Tackling Inequality: The Role of Trade Unions
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Introduction

Since the 2008 financial crisis, inequality has arguably been the recurrent theme of the political agenda.

Inequality of income; wealth; opportunity; inequality between regions; between generations have all been hotly debated and contested. The decision to leave the European Union is often related to these growing disparities across society.

These inequalities all have repercussions for our wellbeing, health, education and sense of belonging. Previous CLASS and IER work has focused on the relationship between economic inequality and trade unions.\(^1\) This pamphlet will move beyond a specific focus on economic inequality and question if and how trade unions can combat some of the other facets of inequality.

It is worth reminding ourselves, however, of the popularity of the trade union movement. Today, almost 80 percent of the British public are of the opinion that trade unions are essential to protect workers rights. In fact, since 1975 when polling began, almost always in excess of 70 percent of people have been of this predisposition.\(^2\) With over 6 million members, trade unions remain the largest voluntary organisations in Britain.

Yet, trade unions face an uphill battle for recognition. Workers in the UK face a legal framework that is recognised as ‘the most restrictive in the Western World.’\(^3\) At its peak, the trade union movement in the UK bolstered 13.2 million workers with over 80% of all workers covered by some form of collective bargaining coverage. Today, overall union membership is declining and collective bargaining coverage stands at less than 25%.

The relationship between inequality and deunionisation has been well established and will be elaborated further in later sections. Inequality is ultimately about the operation of power. In an era of unprecedented stagnation in real wages, punitive austerity cuts and rising in-work poverty, trade unions are a force for counteracting these imbalances of power and, thus, can help alleviate some of the impacts of inequality.

The rest of this report will be outlined as follows. The following section will outline the extent of inequality in the UK – causes, consequences and reasons to care. It will discuss the role that trade unions have in combatting inequality and outline a progressive path forward.
Inequality: Causes, Consequences and Reasons to Care

The UK has an inequality problem. From income and wealth to the highest regional divides in Europe, we can see huge gaps in society.

What is already clear is that these disparities represent a massive social and economic burden. Here we focus on the recent history of inequality in the UK and the aspects of inequality most closely related to trade unions and the workplace.

Looking back over recent UK history, the inequality story can be roughly divided into two separate periods. The first is the huge explosion of inequality during the 1980s. During this period, Margaret Thatcher’s economic reforms saw those at the upper end of the distribution pull away from the rest of the population.

The second period from the 1990s onwards has been a period of relatively flat levels of inequality and some small increases. This slow rise in income inequality was interrupted by the 2008 financial crisis which initially impacted those with financial assets and thus saw inequality fall. As the graph on the next page shows, accounting for housing costs dramatically increases the level of inequality.

As housing has increasingly become a financialised asset, the gap between the Gini Coefficient before housing costs (BHC) and after housing costs (AHC) has grown. This is reflective of the growing divide between those who own property and those who do not. The lack of access to low cost housing for those at the bottom end of the income distribution is a key factor pushing people into poverty.

The Gini, however, does not allow us to analyse changes at the very top or very bottom of the income distribution. This is part of the reason why much of the focus has moved to the top 1 percent. Recent data from the World Inequality Database shows that in the UK the top 1 percent alone take home 14 percent of national income. Meanwhile, at the other end of the spectrum, there has been almost no increase in the weekly disposable income of the bottom decile for twenty years.
How Do We Measure Inequality and What is the Gini Coefficient?

The Gini Coefficient is the most commonly used indicator of inequality. It is usually represented on a scale from 0 to 1, where 0 represents a society of perfect equality (everybody taking home the same income) and 1 is perfect inequality (one person has all the income).

Higher numbers therefore represent more unequal societies. To get a number between 0 and 1, economists compare the income (or wealth) distribution of a given society to this hypothetical society in which everybody is equal.

The problem with the Gini Coefficient, however, is that it tells you nothing about the structure of inequality within a country. It does not, for example, tell you if the rich are pulling further away from the middle or the poor are falling further behind the bottom. It is merely an average of all the differences in income across a society.

Further criticisms of the Gini include its inability to capture the extremes at either the middle or top of the income distribution and its over-sensitivity to changes in the middle of the income distribution. To remedy this, other measures such as the Palma Index have been developed. The Palma Index is the ratio of the share of the top 10 percent of the income distribution with the bottom 40 percent.

