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**THE
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trade
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economic
inequality



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Foreword



By Keith Ewing and John Hendy QC

Workers are now worse off to the tune of £1,600 annually than they were at the time of the last election. Pay freezes and below-inflation wage rises have led to this fall in real wages, the low paid being punished with cuts to benefits.

As well as the problem of low pay, too many workers are subject to the misery of zero hours contracts while the abuse of agency workers continues. The impact of the government's tribunal changes price workers out of justice, and the effect of austerity on public services has had a serious effect on quality of life.

The deterioration of pay and conditions for workers are of course a symptom of the great cruelty at the heart of modern society. This is the cruelty of rising inequality, all the more cruel because it is deliberate and avoidable. There is no natural law by which inequality is commanded.

But if inequality is cruel, it is irrational in equal measure. It is not only from the left that we hear calls for the need for a more equitable society, in order to ensure what has been referred to as the 'trinity' of distributive justice, social equity, and fairness between generations.

Inequality is irrational because 'relative equality is good for growth'; and 'inequality is one of the most important determinants of relative happiness and a sense of community'; while the new holy trinity appeals to a 'fundamental sense of justice'. So says Mark Carney, Governor of the Bank of England¹.

We are not aware that Carney is a revolutionary, nor that he is out to destroy capitalism rather than save it. But Carney is not alone, with other rational voices aware of the grave implications of growing inequality, not only for the workers affected by it, but also for the economic system in whose name it is promoted.

Many economists appear to be aware that austerity creates problems that are unsustainable: it exposes the great contradiction that it is both an inevitable consequence - and a serious threat - to capitalism. But unlike in the 1930s the economists appear to be unable to offer

a sensible way ahead.

Which is why this pamphlet by Lydia Hayes and Tonia Novitz is so important and so highly recommended. It provides an excoriating critique of inequality and its consequences. But unlike others, the authors provide a blueprint for how to tackle it.

Writing in clear and accessible terms, Hayes and Novitz explain the central role of trade unions in closing the inequality gap, and in particular the need to rebuild collective bargaining arrangements that will give trade unions an opportunity to speak more loudly on behalf of the dispossessed.

To these ends the authors present valuable proposals designed to change public policy, so that trade unions are better able to represent their members, by (i) simplifying the statutory procedure for trade union recognition, and (ii) putting in place arrangements for sector-wide collective bargaining.

The last of these proposals is the boldest and most important. It is surely no coincidence that the decade in which the equality gap in Britain was at its narrowest was the decade in which trade union penetration was at its greatest, with more than 80% of British workers covered by a collective agreement.

The challenge now is to get the Hayes-Novitz proposals onto the policy agenda,

and to rebuild collective bargaining along the lines they suggest. There are so many compelling reasons why this should be done, and why the ideas in this pamphlet should be warmly embraced by the trade union movement and beyond.

Everybody talks about Britain needing a wage rise. *But how is this to be done?* Everybody talks about ensuring that everyone gets a living wage. *But how is this to be done?* And everybody is agreed that we need to stamp out the abuse of zero hours contracts. *But how is this to be done?*

The answer is simple. Sector-wide collective agreements provide a solution to all of these problems and much else besides – the growing gender pay gap, the abuse of agency workers, and the problem of the two-tier work force and the contracting out of public services.

These problems will not be wished away. It is the responsibility of politicians to provide the means by which they can be addressed, if we are to take their promises of reform seriously, and reward them with our votes. This pamphlet sets out very clearly what urgently needs to be done. There can be no excuses.

ⁱ M Carney, 'Inclusive Capitalism: Creating a Sense of the Systemic', 27 May 2014: <http://www.bankofengland.co.uk/publications/Documents/speeches/2014/speech731.pdf>

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Introduction

Trade unions are the largest voluntary organisations in Britain with 6.5m members

