

# SECURITY AT WORK IN AN UNCERTAIN WORLD

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# SECURITY AT WORK IN AN UNCERTAIN WORLD

## 1. INTRODUCTION

In recent years, populism of both the left and right has presented voters a politics that promises the potential to opt out of the global and international and retreat into the local and national—whether in the form of socialism in one country or withdrawal from international institutions.

In the period of pandemic and geopolitical competition that we are currently experiencing, it is fair to say that these protectionist arguments, on an economic basis at least, have gained in resonance as the interconnected world of the nineties and noughties has rapidly unravelled.

But wholesale isolationism has fared less well against unfolding realities. The consequences of the Russian invasion of Ukraine, combined with a cost-of-living crisis caused by both local and global factors, have reconnected domestic and foreign affairs in the public imagination. These tendencies have made tangible and concrete relationships between economic, defence and foreign policy that may have previously struck most voters as distant and abstract.

The Labour Party in the UK, taking a cue from the German SPD's '*Zeitenwende*' and the so-called '*modern supply-side economics*' of the Biden presidency, has utilised this time by tentatively developing an agenda and narrative that links these concerns together under a broad notion of 'security'. This translates a bigger-picture analysis of British political economy and global power dynamics into a specific set of policies aimed at regional development and guaranteeing more secure work, workers and industries—as Keir Starmer puts it, a '*new business model*' for the UK.

Recent interventions by the Labour leader have presented the ecological and geopolitical crises of our time as opportunities to resolve the specific economic crisis Britain now faces. In a context of geopolitical fractures, the country's competitiveness lags against comparator countries who invest in upgrading sources of skilled work like manufacturing rather than relying on low-paid, insecure service sector jobs as a substitute for sustainable economic growth.

Climate change and the return of war and conflict to the European continent demonstrate the importance of investment in strategic industries and sovereign capabilities like energy and defence. The bleak reality of these global challenges and transformations provides the impetus to reconfigure the UK's economy in a more dynamic, independent and inclusive direction.

This paper argues that these big rhetorical gambits have the scope to coalesce around a new politics of production, or, moreover, a geopolitics of production. It suggests that the analysis and policy agenda Labour is developing provides a possible starting point for a new approach to both economic and geopolitical forms of security and insecurity, threading opportunities for

good work through a narrative of industrial renewal, national resilience and defence of liberal democracy. However, this needs to be placed in the context of the complex relationship between political and economic circumstances, and the intertwined material and moral imperatives that arise in response.

Even at times of economic crisis, material pressures have repeatedly proven indecisive in swinging electorates in Labour's favour, and the coming constraints on the public finances may limit the party's capacity to fully realise promises to provide economic security in response. Crucial to the electoral and political progress of Labour's new agenda, we conclude, is the development of an accompanying cultural appeal. This might centre, we suggest, on a story and language of security as an emotional, as well as material, imperative capable of continuing to rebuild Labour's connection with the voters it has lost. Making the link between conflicts abroad and at home, the concept of security becomes the underlying principle of a new politics of production addressing both the emotional and material anxieties associated with the cultural and economic factors that have characterised contemporary political upheavals.

## 2. SECURITY, RESILIENCE AND DEFENCE

Central to Labour's near-death experience in 2019 was the then leadership's positioning on defence and foreign policy, and its inability to answer the doorstep question of how Labour would keep the country safe. Such was the strain placed on public trust by the previous leadership, the party has had to exert a great deal of effort to be taken seriously again on issues of security since 2019. This 'new management' approach contrasted with the reprehensible **response by some on the left** to Russia's imperialist expansionism in Ukraine, which created space for Starmer to definitively distance Labour from the disastrous positions adopted by his predecessor.

This rhetorical shift has translated into practical policy in reaction to the challenges the global order has faced in the form of geopolitical conflict with Russia, systemic competition with China and the destructive impact of populism and pandemic on international institutions and supply chains. The cost-of-living crisis has rendered concrete the domestic consequences of these big global transformations, and the connections between them. In this context, Labour has articulated an increasingly comprehensive account linking together, for instance, continued support for NATO and the liberal order overseas, with greater national resilience in defence and green industries, with the guarantee of skilled jobs and fair pay for workers. Security—whether national, international, economic or at work—is the red thread running through these concerns and the policymaking initiatives that flow from them.

This analysis connects global power shifts with the experience of the towns and regions of the UK that, having seemingly leaked jobs and industries as globalisation gathered pace, expressed a perceived sense of status loss by punishing Labour at the ballot box. It argues that offshoring has left the UK, like many European partners and even to some extent the US, dependent on systemic rivals like China, whose low-cost labour and commodity inputs have supported a race to bottom on wages that has harmed domestic productivity. The country's economic competitiveness has suffered from an absence of the strategic industrial policy pursued by the US and EU comparators, and its national security has suffered from a lack of independence in critical supplies and strategic industries.

A solution put forward in the [Labour's Covenant pamphlet](#) from Labour Together is to create a 'developmental state' of the kind that characterised the Cold War years, based on the 'political integration of the labour interest' in coordinating the economy and greater government expenditure on subsidies and R&D spending. In order to compete and contest the new terrain, the state must play a key part in renewing the country's industrial base from what Joe Biden calls the 'bottom up and middle out'.

[Labour Renaissance's research](#), meanwhile, suggests that such an agenda—based on state investment, bringing jobs and industries back to communities, and redefining Britain's role in the world—resonates with the heartlands voters the party lost in the previous two elections.

