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SECURITY AS MEANS AND ENDS

A REPORT FROM THE FEPS/PROGRESSIVE BRITAIN ROUNDTABLE ON THE FUTURE OF WORK.

LONDON, DECEMBER 2022.

INTRODUCTION

We currently lead a project supported by the Foundation for European Progressive Studies and one of the Foundation's UK partners, Progressive Britain. The project looks to Europe to think through how the British Labour Party can re-envision its role as the party of labour with a new intellectual agenda around social democracy and the future of work. This includes how the party talks about work, but also how it creates a policy platform that situates the world of work within a wider political economy characterised by crisis, conflict and competition. This effort will benefit social democratic and labour parties across Europe, many of whom face similar challenges.

Much of the contemporary debate about the future of work, in the Anglophone context at least, has tended to focus on technology. Technology is a key part of the productivity puzzle but, in themselves, the technological possibilities of the present day are not decisive in shaping workplace life, and there is nothing inevitable about change. In the face of global and domestic crisis on multiple fronts, debates on the future of work confined to technological issues alone miss too much.

The political and economic terrain has been comprehensively reconfigured by Covid-19 and war in Europe. The profile of the risks and threats facing democratic politices and working people has changed. It increasingly seems as if these challenges place the state in the driving seat of determining how our futures of work unfold, and whether we see a repeat of the innovation provided by past periods of conflict.

Following on from an eponymous session at the last Labour Party conference in Liverpool, our new paper for Progressive Britain and the Foundation for European Progressive Studies, Security at Work in an Uncertain World, seeks to complement the existing body of research and thinking on the way that technology is augmenting and transforming work. It reframes the discussion towards the broader (geo)political and (geo)economic context within which futures of work are made and broken. This moves from the abstract level of global shifts in power and wealth to the concrete level of how work is experienced and organised in the workplace.

We suggest that industrial policy, with industrial relations as a central part of any industrial strategy, plays a mediating role between these two levels, articulating the national or international political economy with what happens in the workplace, the labour market and everyday economic life. We argue that, in a contemporary period marked by war, systemic competition and geopolitical tensions, the search for security – security at work, economic security, and national security – is the concept through which these links are constructed.

This is underpinned by the greater role the state is assuming in the management of contemporary capitalism, compelled by economic crisis, pandemic, climate change and war. There is acceptance across the political spectrum that a more interventionist state and more national approach to industry is a key component of a modern competitive economy. This, we suggest, creates capacity for the state to cede the power concentrated in its hands to workers and their unions through the reconstitution of the neocorporatist institutional frameworks of the postwar period.

This then acts as a way to realise the benefits of security not as an end in itself, but a means to a higher and better end – an 'ordinary hope', as Marc Stears puts it, of which security is the foundation and to which insecurity poses the greatest threat. We suggest that, in the UK, the Labour Party is beginning to develop an increasingly coherent policy agenda that sees in a more dangerous world the opportunity to reshape the country's political economy in precisely such a direction.

We trace the emerging principles, perspectives and positions influencing Labour's new (geo) politics of production, from the overarching global rationale guiding industrial strategy to its translation at the level of the employment relationship itself. The paper charts, from geopolitical conflicts, to ballot box concerns, to shopfloor dynamics, the links between the different levels of Labour's emerging policy agenda under Keir Starmer's leadership. It shares some of this new agenda in common, we contend, with social democratic sister parties in Europe, such as the SPD in Germany.

We launched the paper with a roundtable in London in December bringing together politicians, trade unionists and policymakers from across the labour movement and social democratic sister parties in Europe.

On the UK side, the roundtable brought together people from different wings of the Party and sides of the left ideological spectrum. However, the conversation tended to converge upon an assessment that with war erupting in Europe, geopolitical competition cutting the global political and economic order in two, and supply chains disintegrating, there are substantial barriers to the re-enactment of a 1997-style policy offer.

At the same time, there was a sense that the present moment mimics prior periods of war and crisis like 1945 or previous points of obstructed transformation like 1964 and 1997, in that the convening, intervening power of a Labour government is necessary for both stabilisation and modernisation.

The roundtable addressed a series of questions raised in our paper: What can the British Labour Party learn from its European partners, and vice versa? How do we balance the pursuit of security with other concerns and values, like freedom, for instance? Can the kind of neocorporatist compacts associated with the postwar social and industrial compromise really be recreated for new times? And how do we create space within new institutional structures for labour, capital and government to negotiate and mediate contemporary social and industrial disputes?

