

Work in 2021: A Tale of Two Economies



class
Centre for Labour
and Social Studies

Author

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About CLASS

The Centre for Labour and Social Studies (CLASS) is a leading left think tank working to ensure policy is on the side of everyday people. Originating in the trade union movement, CLASS has an authentic connection to working people and a unique insight into the challenges society faces. We combine grassroots voices with intellectually compelling analysis to show an alternative way forward. CLASS works with a coalition of academics, activists and politicians to inspire the left and cement a broad alliance of social forces to support reform, and equip our supporters with the tools to popularise a new agenda.

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Foreword

Inequality in Britain has been a deep-rooted issue for many decades, worsening after the coalition government introduced an austerity programme in 2010, but the Covid-19 pandemic has made the impacts of inequality clearer than ever.

The pandemic has illuminated how millions of people are struggling to feed their families with the wages they earn doing unsafe and insecure work. The pandemic has spot-lighted sweatshops in Leicester, the appalling conditions of meat processing factories and it has created a situation where NEU members have been even more starkly exposed to the deprivation faced by many children they teach.

The pandemic has thrown light upon a government that doesn't seem to care about ordinary people; a government that has offered sick pay so paltry that almost half of the British public cannot afford to self isolate if they become ill. This government has allowed mass redundancies and it has created a situation where employers feel entitled to pressure people into working despite having symptoms of Covid-19.



It has not taken any steps to mitigate the extraordinary racial inequalities in our society that has led to people of colour dying in disproportionate numbers. All of these factors have created a situation in which Britain has one of the highest pandemic death tolls in the world.

But many people are realising that while inequality is rife and their government is complacent, they can count on trade unions to stand up for them and their families. This is why the pandemic has seen a renaissance for trade unions. We have used technology to revolutionise how we communicate with our members and how they communicate with one another. We have stepped in where this government has failed. There is so much to put right. And now is the time to take the energy the trade unions have created, bottle it, and put it into whatever comes next.

Kevin Courtney
Joint General Secretary,
National Education Union

The pandemic should be seen as a glimpse into the future. It has provided an opportunity to see what awaits us if we do not commit to a significant change in trajectory, but it is also a chance to understand the changes required.

Introduction

Depending on who you speak to, the Coronavirus Pandemic has ‘exposed,’ ‘laid bare,’ ‘highlighted,’ ‘accelerated,’ ‘put on steroids,’ ‘intensified’ or ‘exacerbated’ existing failings, features and trends of our working lives, economy and society.

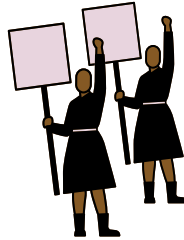
Whether we choose to view the pandemic as an unveiling, a magnifying glass or a fast-forward button, it is clear that the tragedies and injustices of the past 18 months did not begin in March 2020 and neither will they end once the public health crisis is resolved. However, along with insecurity, fear and too many deaths, this year has also demanded urgency and offered clarity. The pandemic should be seen as a glimpse into the future. It has provided an opportunity to see what awaits us if we do not commit to a significant change in trajectory, but it is also a chance to understand the changes required.

We have seen that our current path has created two separate economies where some are left exposed to the increasing volatility of both the natural world and economic shifts, while others shelter in physical and financial safety.



This is an economy where an atomised workforce, stripped of collective power, is abandoned by the state and left to the whims of a market which lacks the foresight and vision to avert the disasters it has created; where a government resistant to change leaves us stuck in a system that cannot offer protections to those who need them most.

But we have also seen the possibility of a new path. After five years of focus on electoral politics, workers have been reminded of the purpose and power of trade unions. Moreover, trade unions have established a renewed legitimacy in the public sphere, industry and government. Across the economy, workers are saying, 'enough is enough'.



It has become impossible to deny that decades of marketisation and the political choices that incentivise cost-cutting and outsourcing – far from being necessary sacrifices to fix our economy – are the direct cause of its problems. With increased membership in many sectors and increased engagement across the board, workers are realising that it is their collective action that will protect them from the fallout of economic crises. Can they be convinced that it is the same collectivism that will build an economy that works for them and meets the challenges of the future with the urgency and scale demanded?

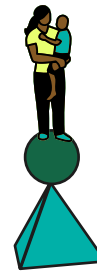
Previous reports from CLASS and think tanks across the political spectrum have highlighted the growing effects of a series of interconnected issues on the lives of workers and the economy as a whole. The mass unemployment that followed the financial crash of 2008, rather than going away, morphed into stagnating pay, underemployment, precarious contracts and worsening working conditions. A decade of austerity saw both a reduction of funding and increased conditionality of the welfare system. While superficially, this may have achieved the government's aim of driving people back to work – reducing the official unemployment rate to a 35-year low – it has had untold negative effects on the working lives of the UK.

People have been forced into lower pay, reduced hours, zero-hour contracts and bogus self-employment.

In reality, with the increased obstacles placed in the way of trade unions, and a government unwilling to legislate to protect workers, people have been forced into accepting lower pay, reduced hours, zero-hour contracts and bogus self-employment.

In the public and private sectors alike, this has been compounded by a backdrop of continual cost-cutting and a complete lack of investment or vision for the future. All of these impacts are unevenly distributed and, it is the working class, the young, women and people of colour who feel the worst of the effects.

The research conducted for this year's report, discovered very similar findings, only exacerbated by the pandemic. Gradual economic shifts, such as the move from the high street to online, have happened overnight. Struggling industries have collapsed. Many workers fortunate enough to have been furloughed went from minimum wage to 80% of the minimum wage.



Those with zero-hour contracts were again left without stability as the level of furlough pay was set at employers' discretion. Those forced into bogus self-employment were left without furlough or sick pay. The unequal burden of caring responsibilities on women was magnified by the shift to homeschooling, while the technology gap between pupils became critical as connectivity became essential.

The reality of today's labour market is that the problems are understood, there is a broad consensus on the required solutions but there is a lack of political will from those in power to enact those solutions.

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And so, this report does not focus on policy recommendations. There are already policies which have been in circulation for years, many of which receive agreement across the political spectrum and from workers, trade unions, MPs, academics and think tanks. The problems we are seeing preceded the pandemic and will outlive the pandemic. The solutions we need, however they are packaged, are the same as a year ago and five years ago.

Organising around fundamental issues such as safety and full pay has united workers of all political leanings.

Instead, this report aims to highlight the renewed sense of worker collectivism, the emergence of new forms of organising and the new workers this has brought into the movement. Organising around such fundamental issues as workplace safety and the fight for full pay has united workers of all political leanings.

The necessitated shift to Zoom and social media has massively expanded the reach of unions. The ubiquitous use of WhatsApp has created virtual workplaces, even where they were previously disparate and atomised. These changes have opened up organising to a new group of people that lacked either the inclination or the free time to attend traditional union meetings.



The movement now faces a series of important questions.

- How to keep the newly-engaged engaged beyond their immediate need for protection?
- How to understand the unexpected gains of the past year and use them to purposefully expand worker organisation beyond those who easily identify as trade unionists?
- And how to marry these tactics with established organising methods that have offered such valuable protection to heavily unionised sectors?

In asking these questions, this report hopes to lay the foundations of a more ambitious project. The wider aim is to catalyse a new wave of collectivism that builds emerging power while expanding existing footholds. This means openly sharing experiences, insights and resources, and aligning established and young trade unions, new forms of worker organisation and the broader left towards common goals and messaging.

Key Statistics

Over 2.7m redundancies since the furlough scheme began.

The UK's increase in unemployment is **above** the **OECD & EU 27** averages.

Last summer, under-25s were **three times more likely** to lose their job than over-35s.

If you are both black and under 25, you are **9 times** less likely to find work than white adults.

7% of those surveyed by CLASS had lost their main job.

18% were unable to pay household bills.

Only 53% agreed that they felt financially secure enough to isolate when guidelines suggested.

10% were unable to pay their mortgage or rent.

33% had to use savings during the pandemic, but **27%** increased their savings.

35% of workers under 35 have been pressured to go to work by their employer when they felt guidelines said they shouldn't.

40% think the last 10 years of the Government had a negative impact on the response to the pandemic.

4 times as many Care and Social Workers said it had a negative impact than positive.

37% of people who worked from home during the pandemic said it increased their workload.

50% of education workers think the same.

57% of under-35's working from home said they felt pressured to return to work before they were comfortable.

—
Facilitate and
encourage all forms of
worker organisation

—
Revalue work

—
Tackle structural
inequality

—
A care-led green
recovery

—
Rebuild a welfare
system fit for purpose

Recommendations

—
The UK finds itself in the midst of a public health crisis, which has exacerbated and been exacerbated by an ongoing economic crisis.

This report, like so many of recent years, finds a series of interconnected failings in the UK economy that can be traced back to political choices of the last 10 to 40 years. These failings have not only led to a society full of inequalities and injustices, but to an economy that is fundamentally unstable and vulnerable to any kind of shock.

These failings have been well understood by progressive organisations and trade unions for years. In 2017 the Labour Party adopted a manifesto that aimed at addressing these issues head on. In 2019 the Conservatives were elected on rhetoric that at least claimed to understand the need for a 'leveling-up' agenda. Yet the failings persist and inequality worsens. It is CLASS's view that the real crisis we face is a political one, and the challenge for progressives must shift from 'what policy do we need to fix our economy?' to 'how can we force the big economic changes we have all identified?'.

With that in mind, this report makes the following broad recommendations:

Facilitate and encourage all forms of worker organisation

The pandemic, despite closing down all face-to-face meetings, has provided enormous opportunities to trade unions. Workers have been reminded of why they are members, membership levels have gone up, engagement has increased, lines of communication have been established with governments and industry, both of whom have relied on the knowledge and

organisational structures of trade unions, and trade unions have earned a renewed legitimacy in the public eye. On top of the strengthening of existing union power, online tools have brought in new workers in new industries, seeing meaningful victories for workers offered very little protection in law.

At a moment of political, economic and environmental crisis across the globe, it is workers who are making sensible demands, providing collective security and proposing the industrial strategies that will lead the UK to a sustainable and prosperous future. Workers' knowledge and experience hold the key to the UK's success, and more so than ever, political energy should focus on building worker power.

Revaluing Work

If there is one thing this pandemic has shown us, it is the extent to which we all rely on the vital work of millions of people that goes unrecognised either socially or financially. It is absolutely critical that in the coming years, this recognition translates to more than just claps and signs in windows, but to fair pay and job security.

Tackling Structural Inequality

It is absolutely clear that racial, class, gender and age divides have overwhelming impacts on someone's chance of economic security in the UK. But, the pandemic has also shown us that even public health remains an inherently racialised and class issue. The Government must accept this reality and tackle it head on, not through promotion of equal opportunity but by ensuring equality of outcome.

A Care-led Green Recovery

40 years of increasing reliance on market solutions has left the UK with a social care system in crisis – wreaking havoc on our COVID response – and a manufacturing sector missing opportunities to become world leaders in green technologies. To secure the health and comfort of our aging population, the environmental viability of our planet, and the millions of jobs in our care and manufacturing sectors, the government must look to the models of our NHS, war-time industry and post-war construction to meet these crises with the ambition and urgency they demand. A Government that committed itself to building a professionalised, publicly-funded care sector and to greening our economy, would also go a long way towards fixing the economic crises detailed in this report.

Rebuild a Welfare System Fit for Purpose

Only half the UK feels financially secure enough to follow government guidelines on isolation. As a result, only 17% people came forward for testing when they had symptoms and 15% of people testing positive went to work as normal. These figures demonstrate the very real impacts of a welfare system designed to use the threat of poverty to force people into any work possible, no matter the conditions. Having the second lowest statutory sick pay in the whole of Europe is just one example of how the UK's welfare system is simply not fit for purpose. To provide dignity to individuals and safety to our population, the Government needs to take a new approach to welfare, one that focuses on providing security not on creating a tool used to force people into ever-worsening conditions of work.

Summary

Chapter One: A Pandemic Hits

The COVID-19 pandemic has had a dramatic effect on the working lives of millions of people. There is hardly a worker who has not been impacted. These impacts were varied. We have seen unprecedented levels of unprecedented levels. However, far from early narratives of COVID being ‘the great equaliser’, the effects have not been evenly distributed nor the hardships equally felt.

Beyond recognising the obvious seriousness of the pandemic on the lives of workers, how can we contextualise it to understand its real significance? Beyond knowing that not everyone has been affected in the same way, how can we tell the stories of those important differences?

With analysis of government data and CLASS’s annual survey of over 2000 workers, this section will paint a picture of the last year which provides historical context, an international comparison and detail of how the different effects of COVID have played out.

Chapter Two: Masks Off

The varied experiences of the last year have been widely reported. We know that some sectors were hit hard while others have kept running throughout, we know that younger workers have suffered more than their parents’ generation. But too often, these differences are presented as disconnected or even random.

Through a series of interviews with workers and trade union representatives spanning the entire economy, we have pieced together the patterns behind these differences. Invariably, major failings and the harsh inequalities are not fresh problems but the exacerbation of existing ones.

Economic trends have been accelerated, exposing the effects of cost-cutting, marketisation, out-sourcing and the casualisation of labour. Revealing what many already knew, only in a harsher light, we see the strengthening outline of two distinct economies.