This agenda is also clear in a new book, [All In](#), by the Shadow Levelling Up Secretary Lisa Nandy. In the context of coming real-terms spending cuts by a government in crisis, renewing the role of the state whilst putting it on a more sustainable footing has the potential to set the party apart from successive Conservative governments that have struggled to tell a convincing story about big global changes and Britain's role within them.

Whilst this analysis undoubtedly speaks to the strategic issue of responding to contemporary political challenges, there is an important debate to be had about the economic feasibility of its practical implications. A paper by the Tony Blair Institute for Global Change (TBI), [Home Advantage? Rhetoric Versus Reality in the Reshoring Debate](#), presents the other side of the story.

Rather than bringing back traditional manufacturing industries, which in an age of technological transformation cannot sustain the number of well-paying jobs they did previously, the paper argues for an industrial strategy that stimulates the skills, infrastructure and R&D needed to power specific areas of innovation in which Britain can compete globally.

There is greater potential to do this in emergent industries like green tech and renewables than in established industries where complex global production networks have developed.

In recognition of the constant movement and transformation of production as new industries develop and relocate in global markets for goods and labour, the paper recommends that industrial strategy should grant workers and businesses the tools to adapt to, rather than withstand, economic change.

The TBI paper nonetheless holds out the possibility that national security concerns may well justify a less open and global approach to production and supply chains in areas like critical technologies and infrastructure. Rather than wholesale reshoring of key capabilities, however, the report suggests that 'strategic partnerships with allies' can help the country source sensitive technologies and critical goods and supplies in the event of conflict and crisis. Where such partnerships are not feasible or appropriate, government should develop responsive institutional frameworks to monitor and meet the country's need for national security and economic resilience, including in concert with allies. Unless such frameworks for decision-making are consistent, there is the risk that strategic industries and technologies find themselves 'subject to reshoring activity one day only to be sold off the next', as the paper puts it, or underinvested in, as with the UK's defence capacity.

An unravelling geopolitical climate clearly provides an inhospitable environment for an open, global economic outlook, and the political upheavals of recent years have understandably focused attention on the local and national need for secure jobs, industrial renewal and economic growth. But at the same time, capitalism operates on the basis of a world market and global set of social and economic relations against which turning inwards to the nation represents no bulwark or alternative.

Treading a path through these opposing viewpoints, it is likely that Labour will go into the next election with a policy agenda that seeks to balance greater economic resilience in the name of national security with the need to revitalise the centre-left case for a progressive global orientation in our politics and economy.

Some may warn the party against focusing narrowly on the repatriation or protection of traditional industries, but Labour's current thinking suggests instead that its energy in government will be committed to renewing institutions as much as individual industries. In this sense, rather than seeking to rebuild the past industrial structure of the nation in an attempt to shut out global economic change, a Labour government will revive aspects of past institutional structures that enabled the country to adapt to previous periods of transformation and uncertainty similar in many ways with our own. Rather than withdrawing from the world, the aim will be to protect and render secure workers and their communities so that they can better weather global instabilities.

## SECURITY AND INDUSTRIAL STRATEGY

Some of the choices, and the tensions inherent in them, described in the previous section can be clearly seen in Labour's 'Buy, Make and Sell More in Britain' pledge, which stresses the importance of supply-chain resilience as a shock-absorber in a globally more fragile economy. Recognising the regrettable reality of a widespread retreat from global interconnection in recent years, the initiative represents a more sophisticated version of **similar** policies proposed under the previous leadership—albeit without the conspiracist critique of global capitalism and isolationist foreign policy positioning on the basis of which they were justified.

The policy initially responded to controversies about taxpayer-funded government contracts awarded to dubious overseas suppliers during the COVID-19 pandemic, which exposed an underpinning lack of resilience in the country's supply chains. This highlighted how, even in sectors that are superficially non-strategic and not directly implicated in national security, overdependence on cheap inputs of labour and resources from abroad had fixed in place a preponderance of low-wage, low-skill and low-productivity service jobs and industries.

Even in a context where many of our key industries depend on the umbrellas provided by Europe and the US, rather than providing comparative advantage, this state of affairs is seen as detracting from the manufacturing capacity needed to defend the country from the manifold threats of a global order simultaneously more **interconnected** and more at odds—as argued in recent work by **Mark Leonard**.

At the same time, there is evidence that COVID-19 and geopolitical tensions are seeing British businesses themselves switch towards more **local supply chains** as a means to guarantee greater security and stability. This increases demand for government support for firms seeking to 'reshore' production or procurement, for whom the steps needed to secure long-term resilience seldom represent a cost-efficient option in the short-term. Labour's 'Buy, Make and Sell More in Britain' agenda seeks to create a coordinated response to this need, building capacity for companies to play their part in a broader transition unfortunately compelled by crisis, conflict, and competition.

There are challenges in this approach, as Labour avoids advocating an explicitly protectionist agenda by balancing a redefinition of economic policy with a maintenance of existing links with other markets. Labour has walked this line by looking at areas where the state invests taxpayers money or shapes markets, ensuring that government expenditure expands rather than detracts from the wealth and power of communities in the UK. Labour's deputy leader, Angela Rayner, **launched** a new policy around public procurement at the party's 2022 conference, which would reward domestic firms and enterprises who meet so-called 'stretching' social, en-

environmental and labour clauses with government contracts for goods and services. This could be further strengthened in areas like infrastructure, where national investment could be used to help support growth in Britain's industrial base by using domestically produced materials and developing the skills of the UK workforce.