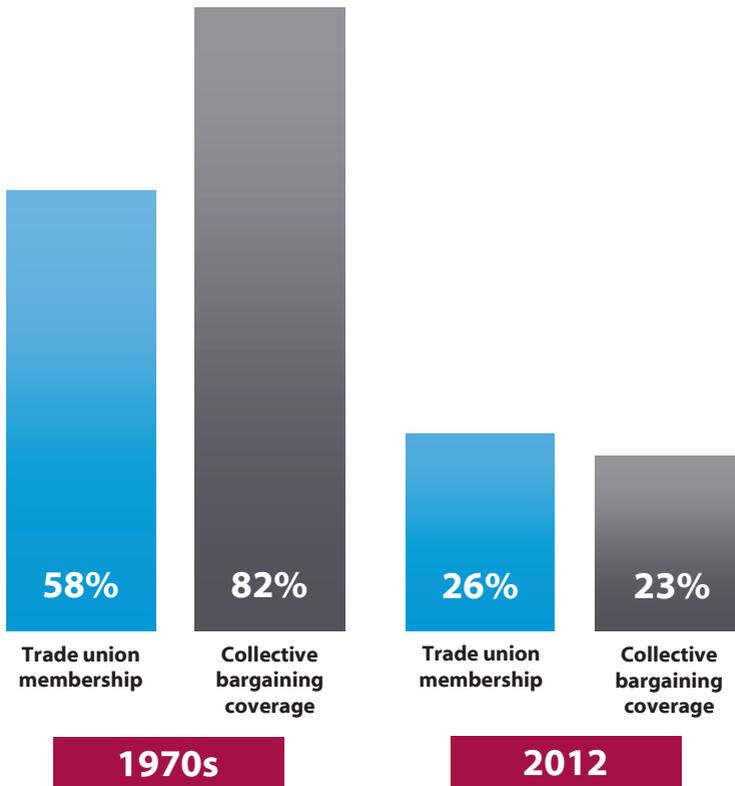
Levels of public trust in British institutions such as the banks, national government, the media and political parties have fallen rapidly in recent years¹. Yet when surveyed in 2013, almost 80% of the British public agreed that trade unions are essential to protect workers' interests². This high level of public confidence in trade unions has been recorded consistently in surveys over the last 40 years. Trade unions are the largest voluntary organisations in Britain with almost 6.5 million members.

Almost 80% of the public think unions are essential to protect workers' interests

Nevertheless, the proportion of working people in trade union membership has fallen. In the late 1970s, around 58% of workers were trade union members and 82% of wages were set by collective bargaining³. By 2012, only 26% of workers were members of a union and just 23% of workers were covered by collective bargaining⁴. This decline has been shaped by trade union laws which inhibit trade union recruitment, activity, and collective bargaining⁵, as well as by attacks on trade union activities by politicians, and misrepresentation in the media⁶.

Yet union involvement in setting wages has fallen from 82% to 23%

Figure 1: Trade union membership and collective bargaining coverage 1970s & 2012



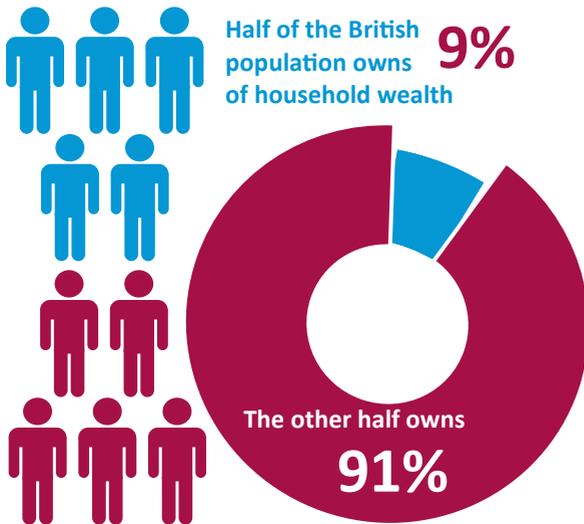
Source: See notes 3 and 4.

In light of the financial crisis and its harsh economic impact, it is important to examine the role of trade unions and the link between strong trade unionism and more equal societies. In reviewing the evidence, we find that collective bargaining by robust trade unions is an essential aspect of achieving greater economic equality. In addition, the public policy influence of trade unions promotes the delivery of public services such as education, healthcare, housing support, pensions and social security for all working people. This briefing suggests some first steps towards achieving the revitalisation of trade unions and the renewal of collective bargaining.

Why worry about economic inequality?

Since the early 1980s, independent research has traced the development of economic and social inequality in the UK and ranks our society as one of the most unequal in the developed world⁷. Levels of inequality have far exceeded the point at which inequality is proven to be socially corrosive⁸. From the day we are born, our lives are shaped by differences in family wealth, land or property ownership, and opportunities to develop intellectual and other talents.