At the same time as a fragile economy exposed by a public health crisis, we see a public health crisis worsened by a fragile economy. In many and varied ways, the political choices of the last decade have created an economy that is simply not built to cope with a crisis or to prioritise health.

Chapter Three: A Reason to Organise

Amongst the gloom described in previous chapters, the pandemic has also exposed the real solution to these problems. In this section, both data and workers’ stories show the level of protection afforded to workers by the strength of trade unions. As well as demonstrating the value of existing power, a focus on workplace safety has seen increasing levels of both membership and engagement.

As the severity of a crisis strengthened unions, the specific qualities of this pandemic has broadened worker organisation. Interviews with trade union representatives and responses from our survey of workers, tell us how lockdown necessitated new forms of organising which removed obstacles, bringing new people and sectors into the movement.

These stories challenge us as to how we can marry the old with the new, but offer hope and light a path to worker power.

On the one hand, nothing has changed for those workers. They're still working, they're still earning relatively the same amounts of money [...] but the reality is that they really just added COVID onto their normal daily workload.

EAMON O'HEARN – GMB

According to ONS stats you're twice as likely to die than the general population if you work in social care. And so we, you know, we saw COVID rip through care homes at the start of the pandemic, and we're sadly seeing cases increased again now.

RACHEL HARRISON – GMB – CARE SECTOR

Chapter One: A PANDEMIC HITS

The COVID-19 pandemic has had a dramatic effect on the working lives of millions of people. There is hardly a worker who has not been impacted. As well as severe, these impacts were varied. We have seen unprecedented levels of unprecedented levels. However, far from early narratives of COVID being 'the great equaliser', the effects have not been evenly distributed nor the hardships equally felt.

How has the Pandemic Impacted the World of Work?

Whichever metric we chose to look at, at a national level, the past year has been devastating for the economy and for working people. Unemployment peaked at 5.1% in December, a 36% increase from the year before. Open vacancies more than halved between March and June. In 2020 there were 2.47 million redundancies, almost double the number in 2019. But even these dire figures do not reveal the full severity of the situation.

Unemployment
▲ **36%**

Redundancies
▲ **97%**

Vacancies
▼ **58%**

An Economy on Furlough

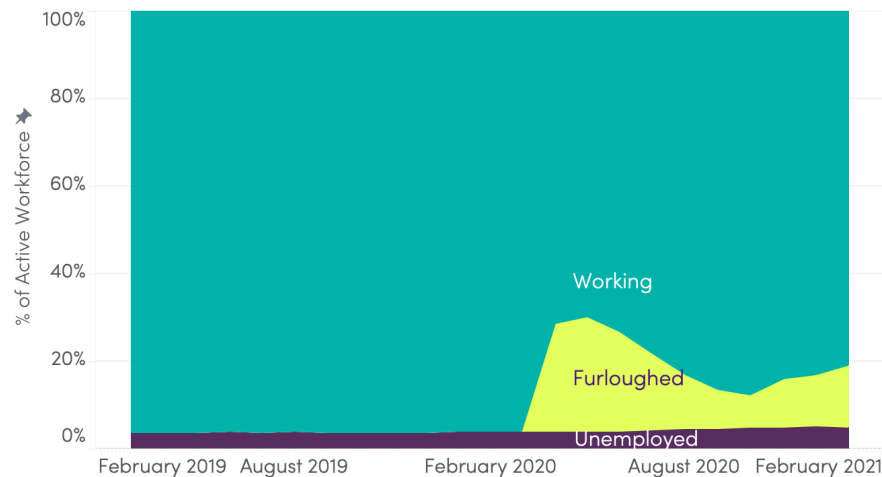
In March 2020, to much acclaim, the government announced the Covid Job Retention Scheme (CJRS), or as most people have called it, furlough. Set up after pressure from and consultation with trade unions and the TUC, the furlough scheme has saved millions of livelihoods, but it also masks the true impact of the pandemic on the economy.

4.7m people were still on furlough in February 2021.

Over 2.7m redundancies since the furlough scheme began.

In May 2020, while the unemployment rate had already begun to creep above 4% of the active workforce, 26% were not working but on furlough. Even as unemployment peaked at 5.1%, there were still more than twice that number on furlough. That figure continued to rise well into 2021, with 4.7m people still on furlough in February 2021.

▼ Portion of active workforce working, furloughed or unemployed



Source: ONS Labour Market Statistics & HMRC CJRS Data

We should never lose sight of our victories on our journey through this pandemic. The furlough scheme was a fantastic victory for our movement, I'm proud to have led for Unite in the discussions with government that led to it being set up. 11 million working people benefited from the furlough scheme during the crisis. Every one of those is supporting a family and putting money back into their communities.

STEVE TURNER – UNITE

Slipping Through the Cracks

While the furlough is a victory for trade unions and the labour movement, pushing the government into a level of economic intervention that would have seemed unimaginable in 2019, it also has some major failings. The fact that furloughing staff was left up to the discretion of companies has meant that huge numbers of workers were simply not protected, with over 2.7m redundancies since the scheme began. In under a year, 2.7m workers had their income taken away, despite a government scheme being in place to stop precisely that.

The furlough scheme, of course, did nothing for the self-employed. To try and address this, in May 2020, the government announced the Self Employment Income Support Scheme (SEISS).

The scheme offered a grant equal to 80% of a self-employed worker's profits, but a series of conditions and limits meant that an estimated 3 million people, 10% of the UK workforce, were left with no income after being found ineligible for any support.¹

An estimated **3m people** were left with no income after being found ineligible for support.

1. <https://www.excludeduk.org/excluded-taxpayers>

This particularly affected workers in the arts and creative industries who are far more likely to have non-standard working arrangements. Equity, the trade union for Actors and Performers, found that over 40% of their members did not receive a penny from the government despite seeing their entire industry shut down for over a year.

As we will see later on in this report, there is a pattern to these failings, and it is invariably the least secure workers, who most need support, that have been allowed to fall through the cracks.

If you then look at variety performers, they're all purely self-employed, they are freelance both for tax purposes and for employment purposes, they have been decimated. And 40% of our 48,000 members haven't had a penny from furlough or SIESS.

EQUITY REPRESENTATIVE

A Looming Cliff Edge

As well as being riven with cracks, the furlough scheme also looks to be creating a sheer cliff edge. In February, almost three times as many workers were furloughed as were unemployed. Without further intervention from the government, the ending of the scheme could mean close to a million further job losses.²

In August, the government launched the Eat Out to Help Out scheme, which funded half-price meals to incentivise people to go out and spend at restaurants. In retrospect, this has been widely seen as successful in its aims of getting people to spend but disastrous for the public health crisis. During August, when lockdown was at its most relaxed, cinemas and theatres could

2. <https://neweconomics.org/2021/04/making-the-most-of-furlough>

open if socially distanced, and pubs and restaurants were in full swing, on top of the 1.7m unemployed, there was still another 2.5m furloughed.

Whereas the German government were quick to commit to their furlough equivalent until December 2021, throughout this pandemic, the UK government's unwillingness to provide certainty beyond the immediate horizon has resulted in millions of job losses, but also widespread worry and anxiety. Without putting in place a scheme that replaces furlough and targets industries that need support – as unions and the Labour Party have been calling for since last summer – millions of people still face this anxiety and the very real prospect of losing their income.

Putting it in Context

Statistics like we've seen so far clearly indicate a major change in the economy since 2019, but this will have been obvious to anyone who reads the news or goes to the shops. But, how can we understand the scale and significance of this change? One possible way is to place it within the context of a comparable event which we have all felt the effects of and can provide an indication of what will follow. The financial crash of 2008 provides one such example. These two events are not the same, and it is important to discuss the differences, but from an economic perspective, particularly considering the impact on ordinary people, the comparison is useful.

Covid Pandemic vs the Financial Crash

The financial crash

Although, in retrospect, the financial crash of 2008 was **predictable**, and there were many people that did forecast and indeed profit from it, governments and orthodox economists did not take its threat seriously and as a result, were **unprepared** for its effects.

The **causes** of the crash had their origins firmly **within the economic system**. Decades of underregulated lending and an economic system that relied on and incentivised private borrowing created a house of cards built on credit that inevitably came tumbling down as soon as its shaky foundations faltered. The interdependence of a globalised economy meant that a crash that began in the US quickly caused **a chain reaction that spread across the world**.

What began as a banking crisis quickly impacted ordinary workers by bankrupting companies causing millions of job losses which in turn hugely impacted consumer spending, shrinking or destroying companies not directly impacted, resulting in further waves of job losses and reductions in consumer spending.

The COVID pandemic

In distinction from the financial crash, many would consider the pandemic an exogenous, or **external shock**. Although some did warn of the increasing threat of a global pandemic, particularly after the SARS, swine-flu and Ebola outbreaks in recent memory, again, governments and orthodox economics did not take this threat seriously and so were largely **unprepared** for the COVID pandemic.

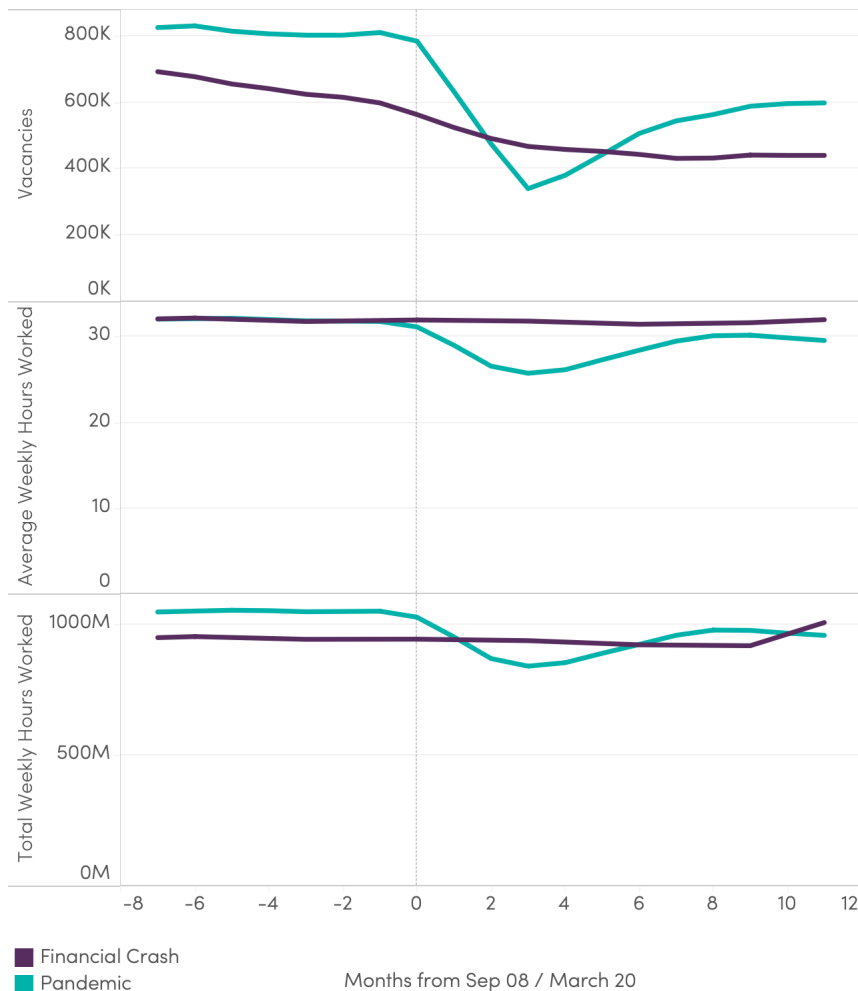
This crisis began **outside of the economic system**, but its magnitude forced the imposition of behavioural changes, which very quickly, directly and indirectly, **impacted the economy**. Again, globalised finance and supply chains caused **a ripple effect across the world**.

What began as a public health crisis impacted workers by limiting the ability to safely carry out certain jobs, but also impacted consumer behaviour which had the effect of removing the requirement for certain work.

Unlike the financial crash, the external origins of the pandemic have led some economists and organisations to predict a so-called 'V-shaped recovery.' This suggests that economic downturns caused by the public health restrictions will rebound as quickly once the health crisis is resolved. Our research suggests that there is an element of truth to this analysis but that it is wildly exaggerated.



▼ Impacts of financial crash vs COVID pandemic



Source: ONS Labour Market Statistics & HMRC CJRS Data

Relative Impact

The first chart shows the number of open vacancies for the two-year period surrounding September 2008 and March 2020. The first thing to note is the far sharper and deeper drop seen during the pandemic. Following the financial crash, over a period of 14 months, the number of vacancies bottoms out at 36% lower than before the crash. In comparison, last year, there was a 58% reduction in vacancies over a period of only four months.

V-Shaped Recovery?

The same chart does indicate some truth to the idea of a v-shaped recovery. It is true that the number of vacancies bounces back significantly after these four months, when lockdown restrictions begin to ease. However, this 'V' is noticeably asymmetric; it begins to plateau at a level which is still 26% lower than pre-pandemic levels.

The number of open vacancies is a measure of competition for jobs. Inevitably increased competition has the effect of driving down wages and forcing workers to accept lower standards of working conditions. CLASS's fear is that the 'recovery' from the pandemic will follow a similar pattern to that of the financial crash.

Who Defines 'Recovery?'

