing power in the workplace is required to strengthen the hands of workers across industries and professions. A particular priority for Labour is a new model of social partnership that redefines a role for worker voice in bargaining with employers around productivity gains, shared prosperity and flexible new working patterns, particularly in the private sector.

Such an agenda would accomplish two important imperatives confronting Labour.

The first is to move beyond the party's redistributionist bias in policy-making, which proposes diverse ways to reallocate wealth and value – from tax credits on the centre to basic income on the left – without fundamentally reconfiguring how and under what conditions that wealth and value are produced.

This would recognise that the politics of 'taking back control' stretches far beyond the question of the UK's relationship with the EU, and also includes agency in day-to-day life and work. Work is not only an economic activity, but a foundational part of identity, dignity, sense of worth and pride. These are key issues for any political project seeking to create a shared sense of purpose, and even more so in such uncertain times. Good work is an end in itself, and not simply a means to win votes.

The second imperative is that a work-based agenda would construct alliances across the economic and cultural divides that have characterised the vexed politics of our age of populism. A serious understanding of what is common and what is not in our experiences of work is vital to this, both in terms of uniting the coalition to vote and developing the agenda for a government that addresses their needs.



#### RED PLENTY, WHITE HEAT, GREEN TRANSITION

This strategy rests upon a re-envisioning of how Labour talks and thinks about the future of work. Whether automated red plenty, industrial white heat, or net-zero green transition, Labour tends to present workplace transformations as imminent and inevitable. This deprives workers of a feeling of agency and ownership over the future. Instead, we must ask how Labour can develop a vision with, rather than simply about, workers, unions and communities.

Too often our political discourse sparks feelings of anxiety and insecurity among those whose work is perceived as being susceptible to automation, unsustainable amidst technological or ecological shifts. Celebrating novelty over continuity, it tells a generational story of ceaseless change and adaptation that places under strain any intergenerational politics based on shared struggles and aspirations for good work and better lives.

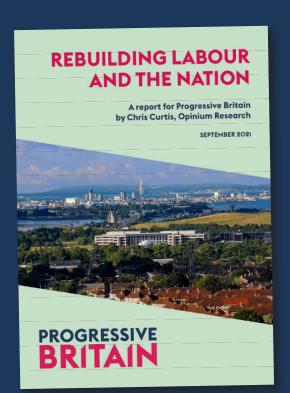
And, as the pandemic gives us pause to revalue the contribution of key workers to economy and society, the presentation of the future of work as a *fait accompli* threatens to devalue the existing jobs and skills of other equally important workers whose professions and industries seem out of sync with the times. In particular, it diminishes the powerful and persistent relationship between place and specific forms of work and industry.

Stories that diminish our collective control over the future of work pose a political danger to Labour, exacerbating the cultural and emotional conditions that propelled the rise of populism. But this is not just about the stories we tell and sell about the future of work. These issues speak to the principles underpinning the policies the party must offer to build a better world of work.

Over the coming months, we will be organising a series of contributions and roundtables exploring these themes. As well as looking into Labour's past, present and future, we will also learn from sister parties representing labour movements and social democratic traditions in Europe and elsewhere, gathering case studies of existing good practice in creating a better world of work. Bringing together unions, politicians, policymakers and academics, this will provide a forum for rethinking not only how Labour understands the future of work, but how it can actively shape it, as it has so effectively done before.

We will also aim to provide a point of reference for social democratic parties and movements across the European Union. Although the institutional context in which they operate is different from that facing the Labour Party, the challenges – and, we hope, the solutions - are both enduring and encompassing.

# REBUILDING LABOUR AND THE NATION Does Labour have a chance at the next general



Does Labour have a chance at the next general election? Where do voters like the party's offer and where does it need to strengthen its message?

In this report from September 2021, Opinium pollster **Chris Curtis** sets out the challenge and the potential for Labour. He finds that Labour has closed the gap on the Conservatives since 2019 but must do more to show it has changed and inspire confidence with voters – especially those who switched to the Conservatives for the first time that year.

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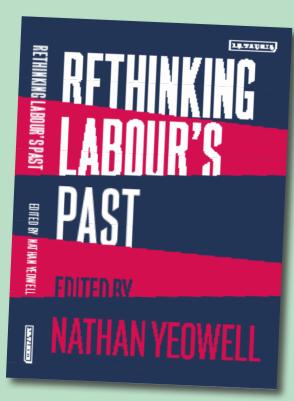
### RETHINKING LABOUR'S PAST

'A captivating, kaleidoscopic collection, packed with fresh thinking and new insights. Few volumes range as widely across Labour history, or bring together such an impressive range of authors. Rethinking Labour's Past is essential reading for anyone interested in the past, present or future of the Labour Party'

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'The book all wings of the Labour Party have needed for years... Those serious about interrogating the party's traditions – and remaking them for the 2O2Os – should start here. A breath of fresh air'

- Patrick Maguire, political reporter for *The Times* 



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