This discussion of income inequality masks a variety of other inequalities present in UK society. Firstly, the extent of wealth inequality in the UK is such that the wealthiest 10 percent own 900 times more than the poorest 10 percent. Further still, Oxfam estimates that the richest one percent of people own more than twenty times the wealth of the poorest 20 percent. The Equality Trust estimate that in 2017 the wealth of the richest 1,000 Britons increased at £2,615 every second.
Secondly, there is a growing intergenerational divide. Young people have been disproportionately affected by the financial crisis, having experienced both the biggest increase in unemployment and the sharpest decrease in wages. They are more likely to be employed on zero-hours contracts and engaged in precarious work.\(^7\) For the first time, younger generations are not expected to achieve a higher standard of living than their parents.

Rise and Fall of Collective Bargaining in the UK

Thirdly, and finally, there is what Nobel laureate Amartya Sen would call a growing inequality of capabilities. Sen’s ‘capabilities approach’ states that social arrangements should be primarily evaluated according to the extent of freedom people have to promote and achieve the functionings they value.\(^8\)

Put simply, it is basically the ability that people have to lead a good life, however that may be defined. To this end, it is similar to inequality of opportunity. Eight years into a punitive regime of austerity measures, this ability has been curtailed for millions of people in the UK. Since 2010, local council funding has been cut by 49%, nearly 1,000 Sure Start centres and 478 libraries have been closed, and today more than 4 million children live in poverty.\(^9\)
As public services and welfare expenditure have been cut in the name of balancing the budget, it is those towards the bottom end of the income distribution who have suffered. Importantly, austerity-driven inequality has exacerbated race and gender inequalities with women of colour being hardest hit.10

As further cuts are implemented throughout the rest of this parliament, inequality is only predicted to increase. However, whereas previously increasing inequality was marked by those at the top pulling away from the rest, this next stage of inequality will see those at the bottom fall further behind.

As depicted the above graph, the UK already has one of the highest market and disposable income Gini coefficients across Europe. Market income Gini coefficients represent the inequality of income before the effect of taxes and transfers. Disposable income Gini coefficients, on the other hand, represent the inequality of income after taxes and transfers. Large cuts to the social safety net, therefore, stem the reduction between market and disposable income inequality. This is exactly what is predicted to happen over the coming years in the UK.

**Figure 3**

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In the case of the United Kingdom, our market income Gini stands at 0.54. This is the third highest in Europe behind only Ireland and Greece. The UK disposable income Gini is 0.33 which is the fifth highest as shown in Figure 22. The difference between those two figures is shown by the bars and is indicative of the redistributive impact of a nation’s taxes and transfers.
Deunionisation and Inequality

As previously stated, trade union membership has more than halved since it reached its peak in 1979. The most recently released figures from the Department of Business, Energy and Industrial Strategy show that there are currently 6.2 million trade union members in the UK, which represents just 23.2 percent of the working population.

It is absolutely no coincidence that while these numbers have shrank year on year, inequality has grown. Figure 4 below shows there is almost a perfectly inverse relationship between trade union membership and the top 1 percent of national income. From 1975 to 2017, the wage share of national income fell from 74.1 percent to 66.8 percent.

Research conducted at the Greenwich Political Economy Research Centre has shown that the decrease in bargaining power explains more than half of the declining labour share in national income across a number of OECD countries (the UK included).11

Rich have got richer while workers’ power has declined

While other factors, such as automation, are often touted as reasons for declining labour share, multiple studies have shown that deunionisation is a key driver of income inequality. The IMF12 and the OECD have both argued that through deunionisation workers exhibit lower bargaining power which benefits the owners of capital and increases capital’s share of national income. Given that ownership of capital is always skewed towards the top end of the income distribution, this exacerbates inequality. Furthermore, weaker unions can reduce workers’ influence on important decisions such as executive remuneration.
Young people have been disproportionately affected by the financial crisis
Recognition of the benefits of trade unions is commonplace in various international conventions. The UK has ratified a number of these treaties and, therefore, should be uphold the rights enshrined in them. Notable examples include:

- ILO Convention 87: Freedom of Association and Protection of the Right to Organise\(^\text{13}\)
- ILO Convention 98: Right to Organise and Collective Bargaining\(^\text{14}\)
- ILO Convention 151: Protection of the Right to Organise and Procedures for Determining Conditions of Employment in the Public Service\(^\text{15}\)
- Article 11 of the European Convention on Human Rights: Freedom of Assembly and Association\(^\text{16}\)

However, trade unions have come under sustained attack in the United Kingdom for the past few decades. The Trade Union Act 2016 was the latest piece of legislation that is widely accepted to contravene the conventions outlined above. Below is a further list of significant trade union related legislation over the UK’s recent history.
History of Significant Trade Union Events and Policies

1868-1918: The Birth of The Trade Union Congress and Growth of a Movement

- 1868 – First ever meeting of the TUC is held in Manchester
- 1871 – The 1871 Trade Union Act recognised unions as legal entities and, as such, were entitled to protection from law.
- 1918 – Membership had risen from just under a million in 1880 to six and a half million by the end of the First World War. 90 per cent of which were men.

1944 To 1979: A Period of Union Strength, International Legislation

- 1944 – International Labour Organisation introduces the 1944 Declaration of Philadelphia
  “to achieve the effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures”
- 1948 – United Nations Declaration of Human Rights
  Article 23(1) states that everyone is entitled to ‘just and favourable conditions at work’.
  Article 23 (4) states that ‘everyone has the right to form and to join trade unions for the protection of his interests’.

1979 to 1997: Conservative Governments Sustain Strong Attacks on Trade Unions

- 1979 – UK trade union membership peaks at 13 million, with 82 per cent of workers covered by some form of collective bargaining agreement
- 1979 – Conservative government is elected under Margaret Thatcher
  > 1983 re-election landslide allows for the introduction of the 1984 Trade Union Act which required unions to ballot members for strike action, elect principals and secretaries every five years and validate their funds every 10 years.
  > 1984/85 miners’ strike, led by the National Union of Mineworkers, in opposition to these reforms eventually failed and signaled a crucial victory against the power of unions and fractured the labour movement and party.

- 1997 – New Labour government elected under Tony Blair
  > New trade union recognition legislation is passed, although membership and levels of collective bargaining continue to fall.
  > Introduction of the national minimum wage

- 1998 – International Labour Organisation introduces the Declaration on Fundamental Principles and Rights at Work
  > “Collective bargaining is a fundamental right accepted by member States from the very fact of their membership in the ILO, and which they have an obligation to respect, to promote and to realise in good faith.”

  > “Everyone has a right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions.”

- 1999 – Employment Relations Act 1999
  > This introduced the right to be accompanied by a union representative in disciplinary and grievance hearings.

2008 To Date: Global Financial Crisis, Ongoing Austerity and Signs of Hope

- 2008 – Global financial crash
  > Major global economies undergo major recession with the UK proceeding to undergo the slowest recovery on record and an era of severe fiscal austerity.

- 2010 – Conservative-led coalition is elected.
  > Decade beginning from 2010 sees a rise in the number of self-employed and those on zero-hours contracts.
  > Public sector pay cap was introduced, freezing all public sector workers pay from 2010 to 2012 and only permitting nominal 1 per cent increases thereafter.

- 2016 – Trade Union Act
  > New legislation mandates unions to ballot 50 per cent of its members and get 40 per cent consensus through a postal ballot, give two weeks’ notice of any strike action takes place, ensure members ‘opt-in’ to political funds and publish details on amount of time dedicated to union matters in the public sector.

- 2016 – Review of Modern Working Practise through the Taylor Review
  > Analysis of the modern labour market and responses to challenges in the UK economy.
  > Review is largely condemned by the trade union movement for not offering radical enough change.

- 2016 – UK votes to leave the European Union
• 2017 – Conservative government re-elected
  > Majority is lost in 2017 election, with the Labour party running on a platform of establishing a new Ministry of Labour, strengthening trade union recognition and repealing restrictive legislation.
• 2017 – UNISON wins Supreme Court case
  > Supreme Court rules that the government’s introduction of employment tribunal fees in 2017 contravened the right to access to justice and undermined the rule of law.
• 2018 – Thousands attend a TUC March in London on March 12th for ‘a new deal for working people.’
How inequality impacts society

Today many commentators are dismissive of inequality as a problem afflicting the UK. The Conservative Party Manifesto for the 2017 General Election had one mention of inequality of opportunity and another reference to ‘abhorrning inequality.’ Chancellor of the Exchequer Philip Hammond even boasted that “income inequality is at its lowest level in thirty years” at the 2017 Autumn Budget.