In the decade that followed the financial crash, the government and many economists have hailed what they would describe as a 'recovery'. Using a set of narrow, economically centred and national-level metrics, it is possible to make the claim that in February 2020, before the pandemic began, the UK economy had recovered from the financial crash. One such metric that we can follow illustrates this claim: unemployment.

In the months preceding the pandemic, the UK's official unemployment rate was relatively stable at around 3.8% – 3.9%. This is lower than at any point since the 1970s and certainly lower than the years following the financial

crash. However, as any worker living through the last decade will know, this so-called recovery has not been felt by ordinary people and that figure only tells a small part of the story. In reality, the mass unemployment seen after the financial crash has resolved to underemployment, stagnating wages and general increase in precarity throughout the population. While unemployment reduced to pre-crash levels, underemployment (those working less hours than they would like, or in jobs below their qualification level) remains above pre-crash levels, part-time work and specifically those who would prefer full-time work has increased, the number of people on zero-hour contracts is 600% higher,³ and wages have decreased in real-terms.⁴

Our fear is that, without significant government intervention, the 'recovery' from the pandemic will follow the same pattern. While the government focuses on boosting certain metrics that tell a story of its success, the reality for working people will be further increasing precarity and decreasing living standards.

But it Was Global Pandemic, With Global Impacts?

From the beginning of the pandemic, we have heard the government assert that it is a global crisis that has affected all nations. But international government responses have varied significantly from the beginning with equally varied outcomes. It is well documented that the UK has suffered the highest mortality rate of any major economy. Boris Johnson has repeatedly claimed that this was due to careful balancing of the public health crisis with economic impacts, but how has the UK fared in terms of the labour market?

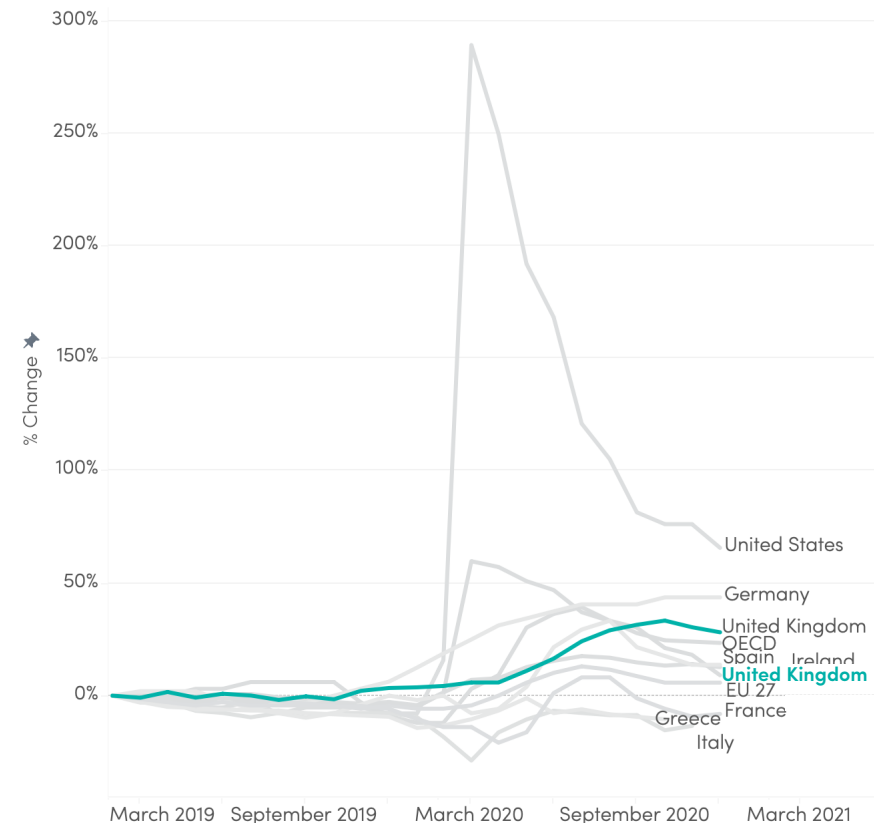
If we look at the increase in unemployment since a reference point of March 2019, The UK's is above the OECD average and EU 27 average. It also surpasses most comparably sized economies including France, Italy, Spain

3. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

4. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsand-workinghours/articles/supplementaryanalysisofaverageweeklyearnings/september2018>

and the Netherlands. The UK's increase in unemployment is even higher than Greece and Ireland, both economies which have suffered extreme difficulties in recent history. Notably, the UK fares better than both the United States and Germany.

▼ Change in unemployment by country



Source: OECD Employment Data

Unemployment data is coupled with the fact that the UK has seen the biggest reduction in job vacancies of any reporting country.

COVID: The Great Leveller?

At the start of the pandemic, it was common to hear COVID referred to as the great leveller, pointing to the fact that anybody, no matter how rich or poor, could catch it. As the pandemic unfolded, however, it became obvious that this could hardly be further from the truth. Not only were the health impacts not distributed evenly, with certain jobs and living conditions making it far easier to shelter from the virus than others, but the economic impacts varied massively. While many workers have had their entire income removed, some have been able to carry on in relative normality, while a handful of companies have seen their profits soar.

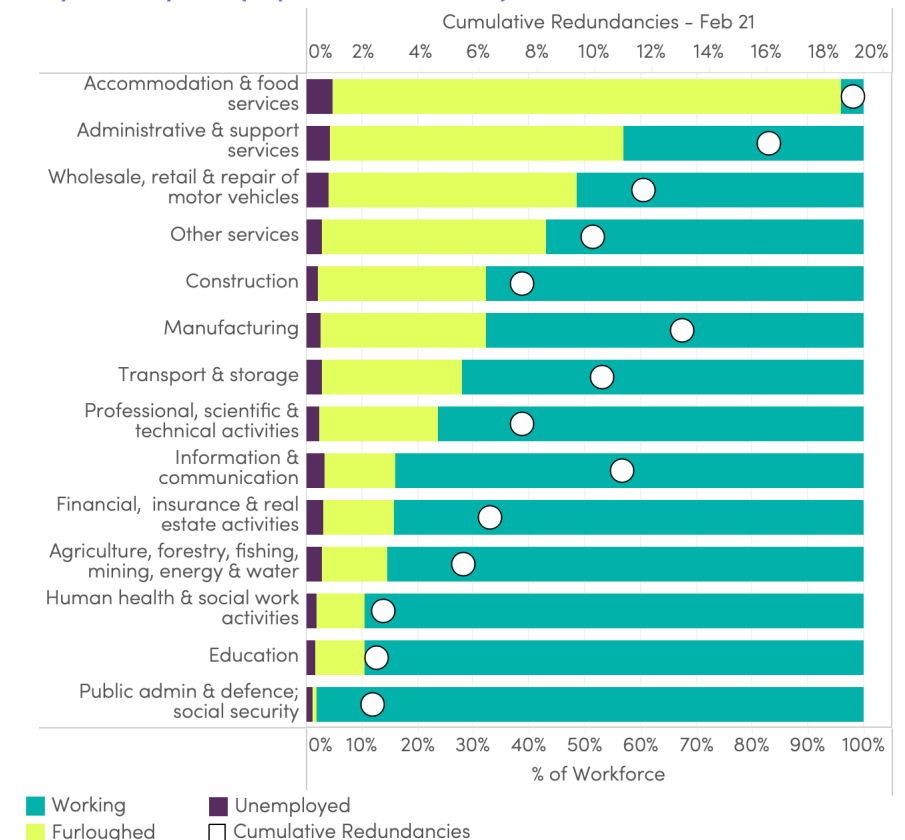
A Sectoral Crisis

Probably the most obvious way in which the pandemic has had drastically varied impacts is seen when comparing different industries. At the peak of the furlough scheme's uptake in May, less than 4% of the hospitality industry was working, with over 90% on furlough. In comparison the Finance and IT industries only had to furlough 13% of their workers, with Public Administration having a full 98% of their workers continuing to work.

There are some obvious reasons, specific to the nature of the pandemic that explain these differences. Restaurants and bars were necessarily closed to the public, while desk based jobs could continue, and health and education remained absolutely necessary.

However, despite the furlough scheme being in place to protect parts of the economy that were required to close down, as the pandemic proceeded, many workers began to lose their jobs. If we look again at the white circles, representing the percentage of that industry that went on to be made redundant, we see a clear and strong correlation between the percentage of a workforce put on furlough and that went on to be made redundant.

▼ Status of industry workforce in May 2020 & cumulative redundancies by February 2021 (as portion of workforce)



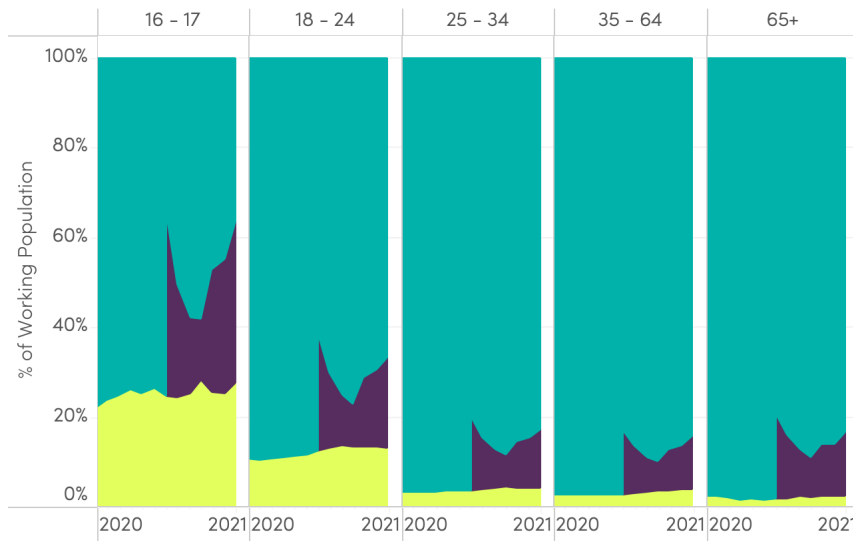
Source: ONS Labour Market Statistics & HMRC CJRS Data

This cements the early questions about the effectiveness of the furlough scheme – if these sectors have been closed, temporarily, as a result of the pandemic, why have so many companies been allowed to take away so many jobs? It also begins to paint a picture of the more long term effects of the pandemic and their unequal distribution. In the next chapter, we will show how the industries hit the hardest tend to be those with the lowest incomes to begin with and the youngest workers.

A Generational Crisis

The next stark variation in employment figures is between different age groups, adding to a growing generational divide in UK society. Every age bracket above 35 had similar starting conditions and saw a similar impact during the pandemic. At the height of lockdown restrictions in June, 17% of people aged 35 or over were not working – because they were either unemployed or on furlough. In comparison, 38% of adults under 25, and 60% under-18s were not working. These two age groups also saw by far the biggest increase in redundancies with a 290% and 430% increases compared to 236% for over-35s. Despite accounting for only 12% of the active workforce, for the six months from April to September, 18% of redundancies were suffered by those under 25. Over 35s account for 65% of the population yet saw only 58% of redundancies. This means that for those six months, if you were under 25, you were three times more likely to lose your job than those over 35.

▼ Working, furlough & unemployment by age bracket

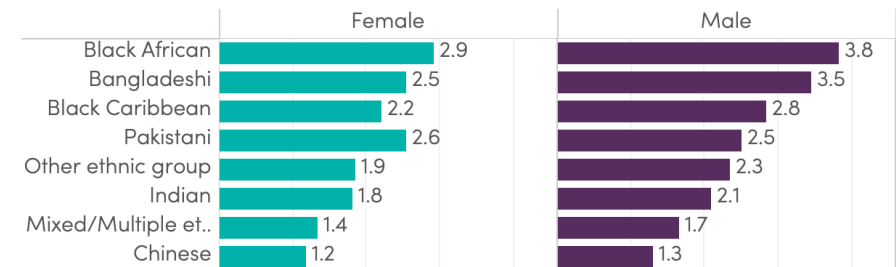


Source: ONS Labour Market Statistics & HMRC CJRS Data

Racial Inequalities

We know that the health aspects of COVID have had far greater impacts on ethnic minorities. Most ethnic minority groups have suffered a significantly higher mortality rate in comparison to the white population, with Black African men approaching four times the likelihood of dying than white men.

