

THINK PIECE  
*#92*

# A new bill of workers' rights for the 21st century

**Ursula Huws**

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## ABOUT THE AUTHOR

Ursula Huws has been carrying out pioneering research on the economic and social impacts of technological change, the restructuring of employment and the changing international division of labour for many years. She lectures, advises policy-makers and carries out academic research as well as writing and editing books and articles aimed at more popular audiences. She is the editor of the international interdisciplinary peer-reviewed journal *Work Organisation, Labour and Globalisation* and co-edits the Palgrave Macmillan/Springer *Dynamics of Virtual Work* book series. Her work has appeared in translation in a number of languages including Chinese, Swedish, German, French, Italian, Greek, Hungarian, Danish, Portuguese, Turkish, Spanish, Hindi, Japanese, Korean, Maharathi and Serbo-Croat. She is currently carrying out research on work in the 'gig economy' in Europe in collaboration with FEPS and UNI.

## ABOUT THIS PUBLICATION

The old economic order is dying morally and practically. To build a new one we need not just different forms of ownership for more social purpose but workers with rights underpinned by a new system of social security. Here Ursula Huws makes the case for a new Bill of Workers' Rights and a new welfare state fit for the 21<sup>st</sup> century.

We are keen to keep exploring these key issues and would welcome any comments or ideas about how.

Compass **Think Pieces** are shorter, sharper and more immediate responses to key issues. The ideas and the thoughts are always those of the author, not Compass. They can cover any topic that helps us understand better what a good society should or could look like and how we might get there. We welcome suggestions for future publications, especially from women and any groups or people in society who are under-represented in the field of political thought and action.

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Compass is a home for those who want to build and be a part of a Good Society; one where equality, sustainability and democracy are not mere aspirations, but a living reality.

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For the first time in decades a glimmering hope is dawning across Britain that we might actually have a radical Labour government in place before too long, and thoughts turn to what it might be able to achieve. Inevitably, this involves looking backwards as well as forwards in the search for manifesto demands that might gain widespread support in the next general election campaign and contribute to building a more humane, equal and inclusive society.

### **The mid-20th Century welfare state: a cluster of contradictions**

One approach turns back to the late 1940s and 1950s: to the post-war welfare state brought into being by the Attlee Government with its brave aim of eliminating the five ‘giant evils’ identified by Beveridge: squalor, ignorance, want, idleness, and disease. This certainly gave us several of the foundational features of what most people still regard as normative social rights: universal health-care, universal secondary education and a national insurance system providing universal pensions, child benefits and freedom from destitution.

But there is a danger of romanticising life in Britain during this post-war period. It was pretty hellish if, for example, you were black, or gay or unfortunate enough to get pregnant without being married; and working class kids who got scholarships to university or women who aspired to be taken seriously as intellectuals faced condescension and ridicule. Indeed, it was a reaction to such strait-jacketed constraint and bigotry that produced the social movements of the 1960s – for women’s liberation, for civil rights, for gay rights, for a democratisation of universities – led by the first generation of products of this post-war welfare state.

In retrospect, many of the demands raised by the radical 60s generation that made their way onto political platforms in the 1970s have been collapsed by idealistic thinkers on the left into a fuzzy unity with those of the 1940s and 1950s – a sort of composite idea of the good old days before neoliberalism when a post-Keynesian welfare state is presumed to have constituted some sort of agreed consensus of minimum standards, upon which further

progress could be built. Such a view glosses over the extent to which the third quarter of the 20th century was marked by internal tensions and contradictions, some of which harked back to older tensions within the volatile assemblage of ad-hoc coalitions that has made up the British labour movement over its long and turbulent history. One example is the tension between those, represented in the 19th century by followers of Ruskin and William Morris, who thought work should be meaningful and socially productive and those whose goal was to put in the fewest possible number of working hours for the greatest possible reward – debates which resurfaced in the 1970s in discussions about Workers’ Alternative Plans and the Institute for Workers Control. Other tensions can be identified relating to women’s reproductive labour (Should it be socialised? Should there be ‘wages for housework’? Or should we rely on social pressure for men to do their share?), to nationalisation and to many other issues.