LEARNING FROM THE SWEDISH MODEL

As Labour sets out an increasingly confident vision for re-regulating and re-institutionalising work and industrial relations in the UK, we heard from Sweden about the merits and challenges of its longstanding, although recently revised, collective model.

Possessing the kind of export-oriented, resource-rich economy that many would like to see in the UK, the Swedish model accepts that the forces of global competition and technological transformation will constantly reshape working life. In response, it offers security to workers to weather these tendencies with a strong system of rights and protections.

Unions are also seen as part and parcel of a thriving economy insofar as coordinated wage setting calibrates pay increases with productivity gains – with such a framework painfully lacking in the UK as industrial disputes sweep core services and sectors.

Such measures also represent a form of 'predistribution' that enable workers to lay claim

to value at the level of the workplace itself rather than relying on redistributive amelioration of inequality after the fact. Countries like Sweden, where stronger predistributive measures are in place and demand fewer state resources to be devoted to redistribution, are widely recognised as sustaining much better outcomes economically.

The renegotiation of Sweden's collective agreement in 2022 has seen a revival of neocorporatist approaches associated with the so-called 'Rehn-Meidner' policies of the post-war period. It has also seen the creation of a substantial reskilling package.

Despite all this, social democrats in Sweden recently suffered a serious election defeat and now face the challenge of how to build on these foundations with policies that can be communicated to the voters they need to win back – a challenge faced in common with the Labour Party in the UK. Swedish social democrats, it was suggested, might even have something to learn from the British Labour Party's renewal under Keir Starmer's leadership.

LEARNING FROM GERMANY'S ZEITENWENDE

Whilst Sweden's social democrats are reflecting on recent defeat, Germany's social democrats can claim recent success in the election of summer 2021. The SPD restored their credibility with voters they had lost, specifically through rooting social policy in the everyday experiences of the electorate.

Subsequently, Zeitenwende, the country's foreign policy and defence reset enacted in the wake of the illegal Russian reinvasion of Ukraine, has seemed to challenge a German industrial model based in part on cheap energy inputs. The jobs German industry sustains are good, well-protected jobs and therefore their loss impacts the working-class as a whole.

We heard, however, that the SPD has largely stuck to the policy platform it was elected on, using the crisis to accelerate a coalition agenda of strategic sovereignty in certain areas, innovation funds stimulating and retaining domestic production, and encouraging onshoring and 'friendshoring' of supply chains and sectors like solar panel production from China. Workers are seen as central to this. The rupture in energy supply has also intensified efforts to involve workers in a 'just transition' towards a greener economy. It was recently noted by the German Chancellor, Olaf Scholz, that companies with worker participation and codetermination through works councils have come through the current crisis in the best shape.

Unlike in the UK, where strikes are condemned by government ministers as playing into Putin's hands, in Germany collective bargaining is seen not as divisive but rather synonymous with industrial, economic and societal resilience against contemporary risks and threats.

THE NEED FOR A BRITISH ZEITENWENDE

The roundtable considered whether the UK labour movement needs to engage with the possibility of what Paul Mason calls a 'British Zeitenwende'. With Western liberal democracies confronted by an authoritarian bloc hell-bent on breaking rules and norms, there is a distinct possibility of a wider military conflict whereby the current cold war runs hot.

This creates opportunities for the centre-left to advance a policy agenda based on industrial policy, social partnership and the integration of the labour interest into the apparatus of the state, as was necessary in previous periods of conflict and geopolitical competition.

However, the roundtable considered the lack of state and political capacity to achieve such a 'British Zeitenwende' in practice. As our paper argues, the centre-left today faces a lack of institutional levers due to their degradation over decades of government neglect.

The roundtable also heard how the UK left suffers from an emotional and cultural aversion to serious thinking about defence and discomfort about the kind of public and private sector spending necessary to ensure our security and that of the country's allies.

Whilst our paper finds much to praise in the Labour Party's recent 'modern industrial strat-

egy', it was noted by one participant that the defence sector receives barely a mention, and there is no commitment to a specific strategy for this important part of industry.

This represents an important and opportune political space for Labour to occupy, not least because current procurement and production practices suggest that any increase in defence spending will fail to realise the potential multiplier effects that it promises. For instance, hardware is made overseas and simply assembled in the UK, preventing working-class communities benefitting from the social value derived from the secure, skilled, productive manufacturing jobs that defence industries and related sectors like aerospace and shipbuilding provide.

Whilst the UK government can credibly claim to have made an important contribution to Ukraine's war effort, its flawed approach to defence procurement has led to a failure to adequately guarantee the future supply of some of the most effective lethal aid the UK has provided our Ukrainian allies in their struggle against Russia's fascist imperialism. Defence manufacturing and supply chains are such a key area of contemporary industrial strategy because their protection and improvement guarantee security not only for workers and communities in the UK, but also allies, populations and movements confronting adversaries overseas.