▼ Mortality rate compared to white population



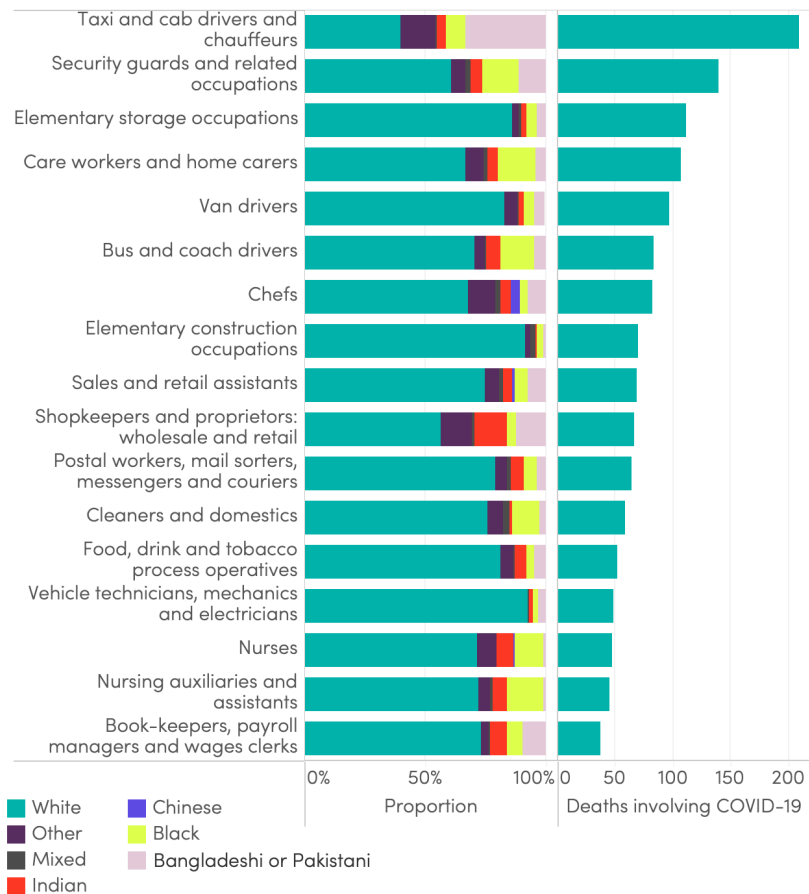
Source: ONS – Explaining ethnic background contrasts in deaths involving Coronavirus (COVID-19)

Although it does not completely explain the disparity, it is clear that one major reason for this difference is the disproportionate number of people of colour working in certain jobs. The three most dangerous occupations, in terms of COVID related deaths, are Security Guard, Care Worker and Taxi Driver. Where 88% of the working population of England and Wales is white, within these three jobs it is only 61%, 67% and 40% respectively. As we will see in the next section of this report, the public health aspect of the pandemic is deeply entwined with the labour market, and where there are variations they are not random but correspond to existing inequalities in our economy and society.

Perhaps tellingly, far less employment data is made available broken down by ethnicity. However, by looking at the changing unemployment rate over the last year, it is obvious that the economic impacts, as well as the health impacts are heavily racialised. From Q1 to Q4, the UK population saw a 28%

increase in unemployment, but amongst the white population this was actually 24%, compared to 50% for ethnic minorities. Within this group there are further variations, with those identifying as Indian ethnicity seeing as much as a 92% increase in unemployment (see table opposite).

▼ Ethnicity composition of occupations & COVID-related deaths (up to 28/12/2020)



Source: ONS – Deaths Registered weekly in England and Wales, & ONS APS 2019

▼ Change in unemployment by ethnicity – 2020

	White	All	Indian	Chinese	Mixed	Pakistani	Black/ African	Ethnic Minority	Other
Q1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Q2	0.1%	-0.1%	-2.4%	37.1%	32.5%	37.9%	-11.4%	-0.6%	-9.6%
Q3	24.1%	26.0%	39.0%	20.7%	95.9%	82.1%	29.1%	35.3%	19.4%
Q4	23.6%	28.2%	91.9%	91.1%	75.8%	58.2%	53.4%	50.8%	41.1%

Source: ONS Labour Market Status by Ethnicity

Intersectional Impacts

Dividing the world up into industries, age groups or ethnicities is always reductive and only tells part of a story. Not least because many people feel the combined experience of a number of these characteristics at once. Unemployment figures from the end of 2020 demonstrate the true impact of these intersectional factors.⁵

As of December 2020, unemployment amongst black people in the UK was at 7.6% compared to only 4.5% in the white population. White workers under the age of 25 suffered an unemployment rate of 12.4%, almost 3 times higher than the rest of the population.

Unemployment
rate for black
under-25s is
925% of white
population

But, for those people who are both black and under 25, the unemployment rate rockets to 41.6% making them 9 times less likely to find work than white adults.

5. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/adhocs/12960youthunemploymentjanuarytomarch2019tooctobertodecember2020>

Chapter Two: MASKS OFF

Through a series of interviews with workers and trade union representatives spanning the entire economy, we have pieced together the patterns behind these differences. Almost everyone we interviewed spoke of how the pandemic had exposed existing flaws and accelerated existing trends in the economy. Whether we choose to employ a construction metaphor of shaky foundations leading to crumbling and collapse when exposed to a storm, or of pre-laid train tracks designed to route wealth and security to only a small portion of society, this story did not begin in March 2020, but 10 or even 40 years ago. The past year has exposed the effects of cost-cutting, marketisation, out-sourcing and the casualisation of labour. Revealing what many already knew, only in a harsher light, we see the strengthening outline of two-separate economies, one of which is rife with precarity. Critically, as these problems' origins precede the pandemic, without rebuilding the foundations of our economy, or re-routing the tracks, the problems will outlive the pandemic.

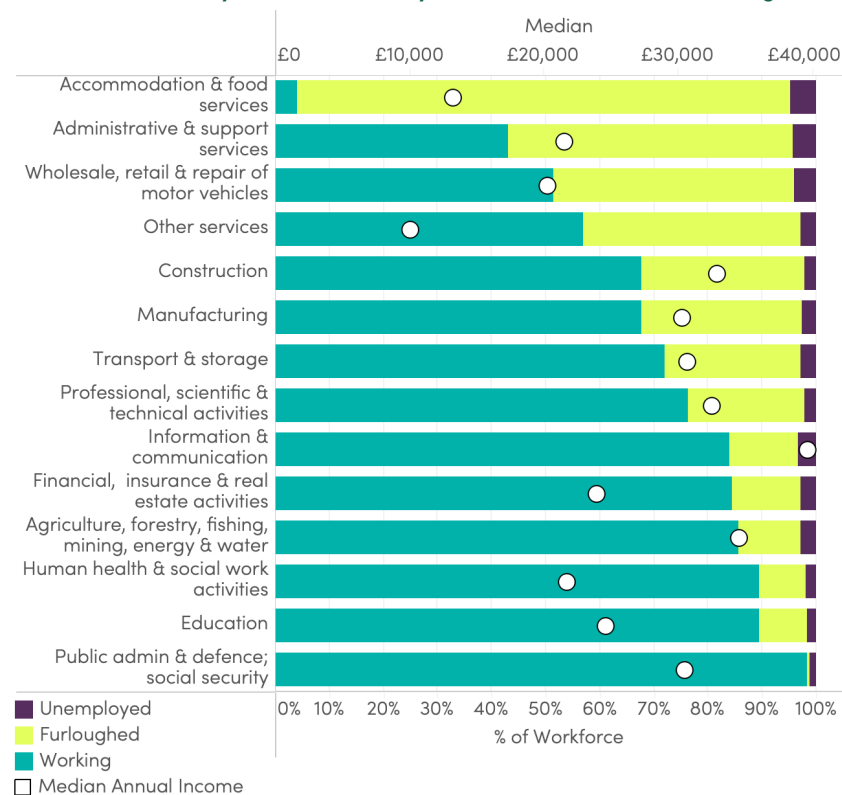


A Pattern Emerges

The huge disparities we have seen in the previous chapter are not random, they were not cast by the roll of a dice, but reflect the political decisions made in the decades before the pandemic. By comparing the changes seen by different groups over the past year with the starting conditions of those workers, we can establish certain patterns and the mechanisms behind them.

Lowest Paid Losing the Most Pay

▼ Status of industry workforce in May 2020 & median annual earnings

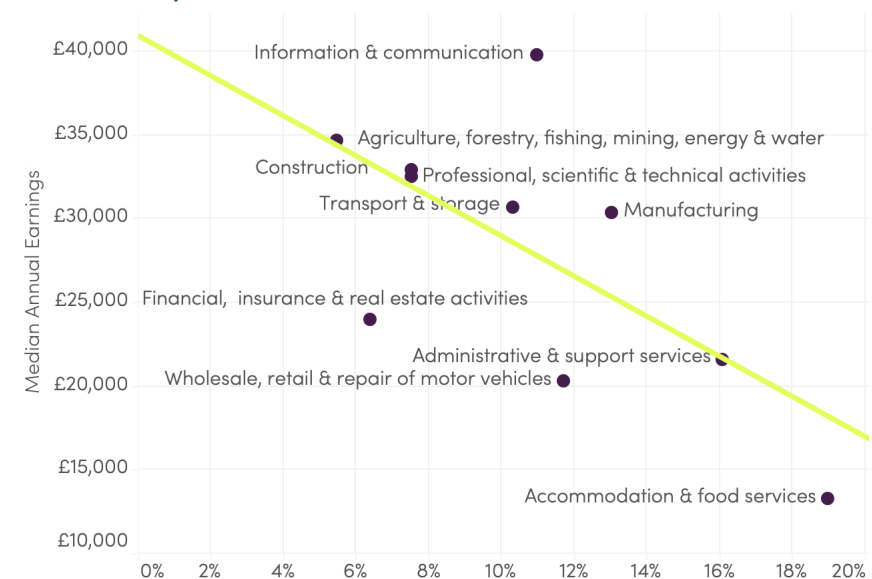


Source: ONS Labour Market Statistics, ASHE 2020 & HMRC CJRS Data

Comparing levels of workers furloughed – most of whom would have seen their wages reduced to 80% of their usual income – to starting annual income, we can see that the four industries most likely to be furloughed happen to have the four lowest median incomes and four of the five lowest average incomes. Where this pattern appears to be broken is in Education, Health & Social Care, and Public Administration – all industries that despite being indispensable, even during a crisis, are underpaid.

A similar pattern is shown when comparing redundancies to income, after removing already-overstretched public services. While there are not enough data points to prove statistical significance, based on data available, for every £1,196 reduction in median earnings, we can expect an extra 1% of the industry to have lost their jobs in the year leading up to March 2021.

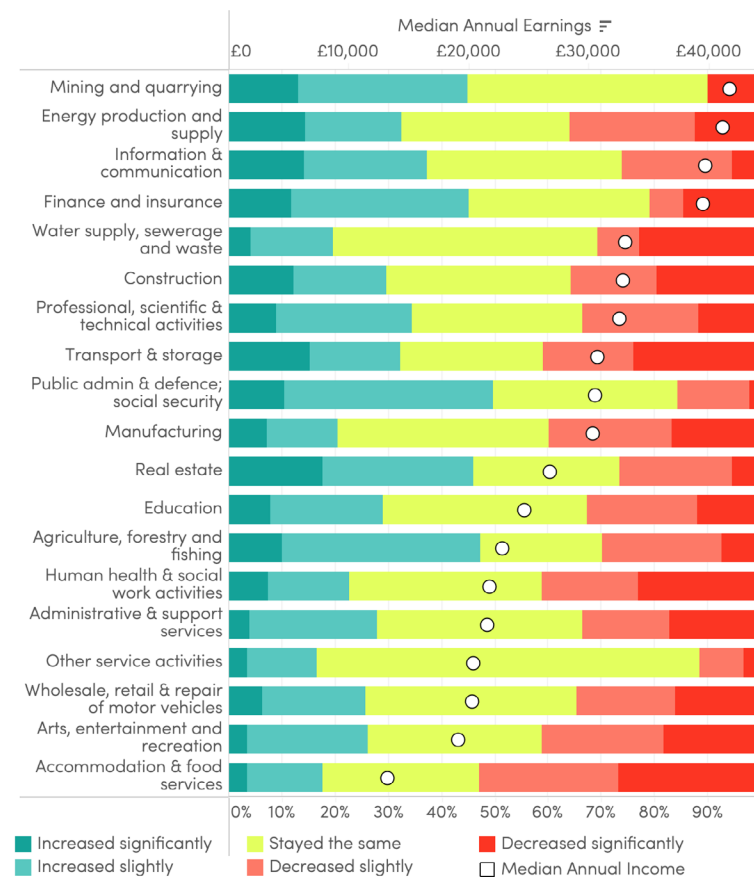
▼ Median salary vs cumulative redundancies



Source: ONS Labour Market Statistics & ASHE 2020

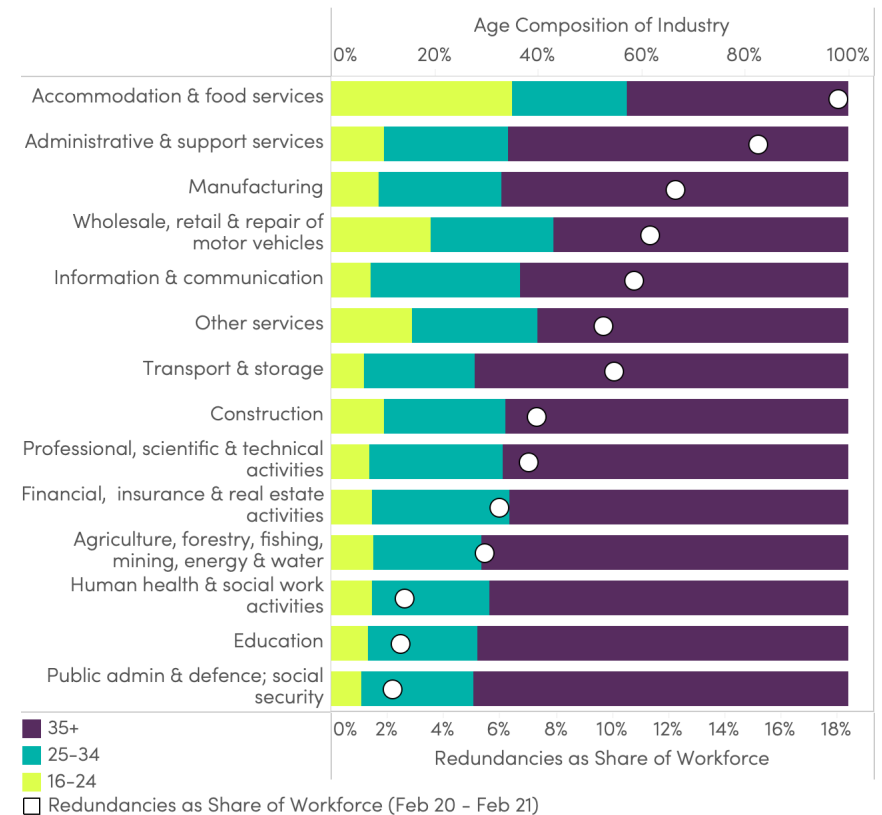
Perhaps the most unjust example of this pattern comes from looking at how the pandemic has impacted people's private savings. We can see that industries with high median salaries had higher percentages of workers who will come out of the pandemic financially better off, whereas those with the lowest salaries – the arts and hospitality sectors – have seen the highest numbers of workers using their savings to live on.