Labour's 'modern industrial strategy', launched at the same conference by Jonathan Reynolds, takes this agenda for 'national resilience' several steps forward in both extent and specifics. Promising to ensure that working people are 'never again left so exposed to global shocks' caused by 'multipolarity' and other threats, it presents a vision of how an enabling state can help create a secure and stable environment for the supply and production of everything from food to technology.

This goes beyond proposals, such as in the Johnson government's *Integrated Review*, for growth in high-value high-tech manufacturing alone, investment in which would not in itself help level up opportunities for good work in the UK economy but rather benefit existing regional concentrations of capital and skilled labour. Whilst reliance on rival states for technologies and resources represents a serious risk, the modern industrial strategy implies an understanding that the UK's *overdependence* on countries like *China* for the supply of cheap inputs and products extends to a much broader array of everyday goods and services, with lower-value production of more basic commodities just as strategic to national security as cutting-edge advanced technology.

## NATIONAL RESILIENCE AND STRATEGIC INDUSTRIES

The mission the modern industrial strategy establishes around 'national resilience' primarily rests upon the renewal of the UK's manufacturing base. In particular, this concerns the country's capacity to diversify and adapt to new product lines via parallel supply chains and other means in the event of systemic shocks like pandemics or military conflicts where production grinds to a halt due to unavailability or unaffordability of inputs.

However, the industrial strategy goes further than seeking to restore advantage in manufacturing. Industries like cybersecurity fit within a priority area of Labour's industrial strategy, 'sovereign capabilities'. These are seen as providing the secure and stable access to digital networks and other utilities that underpin everyday life and guarantee the conditions for business and investment in Britain. Particularly associated with the provision and protection of critical national infrastructure, their perceived centrality to the safety of the country and economy is threatened by investment risk, market failures and foreign takeovers.

As such, it is recognised that these industries cannot be left to the private sector alone and

demand instead that the state acts as a partner, using regulatory controls, strategic procurement and R&D spending to incentivise long-term decision making, productive investment and behaviour in line with the national interest among the owners and operators of critical infrastructure.

The recent spotlight has been on energy as a case study in how questions of national security and green industrial transition are intertwined. Labour has responded by presenting its plan for 'Great British Energy' as an alternative to what Rachel Reeves terms the government's 'universal energy disarmament', which has gradually increased dependence on Russian and Chinese state capital in the resourcing and provision of energy infrastructure. Pioneering new green technologies and industries are seen as promising a source of future competitive advantage for the UK, as well as a foundation for greater energy independence and sustainability. At the same time, the substantial risks these innovations incur for firms and investors appear to demand government support for R&D and strong signalling for a wider strategic push for clean growth that can create a sense of stability and security.

Defence is another area in which the 'Buy, Make and Sell British' agenda and the modern industrial strategy come together. The modern industrial strategy suggests that defence industries, as well as adjacent sectors like cybersecurity, are strategically important for the UK economy, not only because of their role in protecting the country but also for the skilled jobs, spill over effects and global markets in goods and services that they sustain.

Shadow Defence Secretary John Healey has been advancing an agenda that goes beyond notions of 'social value' alone to look instead at the economic contribution made by defence jobs and industries to the prosperity of many parts of the UK. This suggests that, by realising the multiplier effects of effective procurement and commissioning, a future Labour government has an opportunity to drive wider benefits in the creation of the high-value manufacturing jobs that defence industries and related sectors like aerospace and shipbuilding provide.

Here, as the likes of **Paul Mason** have argued, what happens at home and abroad are closely related. This is highlighted by Healey's **announcement** that a Labour government would, in its first hundred days, introduce a test for fidelity to NATO goals into all defence spending and procurement decisions. As Healey **argued** at Labour's 2022 conference in Liverpool, the Conservatives have cut the country's land, sea and air power at precisely the point where a more dangerous world demands conventional military capacity as a condition of our security and that of our allies like Ukraine. This extends to the procurement of hardware and infrastructure, which has been blighted by poor government contracting decisions and reliance on international competitors.

Labour proposes to direct defence investment towards British industries first and foremost, whilst keeping open the option of investing in firms based in democratic partner countries where there is a clear rationale for doing so, in a context where the consequences are often life-or-death. An example is the government contracts issued for the construction of the new Navy fleet support ships, which went to foreign shipyards with low labour costs, poor conditions and fewer union rights. Labour has pledged to reverse the decision and build the ships in British shipyards with trade unions and their members as vital industrial partners in the national effort to defend the UK and its allies against threats faced in common—acting as a showcase project for the party’s ‘Buy, Make and Sell More in Britain’ policy.

The Western effort to provide materiel in support of Ukraine’s struggle against Russia has seen parliamentary debates on defence refocus on the production and supply of traditional battlefield means. However, Labour’s approach seems to move past the narrow Conservative concern with the level of spending and number of individual vessels, vehicles and arms this acquires. Instead, it creates a set of wider expectations and standards for precisely how money is spent. Moreover, there is an emergent understanding of national security as something that is not exhausted by conventional defence expenditure but rather achieved holistically, hand-in-hand with broader notions of economic and social security and resilience—the ‘whole-of-society’ approach associated with Scandinavian social democracies. This is epitomised in the centrality of trade unions active in the defence sector—like GMB, Unite and Prospect—to Labour’s agenda. Running through its defence industrial strategy is the idea that work and workers, and the jobs and skills that grant them wealth and power, can be part of a national effort—receiving greater security in return.