Historically, concerns about inequality were offset by the work of Nobel laureate, Simon Kuznets, who argued that as an economy grew, levels of inequality would ‘naturally’ decline. The recent experience of countries across the world has not only shown this to be incorrect but the work of Thomas Piketty has shown that growing inequality is an outcome of ‘fully functioning markets.”

There is an argument to be made that we should intrinsically care about inequality - that is to say that inequality is unjust and morally wrong. The following section will, however, outline more instrumental reasons as to why we should care about the rise of inequality.

Inequality Hinders Economic Growth

Across the globe, Oxfam estimate that 82 per cent of the gains from economic growth in 2018 accrued to the top 1 per cent. This is evident in the UK where the incomes of those in the bottom decile (after housing costs) have not grown at all since 1998. Across the entirety of the UK, it has been well documented that wages will not climb above their pre-crisis peak until 2025. As income and wealth become increasingly concentrated in the hands of fewer and fewer people, aggregate demand diminishes and the economy suffers.

Research conducted by the OECD found that in the UK “the cumulative growth rate would have been six to nine percentage points higher had income disparities not widened.” More recently, the IMF have concluded that there is a so-called ‘inequality overhang’ in that the relationship between inequality and economic growth switches from positive to negative circa a Gini coefficient of 0.28. The UK’s Gini coefficient is currently well above this level.

However, there is nothing intrinsically valuable in economic growth. It is a means to an end, not an end in itself. The ultimate function of growth should be an improved standard of living for all. It is here, however, that inequality also has corrosive effects.
Inequality Has Societal Costs

Economic inequalities give rise to a whole variety of other inequalities in society. This was noted powerfully by the Marmot Review which interrogated disparities in health across England. Their executive summary notes that “social inequalities in health arise because of inequalities in the conditions of daily life and the fundamental drivers that give rise to them: inequities in power, money and resources.”

The Marmot Review found that these inequalities result in around 1.3 million to 2.5 million years of life lost per annum and that inequality in illness costs the UK economy around £31-33 billion annually. At a less macro level, areas such as Blackpool are emblematic of the kind of social malaises that inequality can produce. For instance, today, Blackpool is a net exporter of more managerial and professional jobs and a net importer of routine jobs. Rates of obesity, smoking and alcoholic liver disease are well above the UK average and the town suffers from some of the lowest rates of life expectancy in the UK.

The work of Kate Pickett and Richard Wilkinson has shown how high levels of inequality are associated with a plethora of other social ills. In the Spirit Level, they highlighted inequality’s impact on trust, community life and violence as well as a noted increase in status competition and consumerism. In their follow-up, The Inner Level, they build on a wealth of evidence to demonstrate the psychological impact of inequality - an increase in mental health issues associated with ‘social evaluative threat’ and diminished feelings of self-worth.

Inequality also pervades the education system. Professor Danny Dorling has labelled the UK’s system akin to ‘educational apartheid’, where children on free school meals are almost half as likely to obtain five A*-C GCSEs and four times less likely to go to university than those who are privately educated.

These disparities are compounded by place. Multiple reports have shown how those who grow up in more deprived communities have access to inferior quality schools and will ultimately be more likely to leave school with worse grades.

Moreover, research conducted by the Centre for Analysis of Social Exclusion at the LSE has shown that lack of access to good quality schools results in initially ‘high achieving poor’ children falling behind ‘low achieving rich’ children.
Further still, none of this touches upon the issue of inequality within schools. Diane Reay has written powerfully about the experience of working class children in the contemporary British education system, highlighting not only disparities in levels of funding but how working class children are continually treated with disrespect throughout their education.  

**Inequality Undermines Our Political Institutions**

Perhaps most perniciously, high levels of inequality can sustain themselves through undermining democratic processes. Philip Alston, who is Special Rapporteur for the United Nations on Extreme Poverty, has argued that "economic inequalities seem to encourage political capture and the unequal realisation of civil and political rights."  