▼ Change in savings & median salary per industry



Source: ASHE 2020 & Survation poll for CLASS 2021

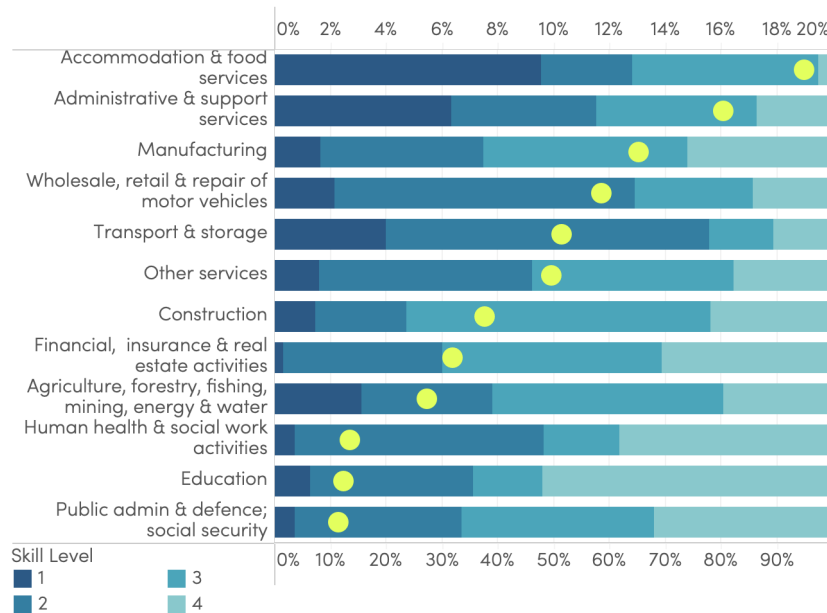
▼ Age composition and redundancies by industry



Source: ONS Labour Market Statistics & APS, HMRC CJRS Data

To understand the causes of these disparities, we can look at who makes up the different workforces. What we see is that the industries in which a high portion of the workforce have lost their jobs over the past year, are also the industries that have higher levels of workers under the age of 35, and industries that are composed of higher levels of so-called low skilled jobs. Where industries have a higher percentage of over-35 workers, they have seen a lower percentage of redundancies.

▼ Skill level composition and redundancies as share of workforce – by industry



Source: ONS Labour Market Statistics & ASHE 2020

Time and time again, through data and through interviews of workers' experiences, we find that those that could least afford the impact were the worst hit. The stories we heard from workers and trade union representatives went a long way to describing the mechanisms that allowed and indeed facilitated such an unfair outcome.

In a lot of cases, people are on national minimum wage and 80% of the national minimum wage is not liveable on, and if it was, national minimum wage would be 80% of what it is now.

SARAH WOOLLEY – BFAWU

Typical hospitality worker



Before the pandemic, a typical hospitality worker would have been earning minimum wage – **£6.56** for under-23-year olds, around 30% of the workforce.

With this level of income, it is likely that such a worker has **no meaningful savings**, and lives in **privately rented accommodation** which they have had to keep paying for throughout the pandemic.

During the first UK lockdown, when pubs, restaurants and hotels were forced to close, a hospitality worker had over a **90%** chance of being furloughed.

Likely to be on a **zero-hour contract**, the precarious nature of this worker's employment and imbalance of power between them and their employer is magnified. Left to the employer's discretion, the calculation of furlough rate has been hotly contested and often based on a period of time not reflective of the worker's current patterns of work or material needs.

Typical finance worker



The Finance industry has an average salary of any industry at **£61,936** and a median salary of **£39,569**.

Someone on this salary is likely to have built up a **cushion of savings**, and will likely **own a house**, from which they were eligible for a 3-month mortgage holiday during the pandemic.

When much of the economy was forced to close, office-based jobs could be carried out as usual, even at the peak of lockdown, only around **8%** of the finance industry was put on furlough.

Suddenly finding themselves working from home, with usual costs of commuting and lunch removed, many office-based workers have found themselves actually **saving money** during the pandemic. A net total of 24% of finance workers said their savings increased during lockdown.

Typical hospitality worker

In many cases, workers have fought and **lost a battle to receive furlough pay at all**, with companies under no obligation to offer it even though it cost them nothing – to begin with at least. With workers seen as completely replaceable, the overhead of administering the furlough scheme was seen as an unnecessary expense, even more so when the government started asking for contributions.

Even when furlough was received, it was still at **80% of usual wage**, in most cases, **20% less than minimum wage**, as little as **£5.25 an hour**. For many workers, this has meant eating out of what little savings they have and borrowing money from parents or banks. A net total of **34%** of hospitality workers said their savings reduced during lockdown.

As lockdown wore on, bars and restaurants re-opened then re-closed to varying degrees, the government began to ask for contributions towards the furlough scheme, they ignored trade unions' calls to confirm the scheme's extension beyond the near horizon and repurpose it to support the industries that needed it most. Unsurprisingly, furlough began to change into job losses at an alarming rate. As of January, **over 18% of the hospitality industry have lost their jobs**.

Typical finance worker

As other industries have started to see significant job losses, in 2020, the number of redundancies in the finance sector was equivalent to less than **6% of the workforce**, one third that seen in hospitality and only marginally higher than previous years.

Our outsourced workers – porters, cleaners, receptionists, caterers – they are predominantly Black*. And most, if not all of them are on the minimum wage, and appalling terms conditions when it comes to sick pay, maternity pay, and all the usual things you'd expect. What we've seen during the pandemic, is when civil servants who are directly employed, including our members, some, but not all, have been able to work from home, outsourced workers and all the cleaners, can't work from home. And so they were faced with the choice of not going into work, but they can't get any sick pay, so they are left with the only option which is to go into an unsafe workplace so they can earn some money.

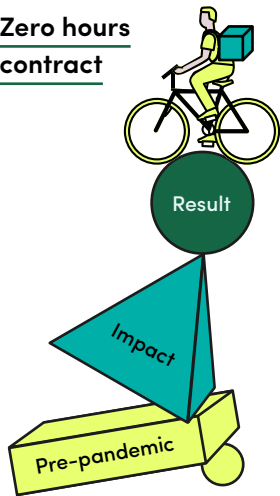
PCS REPRESENTATIVE

*Black: PCS Union uses the term Black in the political context to apply to people from African and Asian diasporas, including people of dual heritage

Stacking Up Problems

Again and again, in attempting only to maintain the current system, the government's pandemic response stacked new variations of problems on top of workers' existing issues.

Zero hours contract



Result: ←
The precarious became even more precarious.

Impact of pandemic: ←
Furlough was not compulsory and work is designed to make workers easily replaceable, meaning many companies did not offer furlough to their staff on zero-hours contracts.

Furlough was calculated based on work received in the past, often not reflecting workers' most current situation and needs.

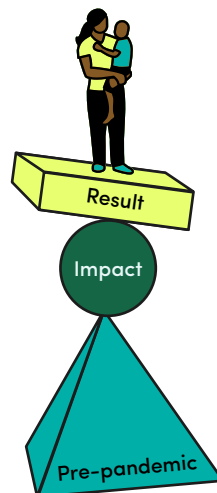
Pre-pandemic: ←
One way flexibility – working patterns and pay entirely under the control of the employer, cause a lack of stability and dignity.

Caring responsibilities

Result: ←
The increase in unpaid childcare has again fallen disproportionately on women.

Impact of pandemic: ←
Due to regular school closures many families have seen a huge increase in the level of childcare and homeschooling required.

Pre-pandemic: ←
Before the pandemic, women conducted twice as much unpaid childcare as men.



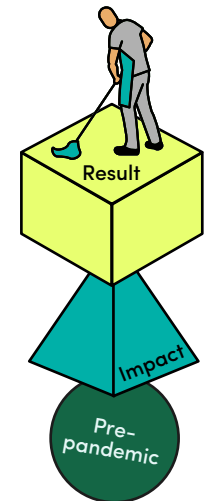
Minimum wage

Result: ←
Many workers went from 'just about managing' to not quite managing.

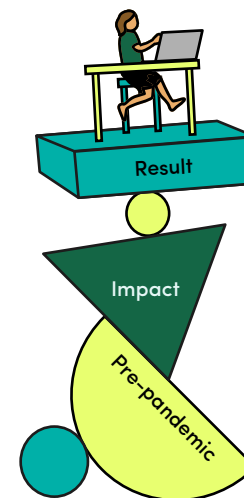
Impact of pandemic: ←
The furlough scheme only paid 80% of workers wages, leaving many workers earning only 80% of that, or, 20% below the minimum wage.

Pre-pandemic: ←
The national living wage already sits significantly below the real living wage leaving many workers reliant on in-work benefits.

Workers under the age of 23 can be paid the even lower 'minimum wage.'



Technology gap

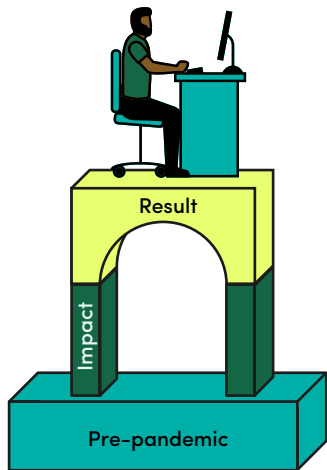


Result: ←
Children who already suffered from worse access to technology at home, but who were previously to gain access during school hours, saw their disadvantages multiplied by the impact of homeschooling.

Impact of pandemic: ←
School closures meant most children were reliant on homeschooling and remote learning, both of which are dependent on computers and internet connectivity.

Pre-pandemic: ←
Pre-pandemic there was a growing concern around the technology gap between rich and poor households, with children from certain groups far more likely to have access to a computer and a stable internet connection.

Office workers



Result:

For many people working from home exacerbated an already blurred line between work and free time. 37% of workers surveyed reported an increased workload from working from home.

Impact of pandemic:

Most office work was easily transferable to working from home, seeing many office workers continuing their roles throughout the pandemic.

Pre-pandemic:

Office work is more often salaried and far more likely to be associated with unpaid overtime, working long, unhealthy and sometimes illegal hours.

Non-office workers

Result:

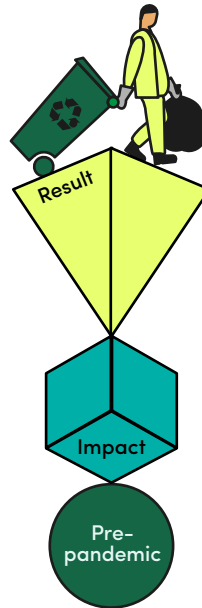
The lowest paid workers were the most likely to be made redundant, while key workers that continued to work were at the highest risk of contracting COVID.

Impact of pandemic:

Workers with jobs that cannot be performed from a computer had a very different experience of the pandemic. They were faced with either unemployment, furlough and a reduced income, or continuing to work despite the obvious health risks to themselves and those close to them.

Pre-pandemic:

Front facing work, ranging from shopwork, refuse collection, to social care is often more crucial to our daily lives, more gruelling with greater workplace safety risks yet paid less and granted less social status.



Atypical workers

Result:

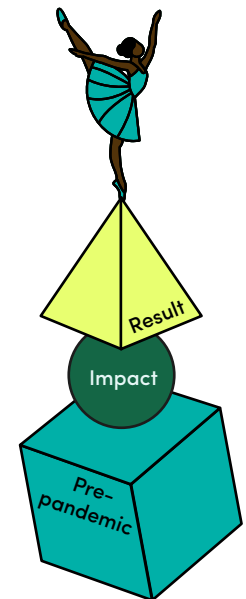
Those used to navigating gaps in employment law fell through gaping holes in the support system.

Impact of pandemic:

The government's economic response to the pandemic focused heavily on protecting 'jobs', not livelihoods. Supporting people via their employers often meant no support for those whose livelihood doesn't come in the form of permanent jobs.

Pre-pandemic:

Freelancers and the self-employed who make up the bulk of certain industries, such as the arts and entertainment sector, are too often treated as legitimate exceptions and so denied basic employment rights such as steady contracts, holiday, sick, and maternity pay.