## CRISIS (NEO)CORPORATISM?

When Labour answers the question of how it will keep the country safe, it responds not only to concerns about the defence of the realm, or security overseas, but a deeper sense of social and economic uncertainty and precariousness.

Labour’s emerging agenda on security implies that insecurity in one aspect of everyday life can quickly reinforce a wider and more pervasive sense of insecurity, linking together seemingly disparate local and global factors. Picking up a vital part of this complex of anxieties, the party’s modern industrial strategy argues that underpinning the country’s macroeconomic challenges is the fact that for too long the UK has relied on being a low-wage, low-productivity economy. This has driven insecurity for individuals and communities facing declining opportunities and the loss of a sense of status and place. As Starmer argued at the [Confederation of British Industry in November 2022](#), at a time where ‘all around the world, business is waking up to the fact we live in a new era for labour’, Britain’s ‘low-wage model is holding us back’.

Whatever his faults, the mandate Boris Johnson received in 2019, combined with the COVID-19 and the worsening geopolitical climate under his watch, briefly committed the Conservatives to a greater level of state spending, strategic intervention in the economy and ‘levelling up’ of jobs and industries in working-class communities. The Tories since having strayed from this mandate, Labour’s claim to this terrain comes from the connection the party sustains to a politics of work and production that the Conservative Party constitutionally lacks.

Whereas during the pandemic the government engaged in a revived social partnership with the Trades Union Congress and CBI over the furlough scheme, the 2022 Conservative leadership election saw the government return to a polarising position of attacking workers and unions. By invoking a sense of Thatcher’s ‘enemy within’, the Truss period even sought to link trade unions and wider critics, e.g the environmental movement, as the ‘anti-growth coalition’.

Labour, meanwhile, has used the period of turmoil to advance its own, very different policy offer linking work and growth. Labour’s position is rooted in a recognition that declining productivity leaves a dwindling surplus for the state to share out in order to compensate those on the losing end of a failing economy. This demands a new role for the state, the party argues, convening social partnerships between unions and business and intervening via industrial strategy to support economic growth. In particular, this will see steps to strengthen the ‘role of trade unions in our society’, as Starmer **puts it**, through the development of new institutional frameworks governing long-term planning at the level of the state and shorter-term improvements to pay and conditions at the level of the shopfloor.

This pitch was perfected in the two recent speeches Starmer gave to the **TUC** and the **CBI**, promoting Labour’s approach to ‘economic management’ to two audiences whose interests have generally been seen as increasingly opposed. The Labour leader’s appeal to both organisations was based on the same proposal: a reinvention of tripartite participation in industrial relations bargaining and economic planning, with the state brokering compacts between labour and capital to stimulate and share the gains of greater growth and productivity in the shape of better pay and conditions. The experience of what some call the ‘crisis corporatism’ or ‘**COVID corporatism**’ of recent years would seem to create favourable conditions for a re-discovery of some of the same structures that presented a ‘high road’ through geopolitical contestation and stagflation in the past.

In this spirit, Labour’s modern industrial strategy seems to accept the need to renew the economy from the shopfloor upwards, the party’s **New Deal for Working People** pledging to improve wages and conditions as a means to incentivise investment in productivity-raising techniques and technologies. As we will see, this is a key pillar of the party’s emergent poli-

tics of production, whereby the party proposes to replace the kind of compensatory promises rendered impossible by an age of lagging growth with industrial strategy to create a broader, fairer playing field in advance of redistribution.

### 3. STATE, CAPITAL AND LABOUR

Connecting global uncertainties with those that confront voters in the domestic sphere, Labour is beginning to craft a narrative based on the interrelationship between different kinds of security at home and abroad. Security in and at work will be supported by the economic security granted by more resilient supply chains, safer critical infrastructure and more protected strategic industries. In turn, these are seen as helping guarantee national security in a new era of geopolitical conflict, reducing dependence on rival states for resources and technologies. This then becomes the condition of the capacity to stand four-square, through the provision of lethal aid and commitment to swingeing sanctions, behind the human security of citizens in allied democracies, like Ukraine, whose security is in turn intertwined with that of the UK.

Labour is not the only centre-left administration looking at these connections between security and other areas of public policy. Labour's modern industrial strategy sits alongside President Biden's 'Build Back Better' programme and his 'American Jobs Plan', which place an emphasis on union jobs in strategic industries. In a similar way, Labour's industrial strategy commits government to strategic intervention matched to the specific characteristics of 'sovereign capabilities' such as technologies, resources or infrastructure that require some measure of independence and protection against geopolitical threats; high-tech, high-value new industries that propel productivity in the UK; as well as the materially and culturally undervalued 'everyday economy' of essential services whose integral status was laid bare in the pandemic.

In line with the party's shift from a politics of distribution to a politics of production, the role of the state here is seen as generating rather than drawing down on growth. It will do so, the modern industrial strategy suggests, by creating greater trust and confidence in the economy in order to grow the country's productive capacity and industrial base. For instance, where previous governments have allowed market failures to fester—such as in the steel or battery production sector—or where cutting-edge technologies and industries present a risk to investors and private enterprise—such as in green and digital—a Labour administration will partner with business to support innovations at speed and scale whilst soaking up some of the uncertainty.