Academic studies have not only shown a relationship between inequality and ‘a willingness of the rich to spend money on influencing the media’ but that economic elites have a much greater impact on public policymaking than ‘average citizens’.  

Democratic decision-making is inherently about power, about who has access to public institutions and whose voices can be heard. In 1960, the famous political scientist Elmer Schattsneider wrote that "the flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent." By which he meant that democracies tend to be dominated by those with money. Comparative analysis across seven European countries has shown that as inequality becomes more acute, legislative attention moves away from topics traditionally associated with redistribution.  

Cast your eyes specifically at the UK, and looking at voter turnout in the 2017 General Election, there was a 16 percentage point gap between those from the upper middle and middle classes and those from the working class or those who were unemployed.  

Theresa May has been criticised for only meeting with Frances O’Grady, leader of the Trade Unions Congress, once since taking office. In fact, politicians in general have been bemoaned for becoming increasingly disconnected from ‘the world beyond politics’ and incumbents after the 2017 General Election were still over four times more likely than the general population to have been educated at a private school.
Democratic decision-making is inherently about power, about who has access to public institutions and whose voices can be heard.
What Can Trade Unions Do To Combat Inequality?

The above section has outlined three overarching reasons to care about inequality. The first detailed the economic impact of inequality, the second dealt with the social repercussions and the final reason spoke to inequality’s influence on politics. Much of the analysis on trade unions in the UK has spoken of their economic benefit for both employees and the wider economy. The following section will summarise these impacts but also reference how trade unions can alleviate some of the other social and political divides in the UK.

**Unions improve wage equality**

There is a wealth of evidence that points to the positive impact that unions have for workers. Every year the Department for Business, Energy and Industrial Strategy publish statistics on trade union membership in the UK. The most recent figures indicate that, at an individual level, trade union members earn 13.7 per cent more than non-unionised workers. The figure increases to 22.1 per cent for women members but is lower for men at 8.5 per cent.

**Union members earn more per hour**

![Hourly Wages Chart](Figure 5)
To a certain extent this is to be expected as trade union density is higher for those with greater qualifications and those who are older. Yet research conducted on behalf of the TUC has shown that after controlling for differences between union and non-unionised workers, there remains a wage premium of around 5 percent. The process of sectoral collective bargaining, however, ensures that it is not only trade union members who benefit from increased wages but all workers within a particular sector.

Evidence from across the OECD member states suggests that there is an association (albeit weak) between higher levels of collective bargaining coverage and levels of inequality. By taking elements of wages and working conditions out of being determined by the market, sectoral collective bargaining entices genuine innovation and productivity that is not built around a constant race to the bottom for workers. This is further evidenced at the firm level where it has been argued that ‘votes at work are essential for long-term success of companies.’

Decent Work Counters Social and Health Inequities

There is growing evidence that low-quality work has adverse health outcomes. Longitudinal studies conducted in the UK have found that unemployed adults who transition into poor quality work can end up with worse health than they had when unemployed. Ensuring that work is of a good quality is therefore paramount to counteracting ill health in the workplace.

The OECD Employment Outlook 2018 has shown that there is a statistically significant relationship between employee representation and work intensity, on-the-job training and career advancement. Previous CLASS research has shown the extent of widespread overworking and stress in the workplace which trade unions have a role in combatting.

Unions also offset health inequities within the workplace. Evidence from the US has shown that a 1 per cent decline in unionisation causes about a 5 percent increase in occupational mortalities. In the UK, as the IER submission to the Regulatory Reform Committee noted, there has been a 96 percent reduction in labour inspections over the past decade or so. Today, you can expect a visit from an inspector once every 50 years or so.

Furthermore, learning through unions can help to offset a lack of training and pay progression endemic in today’s labour market. As one assessment of the trade union representative initiative found, there is clear evidence that “union learning representatives benefited those workers that historically may not have had either access to, or interest in, training and learning opportunities.”

New unions are also offsetting social inequalities that are found outside of the workplace. ACORN is a community-based union of working-class people that organise around issues such as access to public services, corporate accountability and housing. The London Renters Union, as the name suggests, battles for better quality and cheaper housing. Unite Community has recently launched a campaign called ‘a home is a human right’ and also works on the right to welfare.
Rebalancing Power at Work and Elsewhere

As already outlined, the UK has one of the highest levels of inequality in Europe. The UK also stands as one of the few countries in Europe that does not have some form of worker representation at board-level. Inequality is ultimately about the operation of power, worker representatives help to tilt the imbalance of power in the workplace back towards employees.

