To repair our ailing public sector, we must reform labour laws

Carillion has collapsed, taking thousands of jobs with it; the government has been forced to take HMP Birmingham back under state control after G4S left it in a squalid and dangerous condition; chaos on the railways continues to disrupt daily life for millions across the UK. And the Chancellor’s answer? A sticking plaster for the NHS and business as usual for everyone else.

2018 has been the year that privatisation catastrophically failed, but it is not that there were no warning signs. Report after report has found the poor working conditions associated with outsourced social care leave vulnerable people in danger; the government has been forced to bail out contractors across the public sector again and again.

There are two main problems with the management of public services as it stands – a lack of funding, and disinvestment into skilled personnel (itself driven by the need to grow profits while promising the state increasingly unreasonable operational costs). The Institute of Employment Rights argues that both of these problems can be resolved through the reform of labour law, as recommended in our latest report Rolling out the Manifesto for Labour Law (see review in this issue, page 37).

First, the reinstatement of sectoral collective bargaining across all industries will ensure fair pay and working conditions to all, regardless of their employer. This will be supported by new procurement rules that prevent the contracting out of work to any organisation that disrespects collective agreements, refuses to recognise a trade union, or has a history of blacklisting. If we must dish out taxpayers’ money to private concerns, it is only right that we demand those taxpayers are treated ethically in return.

Second, the abolition of the three-tier employment status system that divides people in employment between ‘employees’ – who (eventually) have access to their full suite of rights; and ‘workers’ – who are offered merely scraps of fair treatment, such as holiday pay and the minimum wage. Most of the care workers we rely on to preserve the health and dignity of the most vulnerable in our society are on zero-hour contracts. There is no respect, no dignity, for them. By implementing a universal status of ‘worker’, we will guarantee that all people in employment have access to all of their rights from day one.

Last, to redirect funding to where we need it the most. The state is currently paying huge subsidies to employers who pay poverty wages in the form of state benefits. Most benefit recipients are in work, but still unable to cover the basic costs of living. With the higher wages guaranteed by collective bargaining, alongside the implementation of a Real Living Wage, these funds can be invested in providing good quality public services.

The Labour Party has backed Rolling out the Manifesto for Labour Law and has adopted our key recommendations. Now all it takes to resolve the public sector crisis is the political will to do so.

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SL80_pp4-13_news.qxp_news_pages_template 15/11/2018 17:12 Page 9