Up until the point the Russian reinvasion of Ukraine upended Western complacency, the European centre-left had largely been concerned with planning for a green transition as the centrepiece of its long-term strategy. Insofar as it is co-extensive with energy security, green transition is now seen as a key element of a strategy for national security, but there has been little of the same long-term thinking about defence itself.

This is notable not least because the same policy issues around new jobs and skills cut across both the green transition and the transition to a more dangerous world with a greater economic role for defence industries. In the past, the labour movement played a crucial role in ensuring sources of skilled labour were in place to propel the national effort in facing down emerging threats through rearmament. The task today, in turn, is to align skills strategy with an industrial policy based on national security. It was suggested at the roundtable that the right place to begin is with the workers who embody those skills themselves, giving all ages the opportunity to learn in line with the developing needs of the nation's economy – a bottom-up approach which costs a lot less to bring about than a wholesale change in industrial strategy.

THE NEED FOR A HOLISTIC APPROACH TO DOMESTIC AND FOREIGN POLICY

It was also noted that the issues raised at the roundtable around defence concern much more than simply the country's military posture overseas. There should be a clear association made between safety and security with industrial strategy and a more inclusive economy at home. Labour's increasing focus on national resilience as the underpinning principle of its industrial policy would imply that, as far as security is concerned, the level of defence spending is of equal significance to precisely how the money is spent.

The notion of national resilience implies that defence is not a question of 'guns or butter' whereby military spending squeezes budgets for, say, health and welfare. Rather, concepts of 'resilience' and 'security', by encouraging readiness to confront risks and threats across multiple domains of public policy, suspend the quandary that faces the centre-left in an age where fewer fiscal resources seemingly demand a greater prioritisation of how money is spent.

The roundtable heard of specific areas where the Labour Party should seek to render UK industry more secure in the context of an unravelling world: manufacturing companies and their workforces fearing for the end of support with energy costs; the need for more sophisticated checks on security threats arising from foreign takeovers in strategic industries like semiconductor production; the lack of protection the UK steel sector has against Chinese dumping now the UK has left the EU.

Addressing these issues and the others raised in our paper, roundtable participants agreed,

demanded a 'holistic' approach bringing together trade policy, foreign policy, and defence policy with a politics of work rooted in everyday working life.

At the moment there is a tendency to see the need for such a holistic approach to foreign and economic policy as dictated by the contingencies of the current geopolitical situation. But a holistic approach should be seen as a necessity independent of specific events and phenomena, and instead something more durable and longer lasting.

This should translate what can sometimes feel like fatalism or declinism about a world going badly wrong – whether in the form of war or worsening work conditions – into a practical agenda to intervene to make things better.

Early signs of this can be seen in Labour's 'Make, Buy and Sell More in Britain' policy, which responds to growing evidence of reshoring of supply chains in the wake of global shocks. In line with Labour's wider industrial strategy, the policy is based on the principle that supporting firms to make the switch towards more local supply chains now means that the state reduces the costs of having to step in and shore things up if and when global shocks occur in the future. In this spirit, Labour pledges to revitalise the industrial strategy abandoned by the government in order to help steer a stable transition towards more resilient production and procurement of goods that realises the benefits of reshoring in the creation of a higher-wage, higher-value, higher-tech economy.

However, as our paper argues, although interdependence today carries its own dangers, there is still an important debate to be had about the limits and opportunities of a more protectionist stance in certain sectors. There will be a continuing requirement for the UK's strength in some industrial areas to be complemented by openness and interchange with other economies – even if the future sees this increasingly confined to a democratic bloc of trustworthy allies.

POLITICAL STRATEGY OR INDUSTRIAL STRATEGY?

Whilst much of the discussion concerned industrial strategy, there were elements that crossed over into the terrain of political strategy. In previous elections, even union members in the UK did not vote en masse for the Labour Party. The politics of work, insofar as the party had one, simply did not translate into a decisive electoral asset. The task confronting the party today is how to turn its connection with the world of work, and its plans for the re-institutionalisation of industrial relations, into an electoral asset.

The timing seems right for such an appeal. The UK is witnessing a wave of strikes in search of settlements to longstanding industrial disputes over pay and modernisation that have been sharpened by the uptick in inflation. The lack of resolution exposes the absence of spaces and institutions for capital and labour to get together around the table and negotiate in pursuit of compromises. As a result of decades of institutional degradation removing channels for workers to talk with bosses, the British government seems now set on a path of legislating against strikes.