In the collective anger at the damage that was done by first wave neoliberalism, under Thatcher, second wave neoliberalism, under Blair and Brown, and the current, savage, third wave, unleashed under Cameron and May, there is a strong temptation to try to reassemble the Humpty Dumpty that was smashed, by putting together a rag-bag of demands that hark back both to the realities of the 1950s and the radical aspirations of the 1970s: reversing cuts; renationalising what has been outsourced; restoring lost rights and dusting off demands for disarmament.

In my view this would be a mistake. We have a historical opportunity to rethink from first principles what a welfare state fit for the 21st century could look like and owe it to the victims of neoliberal globalisation to give it our best shot. This demands something that is both more ambitious than attempting to recreate a patched-up version of the third quarter of the 20th century (viewed through the rose-tinted glasses of the 21st) and more focussed on the specific issues confronting the working class in a globalised digitalised economy dominated by monopolistic transnational corporations.

To understand the nature of the challenge it is necessary to appreciate the immensity of the transformation of the mid-20th century welfare state that has taken place over the last seven decades.

### **Post-war circumstances forged a strong – and exceptional – alliance between organised labour and the reserve army**

This welfare state was forged in very special circumstances. A population with vivid memories of the horrors of the depression of the 1930s and the risks and deprivations and losses of the war had got used to centralised planning and rationing. A capitalist class still largely made up of nationally-based companies was unusually minded to make concessions to labour amid genuine fears that workers would otherwise turn to communism. The old divisions between organised labour and what Marxists would call the reserve army of labour were criss-crossed by bonds, if not of strong solidarity, at least of some mutual understanding. People who had stood together in ration queues and fought alongside each other in the war could unite around some common aspirations, not least the desire for a Labour government. And, as that government's plans began to be realised, further commonalities could emerge, even between groups that had historically seen their interests as opposed. In many cases, the securely employed and the potentially unemployed lived on the same new council estates, had their vaccinations at the same clinics, sent their kids to the same schools and recovered from their illnesses in the same hospital wards while listening to the same radio programmes. Common experiences nurtured mutual understanding.

It was possible in such a climate for the trade unions that represented organised workers to support demands that went beyond the sectional interests of their own members and extended to cover the whole population. Universality was the key feature of the Beveridgean model: universal pensions, universal social insurance, universal child benefits, universal health coverage and universal access to education. And it was possible for this universality (and corresponding unconditionality) to be

supported at least in part by the trade unions because it was clearly seen as in the general interests of the working class for it to be so. This was not just a case of 'there but for the grace of God go I' on the part of organised labour but an understanding that their best protection against being undercut by cheaper labour, or scab labour, lay in ensuring that this reserve army would never be so desperate as to be induced to take a job at a lower rate or cross a picket line.

There was thus a material basis for solidarity between organised labour and the unemployed, expressed in the policies of the Labour Party, a solidarity that took institutional form in the kinds of tripartite structures that still exist in some European social democracies, based on the notion that it was possible to have employers' federations that represented most national employers and trade unions that represented most of the national workforce, in dialogue with each other and with the national government, hammering out national plans for national industries – a notion that presupposed that national states were sovereign, with the powers to discipline both corporations and individuals on their territories.

The welfare systems that were constructed in these negotiations were intended to be redistributive. Companies and individuals paid into a system from which everybody benefitted, with the sick, the disabled, the elderly, the unemployed and households with children able to take out more than they put in. In general, the discourse referred to need, rather than 'scrounging'. It is wrong to over-sentimentalise this picture. Claimants were subjected to all sorts of petty humiliations by bureaucrats and the system was far from perfect. Nevertheless, it represented a historically unprecedented – if still limited – redistribution from capital to labour, orchestrated by the state.

### **Welfare systems have now evolved into a disguised means of redistributing from labour to capital – not from capital to labour**

It is widely believed that the state institutions inherited from this period still play the same role. After all, don't we still have health care

that is ‘free at the point of delivery’, child benefits, housing benefits, and a form of guaranteed income for the unemployed (the latest version of which is Universal Credit)? And don’t we have statistics that show that the amounts of money spent on social security, health and pensions are higher than they have ever been?