Income differences between top earners and those on the lowest wages are now higher than at any time since records began



One half of the British population owns 9% of household wealth while the other half owns 91% of the wealth⁹; and the five richest families in the UK are wealthier than the bottom 20% of the entire population¹⁰. Income differences between top earners and those on the lowest wages are now higher than at any time since records began¹¹.

Health

Scientific analysis indicates that people who live in unequal societies have poorer health than those who live in societies where wealth is more evenly distributed¹². In the UK, health risks associated with work are not shared equally across the working population. Low-waged workers, young people and migrants are more likely to be exposed to workplace danger¹³. The risk of being amongst the 40,000 people diagnosed with work-related cancer each year is almost entirely carried by one fifth of the UK workforce¹⁴.



In the UK, health risks associated with work are not shared equally. Low waged workers, young people and migrants are more likely to be exposed to workplace danger

Discrimination

Economic inequality is also about discrimination. Black and ethnic minority workers continue to be disadvantaged in finding employment¹⁵. Dismissal of pregnant workers remains a widespread practice¹⁶. In 2013, the wage gap between men and women's earnings increased and the progress previously made towards equal pay appears to have gone into reverse¹⁷.

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In 2013, the wage gap between men and women's earnings increased and the progress previously made towards equal pay appears to have gone into reverse
.....



Work

In the UK there is currently a shortage of jobs that offer adequate pay¹⁸. Economic inequalities mean some people do not have enough hours of work, while others work very long hours and feel under constant time pressure¹⁹. Many industries offer jobs without any guarantee of work and employ people on zero-hours contracts. This means that insecurity of hours is a condition of employment and it can generate extreme wage insecurity. Casual, temporary and agency work is widespread, frequently low paid, and associated with poor terms and conditions²⁰.

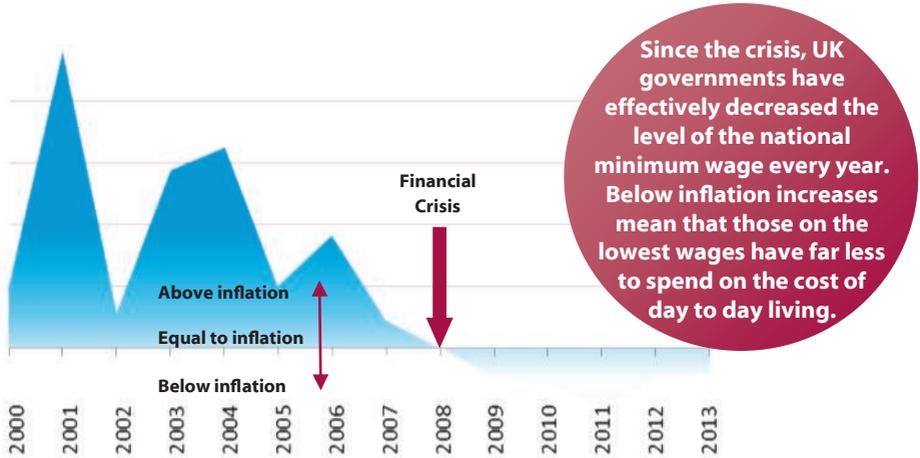


Following the financial crisis in 2008, inequality has advanced rapidly²¹. Actions by Governments across the EU have denied working people the benefits of their trade union membership²². Opportunities for collective bargaining with employers or input into policy-making are being limited, and employment rights are being removed²³. The UK Government is no exception, having reduced access to unfair dismissal protection²⁴ and access to employment tribunals²⁵.

Wages

In particular, UK Government policy has increased wage hardship²⁶. Even where workers have managed to hold on to their jobs in the face of large-scale redundancies, wages in the public sector have risen by no more than 1% per year and the Government has advocated wage restraint in the private sector. Public service workers,

Figure 2: National Minimum Wage annual increase above/below inflation (CPI) 2000-13



such as care assistants and school support staff, are experiencing the biggest drop in wages for 150 years. Workers in the private sector who wait tables, serve in bars, work on check-outs or serve retail customers are also amongst the most harshly affected by a drop in living standards not experienced since Victorian times²⁷. For five years in a row, the rate of increase in average earnings has been below the rate of inflation²⁸.