Furthermore, at the macro level, preliminary research conducted at the University of Glasgow has shown that higher levels of economic democracy are associated with reduced inequality and higher productivity. In their index of OECD countries, the two most common features of strong performing countries were high levels of individual employment rights and strong social partnerships and collective governance institutions. The role of trade unions is largely indisputable here.
Barriers to Union Success

As noted in the beginning of this report, union membership has been falling consistently over the last forty odd years or so. Data released in 2018 did, however, show an increase in the absolute number of trade union members but as the total number of people in employment increased by a greater amount, trade union density continued to fall.

Beyond this headline figure, there are some deeper problems with the nature of trade union membership which need to be addressed as the union movement moves forward.

Membership is Lowest among Young People

This pamphlet has already spoken to some of the issues facing younger people in the workplace. Yet, they are also less likely to be members of a trade union. While, to a certain extent, this has always been the case, recent trends show that union membership is becoming increasingly concentrated among older people.\(^{53}\)

Change in Trade Union Membership (1996 to 2017)
As the above graph shows the proportion of young people in trade union density has decreased faster than older cohorts over the past twenty years. As of 2017, only 2 per cent of 16 to 19 year old employees were members of a trade union. Those aged 65 to 69 were the only age group to see an increase in trade union density over the same time period.

**Collective Bargaining is Less Prevalent in Low Paying Sectors**

A further complication is that workers in low paying sectors tend to have lower levels of sectoral collective bargaining. There is an association between the percentage of workers covered by some form of collective bargaining and the percentage of workers who are deemed to be in low-pay (less than 2/3 of median earnings).

Today, sectoral collective bargaining only covers 26 per cent of all employees. A decline of over 50 percentage points since the late 1970s but this varies across industries. Almost half of those who work in education are covered by some form of sectoral collective bargaining. The same is true for less than one tenth of those who work in agriculture, forestry and fishing. Most notably, 58 per cent of those working in hotels and restaurants are in low pay yet less than 5 per cent are members of unions.

**Employers Passing the Buck in ‘The Fissured Workplace’**

The fissured workplace argument, as it is known in academia states that over the past few decades, firms have changed the boundaries of employment through shedding activities to other business entities. This is manifest in the rise of outsourcing and franchising in which employment relations become more tenuous, responsibility for compliance with regulation becomes murky and the workforce becomes vulnerable to violations of their most basic rights.

Research conducted by the TUC has shown that around 5 million UK workers have no right to challenge parent employers over basic violations, such as not being paid the minimum wage, as they are employed through outsourced, franchised or umbrella companies. The high profile collapse of Carillion exposed the flaws in the government’s approach to outsourcing but such practises are also bad news for workers and unions.

In practise, outsourcing is often used as an excuse to undermine workers’ pay and terms and conditions. It is well known, for example, that agency staff suffer from lower levels of pay than colleagues in the exact same role. Having multiple parties involved in the employer-employee relationship not only makes it more difficult for workers to enforce their employment rights but also undermines unions ability to organise effectively.
Widen the understanding of politics and the economy are a force for good in modern democracies.
So what needs to change?

Tackling inequality means strengthening trade unions and increasing collective bargaining. There are several barriers in the way of unions being a greater force against negligent employers, not least legislation that is actively curtailing the ability of unions to take collective action. There is no silver bullet for addressing the issue of weak labour market institutions in the UK. Bold reform is required and must be accompanied by a more holistic approach to tackling inequality in all its guises. The following outlines a few proposals to help bolster the trade union movement and, consequently, begin to grapple with the issue of inequality in the UK.

1. Stop the Hostile Environment towards Trade Unions

While it is clear that the right to join a trade union, right to strike and right to collective bargaining are set out in a number of international declarations, the UK policy environment is ill-conducive to the realisation of these rights. The Trade Union Act 2016 forced further cumbersome regulations onto trade unions in the form of a 50 per cent turnout for industrial ballots to be deemed legally valid and a 40 per cent support threshold among all workers eligible to vote. The PCS union was recently denied the right to strike after their highest ever yes vote and turnout in history because of this legislation.