Using public sector investment to encourage private sector investment, this 'clear signal' from the state is intended to provide industry with the security to plan for the future in an age of chaos. For instance, the National Wealth Fund **announced** by Rachel Reeves will support businesses with investment in risky new industries, techniques and technologies. However, the

provision of this environment of trust and confidence for business comes with the requirement that the same level of security and stability is afforded workers. In order to receive support from the state, Labour's new social contract will demand that firms invest in skills, training and new technology that upgrades rather than degrades pay and conditions on the shopfloor.

To support this strategy, Labour has begun to outline a comprehensive agenda for retooling government in pursuit of its new politics of production. This begins at the top, with the industrial strategy focus on security supported by a Cabinet Subcommittee on National Resilience and a dedicated Minister for Resilience within the Cabinet Office. This will be informed by a 'supply chain taskforce' that reviews critical needs and infrastructural vulnerabilities, creating strategies to reduce dependence on hostile states and pool capabilities with allies. There will also be scrutiny of all cabinet policy proposals on the basis of how they contribute to growing the economic pie inclusively and equitably.

Businesses and unions will be incorporated into the direction of this new framework for economic management through the institutionalisation of new forms of social partnership and social dialogue reminiscent of the tripartite structures of the post-war period. Inspired by the Australian Productivity Commission, this will be expressed in an **Industrial Strategy Council** comprising unions, businesses and academic experts with the statutory power to scrutinise legislation for its contribution to growth and productivity, as well as directing R&D spending and patient finance for innovation.

Similarly, a **Council of Skills Advisors** comprising unions, business and other experts will focus on equipping workers and industry with the skills they need to prosper. This will be supported by reforms to the apprenticeship levy to give greater flexibility to firms and workers to embed learning and upskilling across working lives. Perhaps most significantly of all, in her **conference speech** the Shadow Chancellor announced a plan for the creation of a National Economic Council convening industry and unions to set the direction of broader economic policymaking and long-term planning.

This tripartite approach will filter down to how firms themselves are governed, with Labour considering reforms of corporate governance through regulation that encourages or compels companies to embed the long-term needs of the firm and its workers in their decision-making. This chimes with a recent Progressive Britain paper, **The Role of Modern Government**, which recommended that firms should be expected to conform with social and labour goals in return for government support: incentives in support of national industrial priorities, assistance with removal of barriers and investment allocation, and preferencing in procurement processes.

Reforms to corporate governance could also take the form of overhauling director duties away from shareholder value towards the long-term health and prosperity of the firm and its workforce. There would also be steps to encourage representation of stakeholders such as workers and communities alongside the specific interests of shareholders—possibly through putting workers on company boards, as the TUC has long proposed.

It should be said that some of this agenda continues, more convincingly and palatably, policies **proposed** under the somewhat different worldview of the previous party leadership. The aim of these tripartite institutional frameworks of social partnership and social dialogue is to technocratically protect national missions on growth and productivity from the vagaries of the electoral cycle, at a time where a fraying consensus cannot be counted on to deliver outcomes.

## CONTRIBUTION, POWER AND CONTROL

Whilst the relationship between the state and capital is clear enough, the story the party tells about its modern industrial strategy still needs filling out with a sense of what it means for work and workers. The same trust and confidence the state will grant industry in reckoning with rapid industrial and geopolitical change needs to be extended to workers as well, as they too weather the anxiety and uncertainty that attends these shifts in everyday life. It is necessary to look beyond the modern industrial strategy for signs as to what such an appeal will consist of.

Starmer was clear in his **speech** at conference that, contrary to new Tory orthodoxy, wealth will not ‘trickle down’ through private investment so long as employers pursue low-cost management practices that maintain workers in a state of low-paid insecurity, so long as communities lack power and control to determine the direction of their local economies, and so long as public services are stripped of the capacity to intervene in support of stronger economic foundations. This suggests that the party sees the power of the state to shape industrial renewal from above augmented by the power of civil society to shape it from below, principally by devolving decision-making to ‘local people with skin in the game’ according to the specificities of where they stand. This includes workers. Defining further the party’s development away from redistribution, this implies a politics of contribution, control and power whereby, as Lisa Nandy puts it, **‘when people have a stake in the outcome, they work harder, they try longer, they think more creatively and they do more’**.

Such a principle is expressed in the National Wealth Fund, which aims to return to taxpayers the gains from public money invested in risky innovations and cutting-edge new industries—pitched as a shared gains strategy to enable working Britain to benefit from increases in growth and productivity. By enabling voters to share in growth, Labour’s reforms seek to make concrete what can sometimes appear abstract at the level of the national economy as a whole.

More concrete still are the policies Labour's developed for reshaping power relations and pay patterns in the workplace as a means to 'predistribute' wealth at the point of production rather than simply redistributing it after the fact. Alongside pressure from above exerted through reforms to corporate governance that contribute towards better investment for more inclusive growth, policies on wages and conditions appear to represent pressure from below towards the same end.

The New Deal for Working People, set out in the **2021 Employment Rights Green Paper**, speaks of jobs and fair pay as vital pillars of 'a virtuous cycle of higher demand, higher investment, boosted productivity and improved skill'. Rather than economic modernisation being imposed upon workers by employers, the New Deal proposes that upgrading will be driven by granting workers the security, dignity and voice to command changes themselves.