Such a view fails to grasp the immensity of the changes that have taken place in the meanwhile. The 21st century welfare state, whilst still inhabiting the carcass of that of the 20th century, now has a fundamentally different character. Far from redistributing from the rich to the poor, or from capital to labour, it now acts a vehicle for its exact opposite: a redistribution from the poor to the rich.

How can this be? To answer this question we need to look first at who is putting money into the system – the taxpayers – and then at who the beneficiaries are. Those who get their information from daytime television shows such as *Saints and Sinners* or *Life on Benefits Street* or the tabloid press, might find it difficult to believe that the welfare system is not simply channelling money from ‘hard-working taxpayers’ to ‘scroungers’. But in fact, the pattern of contribution to government income has changed substantially. Less and less is coming from corporations and the rich and more and more from VAT and other indirect taxes. This shift has accelerated since the recession of 2008. In the words of the [Institute for Fiscal Studies](#) ‘there have been substantial reductions in revenues from personal income, capital and corporation taxes as a proportion of national income. This has been partially offset ... by more revenue from indirect taxes, driven almost entirely by the increase in the VAT rate to 20% from April 2012’. And, as [Richard Murphy](#) has demonstrated, ‘the poorest 20% of households in the UK have both the highest overall tax burden of any quintile and the highest VAT burden. That VAT burden at 12.1% of their income is more than double that paid by the top quintile, where the VAT burden is 5.9% of income’. Meanwhile many large global corporations – including those that benefit from employing low-paid workers – pay no tax whatsoever in the UK.

So, the poor are contributing disproportionately to the pot of money that pays for public services and welfare benefits, but surely they are also the main beneficiaries? Wrong again. Neoliberal policies have in fact turned the welfare state inside out to such an extent that private companies and rich individuals disproportionately benefit from it. Where does the spending on housing benefit go? Much of it to private landlords. Where does the spending on health and education go? Much of it to development companies (under PFI deals), pharmaceutical companies, private academies and the multinational companies such as SERCO and G4S that provide the public sector with outsourced services. And what about tax credits, the antecedents of the universal credit currently being rolled out? It has been [estimated](#) that by 2015 expenditure on these credits had reached 30 billion per annum. These credits are paid as a top-up to low earnings and must, so the narrative goes, end up in the pockets of the poorest workers. But why are their earnings so low? It is, surely, because their employers are paying them so little that they cannot survive without this top-up. Which means that the subsidy is going, not to the underpaid workers but to the cheapskate employers who refuse to pay them a subsistence income, many of whom are not even paying UK taxes: in other words it is a direct subsidy from the state to these employers.

### **A 21st century version of the 19th century work house, where the poor are coerced into working below subsistence costs**

In this upside-down welfare state, in which the poor are subsidising the rich, what is their experience of being in need? The Beveridgean welfare state did not hold with idleness, but did seem to aim to provide some dignity and choice to welfare recipients for whom benefits were supposed to be an entitlement, not something to beg for, as in the dark pre-war period. And, so deeply engrained is the notion of social progress, few British people would imagine that comparisons could be drawn with the Victorian workhouse where families were broken up and the poor forced to do menial labour in return for food and shelter. Yet, viewed objectively, the 21st century welfare state has many more features in common with

its 19th century predecessor than with the comparatively humane mid-20th century model than we should be comfortable with. Gone is the idea that unemployed people, having paid contributions into a national insurance scheme, have an unconditional right to their benefits for a specified period. Instead, as 'job seekers' they are forced by savage sanctions regimes into accepting whatever work is available, however low-paid, or, if no such work is available, into unpaid 'work experience' – the 21st century equivalent of picking oakum or breaking stones (with the welfare system, as we have seen, providing their employers with a hidden subsidy for the use of this labour). Once sanctioned, many are rendered destitute: forced to sleep on the street or use food banks to survive. Perhaps the main difference is that the Victorian workhouse would at least have provided them with a bowl of gruel, a dry bed and a roof over their heads.

