



NATIONAL
POLICY
FORUM
2021
Economy,
Business
and Trade



MEMBERSHIP 2021

HM Opposition

Rachel Reeves MP*
Bridget Phillipson MP
Emily Thornberry MP
Pat McFadden MP

NEC

Andy Kerr*
Andi Fox
Lara McNeill
Tom Warnett

CLPs and Regions

Lisa Banes – Yorkshire and Humber Region
Grace Blakeley – Greater London Region
Teresa Beddis – West Midlands Region
Russell Cartwright – Eastern Region
Karen Constantine – South East Region
Jos Gallacher – Labour International
Eva Murray – Scottish Labour Party
Carol Wilcox – South West Region

Affiliates

Carrie Aspin – Usdaw
Tony Burke – Unite
Joe Fortune – Co-operative Party
Dave Prentis – UNISON
Steve Turner – Unite
Dave Ward – CWU

Elected Representatives

Jackie Baillie MSP
Sue Jeffrey – Association of Labour Councillors

*Co-convenor

The work of the Economy, Business and Trade Policy Commission

The Economy, Business and Trade Policy Commission started the year with two roundtables looking at how policymakers can drive a strong and sustainable economic recovery in coastal towns and areas reliant on manufacturing.

The Commission also held a meeting on high streets and discussed issues relating to workers' rights, tying in with the Power in the Workplace Taskforce convened by the Party's affiliated unions. The Commission also heard about the theory and practice of Community Wealth Building and how it's already being put into action by local Labour leaders across the UK. Finally, the Commission held a session on industrial strategy and manufacturing with 'Unite the Union'.

Economic recovery

In January, the Commission held its first Recovery Roundtable looking specifically at coastal areas. We heard from the Joseph Rowntree Foundation about how the crisis had affected the economy and labour market in coastal areas and some proposals to help them bounce back. We also heard from Karen Constantine, a Commission member and Councillor, about the impact of the crisis in Thanet and how policymakers can bring good jobs and confidence back to the people of the area, with a focus on green industries and existing strengths relating to its maritime history.

Later in the year, we held a second Recovery Roundtable on manufacturing areas. Manufacturing was hard hit by the twin crises of Brexit and Covid on the back of a decade of neglect by the Conservatives. We heard from Ian Wadell of the the Confederation of Shipbuilding and Engineering Unions (CSEU) who outlined issues affecting the sector, with a discussion of working time and its relation to the fourth industrial revolution and the transition to net zero, alongside international case studies of collective bargaining in the sector.



Power in the workplace

In the spring, Shadow Secretary of State for Employment Rights Andy McDonald updated the Commission on the Party's 'Power in the Workplace' taskforce and discussed a number of issues relating to workers' rights and some of the stark problems and injustices thrown into relief by the coronavirus crisis. These include growing insecurity, low pay, a lack of enforcement and the inability of trade unions to access workers and workplaces.

Local economic development

In the summer we heard from the Centre for Local Economic Strategies (CLES) about the theory and practice of community wealth building and how local Labour leaders are already using these strategies to create resilient and fair economies across the country. CLES told us about the five core pillars of community wealth building movements and how it's being put into practice in areas like Wales, Liverpool and Preston.

Industrial Strategy

Over the summer, we also heard from Unite about their plan to boost manufacturing and ensure the sector creates good, high-skilled jobs as it transitions to net zero. This included policies on strategic investment, procurement, skills, innovation, corporate governances and reshoring to promote resilience in the face of future shocks.

Principles

1. Keep people safe to keep the economy open

Unless people feel safe, the economy will not stay open and bounce back. To keep people safe and control the virus, we need common sense measures like masks on public transport, proper ventilation and a functioning system of isolation support.

2. Past mistakes cannot be repeated

A decade of cuts to public services caused a slow recovery from the global financial crisis and left us with a weak economy. The Conservatives are already repeating these same mistakes, cutting the pay of key workers and support for low income households whilst penny pinching on children's education.

3. A new deal for workers

Over the last decade, wages stagnated whilst insecurity and in-work poverty skyrocketed. Rights and protections for workers have been rolled back and new draconian restrictions on trade unions introduced. In concert with its affiliated unions, Labour will offer a transformative 'new deal' for workers to ensure work is dignified, secure and well-paid for all.

4. Training workers for the jobs and industries of the future

We need high quality training and employment support so that those who lose their jobs or are at risk of unemployment are able to re-train into the well-paid, secure jobs of the future, including ensuring a just transition to net zero.