With limited fiscal room for the redistributive measures through which previous Labour governments have neutralised conflicting claims on value, the historical relevance of social partnership and tripartite bargaining at times of crisis once again rears its head. This would take the form of what Rachel Reeves has called a '**new partnership with employers and trade unions to create jobs and build a society where everyone is entitled to fair pay, job security and dignity at work**'. This is clear in Labour's proposals for a Green Prosperity Plan where government, business and unions will work together to deliver a new role for manufacturing based on green industries and technologies like e-batteries, offshore wind and carbon capture.

Labour's **modern industrial strategy** speaks of being 'proudly pro-worker and proudly pro-business'. At its best, it takes an approach sharing much in common with the European social democratic mainstream, where productivity and economic performance is reliant on government-brokered partnership between business and unions. As Reeves argued at conference, in an age of war and conflict, Labour like its sister parties in Europe is recognising that government can no longer meaningfully 'get out of the way'. But its role must be re-envisioned to add to, rather than subtract from, the building of the 'foundations of a strong economy' especially where private enterprise and private investment cannot be durably relied upon to do so itself.

## **SOCIAL PARTNERSHIP AND SECTORAL BARGAINING**

In Labour's emerging policy framework, social partnership, between workers and their unions on one side and business and industries on the other, plays a key role. It is presented as a means to help strengthen strategic industries and sovereign capabilities, mainstreaming good work as a key element of national and economic security. A new social contract based on economic partnership underpins the long-term approach Labour describes in its industrial strategy. In some respects, this is similar to Sweden's recent renegotiation of its national

collective agreement, the first major renewal of that country's economic model since the 1930s. In his speeches to the **TUC** and the **CBI**, Starmer suggested that the party is sourcing inspiration from European economies where wages have better kept up with the cost of living owing to 'stronger collective bargaining' and 'stronger worker rights' that present not a 'barrier to growth and higher productivity' but rather its foundation.

However, Labour will not be able to easily replicate the scale of sectoral collective bargaining seen in Scandinavian countries or the workplace bargaining of other European neighbours. Not least, an incoming Labour government would need to substantially reform the labour market institutions and regulatory frameworks required to support a social partnership model. In the seventies, such a combination of economic coordination, active industrial policy and tripartite compromise presented a realistic response to stagflation, aligning wage growth with productivity gains as a high road back to economic health. But the institutional capacity to effect such a programme was decimated as Thatcherism offered itself as a more plausible response to lagging profitability and sharpening industrial conflict, and reforming governments dismantled the labour market institutions that underpinned neocorporatist compacts. Unlike in the comparable European economies from which Labour is currently sourcing inspiration, the UK today faces a lack of effective parliamentary, legislative and organisational levers through which to reinstitutionalise a partnership path to growth.

Whilst the furlough scheme offered proof of concept of the continuing viability of informal '**crisis corporatism**' when it comes to the crunch, regulatory frameworks for arbitration and negotiation between state, capital and labour have been stripped out over the past forty years. As evidenced in recent industrial disputes, the UK economy lacks mechanisms to help contain and mediate the inevitable tensions that arise from an employment relationship where the interests of workers and bosses seldom neatly coincide, especially where difficult economic circumstances sharpen competition. Moreover, the capacity of the state to project and guarantee outcomes has vastly diminished, removing the levers through which Labour can confidently claim to implement plans from day one of a future government.

Labour's **Employment Rights Green Paper** sets out a long-term vision for a renewed form of collective bargaining at sectoral and enterprise level, but in the context of existing industrial relations architectures, this would require cultural steps forward as well as legislative change. The creation of new rules and norms to support this model on both the worker-side and the employer-side is in reality a long-term project. A more immediate objective is Labour's plans for **Fair Pay Agreements**, modelled around reforms introduced by the Labour government in New Zealand. These would compel employers to '**get around the table**' with employees to negotiate and set minimum floors for standards of pay and conditions in targeted sectors like social care. Once the enabling legislation for such an approach was passed, it would allow

secondary legislation or statutory instruments to underpin agreements.

Commencing with sectors like care and rolling out from there, Fair Pay Agreements speak to those essential workers whose underappreciated value was exposed in the pandemic and rewarded with applause on Britain's doorsteps, but who are now striving or striking for pay commensurate with the rising cost of living in a period of inflationary pressures. The tale of these workers from the pandemic to the present is a single struggle for recognition whose stakes are both moral and material. As we will suggest, their search for security speaks to both sides of this struggle insofar as it addresses an anxiety, preyed upon by populists, about the declining economic prospects and social status associated with certain kinds of working life.

## VALUE, RECOGNITION AND RESPECT

Whilst the current context of war, conflict and crisis generates few resources for hope, we must remember that Labour has historically achieved the most when it has connected electoral appeal with a positive **vision of the future**, such as in 1945, in the 1960s and after 1997. At the same time, however, the past looms large over a present in which stagflation and systemic rivalry return to define the economic and political terrain, and tripartite bargaining and neo-corporatist planning once again rear their heads as a high road through the impasse. In its responsiveness to these shifts, Labour is projecting a politics which draws its appeal as much from the past as the future.

There is plenty of **evidence** that nostalgia is one of the expressions of the anxiety, precariousness and pessimism produced by industrial and technological changes and their impact on the world of work. By engaging with nostalgia as a means to reclaim or recuperate the unrealised potential of the past, Labour's current agenda may enable it to contest a terrain from which the populist right has been the principal beneficiary in recent years. Whilst there is undoubtedly a strong and positive vision of the future in Labour's modern industrial strategy, it also represents an echo of institutional frameworks for coordination and negotiation that saw Britain through past periods of crisis and conflict. In this sense, there is not a simple replication of past glories so much as their reinvention for new times.