Cost of living

In 2012/13, many working parents struggled with increased childcare costs, which had risen on average by three times the average growth in wages²⁹. According to the UK Government Office for Budget Responsibility, wages look set to continue falling while corporate profits are predicted to grow faster than overall economic growth³⁰.

In 2013 the majority of families in poverty are now also families in work

Work can no longer be relied on to provide a living wage. A Joseph Rowntree Report published in 2013 found, for the first time, that a majority of families in poverty are also families in

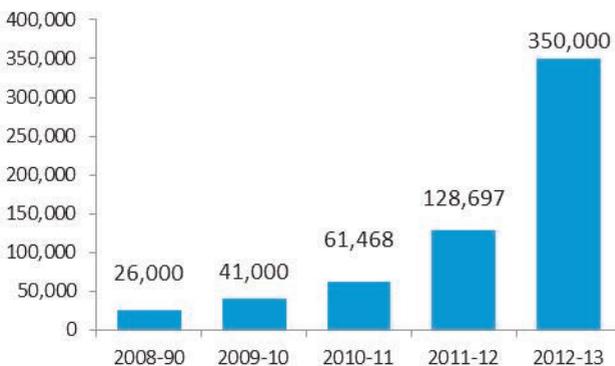
work³¹. In other words, being employed does not prevent destitution or severe economic hardship. Since the financial crisis, the social consequences of low wages include a doubling in the number of workers who need housing benefit and growing reliance on foodbanks³².

“Access to enough food is the most basic of human needs and rights. The number of malnutrition-related admissions to hospital in England has doubled since 2008/09 ... Malnutrition in children is particularly worrying because exposures during sensitive periods can have lifelong effects, increasing the risk of cardiovascular and other adult chronic diseases. We should not allow food poverty in the UK to be the next public health emergency.”

Letter from doctors and senior academics on the Medical Research Council published in the British Medical Journal 3rd December 2013

When David Cameron says that a future Conservative government ‘could go further on welfare reform, to sharpen work incentives and get more people out of poverty’ he hides the fact that it is people in work who are in poverty. A large chunk of so-called ‘welfare’ is actually subsidising employer decisions to set wages at levels which are inadequate³³. As we shall see, weakening the capacity of trade unions to raise the pay of those on lower wages directly contributes to increased economic inequality³⁴.

Figure 3: Numbers using Trussell Trust food banks 2008-13



It is estimated that over half a million people in Britain used a food bank in 2013. This graph shows the increase in the numbers turning to the largest food bank charity, the Trussell Trust, between 2008-13



How trade unions promote economic equality

The economic clout of an employer is much stronger than the negotiating capacity of an individual worker who needs to earn a living. Trade unions aim to balance out this uneven power relationship. As democratic organisations, trade unions represent their membership independently of managerial or government control. Having access to a collective voice through trade unions offers opportunities that are not otherwise available to individual workers.

Without trade unions, the realities of working life mean that individual workers are under pressure to simply accept the pay and conditions that an employer presents to them. To do otherwise risks missing out on the chance of a job or being dismissed. The bargaining power of trade unions has the potential to defend existing employment conditions, so that new workers are not brought in on lower rates of pay or forced to accept other terms which are inferior.



Even when a worker is well-established in a job, should an employer decide to make cut backs or change hours of work, it can be exceptionally difficult to protect pay or terms and conditions on an individual basis. Employers are attentive to economic peaks and troughs and they are acutely aware of the potential benefits of cheap replacement labour when employment opportunities are scarce. Trade unions can introduce some balance into an otherwise very one-sided situation by requiring that an employer negotiate with the whole workforce.

“Collective bargaining provides workers with a voice in decision-making at the enterprise that can be harnessed to improve labour relations, worker participation and managerial performance. The results ... show that unions are associated with a reduction in wage inequality; a larger proportion of compensation allocated to social benefits (for example, pensions, health insurance, and so on); less labour turnover; the retention of skills and increased incidence of firm-specific training; improvements in workplace practices and increased productivity...”

Susan Hayter, Senior Industrial and Employment Relations Specialist ILO, Geneva.

Collective bargaining

In workplaces where trade unions play an active role, employment standards, including systems of pay setting and health and safety policies, are agreed with the workforce as a group and everybody is covered by the same rules. Rather than allowing individuals to be

singled out by management, collective agreements set out terms of treatment and the procedures to be

followed. It makes sense that better decisions are the outcome of negotiation and rational argument, rather than whim, brute force or bullying. Here trade unions have an impressive track record³⁵.