As our paper argues, the Labour Party's 'New Deal for Working People', set out in its Employment Rights Green Paper, makes an important start, but needs to be built upon. Likewise, we heard from one trade unionist, the measures it sets out cannot simply be seen as means to have more strikes. Rather, the aim should be to have fewer. Principally by emulating aspects of the Swedish model in the UK in order to achieve compromise and balance.

It was argued that there must be recognition on the part of unions that stronger legislative provisions come with the expectation that something must be given in return as a basis for agreement. In particular, unions need to be active participants in solving challenges like the productivity problem, rather than resist change. Labour's aim should be to create an institutional framework for workers to benefit from this in terms of pay and conditions.

There was also seen to be a need for Labour

to offer policies for the majority of workers who are not in unionised sectors of the economy. This includes sectors permeated by small businesses and microenterprises. Here, the setting of minimum standards such as those achieved through Fair Pay Agreements can act as a foundation for further gains and organising drives. Whilst Fair Pay Agreements will be a flagship policy of the first term of a future Labour government, it was felt that the party could have the space to be even more ambitious in any potential second term.

Specifically, more might be done to increase worker participation in corporate governance and engagement in the workplace, including via statutory mechanisms. Where unions rejected similar proposals in the seventies owing to the perception that they represented an accommodation to capital, today they start in a much weaker position and may be more willing to recognise the possible gains such a path provides.

However, there are dangers confronting such an approach. It will likely, even if erroneously, be condemned by the right-wing press as a simple return to seventies corporatism. Moreover, the story of centre-left governments in the UK and elsewhere is all too often one where a party gains power only to find that the legislative levers available to them no longer work as anticipated.

This in particular has constrained previous attempts to improve worker voice and bargaining rights in the UK, and may well do so again. Even with a massive majority, much of New Labour's incoming agenda for work and employment following the 1997 General Election was never realised, with successes like the Low Pay Commission taking years to develop and steer through Parliament.

This requires any party seeking power to consider what it will prioritise and how. It was suggested that one area ripe for legislative advances in the present climate is pay. In particular, the possibility was raised that the state could help convene forms of solidaristic bargaining between labour and capital around wages, productivity and skills formation, as part of a national effort to overcome the current crisis.

SECURITY OR STABILITY?

However, it was recognised that there are 'tripwires' all around this conversation. In the context of a cost-of-living crisis, the concept of security has been found to have resonated more with voters the more insecurity has come to affect groups who in recent times were largely immune to material concerns.

Within this, security at work is often thought of as relating to several key elements. Security of contract means that it is permanent or predictable. Security of pay means that it is steady and liveable. Security of hours means that they are regular and transparently measured or allocated. Security of protections and benefits includes holiday and sick pay, for example. Security of place means the roots of work in communities. The Labour Party's New Deal for Working People has projected tentative responses to each of these issues that are more pressing now that we are in a cost-of-living crisis.

Our argument in the paper was that this provides the foundation to go beyond a narrow and specific conception of security of and at work, in order to address the wider sense of security and insecurity attached to livelihoods as a whole, and the jobs, skills and industries that they are dependent upon. In particular, in an era of profound global and domestic insecurity, any policy agenda addressed to these issues must reckon with the intertwined relationship between economic and national security. It is such a reckoning that we see as characterising the rhetoric and proposals that have emerged from the Labour Party recently.

Labour's emerging agenda on security shows an increasing recognition that insecurity in one aspect of everyday life can quickly reinforce a wider and more pervasive sense of insecurity—whether mortgage rates, childcare costs or the health of a pension scheme.

The red thread the concept of security weaves through policy development on the opposition frontbench connects challenges as seemingly diverse as climate, defence and the cost-of-living crisis. Politically, it addresses longstanding concerns about Labour's approach to security left behind by the legacy of the Corbyn years.

Put simply, this relates to how the party will keep the country safe.

This agenda promises to address issues not only in defence policy but a much deeper sense of social and economic uncertainty and precariousness. In this sense, Labour is navigating the conflicted interconnections between the local with the global partly by communicating to voters the links between military spending, economic stability, and security at work. Its proposals are based on an underpinning argument that for too long the UK has relied on a low-wage, low-productivity economy that drives insecurity for individuals and communities facing declining opportunities and loss of pride. The resulting programme for government argues that the long-term solution to cost pressures and best route to sustainable public finance is through the creation of higher-value, secure jobs, and that the current 'age of unpeace', as Mark Leonard calls it, may help justify greater state investment in these outcomes.