Meanwhile, what has happened to the fragile solidarity between organised labour and the precarious reserve army of labour whose interests are constantly pitched against each other by employers trying to get work done at the cheapest possible price? As already noted, in the post-war period there were specific circumstances that enabled such solidarity, based partly in shared experiences and culture and partly in proximity, which meant that the same workers might move in and out of the reserve army, or see other family members do so. Institutional mechanisms existed for developing broad common demands and negotiating them at a national level. But the neoliberal policies introduced in the intervening period have driven deep wedges between workers, helped by technological change. Since the fall of the Berlin wall, in 1989, few parts of the planet have remained beyond the scope of transnational corporations. The reserve army is now, by and large, made up of strangers.

### **Globalisation has fractured the solidarity between organised workers and the reserve army**

A global reserve army has been created, rapidly expanding, equipped with a basic knowledge of at least one world language, generic technological skills and a smart phone,

able to be summoned at short notice to carry out one of the increasingly standardised tasks required in the 21st century economy. This reserve army can be accessed in two distinct, but overlapping, ways: by moving jobs offshore to low-wage countries, or by using migrant workers here. In either case, a disciplinary effect is exercised over better-paid, organised workers. If you are told that your job could be sent to India or China, or outsourced to a company that employs migrant workers, the impact is essentially the same: you are less likely to hold out for demands for improvement to your wages and working conditions. And you are also less likely to know the workers who could replace you, to have mechanisms to appeal to their solidarity, or to empathise in any way with their situation. It is a rational response, in such a situation, to demand that the union dues you pay are spent on protecting the wages and conditions of the paid-up members and resisting any attempt to dilute the workforce. If you have lost faith in the ability of social democratic parties to represent your interests, it is also, unfortunately, a rational response to turn your anger against those unknown foreign workers who are undercutting you, and enter the embrace of xenophobic populist parties who offer you the promise of a return to the certainties of the 20th century. This might explain much of the appeal of Brexit, of Trump, Le Pen, the Freedom Party of Austria and the Alternative for Germany Party, but it says a great deal for the trade unions across Europe that, on the whole, they have been able to resist such divisiveness and continued to campaign against racism among their members.

Nevertheless, if we are to envisage positive ways forward, there is a need to take a long hard look at what has actually happened in the labour market. Is it still even appropriate to think in terms of a 'core' workforce of organised workers and a peripheral army of casual workers waiting to take their place?

### **The new working poor**

It is certainly the case that the majority of workers are still on regular, permanent contracts of employment. But it is also the case that has been a sharp rise in the numbers

of workers on non-standard contracts, or, indeed, effectively no contracts at all, including precarious forms of employment contract, such as zero-hours contracts (estimated conservatively by the Office of National Statistics (ONS) at 2.8% of the workforce in December, 2016) and temporary agency work (estimated by the [Resolution Foundation](#) at 2.5% of the workforce). The [ONS](#) further estimates that the level of self-employment rose from 3.8 million to 4.6 million between 2008 and 2015 with a particularly strong increase in part-time self-employment (which grew by 88% between 2001 and 2015), with self-employed workers representing some 13% of the workforce. Many of these self-employed people are defined as ‘independent contractors’ but lack the autonomy and choice that would render them genuine freelancers. Others are employed using tortuous devices such as ‘umbrella contracts’ to evade restrictions imposed by employment law or tax regulations. Some are the 21st century equivalent of day labourers, plucked from a roadside queue to put in a few hours work on a building site, or waiting for a mobile phone alert from an online platform to summon them to perform a one-hour ‘task’. Alongside and overlapping with these paid workers there is another even less easily quantified pool of unpaid people, mostly young, in internships or ‘work experience’ schemes, carrying out tasks that would have been paid in earlier periods, subsidised in various ways by parents, partners or the taxpayer.

There is of course a real sense in which the existence of this pool of casual labour poses a direct threat to organised labour. Temporary agency staff are brought in to substitute for permanent employees; outsourcing substitutes casual workers for regular employees; Uber drivers replace better-organised taxi drivers; and entry level posts in knowledge-based industries are filled by unpaid interns. But the old dichotomies are splintering, perhaps because neoliberalism has done its job so well. My own recent research shows a picture that in some respects is more complex and differentiated than in the past but in others remarkably simple.