After 10 years of massive underinvestment in the civil service, the service itself was completely underprepared for what happened. We've had over a decade now of the pay restraint in the civil service, and we've had hundreds of office closures, and 1000s of job losses. And all these things have added up to a point when the civil service just wasn't ready to deal with the huge demands that were placed on it... In the DWP, there's been 3 million or maybe even 4 million Universal Credit claims now. And in that department alone, we've lost 52,000 staff since 2011. We've lost 130 offices in that same period. And the effects of that are fairly obvious. [...] There's an endemic problem of under resourcing for the whole civil service.

PCS REPRESENTATIVE

There were 110,000 vacancies in social care before the pandemic started, with a 30% staff turnover every year. And that is ultimately linked to pay and terms of conditions. Minimum wage employees, no sick pay, no other entitlements to anything above legal requirements.

RACHEL HARRISON – GMB – CARE SECTOR

A Health Crisis Exacerbating a Broken Economy

Time and time again, our interviewees detailed how the decision of successive Conservative-led governments to implement and maintain a programme of austerity, leading to an economy driven by cost-cutting, privatisation and a lack of investment, left the UK unprepared for the shock of a public health crisis. In almost every aspect of the economy the pandemic has exposed failures and deepened inequalities.

A Broken Funding Model

The most obvious effects of a decade of austerity has been the continuous cost-cutting which has left our public services understaffed. We heard from union representatives of the drastic personnel cuts to the civil service that left them unable to cope with the sudden surge in demand, but also how real-terms pay cuts have resulted in recruitment crises and hundreds of thousands of open vacancies in the health and care sectors, and in education. With the government refusing to countenance public sector pay rises, and an ideological obsession with reducing migration figures, this massive increase in workload and pressure raises grave concerns for worsening staffing crises in the future.

Less obvious effects come not from the level of funding, but from funding models. UK universities have come to rely heavily on the fees of international students, many of whom were unwilling or unable to travel abroad for their education this year. Even more so, universities rely on the rental income for student accommodation. Not only has this temporarily jeopardised universities' income stream but it has caused them to prioritise revenue over jobs, education and safety.

The problem of privatised funding models for vital services can be seen in its most extreme form in the care sector. Pre-pandemic, we were already witnessing a crisis in the sector with regular closures of care homes that did not offer sufficient financial returns for their investors. Despite

long-standing calls from trade unions to professionalise the sector – by creating tangible career progression through professional qualifications and pay scales that aligned with either the NHS or local authorities – the important work of caring for our aging population is consistently treated as low-skilled work, paid minimum wage and offered only statutory working conditions. Since the pandemic, however, an interviewee told us the reliance on private fees is bringing the very existence of a lot of sheltered accommodation into question. Put simply, the tragic number of COVID-related deaths within our care system – close to 30,000 in England alone at the end of March 2021, approaching 10% of all residents – impacted many care homes financially, with over 40% of residents being entirely self-funded. As well as putting thousands of jobs at risk, further care home closures will only deepen the existing crisis the UK faces.

We've had a recruitment and retention crisis in teaching for quite a few years now, which has been caused in big part by the government's attacks on teacher pay, real terms pay cuts and the breakup of the national teacher pay structure. So when we entered the pandemic, it was against the background of really having trouble not just recruiting teachers, but keeping the ones we've got. The pandemic may have temporarily hidden those problems, but the underlying causes of the recruitment and retention crisis remain. Discontent in the sector remains, teachers face another real terms pay cut due to the pay freeze, and workload problems are still acute. Teachers have experienced huge stress levels during the pandemic. In the wake of the pandemic and the pay freeze we are likely to see the recruitment and retention problem become even worse.

—
NEU REPRESENTATIVE

University Students and university staff cannot and should never have been expected to have their jobs or their education hanging in the balance because the university signed up to a reckless accommodation provider agreement. And that's why I say COVID has exposed things that were already there. And that will continue, regardless of whether everything bounces back next year.

—
JO GRADY – UCU

A Fractured Economy

These failings of economic structures are also apparent in the manufacturing industry. 40 years of neoliberal economics has meant a drive towards marketisation. This has created an economy which is fragile, fragmented and unable to be managed in any coherent, cohesive manner.

Again, rather than causing problems, the pandemic has exposed, worsened and accelerated problems that progressive organisations and trade unions have been shouting about for years.

One obvious example is supply chains. The looming spectre of Brexit has been a cause for concern in the manufacturing sector for the past five years. With a reliance on just-in-time supply chains and components that cross and re-cross customs boundaries countless times before finding themselves part of a completed product, barriers to international trade are a major concern to the UK manufacturing industry. Maintaining a clear focus on public perception and maintaining their new found voter base, Boris Johnson's government has failed to secure the free flowing trade he promised and that could so easily have been granted. But even before leaving the EU customs union, passage of drivers slowed on public health grounds. Once again the pandemic offered a glimpse of the future, this time with regards to trade, and confirmed people's worst fears.

When COVID first hit, we very quickly identified a lack of resilience in UK supply chains. While much of manufacturing has worked all the way through, with few people being furloughed other than where either demand collapsed or supplies dried up as global lockdowns bit hard. We saw very early on the consequences of decades of offshoring jobs and component manufacture. There's very little warehousing, there's very little money tied up in stock. The way that cars are manufactured, for instance, if a particular component doesn't arrive in time, then the line will stop. So where we've had workers furloughed, it's because plants closed for a couple of weeks in order to rebuild stock, or to find alternate sources of components. It's been a consequence of supply problems. We've been arguing against off-shoring for years. Rebuilding resilience in our supply chains is a real priority for us. It's about winning the argument to re-shore work. It's about skills and job creation.

—
STEVE TURNER – UNITE

One knock-on effect of these barriers to trade was the queues of lorries we saw in Kent in December. Described to us as the 'Three C's' – Covid, Customs and Christmas – the pandemic served to exacerbate the existing problems of Brexit and just-in-time supply chains. Throughout COVID, the results of the increased barriers to trade have varied from empty supermarket shelves to plant shutdowns and furloughed workers. But, over Christmas we saw an extra, scarier implication, once more foreshadowing the potential effects of leaving the EU. In order to clear the backlog of lorries that amassed in Kent, for the second time that year, the Department for Transport relaxed the laws intended to ensure drivers' safety.⁶ These changes increased the

6. <https://www.commercialfleet.org/news/latest-news/2020/03/20/coronavirus-dft-relaxes-drivers-hours-rules>

daily, weekly and fortnightly driving limits, decreased the minimum rest breaks and increased the minimum time between breaks. With Johnson's government already proposing an overhaul of the EU working time directive – temporarily dropped due to outcry from unions and the Labour Party, and the seeming lack of support from businesses – even the temporary relaxation of hard-won employment law should be taken very seriously.

The government has been using the opportunity to relax the legal limits on drivers' hours, making drivers work longer and sit in the road for hours and hours on end rather than having proper facilities, working out the systems. They've done it twice in recent times, and we're very fearful that this is one of the things that they want to move away from as part of worsening workers rights after Brexit.

—
DIANA HOLLAND – UNITE

Generating More Precarity

Although the general economic outlook is bleak, there are a handful of companies who have done extremely well out of the pandemic. Deliveroo reported a 130% increase in transaction value in the first quarter of 2021.⁷ Amazon reported a 40% revenue growth as early as June,⁸ leading to the recruitment of 7,000 permanent and 20,000 seasonal UK staff by Christmas.⁹ This boom in online shopping is equally reflected in the volume of parcels delivered. While some of that volume has come through Royal Mail, a logic of cost-cutting over investment has meant management are slow to capture that parcel-based business and tens of thousands have jobs have been created in the private courier industry.

7. <https://www.cityam.com/deliveroo-expects-growth-to-wane-in-a-post-pandemic-world/>

8. <https://www.reuters.com/article/us-amazon-com-results-idUSKCN24V3HL>

9. <https://www.theguardian.com/business/2020/sep/03/amazon-steps-up-hiring-spree-with-push-for-7000-new-staff-in-uk>

What these companies have in common is that they were built around new exploitative employment models which aim to make convenience affordable to as many people as possible, at the expense of their workers. The genuine need to stay at home increased the desire for this convenience and created huge demand for these services. With rising unemployment and plummeting vacancies elsewhere in the economy, these circumstances have pulled even more people into zero-hour contracts and bogus self-employment. This trend perfectly illustrates how the pandemic has deepened societal divides, in this case, between those who can afford to shelter at home while their food and entertainment is delivered to them, and those who have little choice but to facilitate those deliveries.

Amazon, Hermes, Yodel, DPD, over the course of the year, we've seen 30,000 permanent jobs and 20,000 seasonal jobs being announced by some of these companies. We know that a large number of those are going to be as couriers in bogus self-employment or on extremely poor terms and conditions. So there is a worry that there's all this talk about building back better and recognising the contribution of key workers, but a major growth industry as a result of some of the trends that we've seen during the pandemic is leading to growth in extremely insecure, poverty-level employment.

—
ANDREW TOWERS – CWU

An Explicit Lack of Industrial Strategy

The counterpart of the UK's continued marketisation can be seen in our lack of industrial strategy, culminating in the formal announcement of the government's plans to disband the Industrial Strategy Council earlier in 2021. In the face of urgent economic challenges to mitigate the worst

effects of climate breakdown, as well as meeting our legal obligations under the Paris Climate treaty, the ramifications of relying on market solutions have become all the more apparent during the pandemic. The distinct lack of industrial strategy needlessly creates a tension between a habitable planet and secure work, where an ambitious environmental agenda would secure both.

One illustrative example we heard regarded the expansion of public transport infrastructure and the shift to electric-powered vehicles. A short term effect of the pandemic has been a dramatic decrease in travel in general, coupled with a health-based incentive to use private transport. This has caused a significant drop in passenger fares which, because of the UK's reliance on privately run bus networks, has meant a steep drop off in orders for new electric buses. As well as creating a lag until petrol and diesel vehicles can be removed from our roads, this puts the UK behind in a race to build so-called 'Gigafactories'. With China currently producing 80% of the world's batteries and firm plans for 16 gigafactories in the EU, the UK has plans for only one. The size and weight of electric car batteries mean that where the batteries go, the rest of the manufacturing process will follow and unions estimate that at least six will be required to maintain all the jobs currently provided by the UK automation industry.

Despite Boris Johnson's rhetoric of a green industrial revolution,¹⁰ proposals from unions for the government to fill the order books for electric buses, then lease them back to providers, were ignored. In one case, 50 green jobs were saved only because links to German union, IG Metall, were enough for the municipality of Berlin to threaten to pull their own order if an order with a UK plant was moved elsewhere.

10. <https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>

A Rotten Safety Net

The consistent degradation of the welfare state has meant that when suddenly people really needed it – not just the already marginalised – it was simply insufficient. At just £96.35 per week, the UK has the second lowest statutory sick pay of anywhere in Europe. The problems with the new Universal Credit system, including a 5 week wait for your first payment¹¹, are well reported. The short-comings in our welfare system have left workers across the country struggling to survive in the face of the mass redundancies and reductions in hours and pay described elsewhere in this report.

18% of workers surveyed found themselves unable to pay household bills during the pandemic and **10%** unable to pay rent or mortgage

18% of workers we surveyed found themselves unable to pay household bills during the pandemic. 10% were unable to pay their rent or mortgage. 2.5 million food parcels were handed out by charities.¹² Exposed even more by the pressure of the pandemic, we see a safety net which simply fails to catch huge sections of society.

A Broken Economy Exacerbating a Health Crisis

If there was a single overarching theme from our interviews in the last section, it is of COVID as a ‘mask-off’ moment, a public health crisis revealing and worsening the existing problems and inequalities in our economy.

But there was a second equally prominent strand to the interviews: that the existing problems and inequalities in our economy formed a vicious circle, worsening the health crisis itself.

11. <https://www.tuc.org.uk/blogs/five-week-wait-first-payment-universal-credit-unnecessary-and-unacceptable>

12. <https://www.theguardian.com/society/2021/apr/22/uk-charity-trussell-trust-gives-out-record-25m-food-parcels-to-meet-historic-levels-of-need>

Death by a Thousand Cuts

As we have seen, continued cost cutting led to understaffed vital public services. But beyond creating unfair workloads, in combination with reduced spending on PPE and other equipment, staffing shortages severely limited the NHS's initial response to the virus.

In the NHS... you just have to turn on the news to see the impact on the health service. Service has been absolutely overwhelmed at several different stages throughout the pandemic. And the NHS wasn't prepared, is the ultimate answer. Years of chronic underfunding and being short-staffed. The system just wasn't prepared for a pandemic. So the impact has been absolutely huge on the staff. Ultimately, they've just been left to pick up the pieces. It was well reported there were over 100,000 staffing shortages before the pandemic, and they're the ones that have had to pick up those workloads. The impact with regard to stress and mental health has been absolutely huge, and there will be a big case to answer when we come out of this for those individuals. And, it impacts morale. Staff have felt they've had to fight every single step of the way throughout the pandemic. PPE at the start wasn't good enough. And it wasn't getting to where it needed to be. It was of a low quality, we just didn't have the supplies that were needed.

RACHEL HARRISON – GMB – CARE SECTOR

But the effects on the health crisis were far from limited to within the NHS. We heard how food manufacturing plants, suffering from chronic underinvestment, struggled to implement necessary safety measures; how the Department for Work and Pensions only had enough IT for around a quarter of its staff to work from home, and how before suffering an outbreak of 62 cases of COVID, the understaffed DVLA asked workers to turn off their test and trace apps so that they wouldn't be told to isolate.