It makes sense that better decisions are the outcome of negotiation, rather than whim, brute force or bullying. Here trade unions have an impressive track record

When the bargaining and representational roles of trade unions are combined, they create better treatment at

work, transparency over the terms of that treatment and representation when agreed standards are not met or procedures not followed.

Trade unions are most effective when all workers are represented and therefore trade unionism encourages social inclusion. Collective bargaining and representational support will not work in the long term if some workers have substantially less to gain from the process than others. For this reason, trade unions have worked at eliminating sex, race and other forms of discrimination in the workplace. This has taken time, given how deeply ingrained inequalities have been in our society, and indeed in others. Yet we know that where trade unions are active, employers are more likely to have equal opportunities policies³⁶.

Where trade unions are active, employers are more likely to have equal opportunities policies

Studies indicate that where trade unions offer workers a voice they enhance loyalty to the firm, improve productivity and also reduce turnover

Trade unions can offer tangible economic benefits to employers too. A single route of negotiating with the workforce together can reduce effort and costs spent by an employer negotiating individually. Studies indicate that where trade unions offer workers a voice they enhance workers' loyalty to the firm in which they work, enhancing productivity and also reducing labour turnover³⁷. Furthermore, collective negotiations can help employers to reach compromises

with an informed workforce who value job security and wish to avoid redundancies³⁸. Research has documented how, in several European countries, trade unions, through collective bargaining and policy engagement, averted mass unemployment in some sectors in the immediate aftermath of the financial crisis³⁹.

According to standards upheld by the European Court of Human Rights (and followed in the UK), membership of a trade union must be voluntary⁴⁰. Therefore, trade union effectiveness depends upon the voluntary decisions of millions of individual members to

.....
“...the process of collective bargaining (that is, the exercise of “voice”) provides unions and employers with incentives to behave in a responsive manner. Through collective bargaining, parties identify common as well as conflicting interests and agree to enhance joint gains. For example, both enterprises and workers can benefit from increases in productivity, higher profits and higher wages...”

From 'Introduction' in Susan Hayter (ed.), *The Role of Collective Bargaining in the Global Economy: Negotiating for Social Justice* (ILO/Edward Elgar, 2011) at 8.
.....

join together. Each trade union works on the basis of rules set out in its own unique rule book, but all trade unions are democratic organisations run by ordinary members who are elected into decision-making positions. The accountability of trade unions promotes the values of democracy, inclusion, fair treatment and transparency. The greater the solidarity between workers, the more effective a trade union can be. People who are active in trade unions are most likely to be active as volunteers in their local communities too⁴¹. When people want to support greater economic equality and they regard working together as the best way to achieve it, they are more likely to join trade unions⁴².



All trade unions are democratic organisations run by ordinary members who are elected into decision-making positions

However, **the decisions of individuals to join trade unions are not enough to overturn the effects of inequality caused by decades of legal barriers to collective bargaining.** As we noted at the outset, three out of every four workers in the UK are not protected by collective agreements⁴³. Workers do not have an automatic right to benefit from collective bargaining. While employers have the ability to voluntarily decide to engage with unions, **the law does not currently put trade unions on an equal footing.** Where collective bargaining does take place in the UK, it is mainly on the basis of voluntary arrangements.

Trade union recognition

The statutory mechanism through which an employer can currently be required to ‘recognise’ a trade union in the workplace can depend on:

- complex assessments of the number of members or potential members;
- a determination about who should be part of the potential ‘bargaining unit’;
- a secret ballot and majority support⁴⁴.

If trade unions turn to the law in pursuit of formal statutory workplace recognition, they are granted only limited opportunities to advise of the benefits of collective bargaining. However, employers may persistently and strategically campaign against recognition, and often paint a very negative picture of trade unions⁴⁵. These arrangements are unsatisfactory and do not facilitate circumstances in which trade unions can most effectively reduce economic inequality. The positive benefits of trade unions are not promoted and workers are not properly informed about what can be achieved through effective collective bargaining. Through the law, trade unions and employers are pushed into a head-to-head competition in which employers have the upper hand. Even when trade unions are recognised through legal mechanisms, the issues they are entitled to negotiate with employers about are restricted to those mentioned in the statute (essentially pay, hours and holidays). In this way, current legislation reduces workers’ capacity for voluntary choice about trade union membership.