First, the complexity: the evidence is that sharp distinctions can no longer be drawn between ‘organised’ and ‘unorganised’ labour in a context in which a growing proportion of the workforce is piecing together an income from multiple sources. For example my survey found that 9% of the UK workforce was carrying out some form of work for an online platform, but the majority of these were using this to top up income from other sources. Only 2.7% gained more than half their income from online platforms but this 2.7% nevertheless represents some 1.3 million people. No sharp line can be drawn between ‘gig economy’ workers and others. Rather, this type of work seems to represent part of a broad spectrum of casual, on-call work spreading across diverse industries and occupations: a kind of work that is increasingly broken down into discrete tasks, managed via online platforms and carried out by the working poor.

This expanding population of the working poor cannot be categorised simply as a reserve army of unorganised workers. There is no simple correlation between being low-paid, on-call and prepared to accept just about any extra work that is available and being non-unionised. According to [ONS](#), in 2016 52.7% of public sector workers were unionised compared with 13.4% of private sector workers. Yet public sector workers have been amongst those hardest hit by austerity and neoliberal labour market policies. Pay freezes have reduced their wages in real terms, savage spending cuts have led to overwork including [unpaid overtime](#), while outsourcing has reduced their bargaining power. A [2016 survey](#) by UNISON found public sector workers pawning their possessions, taking out payday loans, borrowing from friends and family and turning to food banks to make ends meet. It is not surprising, then, that these workers can be found among those using online platforms to top up their incomes, or taking on extra shifts via agencies to top up their regular salaries. Many of the new working poor, in other words, are unionised workers.

The practices of the ‘gig economy’ are spreading across the labour market, including workers with ‘normal’ employment contracts

Meanwhile, several of the practices associated with the ‘gig economy’ are creeping insidiously into regular workplaces. It is now common for full-time employees to be expected to check for emails and text messages outside working hours, thus extending their working day. In my survey this was not so prevalent as for people frequently or occasionally working for online platforms (where it was 89% and 75% respectively) but over a third – 35% of those who were not gig workers sent or received work-related emails from their homes, with 32% doing so for text messages (compared with 89% and 72% of frequent and occasional gig workers). Furthermore 5% of non gig-workers in the UK were using apps to be notified when work was available (compared with 72% and 37% of gig workers) while 9% - nearly one in ten – were expected to use a specialised app or website to log their work (compared with 76% and 49% of gig workers).

Other features associated with online platforms that are becoming more and more prevalent among regular employees include the use of customer ratings to discipline workers, tracking their whereabouts using GPS-related apps, and other forms of surveillance based on capturing data on workers’ performance which are then used to set ever-more sophisticated targets for future work.

It could be argued that a new model of work is spreading, in which workers are increasingly expected to be available on demand, managed digitally and expected to subordinate their own needs unquestioningly to those of customer or clients, carrying out work that has been reduced to standardised, measurable tasks. It is a workforce where there is a growing mismatch between workers’ qualifications and skills and what they are actually doing to earn a living: where arts graduates work in coffee bars, economists with doctoral degrees drive taxis, nurses top up their incomes doing evening bar work and skilled production workers stack shelves in supermarkets. Coherent occupational identities dissolve in the construction of curriculum vitae that are made up of pick-and-mix assemblages of increasingly generic skills, evaluated by star-ratings awarded by strangers. Especially for

young people habituated to measuring their self-worth by ‘likes’ on social media postings, and taught by television talent shows that ‘there can only be one winner’ and that judges’ decisions are unchallengeable, the competitive logic of this marketplace is difficult to resist. There is a continuous battering of self-esteem and deprofessionalisation that, especially in a context of insecurity and disempowerment, takes a heavy toll. Even when workers are organised and have permanent contracts, pressures to meet performance targets lead to stress and unpaid overtime and have been associated with high rates of mental illness in some professions, [such as academic work](#). When confronted with evidence that customers (students, in the case of academics, patients in the case of hospitals, callers in the case of call-centre workers, passengers in the case of transport workers) have given service workers a poor rating it can be difficult even for established trade unions to defend them strongly. Where work is carried out casually, or as a second job, the lack of representation and voice become acute.

The new model of work can thus be seen as one in which workers are increasingly atomised and disenfranchised while simultaneously, in an apparent paradox, being more tightly controlled and interconnected than at any previous time in history, thanks to digital technologies. However it would be a mistake to conclude from this that workers are passively accepting this situation and sinking passively into the ranks of an undifferentiated ‘precariat’. On the contrary, not only are many insisting on their distinctive occupational identities but they are also developing new forms of resistance, organisation and representation and formulating new demands in an upsurge of grass-roots activity that is perhaps unprecedented in Britain since the birth of general trade unionism in the 1880s.