The number of days lost to strike action is at an all-time historic low in the UK. Granting trade unions access to workers and workplaces represents the bare minimum that government policy should achieve. The IER Manifesto for Labour Law proposes scrapping the current convoluted system of employee and worker definitions and replacing it with a blanket definition that ensures universality. “A person is employed for the purposes of this Act if he or she is engaged by another to provide labour and is not genuinely operating a business on his or her own account.” This would provide workers with their rights from their first day of employment.
2. Actively Promote Collective Bargaining through a Ministry of Labour

Once this important footing is in place, there is scope to actively promote collective bargaining at a sectoral and firm-level. Again, the IER has called for a Ministry of Labour, headed by a Minister with a seat at the cabinet table to provide a voice for the UK’s 32 million workers and the power to roll out sectoral collective bargaining. An important component of this is to establish Sectoral Employment Commissions (SECs) to regulate minimum terms and conditions within specific sectors of the economy.

Further reforms to outsourcing and public procurement practice would also bolster the trade union movement. Amongst the 20 point plan for workers’ rights in the Labour Party manifesto, there were calls for public procurement contracts to only be awarded to companies that recognise trade unions. To avoid further infringements around workers’ rights and the ‘fissured workplace’, the TUC have called for a system of ‘joint and several liability’ so that companies have greater legal responsibility for infringements of workers’ rights across their supply chain and other business entities.

3. Workers on Boards and Alternative Models of Ownership

As previously mentioned, there is a whole variety of evidence that workers on boards (WOBs) promote good corporate governance and some form of employee representation at board-level remains the norm across Europe. CLASS research has previously highlighted the need for trade union involvement in the process of establishing WOBs and the idea had gained traction. While running for office, Theresa May pledged that we were “going to have not just consumers represented on company boards but employers as well.” Unfortunately, the idea of WOBs has since been scrapped despite high-profile corporate governance failures such as Carillion.

It is important that WOBs are not used as a tool for circumventing union involvement in the workplace. This policy should be implemented alongside appropriate collective bargaining mechanisms and not in spite of them. Finally, changes should be made to the law that prioritise maximising shareholder value in the running of companies at the expense of all other stakeholders.

Beyond WOBs, we need to be thinking much about alternative models of ownership. Almost half of UK company equity is owned abroad and only just over 12 per cent is owned by individuals. Transferring business ownership to cooperative ownership requires a sustained shift in policy towards an environment that would allow co-operatives to thrive. The work being done in Preston on local community wealth building is a good example of one successful approach.
4. Reinstate Political and Economic Education in Schools

Polls have shown that despite having extremely low levels of membership, young people have a much more positive attitude to trade unions than older workers. Only 8 percent of young people would not join a union because they don’t agree with them in principle. Yet a lack of knowledge about unions and their impact is often cited (alongside no trade union presence in the workplace) as a key reason for not joining.61

Allowing trade unions access to workplaces would help to alleviate this but reinstating political and economic education in schools would serve a much broader purpose. Research has shown a positive correlation between perceived understanding of economics and likelihood to vote62 while political and economic education is argued to develop people’s understanding of the institutions that shape our lives and our place in society.63 In face of the inequalities in political participation mentioned previously, it is clear that attempts to widen understanding of politics and the economy are a force for good in modern democracies.
Conclusion

It has long been clear that trade unions have a crucial role in combatting economic inequality. Compared to many of our European neighbours, we suffer both relatively low levels of sectoral collective bargaining coverage and relatively high levels of inequality. Yet, this does not have to be the case. After decades of working against the trade union movement, public policy is able to bring trade unions and the workers they represent back in to the policymaking agenda.

The proposals outlined above will not only seek to improve the wages and terms and conditions of the UK’s 32 million workers but would have tangible macroeconomic benefits. As we have seen economic inequality leads to inequalities in health, social divisions and disparities in political participation. The positive spillovers from reinvigorating the trade union movement would speak to all of those areas.

Yet trade unions do not exist in isolation to the wider structures of society. A schooling system that incorporates political and economic education is therefore imperative for understanding the forces that shapes the lives of UK citizens and dismantling the barriers to not only trade unionism but the political sphere more generally. To break the reinforcing cycle of economic, social and political inequalities, we need a holistic approach. Trade unions are an indispensable force within this.
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