Through the law, trade unions and employers are pushed into a head-to-head competition in which employers have the upper hand

.....
For proper support of economic equality, trade unions need legal protection for their activities so they may operate freely and build effective social solidarity.

Sectoral bargaining

Sectoral bargaining - where employers and trade unions negotiate for common standards across an industry - ensures that workers who are on the lowest wages, and those most exposed to the risks of exploitation, are not left behind.

Sectoral bargaining encourages employers to become competitive through enhanced productivity and investment in skills or innovation, and discourages wage undercutting between competitors by reducing pressure to compete on the basis of low wages.

Tackling economic inequality for the future does not solely rest on solidarity in workplaces. It also requires social solidarity across workplaces so that workers in the weakest of bargaining positions can benefit from the opportunity of collective bargaining at a multi-employer or sectoral level.

.....

When engaged in multi-employer bargaining, trade unions can ensure that economic equality is advanced through agreements that set out basic standards about what will constitute 'a minimum safety net of terms and conditions' across those workplaces⁴⁶.

.....

The process of sectoral bargaining aims to distribute wealth more transparently between workers in both higher and lower earning occupations employed in different firms. Legislative constraints on so-called secondary or 'sympathy' industrial action currently make this difficult to achieve. There is currently no statutory mechanism for employers to be brought to the bargaining table to set wages on a sectoral basis across a manufacturing or services industry⁴⁷.

Trade unions and political influence

Solidarity is also a crucial ingredient of effective political democracy. The workplace role of trade unions should not overshadow the potential of their contribution to the general

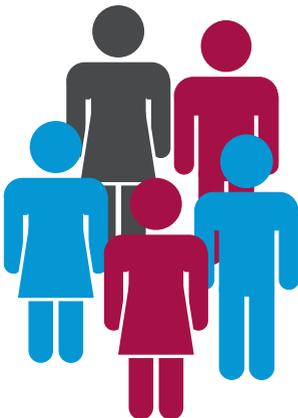
welfare of their members and society at large. This is why trade union members contribute to a political fund which finances the work of the union in campaigning and seeking political representation. The voice of trade unions seeks increased participation by working people in the decisions that influence their lives and a fairer distribution of the wealth of the nation.

Trade unions seek increased participation by working people in the decisions that influence their lives and a fairer distribution of the nation's wealth

The trade union lobby has been the source of much of our current social welfare legislation and provision of public services. For example, UK trade unions are a key contributor in political debates about the case for a 'living wage', the exploitation of migrant workers, and the fight to sustain the National Health Service.

"Political leaders should be using the nation's resources in the interests of the majority of the people and prioritising the abolition of poverty, insecurity and the threat of war. Our society is moving in a dangerous direction and now is the time for us to decide how our wealth is used and what values underpin our society."

Letter by Sarah Veale, Head of Equalities and Employment, TUC; Michelle Stanistreet, General Secretary of the National Union of Journalists; Maxine Peake, Actress; Jane Stewart, Chair of UNITE women's committee; Siobhan Edean, National Officer for Equalities UNITE; and 44 others, Guardian Newspaper 11th December 2013



It is when the political voice of trade union members has been denied or ignored that restrictive laws have been introduced to disrupt trade union membership, collective bargaining and industrial action and set back the prospects of economic equality⁴⁸.

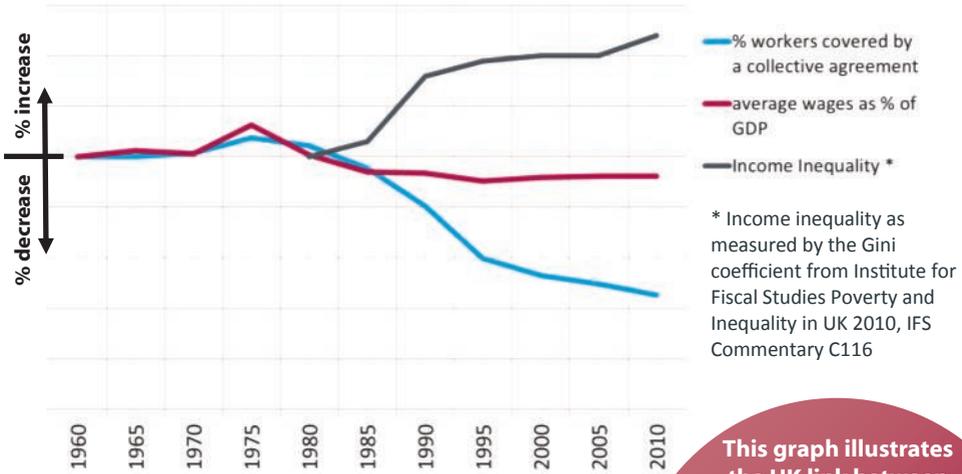
IV ● The economic achievements of trade unions