### **A new model of work requires a new platform of workers’ rights**

For these new demands to coalesce into a shared platform, however, it will be necessary for at least three different constituencies to be brought together in a process that may involve overcome a considerable amount of mutual

misunderstanding, suspicion and in some cases outright hostility. The first of these groups, of course, is the organised trade union movement, a movement which, despite being under almost continual attack – or, during the New Labour years, receiving only lukewarm support – from the UK government since the early 1980s, has hung on with grim tenacity, managing to retain a significant membership. This membership is, nevertheless, at 6.2 million, less than half its 1979 peak of 13.2 million members and is ageing, with two out of five members aged over 50 according to the latest [Department for Business, Energy and Industrial Strategy statistics](#). Despite this, British trade unions have mostly taken a principled stand against racism and, in recent years, some have devoted considerable energy to recruiting younger workers and organising around issues relating to casual work, Unite’s Decent Work for All campaign being just one example. In 2017, the Bakers, Food and Allied Workers Union organised a strike at McDonald’s (the first since the company opened in the UK in 1974) demanding a raised wage, more secure working hours and union recognition. Several other unions have campaigned for the abolition of zero-hours contracts and there was enthusiastic support among their members for the inclusion of this demand in the 2017 Labour Party Manifesto. There is certainly a new and growing interest in organising casual workers in the trade union movement.

The second important constituency that has become prominent is the cohort of young people who have flocked in their tens of thousands to support Corbyn and whose most visible representative body is Momentum. Social media savvy, green-leaning, idealistic, many of these millennials have first-hand experience of labour market precarity: a generation who entered the job market with little expectation of finding a full-time permanent job and regard it as normal to build a career on the basis of unpaid internships and spells of self-employment supported by casual low-skilled service work or family handouts. Many, however, barely know what a trade union is and are suspicious of bodies they associate with bureaucracy or ‘old labour’.

A third constituency is represented by community-based organisations and the new

trade unions that have sprung up to represent casual workers, most of whom are low paid migrant workers. [Citizens UK](#), for example, has organised successful campaigns for social justice, working closely with a range of community organisations, often in alliance with trade unions. Its [Campaign for a Living Wage](#), in particular, has been very successful. The [International Workers of Great Britain](#) (IWGB) has taken a series of test cases to the courts on behalf of ‘gig economy’ workers to establish employment rights for them, as well as organising several strikes of outsourced cleaning workers at the University of London and actions among Deliveroo riders in London, Brighton and Leeds. IWGB also have branches representing foster care workers and security guards and receptionists. The [United Private Hire Drivers](#) (UPHD) which was set up to organise Uber Drivers and won a case against the company with the support of the GMB, has now also affiliated to IWGB. The relationship of the IWGB with traditional trade unions is, however, somewhat troubled, with a history of conflict or tension with Unite and Unison. Whether they represent a new movement, like that of the 1880s which gave birth to general trade unionism in Britain, or whether their future lies in affiliating to existing unions is moot. The success such organisations have shown in mobilising casual workers and winning significant gains for them suggests that they have an understanding of the situation of unorganised workers and the demands that are most important to them.

### **A need to rebuild solidarities between organised labour and other constituencies**

There are of course many overlaps between these three constituencies, as well as a many tensions and differences of opinion within each one. There are also many other constituencies. But these three groupings in their different ways mostly have some formal means of representation and drawing up and agreeing demands on behalf of their members, who include significant numbers of under-protected workers, so it is important to explore the extent to which they can be brought into broad alignment with each other in order to build a common platform of workers’ rights in the volatile labour markets of the 21st century. It therefore makes sense to ask what sort of

demands each of these groups might agree to campaign for, in the interests of establishing a new set of universal rights for workers, a bill of rights that could form a central component of the new welfare state that is so desperately needed.