5. Rebalancing Britain

Many of the areas hit hard by a decade of Tory rule are set to be hit hard by the crisis. The recovery must help rebalance Britain, learning from the success of Labour in power across the UK to spread prosperity and opportunity.

6. Build it in Britain

The UK's world-leading manufacturing industry is the cornerstone of communities across the UK. Britain's industrial base needs to be protected and championed as the country transitions to net zero, with government using strategic procurement to buy, make and sell more in Britain.



7. Harness the green industrial revolution with a green industrial strategy

The regions and nations of the UK led the last industrial revolution, and we must ensure they are at the forefront of the transition to net zero as we tackle the climate crisis. Labour's green recovery package is the first step in driving growth in green industries and securing a just transition for all workers.

8. A new partnership with business

The crisis has shown responsible businesses at their best – rooted in local communities and with a long-term outlook. Those businesses have been let down by a decade of low investment and a failure to create a level playing field on areas like tax. The recovery must correct this record and harness their energy and dynamism to create a greener, fairer, more prosperous Britain.

9. Stand up for British businesses and workers in trade negotiations

Trade is vital to the UK's future prosperity, but the government has ignored the needs of business and workers in negotiations as it looks for political quick wins. Labour would stand up for business and workers in trade negotiations, with initial proposals to improve the deal with the EU to ease red tape.

10. A fairer Britain

The economic crisis has all too often had the harshest impact on those who were already most disadvantaged and least resilient. As we look to rebuild, these inequalities must be tackled head on.

11. Track inequality to tackle inequality

While there is some good evidence, there remain huge gaps in our understanding of how different groups have fared. We must ensure inequalities properly tracked so that they can be tackled.

Repairing the foundations for a stronger, fairer economy

Labour wants our economic recovery from coronavirus to be quick and comprehensive. This is why we've called for more support for affected businesses, a 'jobs promise' for the unemployed and a green stimulus plan to create jobs and boost green industries.

However, the recovery can't take us back to the old, broken system we had before.

The Conservatives created a low growth, low investment, low standard and low wage economy that left many trapped in insecure jobs that couldn't support a family. They starved public services of resources, leaving them overexposed to the pandemic.

At the cornerstone of a stronger, fairer economy, Labour is calling for a new deal for working people. Labour's new deal would ensure all jobs are good jobs – providing security, dignity and paying enough to raise a family.

The Labour Party convened a taskforce of its affiliated unions to start work on this new deal for working people. The work will build on our existing commitments on workers' rights to ensure they remain robust to the changing world of work.

The work of the taskforce is still ongoing, but core commitments to a single status of worker, stronger rights and protections from day one, enhanced enforcement, increased access for trade unions and sectoral collective bargaining will be central.



The Economy, Business and Trade Commission underlines its commitment to these core tenets and eagerly awaits the final outcome of the taskforce.

As part of our drive to create these good jobs, the Shadow Chancellor has also outlined a plan to buy, make and sell more in Britain.

This includes using strategic procurement to ensure more government contracts go to British firms creating well-paid, secure jobs in this country and to help catalyse the growth of new green industries of the future.

Labour also has begun to set out its vision for an active, 'mission-led' industrial strategy, including plans for an electric vehicle 'revolution'. This is a comprehensive plan to back Britain's car manufacturers, create jobs, and make owning a zero emission vehicle an option for all.

Value for money is also hardwired throughout Labour's economic approach. Labour knows the value of public money, which is why we've pledged billions to catch-up education rather than well-connected friends and outsourcing giants. Labour would end the ideological outsourcing rip-off by overseeing the biggest wave of insourcing in a generation, improving public services and delivering value for taxpayers.

Submissions to the consultation

The first interim principle has been amended slightly to reflect the changed public health situation. The principle still rejects the trade-off between health and the economy, recognising that people will only return to shops and restaurants when they are confident the pandemic is under control. This is why Labour believes its calls for some common sense measures to remain in place will ultimately benefit the economy and business.

The second principle has also been amended as the Chancellor repeats the mistakes of the past. Cutting support to low income families and the pay of key workers is not only wrong – it also means families have less to spend at local businesses and on their high street. By penny pinching on catch-up education, he's also inflicting long-term damage to the prospects of our children and to the future strength of our economy.

The second principle has therefore been strengthened to reject old dogmas around austerity and investment in public services. World-class health, education, social security and infrastructure systems seen as prerequisites to dynamism and growth, rather than just drags on the public finances. This can be clearly seen in Labour's commitment to £15 billion of investment in catch-up education.