Anyone who has worked in a workplace where majority membership allows trade unions to function effectively has experienced its advantages. The facts are clear. Even after the financial crisis, trade union collective bargaining delivers benefits, including an average 14.5% wage premium across the whole of the UK economy⁴⁹. Trade union-led attention to health and safety at work reduces industrial injuries by half⁵⁰. There is 'incontrovertible evidence' that many industrial chemicals and radiation lead to cancer and unions have an important role to play in preventing exposure by promoting collective responsibility for disease prevention and thereby social and economic equality⁵¹.

Even after the financial crisis, trade union collective bargaining delivered an average 14.5% wage premium across the whole of the UK economy

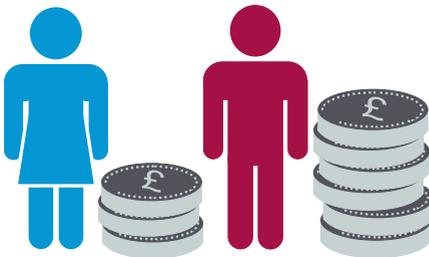
As noted above, trade unions rely on social solidarity and promote the collective welfare of members; this means improving wages through greater equality in wage bargaining. Extensive research has found that collective bargaining reduces economic inequality and is therefore beneficial for low and middle-income earners. In industries where trade union membership has halved (and where sectoral bargaining has ceased), the reverse is true and it has been proven that incomes are lowered dramatically⁵². **Studies from Canada, the US and the UK all indicate that wage inequality increases as union influence declines⁵³**. Academics have observed that countries with strong unions and/or a 'decent' minimum wage are less vulnerable to rising economic inequality⁵⁴.

Figure 4: Collective bargaining coverage and inequality in the UK



Research in many countries about pay differences between men and women shows that the gender pay gap is significantly narrowed in workplaces where unions are active and there are centralised forms of collective bargaining⁵⁵. A German study published in 2010 provided evidence that shrinking collective bargaining coverage was associated with a ‘stark increase in wage inequality’ when examined in relation to private sector wages⁵⁶.

This graph illustrates the UK link between collective bargaining and income inequality 1960 – 2010. When collective bargaining coverage began to fall in the 1980s, average wages also fell. As the number of workers covered by collective agreements has continued to decline, income inequality has rapidly grown.



.....
The gender pay gap is significantly narrowed in workplaces where unions are active and there are centralised forms of collective bargaining
.....

It is part of a growing body of evidence that the gender pay gap between men and women depends, in part, on the ability of women to bargain with their employers over wages⁵⁷. A review of available data in 22 different countries has suggested that union involvement in wage-setting directly increases women's relative pay in each country⁵⁸.

"Strengthening the welfare state, in particular changing union legislation to foster collective bargaining, and financial regulation could help increase the wage share with little if any costs in terms of economic efficiency."

Engelbert Stockhammer, Why Have Wage Shares Fallen? A panel analysis of the determinants of functional income distribution, Conditions of Work and Employment Series No. 35, International Labour Office, Geneva at viii

Despite its negative impact on economic equality, the dismantling of sectoral bargaining has been supported by UK governments. In industries where strong trade unions remain, there is much lower inequality in pay than those where workers are unorganised. One reason for this is that union negotiated pay is based more on the characteristics of the job than on the characteristics of any individual worker. It is therefore argued that 'unions remain a major egalitarian influence in the British labour market'⁵⁹. Cross-country labour market evidence from the OECD illustrates that economic equality is better served in countries with a sectoral bargaining approach, than in those countries that rely on individual workplace bargaining (or bargaining between the employer and the individual worker)⁶⁰.