There is already a general agreement about many of the other components of such a new welfare model, several of which featured in the last Labour Party Manifesto where they had widespread public support. These include increased investment in public services, including housing, education, health and social care and, where parts of these have been outsourced to private companies, bringing them back within the scope of public control, management and scrutiny including restoring the status of public employees to the workforce. They also include the abolition of student loans, making advanced education a right for anyone with the inclination and talent rather than a privilege for those who can afford it. Another key demand is the removal of restrictions imposed by successive Tory governments on trade unions' ability to represent their members and organise industrial action.

### **The welfare state needs fundamental reform to turn it back into a means of redistribution from capital to labour**

Furthermore, there is a need to establish mechanisms that reverse the flow of wealth from the many to the few via state institutions. One part of this strategy, for which there is also broad popular support, involves ensuring that companies – and very rich individuals – pay a higher share of tax: removing loopholes in the tax system; investing more in tax recovery; co-operating with other governments internationally to control offshore tax havens more tightly and, yes, increasing the rates of corporation tax and higher-band income tax. There is also general agreement amongst all the three constituencies, as well as support from the general public, for another crucially important dimension of this strategy: raising the minimum wage. Not only will a higher minimum wage reduce the amount of subsidy paid to low-paying employers via tax credits, making more money available in the welfare system for other purposes; it also serves as a

mechanism to ensure that companies contribute more to the local economies in which they operate because the wages they pay are the only corporate expenditure that can be guaranteed to 'stick' locally, even if a multinational employer is avoiding the payment of corporation tax.

A third necessary component of this strategy on which there is less agreement concerns welfare reform. It is widely held that some sort of reform is needed, but as yet there is no consensus as to the form that this should take. Many young Momentum supporters and some trade unionists, support the idea of a basic minimum income granted as an unconditional right to all citizens. But there are many in the Labour Party and in the traditional trade unions who are not convinced that this is the best way forward. One crucial question is how such a basic income should be paid for. If the money is to come from general taxation (to which, as we have seen, the poor contribute disproportionately) then it could be seen as just another mechanism for redistribution among the poor, letting the rich off scot-free. Some trade unionists also point to their long tradition of collective bargaining to ensure that employers pay into pension schemes and provide other benefits for their employees. In their view, the provision of a basic income by the state could let these employers off the hook and contribute to broadening inequality. To overcome such objections, any demand for a full basic income would need to be closely linked with mechanisms to ensure that employers contribute to its cost, perhaps through raised National Insurance contributions. An alternative approach might involve transitioning towards a full basic income for all in a series of steps that involve raising other universal benefits, such as child benefit. This would certainly be conducive to some redistribution, but would fail to address several of the most invidious features of the present benefit system.

I refer here, in particular to the fundamental mismatch between the fluid labour markets of the 21st century, in which many people do not know from one hour to the next when they will next be working, and a benefit system rooted in the 20th century notion that anybody who is economically active is either 'unemployed' or

‘in work’ and, if ‘in work’, is either an employee or self-employed. At present, those who fall between these categories are effectively denied access to any guaranteed minimal level of income that ensures they do not fall into penury, and must live daily with a level of insecurity and inability to plan ahead that is threatening to physical and mental health. If it cannot be agreed that a basic minimum income is the best way of addressing this, then some alternative must be found, and campaigned for. Such alternatives could consist of some combination of monetary reward and benefits in kind, but working out the details, making them simple and easily comprehensible to the electorate, and building a consensus to support them will be no easy task. After a full consideration of such alternatives, some form of basic minimum income, paid for from employers’ national insurance contributions, might well emerge as the simplest option. But it is important that this debate should take place. Imposing it as a manifesto demand on people who do not agree with it is a recipe for disunity.

### **A new welfare state model needs a new bill of workers’ rights at its heart**

In addition to these measures (expanded public services, taxation reform, welfare reform and a raised minimum wage) it seems to me that there is a need for a more fundamental rethinking of workers’ rights appropriate for the new labour market conditions. In fact a new welfare state model should put workers’ rights at its very core.

Any new bill of workers’ rights will have to go beyond tweaking existing institutions – the benefits system, the tax system, the national insurance system, the legislation on trade union rights – although all these may also be necessary.