This being said, there were questions raised at the roundtable about whether the concept of 'security' chimes enough with the concrete experience of voters, and whether there is a strong enough link in the public imagination between the war in Ukraine and their working lives. Whilst 'security' might make intellectual and analytical sense, there are question marks over its capacity to strike the right note politically.

A labour market dominated by service sector employment does not clearly connect with the kinds of industrial transformations necessitated by a new arms race or cold war scenario, and the concept of 'security' speaks more of concerns like crime than does it economic or defence issues. It was suggested that perhaps 'stability' makes more sense, capturing a broader array of situations and relationships.

Moreover, some participants saw a policy agenda based on articulating the global and local aspects of security as insufficiently relevant to the everyday stresses and strains of contemporary work. There is a necessity for Labour to generate greater power resources among workers to challenge declining conditions and consequences of working life at the coalface, rather than simply at the level of the nation's political economy as a whole.

'Security' in and of itself clearly does not take us all the way, and there is need for it to bridge to other concepts which offer a more positive and hopeful vision of the future. We heard how the conservative revolution of the late twentieth century made hay with the organising concept of 'freedom', and how the centre-left needs its own organising concept to succeed. This should have at its heart not the concentration of power in the hands of the state but rather the deployment of state resources to support people to achieve other aims and ends.

In this same sense, 'security' does not simply indicate a baseline instinct for conservative preservation of the present status quo. There is no dichotomy between 'security' (or 'stability') and the pursuit of innovation, aspiration, justice or freedom, for instance. Security is not about preventing change but acting as a foundation for change. Were security to be treated merely as an end in itself it would make for a stultifying and lifeless society. Rather, it is a means for the realisation of other aims.

SOME KEY TAKEAWAYS AND RECOMMENDATIONS

Our paper did not make firm recommendations about the future direction of Labour positioning or policymaking, but the roundtable produced a few key takeaways that gave us more to think about on this front.

Whilst it is crucial to avoid complacency as polls inevitably narrow, in the UK the Labour Party is conceivably in a position to win the next election. This raises the question of how, if the party wins power, how it will wield it. Devolution of powers has emerged to assume a central part in the party's plans for government, but at a time where local councils are so constrained they can barely empty the bins, policy needs to clarify the state's role in other areas of economy and society.

In particular, as the country engages in economic war against Russia, institutional mechanisms must be created to translate industrial war into industrial peace at home – whilst affording workers and their unions sufficient

'menace' to bring employers to the table and police the resulting agreements.

This will require compromise on all sides. Whilst policies like Fair Pay Agreements are seen by some as simply the first item on a long shopping list of pro-union measures, where they have been rolled out by social democrats, such as in New Zealand, they have implied restrictions on strikes in return. The conversation needs to include and make clear these compromises from the start rather than create inflated expectations of what future government will achieve that are disappointed later on down the line.

We also came away thinking about the relationships of cause and effect through which the war in Ukraine can be said to stimulate wider agenda-setting change. Insecurity, stress and anxiety defined the contemporary condition long before the COVID-19 pandemic and Putin's illegal reinvasion. But Ukraine accelerates and compounds this underlying condition in such a way as to change everything, and the conventional social democratic approach to work and employment is not immune to this. Insecure people and insecure communities do not tend to lend their support to a progressive agenda such as that proposed by the Labour Party. As insecurity ripples through every aspect of everyday life, connecting the local with the global, Labour needs to have a response.

In this geopolitical context, we also came away thinking about the potential for the defence sector to act as a space for policy innovation around skills pipelines as part of an effective industrial strategy.

In the roundtable we heard about the legislative difficulty of fundamental change, even for governments with large majorities. The Labour Party seeks to overcome the challenges ahead by introducing Fair Pay Agreements sector-by-sector, for instance, with social care the first. Its 'modern industrial strategy', meanwhile, has the Green Prosperity Plan as its emblematic example, focused on the jobs and industries central to the green transition. There is a need for something equivalent appropriate to the specific issues faced by the defence sector as an area similarly strategic to the future of the country's economy and society, as well as adjacent industries like cybersecurity, satellite technologies and space innovation.

Just as Labour proposes to introduce Fair Pay Agreements to the social care sector initially as a test case for broader implementation, defence could act as an arena in which to roll out a new policy apparatus around skills. At present the British skills base is largely determined by the decisions of private individuals and providers, but Labour's aim should be to coordinate skills development and match supply with the emerging demands of a different economy shaped by a more dangerous world.

The next steps in our project will be two counterpart roundtables in Stockholm and Berlin, following the participation of colleagues from the two countries in our London roundtable.

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