The most egregious case of a broken economic model worsening the health crisis – in this case leading directly to tens of thousands of deaths, is in UK care homes. Despite pledges in successive manifestos to overhaul the social care system and a detailed set of recommendations from trade unions, it is clear that the Conservative government treats the care system as secondary to the health system. During this pandemic we have seen the devastating consequences of that position.

There was a really bad outbreak in an office in Swansea DVLA driving agency, which has around 6000 staff – the biggest workplace outbreak of the whole pandemic. And the management were intimidating staff, they were – allegedly, this is what our members tell us – they were telling staff to turn off track and trace on their phones, so they couldn't self isolate, so that they wouldn't be taking any time off work.

—
PCS REPRESENTATIVE

On top of the funding problems and staff shortages seen in the NHS, the care system is even more fragmented and disjointed. Our interviewees told us not just of lack of carers and PPE, but even of basic and consistent guidelines. The fact of discharging people into care homes without being tested for COVID is surely symptomatic of their designation, not as a valued place where older generations can enjoy the later years of their life, but as an overflow to the NHS where non-urgent treatment can be provided on the cheap.

These problems are not unrelated, and they are not by accident. They are all the consequences of misplaced beliefs that markets will build the world we deserve and that 'streamlining' or 'optimising' public spending benefits the public.

The pandemic exactly highlights the state that the social care system was in. Wholly unprepared for a pandemic. We saw that with the discharging of people into care homes without being tested right at the start, because the focus was on what do we do for the NHS? How do we protect the NHS? Social care was an after-thought. There wasn't the funding for PPE, for sick pay, there wasn't the guidance. None of it was there. So it really showed up the difference between how we treat health and how we treat social care in society.

—
RACHEL HARRISON – GMB – CARE SECTOR

The pandemic, I think, has exposed to a wider audience, just how disgraceful the working conditions in education are. And I think if people are suggesting that the pandemic has made them worse, they weren't paying attention. It's really exposed and laid bare, particularly in higher education, the devastating consequences of a rotten funding model. Pretty much all of the poor decisions that have been made regarding public health and safety, student health and safety, workload, and burnout are all connected to a poor funding model and bad funding choices.

JO GRADY – UCU

Security or Safety

The most widespread effect of the economy on the health crisis has been the position it forces millions of workers into. Low wages, the impossibility of saving, insecure housing, precarious work and the second lowest statutory sick pay (SSP) rate in the EU all feed into a situation where workers are consistently forced to make a difficult decision between public safety and their own immediate security. One set of government polling indicated that only 17% with COVID symptoms came forward for a test, only 1 in 4 comply with isolation rules after testing positive and 15% continue to go to work as normal.¹³

Only 53%
of the workers we surveyed agreed that they felt financially secure enough to isolate when guidelines suggested.

With SSP set at £96.35 a week, and not covering isolation after travel – even after the government's rapidly changing rules of where you can and can't go – and 17m people in the UK having less than £100 in their bank accounts, it can be of no surprise that many people were simply unable to sacrifice the income required to self isolate.

13. <https://www.lbc.co.uk/news/government-considering-500-covid-payment-for-those-who-self-isolate/>

After a covid outbreak at one UK food processing plant, the company tried to blame the lifestyle choices of their employees. But, as one of our interviewees pointed out, these weren't choices, but actions forced upon them by poverty wages and welfare system which is hostile to migrant workers.

There was a big campaign by one food plant to say that the outbreak was the fault of the workers because they were car-sharing and living together ... Our response back to that was the majority of that site are Eastern Europeans that can't claim benefits like UK nationals, they share houses because they can't afford to live on their own, and they share cars because there isn't a bus to get them to that site for stupid o'clock in the morning and can't afford to buy a car on themselves because they're paid so poorly. So actually, it's the employer's fault and not theirs, they're just trying to make a living.

SARAH WOOLLEY – BFAWU

On top of this, there are numerous stories of employers, sometimes government departments strongly coercing workers to break government guidelines and return to unsafe workplaces. As well as being told to turn off or ignore the track and trace system, we heard of Border Force workers being told not to wear masks because it would 'give the wrong impression' to visitors.

25% of workers surveyed said they had been pressured by their employer to return to work when they felt the guidelines said they should not.

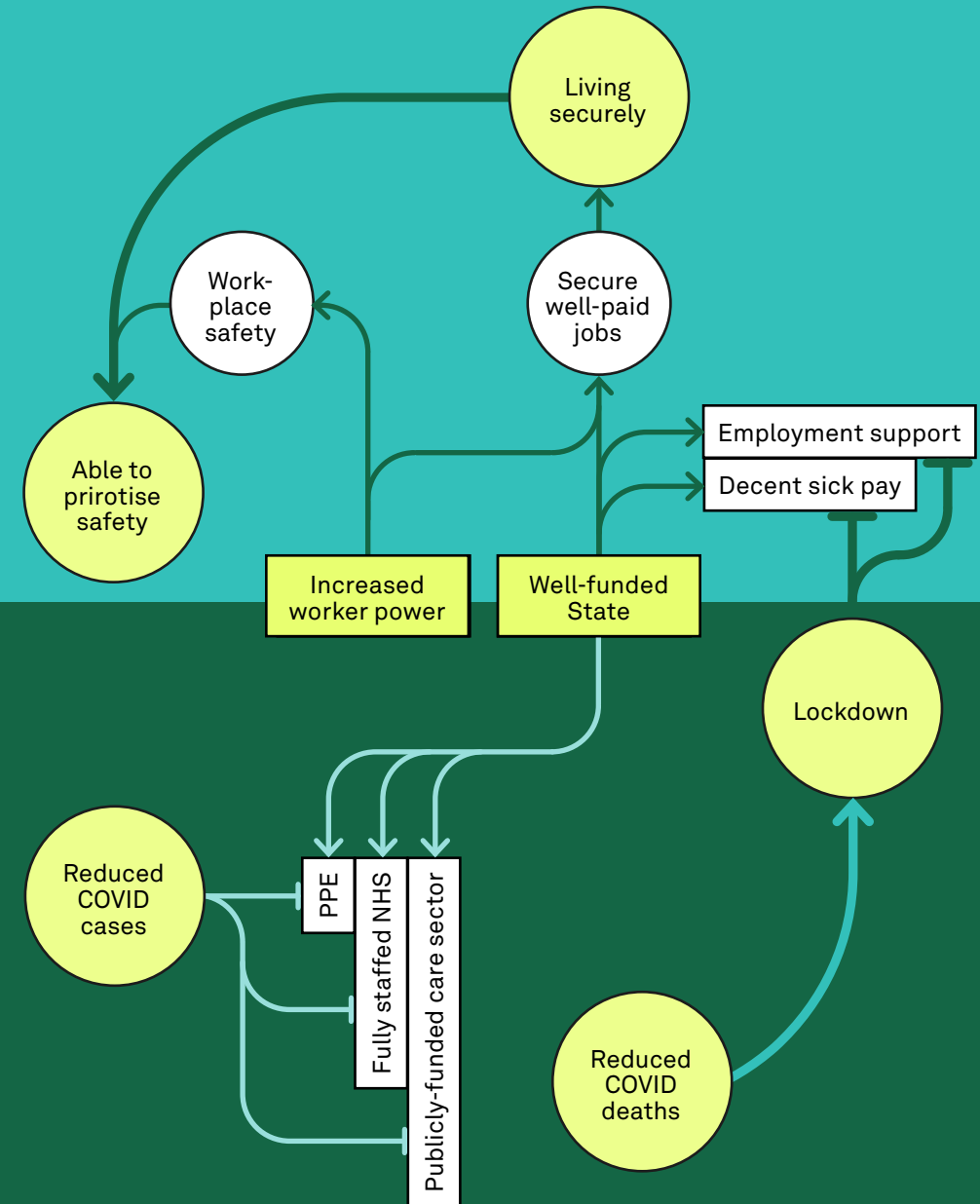
Everything we've heard so far paints a rich and detailed picture of how an economy purposefully designed to put profit above the needs of its citizens has found itself not only unprepared for a health crisis of this scale, but functioning in a multitude of ways to make it worse. A constant drive for profit has systematically undermined the foundations of our economy,

setting the stage for a vicious cycle in which a global pandemic has exposed and deepened the cracks throughout the economy's structures, while the very same cracks and precariously stacked livelihoods have further fuelled the pandemic.

A very bad one was in the border force at Heathrow Airport. These are our members working on the front line as people are coming into the country. And management said to our members, we don't want them to wear masks, because it gives the wrong impression to visitors and we've had members in Heathrow who have died from Covid. We've been extremely concerned about the intimidation and recklessness from management at Heathrow during the pandemic.

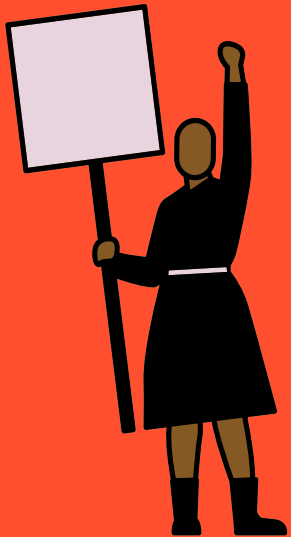
PCS REPRESENTATIVE

Breaking the cycle: An Economy Built to Protect Livelihoods



And I think that's one of the main reasons why we've reached a tipping point, number one, because unions like Unite, are finally taking Hospitality seriously as an organising agenda. And number two, because enough workers, particularly young, particularly women, particularly migrant workers, have reached a point of refusal. That it is simply not acceptable anymore.

BRYAN SIMPSON – UNITE HOSPITALITY



A
GLIMPSE
OF THE
FUTURE

Chapter Three: A REASON TO ORGANISE

The final chapter of this report will focus on a consequence of the pandemic that offers some hope, one that has been made visible in our interviews, in survey data and even in the mainstream media: the renewed importance of trade unions in the UK economy.

Amongst the gloom described in previous chapters, there has been a clear trend of increased worker organisation. Increased and broadened membership, renewed engagement and new forms of organising have all been seen across the movement. Additionally, the pandemic has provided clear examples of the protection offered by established trade union power.

There is Power in a Union

Protecting Jobs

Throughout our interviews, we heard how industries and workplaces that are heavily unionised were able to win better protections from the economic impacts of the pandemic than others. From averting hundreds of job losses due to the proposed off-shoring of Rolls Royce manufacturing, to forcing British Airways to reverse plans to fire and rehire their staff on worse conditions, the value of collective bargaining and industrial action within heavily unionised sectors has been made clear.

We also heard how, even within sectors, unionised workplaces offered valuable protection to their members. In the food industry, when bars and restaurants were forced to close, Greggs who have a long history of union recognition, immediately furloughed their staff and topped up government funds to provide staff with their full wage. Wetherspoons staff, led by BFAWU members still fighting for union recognition, had to publicly shame the company into paying furlough. Even then, they received only 80% of their basic wage, which did not take into account the tips that many workers rely on.

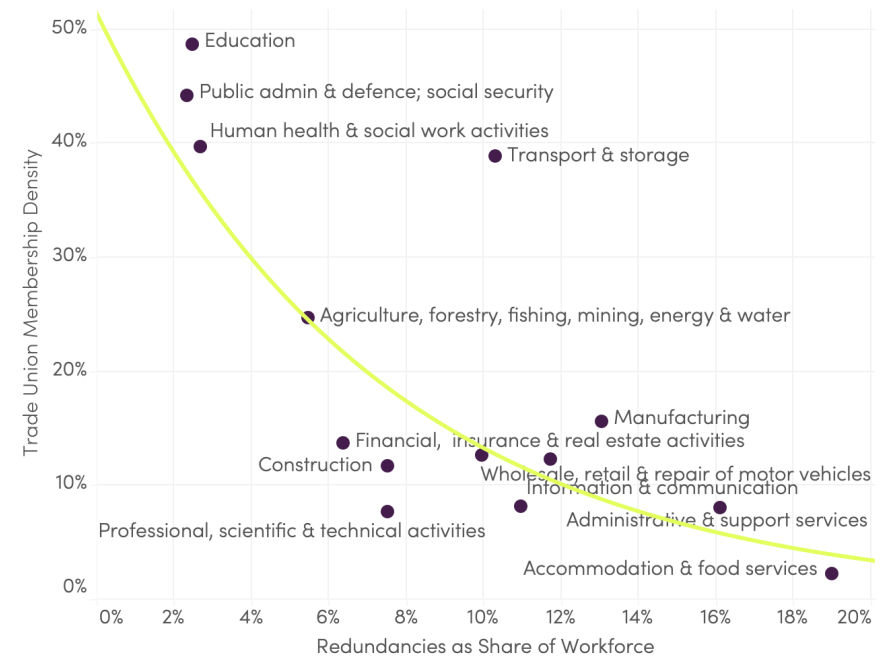
In much of the manufacturing sector, workers already had agreements in place which ensured they were still paid in full during times of reduced demand, so the furlough scheme was actually not required.

Rolls Royce wanted to offshore the manufacture of an engine component to Singapore, threatening the future of the Barnoldswick plant, over 350 jobs and a local community. After a 9-week strike from Unite members, a deal was struck which ensured 10 years of manufacture, no compulsory redundancies, a new training centre and plans to develop new green technologies.