As **a new cold war** potentially recreates, on paper if not yet in practice, some of the same conditions that underpinned the gains of capitalism's mid-century golden age, Labour's rhetoric seems to be becoming more confident in communicating the positive aspects of these. Starmer **laid claim** to some of the terrain this in his most recent conference speech, beginning by addressing head-on the fear and anxiety that hamstring any feeling that the country or the world has a positive future on the horizon. Resonating with **recent work** by Marc Stears, Starmer extolled the need to restore the 'ordinary hope' that working-class communities and families

felt, fleetingly, in the seventies. Starmer associated this squarely with shifts in working life itself, whereby people are working ‘harder and harder’ without achieving the kind of security guaranteed, albeit it briefly and exceptionally, by the post-war social and industrial compromise.

It is the rudiments of such a compromise, and the compact between workers, business and the state that once underpinned it, that much of Labour’s current agenda can be seen as attempting to redefine in the context of a more fluid and precarious global economic situation. Labour’s Green Prosperity Plan promises to deliver industrial and coastal areas the kinds of skilled jobs that saw those same communities power the country’s economic development in the past. This focus on reviving the economic and cultural fortunes of Labour’s former industrial heartlands speaks to its immediate electoral challenge in needing to regain seats in the Red Wall and Scotland, as well rebuilding support for a more assertive state role in economic success by placing workers front and centre of it. Jonathan Reynolds developed a theme along these lines at Labour’s [conference in Liverpool](#), presenting the advantages unlocked by future industrial transitions as the achievement not of the state or capital but of workers themselves, such as the steelworkers and autoworkers whose skills enable them to gain from new green products and technologies.

Insofar as insecurity is synonymous with the obstruction of being able to develop a positive vision for the future, it may also serve to reconcile a more nostalgic politics with the modernising instincts of the party at its most successful. Representing the capacity to plan ahead, the concept of security helps connect the search for stability in the resources of the past with the ability to embrace the prospect of the future by establishing the conditions to be positive about the changing world of work and economic life.

The necessity of being able to bridge culture and economics, emotional and material needs, is epitomised in the recent election victory of Labour’s German sister party, the SDP, which developed ‘respect’ as a universal concept to bridge contemporary political divides. In the context of shrinking fiscal space for traditional compensatory and redistributive measures, a social democratic agenda can be stretched to breaking point as it seeks to satisfy the sometimes-contradictory positions of divergent voter blocs. The universal appeal represented in ‘respect’ enabled the SDP to sidestep this trap, articulating across differences the basic needs of a human dignity shared in common. As with Labour’s ‘security’ agenda, ‘respect’ was rhetorically presented in terms of an abstract [‘values offer’](#) but then made concrete in practical policies on wages and pensions that afforded voters genuine material gains.

The two sides—moral and material—were not in tension, but intertwined, dignity respected and recognised rhetorically as well as in terms of remuneration. Through recognising their contribu-

tion to society, this enabled the SPD to reconnect with the working-class voters the party, like Labour, had lost. ‘Respect’, like ‘security’, named something that there was a widespread sense society was missing. Indeed, the two are closely related insofar as insecurity often permits the pervasive lack of respect that characterises the way power is wielded in our institutions, including workplaces where managerial techniques have turned sharper and meaner the more precarious the labour market has become. Labour seems to have alighted upon a similar way of articulating the various ways in which contemporary British capitalism is failing to meet voters’ needs and aspirations of voters. Connecting the domestic with the global, it holds the potential to accomplish a similar path to electoral success as that paved by social democrats overseas.

## 4. CONCLUSION

This paper has argued that a new politics of production, shaped around security, provides Labour with opportunities to develop a narrative that connects the shopfloor with global and geopolitical challenges such as the Russian invasion of Ukraine or the climate crisis. Insecurity runs through much of our modern age whether that is in low-paid work or global conflicts. Labour has recognised the profound risk represented in the current crisis of the global order, responding by making the case for a more interventionist state, the reinvigoration of social dialogue and social partnership between unions, business and government, and the expansion of workers’ power and voice in the workplace and wider society.

The collective experience of the COVID-19 pandemic strengthened an increasing political consensus on the viability of a kind of new national consensus or ‘crisis corporatism’. Meanwhile, the illegal Russian invasion of Ukraine has highlighted the implication of aspects of our industry and infrastructure in a world riven by a new cold war between liberal democracy and authoritarianism. Labour is using this context, and the extreme risks it poses to supply chains and infrastructure, to push at strategic points where the argument can be made for **industrial revitalisation**, institutional modernisation, skills transition and technocratic oversight as a foundation for the security of the country and its allies.

The Tories having long abandoned their own industrial strategy, Labour is proposing to put another in its place, this time with work and workers at its centre. Unlike the Conservatives, Labour can draw upon a rich history of being called upon to define, express and institutionalise a changing ‘labour interest’ in cross-class electoral coalitions geared towards a national economic effort at times of conflict, crisis and renewal.

