

## ELECTION 2015:

WHAT'S AT STAKE FOR WORK, PAY AND UNIONS?



**Policy priorities for the next  
government**

# ELECTION 2015:

## WHAT'S AT STAKE FOR WORK, PAY AND UNIONS?

class

Centre for Labour  
and Social Studies

### IN BRIEF:

**Inequality continues to deepen, wages have fallen way behind prices, and conditions at work have declined with insecurity and low-pay widespread. Action must be taken to boost wages and protect the rights of those at work. This will begin to address the high cost of living and boost spending power in the economy to end stagnation. But for lasting change, the power of working people at work must be strengthened. Trade unions are best-placed to ensure decent jobs and decent pay. The next government must strengthen the rights of trade unions and enshrine collective bargaining as part of strategy to rebalance the economy in favour of working people.**

### THE PROBLEM:

The share of national income going to the top 1% has more than doubled in the last 35 years. For working people, average weekly pay has plummeted by 11.1% since 2008 while average prices rose 20%. The challenge of securing a fair economy where pay meets the cost of living has never been more acute.

Precarious work is increasingly becoming the norm - at least 1.4m workers are on zero-hour contracts and almost 60% of new jobs created since the Coalition came to power are in low-paid sectors of the economy. There are 2.6m British workers on no more than 50p above the minimum wage and over 3m people are stuck on part-time hours not earning enough to make ends meet.

Working people have found themselves in a triple bind of depressed wages, slashed social security and their rights at work attacked. The removal of legal



protections and the dismantling of hard-won rights have left workers more exposed than ever to declining pay. The consequence has been the state stepping in to top up wages that no longer pay enough to live on. Falling incomes and spending power contributed both to the depth of the recession and the decline in government revenues as the tax take fell.

### WHAT'S AT STAKE AT THE ELECTION?

The labour movement is entering a crucial period, facing an unprecedented attack from some political parties, at a time when millions of working people are facing assaults on their pay and already precarious standards of living. The outcome of the General Election in May is crucial. If the cost of living crisis is to be tackled, real wages and hours of work must be increased. If widening inequality is to be turned around we must develop a sustainable economy that works for everyone. Government must strengthen trade unions rights and promote collective bargaining and not just put a sticking plaster over a badly fractured economic system. A real recovery should mean rising living standards, decent jobs and decent pay. This is what's at stake at the General Election.

# ACTION THAT CAN RAISE WAGES AND PROTECT RIGHTS AT WORK:

## IMMEDIATE ACTIONS:

**1. Raise the national minimum wage** to the level of the Living Wage. This would give an important boost to those on the very lowest wages and would have positive implications for the wider economy by increasing demand. It would also benefit the public purse through reduced social security spending and increased tax receipts.

**2. End the public sector wage freeze** to boost incomes and generate value in the economy through increased National Insurance contributions and income tax.

**3. Enforce existing labour laws** and provide enforcement bodies with the proper resources. Ensuring workers are able to access justice in the workplace would strengthen employees rights at work.

**4. End the abuse of zero-hour contracts** to give greater stability for low paid workers and an end to their exploitation.

**5. Extend rights at work and improve labour laws** so that all employees are entitled to the same basic employment rights.

**6. End working for free** through unpaid internships and workfare to reflect the value of work. This would drive up wages across the board as employers would be denied access to unwaged labour.

**7. Introduce and enforce pay ratios** to send a clear message about how an organisation creates value. This would be an important first step in tackling inequality.

The scale of the cost of living crisis and the growth in inequality can sometimes seem insurmountable, but government has the power to enact a range of immediate policies which will have a huge impact upon the lives of working people.

The shift of economic power and wealth towards the 1% have been directly paralleled by the decline of trade union membership and collective bargaining. If the cost of living crisis is to be tackled, the economic recovery must be led by a rise in wages and not an increase in private profit or greater personal debt. Wages and hours must grow and secure work must become more widespread. Trade unions are the crucial vehicle through which growing inequality can be challenged.

## STRONG UNIONS, FAIR PAY, DECENT JOBS:

**1. Strengthen the bargaining power of labour** and actively rebuild collective bargaining coverage so that workers have a stronger hand in improving pay and conditions.

**2. Strengthen the power of trade unions** for the benefit of not only working people, but wider society, employers and the economy.

**3. Close the gender pay gap** by allowing unions to take into account pay disparities when negotiating with employers.

**4. Increase employee representation in companies and in government** so that the voices of working people are heard at all levels of governance - but the infrastructure for this needs to be built.