It should start with a fundamental redefinition of what employment actually is in recognition of the way that the mid-20th century normative model has become so chipped away that it no longer applies to large swathes of the workforce. The model itself was never very firmly established in law. For example in the absence of a formal contract of employment, there is currently no single acid test that

establishes whether or not a worker is self-employed. Drawing on a long history of case law, courts and tribunals must weigh up a lot of different factors, such as who determines what work should be done and what should be paid for it, whether or not the worker has the right to employ someone else to do it, how continuous it is, who pays for the materials and so on, with the objective of deciding whether or not a relationship of subordination (or ‘master and servant’) can be said to apply. Recent test cases (involving inter alia Uber, City Sprint, Addison Lee and Pimlico Plumbers) have ruled that workers defined by their employers as ‘independent contractors’ are in fact ‘workers’ (though not ‘employees’) but it has been up to the workers and the unions supporting them to raise the money to bring these cases to court, risking their livelihoods in so doing.

What is needed is a clear legal definition of self-employment designed to cover only people who are genuinely freelance (working autonomously for multiple clients, able to negotiate their own rates of pay, determine how the work should be done and free to employ assistants if need be). Clear and consistent rules should be laid down covering how these genuine freelancers should be treated by the tax and National Insurance systems, and their entitlement to benefits spelled out. This could be supplemented by specific schemes to cover things like pensions, insurance and provisions for maternity and paternity leave and sick leave, but these could be covered by a basic income if this were to be introduced.

Once the self-employed have been clearly defined, all other workers should be deemed to be dependent workers, with the onus of proof placed not on these workers but on those who employ them to prove otherwise. Online platforms or other organisations that put workers in touch with clients should be deemed to be temporary employment agencies and covered by all the relevant regulations with respect to their responsibilities, again with the onus of proof resting on these organisations to prove that they are not.

A comprehensive bill of rights should be drawn up to cover all dependent workers,

regardless of who they are employed by. As well as including existing rights, such as the right to be paid the statutory minimum wage, to receive payment for public holidays and to join a trade union without being penalised for membership, this should include a range of other rights. These should include rights for interns; agreed procedures to be followed in the case of suspension or termination of employment; rights to challenge customer ratings; rights in relation to data protection; clear rules relating to insurance and legal liability; health and safety rights, including rights to call in inspectors; rights to information, including an obligation on employers/platforms to provide hotline or other direct means of communication for workers over both work-related and HR-related matters; training and certification of skills; and procedures for addressing harassment, intimidation and discrimination.

As well as a need for a clear definition of dependent workers, and their rights, there is also a need to define their employers. Online platforms currently claim to be a number of different things, from technology companies to advertising agencies, that absolve them from any responsibilities other than putting workers in touch with clients. This puts them beyond the remit of the regulations governing organisations such as employment agencies and temporary work agencies. One solution would be to classify them clearly as such agencies, bringing them automatically within the scope of such regulations, with the onus of proof placed on the platforms to demonstrate otherwise.

**Dependent workers working for platforms defined as temporary work agencies would then automatically become employees, under existing regulations.**

Another important feature of any new model would include a strengthening of labour and health and safety inspectorates, giving them the resources to respond to requests from trade unions and individuals to investigate breaches of minimum wage or health and safety regulations and initiate public awareness campaigns. It should be recognised here that issues of worker safety may be closely linked to consumer safety and public safety more

generally. There is therefore a need to clarify which bodies are responsible, as well as need for clear reporting procedures and realistic penalties for failures to comply.

This list is neither exhaustive nor definitive. What is important is first that the rights it refers to should be universal, and second that it should win the wholehearted support of all three constituencies described above, and should be seen as reasonable and fair. These constituencies should therefore be closely involved in the detailed formulation of these demands to ensure ownership and support. The bill of workers' rights should not, of course, be an isolated element of any manifesto but should be linked closely with other demands for democratic reform, in a programme which links economic, social and civil rights, including trade union rights.

Generating a combined commitment to such a shared emancipatory programme, and a shared stake in bringing it into being amongst these diverse groups could become a means of building new solidarities and strengthening old ones across the working class. Without such solidarities, there is a real risk that divisions will be exacerbated, leading to scapegoating of excluded groups and opening the doors to the worst forms of xenophobic populism, while leaving the existing grotesque inequalities intact.