"The pandemic showed clearly how years of austerity and underinvestment have undermined the resilience of public services, including social care. A fairer economy requires properly funded public services, underpinned by values and a public service ethos rather than commercial imperatives."

UNISON

Respondents were generally supportive of the principle calling for the empowerment of workers, though many noted that it could be strengthened to reflect Labour's ambitions on workers' rights.

Labour has since convened a taskforce of all its affiliated unions to explore issues relating to the world of work. Underlying this is a steadfast commitment to transform the world of work and develop a new deal for workers to make work fulfilling, secure and well-paid for all.



“The coronavirus pandemic has brought into sharp relief the imbalance of power in the workplace that the Labour and trade union movement have long sought to rectify. It has also highlighted the crucial role that trade unions play in speaking up for their members, from securing PPE and enforcing safe working arrangements to protecting jobs and incomes.

“The weakness of employment rights and imbalances of power in the workplace have been exacerbated in the past year, but insecurity, low pay and a lack of dignity are longstanding problems that must be addressed to improve living standards and provide economic security to the UK’s 28 million workers.

“To this end, the Labour Party and its affiliate trade unions have established a taskforce which will set out the party’s approach... Working together, the taskforce will develop Labour’s strong agenda on workplace rights and set out a shared vision for a new deal for working people which will detail how workers can be collectively and individually empowered to ensure that every worker is entitled to fair pay, job security, dignity at work and work-life-balance, safety at work, and to help Britain recover and rebuild from the virus.”

JOINT STATEMENT FROM THE LABOUR PARTY AND ITS AFFILIATED UNIONS ON THE POWER IN THE WORKPLACE TASKFORCE

The work of this Policy Commission will feed into the work of the taskforce, and the Commission strongly endorses the work of the taskforce. The principle on workers’ rights has therefore been strengthened to underline the commitment on workers’ rights and to reference the work of this taskforce. Next year’s report will also look at and endorse the conclusions of the taskforce in greater depth.

Original principles 3, 4 and 5 have been amalgamated into one to reflect Labour’s ambition to create good work for all workers and to directly link outcomes in principle 5 to the role of trade unions and collective bargaining in principle 4.

“Throughout the pandemic trade unions have consistently demonstrated their expertise and helped to protect jobs and empower workers across the UK. The pandemic has shown the role of trade unions as a key stakeholder within society and we need to build on this.”

USDAW

During the consultation we also heard some of the things local Labour leaders are already doing to transform their local economies.

This included community wealth building policies in Wales and Preston, as well as the strategies to create inclusive economies in areas like Manchester and Liverpool. At the member's event in July, we also heard a number of examples from attendees' local areas.

“Community Wealth Building is an approach to place development that maximises economic opportunities and ensures wealth is gained by local people, businesses and communities. This is a growing movement, now being taken forward by dozens of locations and political leadership across local government in England (i.e. Preston, Salford, Newham), as well as devolved administrations (North of Tyne Combined Authority). This approach is nimble, building from what is already happening, and moves at pace to deliver improvement which foreshadows larger transformational shifts toward a more sustainable, just and democratic economy.”

CENTRE FOR LOCAL ECONOMIC STRATEGIES, EVIDENCE TO THE COMMISSION

“Labour should harness the power of devolution to boost community wealth building and green industrial development in the regions and towns.”

KEIRAN, SOUTH EAST REGION

The principle on rebalancing Britain has therefore been amended to reflect the good work that is already going on.

Since the interim report was published, government has ditched its previous industrial strategy and replaced it with the wafer-thin ‘plan for growth.’

This reads more like a shopping list than a considered plan to drive growth, with very little on how the government plans to work with business and others to boost innovation and productivity.

In response to this, the principles have been amended to make clear Labour's commitment to a broad, robust and ‘mission based’ industrial strategy.

Labour has already begun to set out how this would work in practice, with the Shadow Business Secretary Ed Miliband MP announcing plans for an ‘electric vehicle revolution.’

This comprehensive plan included policies to support manufacturers and suppliers, to boost consumer demand and ensure we have the infrastructure in place to



support their wide uptake. This plan would support good, green jobs across a number of sectors, whilst making low carbon transport affordable and accessible for all.

“Support is required to help industries adapt to major challenges including that of decarbonisation...one keystone of this will be a strong industrial strategy which sets out a plan for each sector and each region of the country...a social partnership approach should be taken bringing together government, employers, and trade unions so that decisions can be made in everyone’s interests and achieve mutual benefits.”