In industries where strong trade unions remain, there is much lower inequality in pay than in those where workers are unorganised

Cross-country evidence shows that economic equality is more achievable in countries with a sectoral bargaining approach

Economic impact of collective bargaining

Many economists have recognised the benefits of collective bargaining for economic growth⁶¹. In a consumer economy such as the UK, economic growth depends on spending power. The relevance for trade unions is that lower-income earners spend the highest percentage of their income. People on higher wages have money left over from their immediate day to day living costs which they choose to save.



Without collective bargaining, the potential for economic spending is damaged by low wages. This harms the economy in two key ways:

- **Firstly, fewer goods are purchased and the economy shrinks.**
- **Secondly, low-wage earners need financial help from the state because their wages are insufficient for their daily needs.**

State commitments to subsidise low wage employers in a shrinking economy are unsustainable because they depend on increased levels of taxation and this further weakens the ability of working people to spend⁶².

A renewal of collective bargaining would reduce economic inequality and ‘raise the purchasing power of the bulk of the workforce’ in pursuit of a healthy economic recovery⁶³. However, for collective bargaining to be renewed, working people need to have political representation outside of the workplace and a strong voice in economic matters⁶⁴.

V ● **Renewing the ability of trade unions to address inequality**

To tackle economic inequality and build a fairer society, it is essential that trade unions can operate freely and that collective bargaining is renewed. The impoverishment and exploitation of any one group of workers is a threat to the well being and livelihood of all. Building a future economy where the benefits of work and profit are shared requires legal reform in support of effective trade unions:

- 1. Introduce a legal framework through which trade unions can freely organise and engage in collective action to build economic equality.**
- 2. Amend trade union recognition legislation so that all workers who choose to join a union can be represented in collective bargaining and other workplace matters.**
- 3. Ensure the law provides for sectoral bargaining which can set minimum terms and conditions across an industry or a service sector.**
- 4. Defend human rights which protect the functioning of trade unions (including rights to free speech, freedom of assembly and freedom of association).**

5. Give trade unions access to workers and workplaces, so that they can advise on the benefits of membership and collective bargaining.

6. Enable workers to have access to information about trade unions at their workplace so that they can make an informed choice and easily join a trade union if they want to.

Renewing the ability of trade unions to deliver economic equality requires that people must have proper access at their place of work to information about trade unions and be protected from discrimination or detriment for exercising trade union rights⁶⁵.

Trade unions must be free to contact potential members at their place of work and to advance the cause of greater economic equality. Young people deserve to be informed well before they start work, so they know how to access representation and assistance and know how to get involved with a trade union. Robust information about trade unions needs to be part of the ‘citizenship’ component of our children’s education.

Greater economic equality depends upon the health of collective bargaining in the UK. There has to be renewal of trade union rights to support effective collective bargaining. The legal and political support which is required has been set out in a manifesto for collective bargaining by Keith Ewing and John Hendy⁶⁶. They propose a new Ministry of Labour to promote trade union participation in collective bargaining alongside legislation that obliges employers to participate in collective bargaining. There should be an overhaul of the way in which unions are ‘recognised’ for the purposes of

Economic equality depends upon the health of collective bargaining — but there has to be renewal of trade union rights to support it.

collective bargaining so that union members have greater access to representation. Every trade union should be able to bargain on behalf of its members and every worker should have the legal right to be represented by his or her trade union on all matters relating to his or her employment. Re-establishing sectoral bargaining is crucial for delivering greater economic equality for workers. Multi-employer agreements secured by trade unions should be legally enforceable.

Renewing the ability of trade unions to fight for economic equality means it is essential we defend our democratic rights. Freedom to speak out against injustice, to campaign for economic equality and to work together through trade unions are underpinned by rights set out in the European Convention on Human Rights 1950. This includes Article 10 rights to freedom of speech and Article 11 rights to freedom of assembly and freedom of association. The same rights are recognised in the International Labour Organisation's Constitution and through ILO Conventions and Recommendations. These rights are vital to trade union activity and collective bargaining and must be respected in the workplace, in the communities where we live and in relation to the decisions of government at all levels. We need a legal framework which enables workers to act collectively to realise these rights and build a fairer society.



Freedom to speak out against injustice, to campaign for economic equality and to work together through trade unions are underpinned by rights set out in the European Convention on Human Rights

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