Forgetting the tripartite success of the furlough scheme, Rishi Sunak has so far failed to find the goodwill to help construct negotiated resolutions to current industrial relations disputes in pur-

suit of pay commensurate with the rising cost-of-living. In contrast, in talking to the TUC and CBI in recent weeks, Starmer has been keen to harness Labour's history in setting out his stall on a singular capacity to bring unions and businesses around the table. This goes beyond the short-term conditions of industrial conflict. In the longer-term, this capacity to convene durable forms of social partnership is seen as stabilising an industrial strategy that seeks to address the numerous national and international insecurities that beset the country, in the course of which Labour hopes to build a more inclusive and productive economy.

In an age of technologically-mediated conflict, where the front is at home as well as overseas, redressing these sources of insecurity in the domestic sphere is simultaneously a means to pursue, if not guarantee, national security on the world stage. But beyond a narrow 'national interest' it should also be seen as supporting our ability to protect and expand the **human security** of people outside the country's borders. By conferring businesses and workers alike with an environment of security and stability in which to make plans for the future, Labour is standing a plausible alternative to the Tory mismanagement which is weakening the country's capacity to weather the crisis at home and runs the risk of weakening public and political resolve to support the struggle of our Ukrainian allies against Russia's revanchist aggression.

This broader context of conflict and war is inseparable from the struggles confronting workers in the UK today. During the first cold war, the world was divided between two blocs within which there was some trade and interchange between relatively national systems of production forged from the wartime economies. These conditions underpinned the greater bargaining heft that workers, their unions and communities wielded in that period, both in the workplace and on the political stage via social democratic parties and neocorporatist industrial relations frameworks. As the largely closed world economy began to open for business with the onset of globalisation, that power waned.

The question is whether today, whilst regrettable in many ways, the fragmentation of the global order and global economy, and the greater strategic and national security significance granted key industries, present genuine opportunities for the restoration of some of the forms that **countervailing power** assumed in the past. Whilst the institutional resources for the kind of pluralism that ceded countervailing power to labour over that period are certainly much more limited today, it is important to avoid the subordination of workers to the overweening power of either capital or the state. The Labour Party is in good company when it looks at ways to rediscover this spirit. Whilst his relationship with the labour movement has **frayed** in recent weeks, President Biden's agenda in the US places union power front and centre of the new industrial compromise his administration has sought to strike in order to compete with Chinese manufacturing capacity and prowess.

This bigger-picture perspective on the relationship between the workplace and the global economy provides the backdrop for Labour's quietly substantial package of reforms in support of worker voice, pay and conditions. Speaking to the **TUC conference**, Starmer sought to address criticisms of the party's reticence to allow Shadow Cabinet members to join striking workers on the picket line in recent months, suggesting that 'when it comes to delivering for working people', the Labour Party and the labour movement 'have different jobs' based on winning different kinds of power in tandem—one in parliament and the other in the workplace. This was a shared message between employers and unions that an incoming Labour administration would be pro-business and pro-worker reframing the boundaries of policy too long seen as a binary choice.

Between now and the general election, Labour should develop this as part of a national mission based around its themes of prosperity, respect and security. It will also need to address the state architecture it will need to deliver on this, with renewed labour market institutions to encourage consensus, negotiating and industrial peace between different voices, even more so given the likely public finances that a new administration would inherit. The underlying challenge is to define the statecraft of security in domestic terms, whilst granting workers and unions room to move and the tools to struggle for a better world of work.

However, the first task is to secure a majority. It is important, in this sense, to remember that the longevity of Labour and social democratic parties and governments in the past has rested on their capacity to continuously mobilise resources and support from unions, allied civil society organisations and the kind of institutions that, during the period of the **post-war industrial compromise**, mediated social and economic relations through bargaining and planning between capital, labour and the state.

Whilst it is important to avoid overly constraining the capacity of workers and unions to bargain for better by devolving power to counterbalance that of business and government in defining agreements, reinvigorating such an architecture in an updated form for a twenty-first century stripped of earlier certainties is imperative. This will not only guarantee workers security in a changing political economy with a new set of risks, but also provide a foundation for the next Labour government to inaugurate a long period in power.

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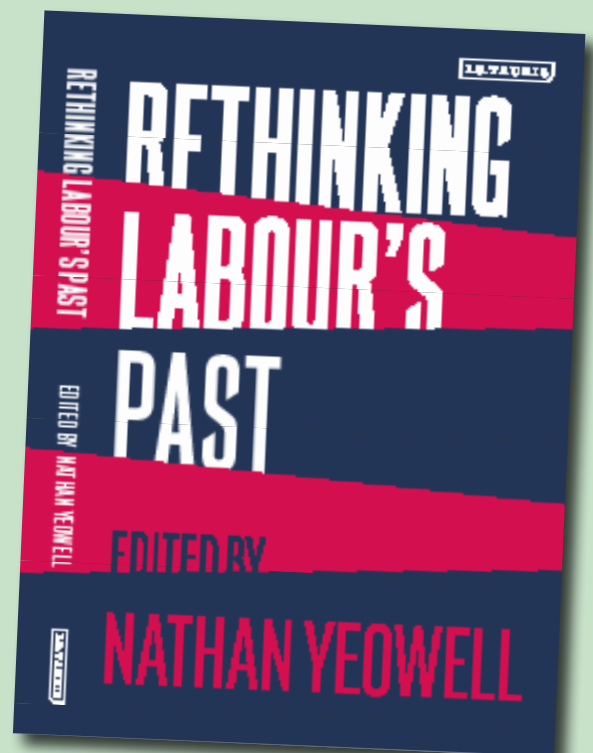
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