COMMUNITY UNION

“There is currently no big national approach to industrial strategy...we need a more ambitious approach with local industrial strategies which build on the strengths of different cities and areas.”

SUMMARY OF CONTRIBUTIONS FROM THE MEMBER’S ROUNDTABLE EVENT

Underpinning the plan is an active state working in partnership with the private sector every step of the way to deliver a policy that drives us towards our core societal ‘mission’ of achieving net zero.

Respondents also reflected on the need to mention international trade and EU exit following the signing of the Trade and Cooperation Agreement EU and subsequent dip in trade flows.

“Trade policy is a major lacuna and we would advocate an ethical and sustainable role in the world economy. We need a framework to deal with issues like money-laundering, golden visas, arms trade and human rights abuses.”

LABOUR INTERNATIONAL

Reflecting these submissions, the Shadow Chancellor called for a number of measures to build on the deal with the EU, calling for agreements to support creative industries, recognition of professional service qualifications and reductions in red tape for many food and drink businesses.

The principles have been amended to set out a broad vision for trade and reflect recent proposals to build on the deal agreed with the EU.

The interim report principles called for policies to protect the UK’s manufacturing base.

This principle has since been developed, with the Shadow Chancellor announcing plans to 'buy, make and sell' in the UK, using the power of strategic public procurement to support British business and create good, well-paid, secure jobs.

"In addition to prioritising social value, including union recognition, job security and high quality training, the government must link public funding to a strong and stable manufacturing base and ecosystem ... promoting supply chain resilience in the face of future shocks, such as the current semi-conductor shortage."

UNITE THE UNION

In the self-defeating drive to cut costs, the government has often missed the opportunity to develop British industry and nurture dynamic, high-tech sectors that create good, well-paid jobs.

Submissions also stressed the importance of economic resilience in light of the pandemic. The policy of 'buy, make and sell' also seeks to promote resilience by supporting reshoring and strengthening supply chains against shocks.

This policy will also help support the growth of green industry, as the Tories pass up the opportunity to use government's role in markets such as offshore wind to develop domestic industry and jobs.

Some submissions suggested areas where the UK had an opportunity to develop world leading green industries, like electric vehicle manufacturing and offshore wind. Submissions also suggested sectors where jobs could be created to meet our net zero commitments, such as the roll out of high speed broadband and retrofitting homes.

We need to create good, secure jobs in every local community and transform our whole economy into one that is sustainable. Unite has published its 'Plan for Jobs' that gives seven examples for manufacturing that are ready to go now and can be a starting point. These include investing in the roll out of high speed broadband, building giga factories as part of transitioning to electric vehicles, building and increasing our offshore wind capacity as part of a large-scale expansion of renewable and zero carbon energy generation.

UNITE THE UNION



“Labour policies need to be underpinned by building a stronger high skills-based ‘green’, diverse and sustainable economy that is well equipped to cope with the consequences of, and reduce the causes of, climate change.”

JAMES, SOUTH WEST

Building on these submissions, Labour’s Green Recovery report called for £30 billion of green stimulus to create 400,000 green jobs, noting the potential to create jobs in areas mentioned such as retrofitting homes and building charging infrastructure.

Some respondents also noted the principles didn’t address the taxation of multinationals, with numerous submissions referring to international efforts to reform the corporate tax system.

“Important questions remain particularly around company taxation, evasion and a race to the bottom through international competition.”

LABOUR INTERNATIONAL

Since the interim report was published, Labour’s Shadow Chancellor has campaigned to support the incoming Biden administration’s efforts to agree a global minimum corporation tax of at least 21%. The UK government was reportedly acting as a roadblock to these efforts, pushing for a lower rate of 15% that was eventually agreed.

“Many large multinational enterprises (MNEs), whether based in the UK or elsewhere, have engaged in various tax avoidance schemes or transactions that have hugely reduced the amount of tax paid on corporate profits around the world. The IPPR estimated that big businesses have avoided taxes of around \$500bn (£353bn) per year.”

WALLASEY CLP

Labour will continue to campaign for a 21% minimum rate as presented originally by President Biden, and will press on the government to build on the initial agreement of 15%. The principles have therefore been updated to reflect this position.

Some respondents felt the final principle could be more substantive and include a steadfast commitment to work with business on developing policy. The principle has therefore been strengthened to reflect Labour’s ambition to forge a new partnership with business on policymaking.