WIN

But beyond individual case studies, we can see the same effect by looking at national-level data. By comparing redundancies as a percentage of each industry's workforce to its union membership density, there is an immediately obvious correlation. Four of the five lowest rates of redundancies were seen in the industries with the five highest union densities, while the three lowest densities saw two of the three highest rates of redundancies.

▼ Trade Union membership density vs redundancies as share of workforce



Source: ONS Labour Market Statistics & BEIS Trade Union Statistics 2019

As a consequence of that bargaining power, for those members who were in work, we have had a phenomenally positive effect. So I'm not exaggerating to say that in theatre, which is one of the hardest hit of the well-organised areas. There is barely a member who walked away even with the bare contractual minimum; members walked away with better than what our contracts would have required them on the 16th of March, which was an astounding achievement, and purely on the back of our density.

EQUITY REPRESENTATIVE

Ensuring Workplace Safety

Workplace safety has taken on a renewed importance during the pandemic. Every person we interviewed spoke of how, in varying ways, workplace safety had risen to the top of workers' agendas. In some cases, this was a battle over whether or not members could attend work safely, sometimes over implementing social distancing correctly and in some cases as simple as providing PPE. What was clear was that trade unions played a vital role in applying pressure on and working with employers to ensure safety was taken seriously.

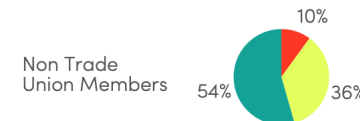
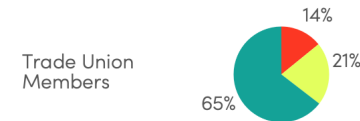
We've got this spectrum of behaviour from employers [...] where there's a really well-organised workplace, we had a better chance of getting better social distancing measures and a more engaged and bipartisan approach to health and safety.

EAMON O'HEARN – GMB

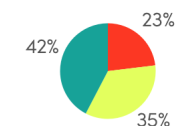
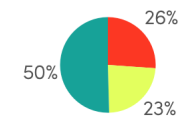
While across the population in general, a majority of those interviewed agreed that their employers had done everything they could to make workplaces safe, there was a notable difference between the response of members of trade unions and not. 65% of respondents in trade unions thought their employers had done everything they could to make the workplace safe, versus 54% for other respondents. 50% of trade union members had always felt safe going to work, versus only 42% of other respondents.

Unfortunately, existing societal inequalities also played out in this respect, with 71% of those earning over £40,000 agreeing that their workplaces had been made safe, but only 41% of those earning under £20,000.

▼ My employer did everything they could to make my workplace safe



▼ I always felt safe going to my place of work



Disagree
Don't Know / Neither
Agree

Source: Survation poll for CLASS 2021

A Fundamental to Organise Around

One consequence of the renewed emphasis on workplace safety was that it acted as a seed for other forms of organising. Some aspects of workplace disputes can be seen as too political for many members, particularly those working in the public sector who see a need to act neutrally towards the government as their employer. However, our representatives found that there was widespread agreement on the justification of organising to ensure a safe workplace. In many cases, this established a process of organising and opened up the door to other, more overtly political issues.

Between March and September alone, the NEU reported an increase of 50,000 members.¹⁴ Appearing in the news throughout the pandemic, NEU representatives we spoke to told us that workplace safety had become a fundamental issue to organise around, but that this engagement from members had expanded to broader issues.

14. https://www.huffingtonpost.co.uk/entry/50000-rise-in-neu-teachers-union_uk_5f496bf4c5b64f17e13d9401

I would say that in the short term, engagement with the union rocketed. At any one time, we have about 1200 to 1500 members working on the west end of London. Quite a diverse and relatively young group of people not particularly necessarily naturally engaged with trade unionism, except for around the regular negotiation of terms and conditions where they are very engaged. But, it was extraordinary. We managed to get on one day, within the space of about six hours, over 1000 emails sent by those members [...] A normal West End meeting that happens once a month or so you get a dozen members... we had 85 on every call every other day. They went off and did stuff with The World Transformed, talking about their experiences as working people. [...] people are very clear, they don't want to go back to the shitty workplaces that happened before. They want the things fixed. And although it's hard to fix pay, we can focus on how to fix things like effective monitoring of gender pay gaps, race pay gaps and pay gaps in age. We can fix things around dignity at work, we can fix things about working time, why are our members working six days a week? Most trade Unions got a weekend about 100 years ago, so why are we so far behind?

EQUITY REPRESENTATIVE

We heard a powerful example of how initial discussions of safety led to more detailed talks of the political choices that sit behind those concerns. In the media, the issue of safety at schools has been presented as a binary choice between being open or closed. In turn, there is seen to be an inherent trade-off between increased risk of virus transmission and the various ways that certain children are missing out when they are not at school. But, within this narrative, school closures are responsible for much more than just a temporary pause to education. Students were missing out on other important things such as emotional support, space to exercise and even

regular meals. For many school staff, the challenge of trying to provide for the needs of their students whilst also ensuring the safety of themselves, their students and everyone's loved ones, has led to asking bigger questions around how the political choices of the last decade have created this situation. Is it right that so many children rely on schools for food and space to exercise? Is it right that this government views the school system not as an opportunity for education but as a place to make up for the gap in living conditions allowed to open up in the rest of the economy? And, should education workers have questions of their students' education and their own health determined by the government's punitive welfare system and failed housing policy.

Teachers and school staff have endured bad education policy for a really long time. We have been asked to do things, which we don't think are beneficial, and in recent years, prior to the pandemic, we haven't had a proper organised resistance. And I think that now, that dynamic has temporarily been unsettled. And we do have the potential for that to morph into a longer-term pattern of power being shifted to education workers and away from government.

FULL-TIME TEACHER AND NEU UNION REPRESENTATIVE



After a COVID outbreak at the DVLA office in Swansea, PCS members believed management had done little to make the site safe. By deciding to ballot members on industrial action, PCS were able to pressure the DVLA into removing more than 300 desks to allow social distancing, increase workplace COVID testing and relaxing performance targets in order to prioritise safety.

What it's doing is showing to people that if you want to be organised, and organised for power in your workplace, joining a union and being involved in that union is the best way to do it. And it really demonstrates to people the importance of being organised. Because employers are organising against us all the time.

JO GRADY – UCU

And, this is why, whilst we have got some additional funding there for the trusts...which ends up going to wholly-owned subsidiaries or to outsourced contracts, which ultimately doesn't help us in the long run.... do members feel that funding on the ground? No, they don't. They feel like they've had 10 years of pay freezes and pay cuts. And they've just come through a pandemic. And all they've had is MPs clapping on doorsteps.

RACHEL HARRISON – GMB – CARE SECTOR

COVID, as awful as it's been, has accelerated the curve towards organising precarious workers, because the anger that was starting to permeate around zero-hours contracts, around unpaid trial shifts, around complete lack of notice on things like them changing your shift, is all starting to boil over. Lack of notice on rotas sounds like such a trivial thing, but it's so undignified to be sent a text on the Friday to come in on the Saturday morning. That was already starting to permeate and bear fruit. We'd seen membership go up significantly since 2017 but since the pandemic union growth and activism in hospitality has exploded.

BRYAN SIMPSON – UNITE HOSPITALITY

Enough is Enough

The pandemic has exposed the depth and severity of the failings in our economy. It has also dispelled the myth that austerity was simply a series of temporary sacrifices required to recover from a once-in-a-generation crisis. And, in demonstrating both of these, the pandemic has shown signs of a turning point; workers are saying 'enough is enough', and organising to defend themselves.

A New Wave of Collectivism

Moving Online

Social distancing, at the very heart of the global response to the pandemic, has had major impacts on workplace organising. Trade unions are social by their very nature. The power of trade unions comes precisely from acting as a collective rather than a series of individuals, and the building and maintaining of this power requires regularly coming together as a collective. Not only have safety measures prevented official in-person union meetings, but many representatives described how informal but important workplace interactions were effectively stopped.

In many cases, entire workforces were placed on furlough, removing any need or opportunity to be in the same building. Even for those who continued working, many usual interactions were curtailed: talking with colleagues over lunch or after work has been stopped by the closure of pubs and staff canteens, bumping into a union representative in the car park made less likely by purposefully unsynchronising shift start and end times.

For most of our interviews, face-to-face interactions are the essential core of all workplace organising, and the depth of relationship formed in this way can never be reproduced online. Moreover, for some members, the technology, knowledge or comfort required to engage online formed a barrier that limited or entirely prevented their union activity.

Very quickly, though, online became the only option, and almost overnight, the movement moved from meeting rooms to zoom calls and WhatsApp groups. While the loss of face-to-face meetings was seen as a huge loss, we were also told of the benefits that these new forms of organising brought.

Reach One obvious benefit of online meetings is the sheer number of members that are able to attend. In January, the NEU hosted a meeting which was attended, in its entirety, by over 100,000 people, with over 400,000 watching some part of it.

Creating a Workplace For some workers, particularly in the hospitality industry, shift patterns, lack of staff spaces and anti-union sentiment equate to a lack of workplace, particularly one in which they can comfortably organise. For these people, starting a WhatsApp group or joining a zoom call was like constituting a workplace for the first time.

Opening Doors to New Members The most exciting benefit of moving to online organising is that it allowed people to engage with their unions for the first time. Many of our interviewees told us how traditional union meetings are often held at times and in places that effectively rule them out for those with caring responsibilities, which is most often women.

Public Shaming Organising online is inherently public, and to employees of companies who place a lot of value on their public image, this presents a great opportunity. We heard numerous stories of workers successfully making demands of their companies, who could not risk the public perception of being a careless employer.

When I had Paul, I was very lucky. His dad left me when I was a teenage mom, but I had a good support system. And then when I met my partner, Tony, he was really supportive. He was fine with looking after Paul whilst I went to conference for a week because in his eyes, why would he not? That had been something that I'm passionate about before I became official and did it for a job. But not everybody's got that. There's a big barrier – over half of our membership is women, yet that's not reflected in our officials at the branch level. So by utilising zoom, teams, whatever... we're removing some of those barriers, and I think, whilst it's not a replacement for being on a site and having a proper face to face branch meeting, actually what it does show is going forward, it has its place in our movement, in our organisation. And rather than pulling people together from all over the country and stopping some people from doing it because they can't leave home for two nights, it means that more people can be engaged, albeit in a different way.

SARAH WOOLLEY – BFWAU

We've got nurses coming on these training sessions, and there are some men, they are not all female, but predominantly. They've got kids at home and they still log in. [...] It's just brilliant. And it is purely because we've made ourselves more - thankfully, at last - we've made ourselves more accessible to what they need, and we've listened to them. And I think the amazing thing is that doing this whilst being at work on the front line, and the 12-hour shifts, and they're still wanting to do it. So I think that's a real sign that they've had enough, and they just want more than a clap.

RACHEL HARRISON – GMB – CARE SECTOR

One of the key demands of women going back to the working women's Charter of the late 70s and early 80s was trade union meetings at a time that women could attend them. And frankly, we haven't achieved that yet. So I'm very keen indeed to look at ways where we can continue a trend toward greater inclusion. Because I think the more women we have influencing the bargaining agenda in any sector of our union is good for women, but it's also good for guys.

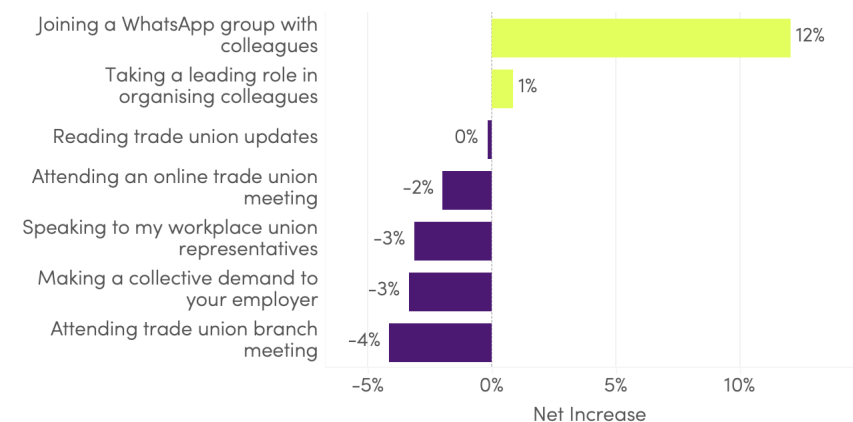
GAIL CARTMAIL – UNITE

And as unions, we've had to relook and redesign how we operate because we're very much based on face to face representations and engagement with members in the workplace and that's just not been possible to do. So we've very quickly changed to an online world, whether that be, social media, or zoom meetings or teams meetings, and online rallies. And we found our members in the NHS have really engaged with that process. We've had more people turning up to meetings than we would normally get. And I think that's probably because we've been able to do it around them a lot more because we're not needing to travel. So we can log on at eight o'clock at night if that's what suits them. So there's been a lot more engagement within the NHS. And I think the biggest thing for them is they were turning to us for health and safety issues and support in the workplace. And so we designed a Coronavirus hub on our national website, and that gets so much traffic and members are engaging with us on the website a lot more than they ever used to.

RACHEL HARRISON – GMB – CARE SECTOR

As well as the stories from our interviewees, the same trends were borne out in our survey data. We asked workers whether they had done certain union-related actions more or less often than before the pandemic. We then took one value from the other to see overall change in activity. Unsurprisingly, there was a net decrease in attending branch meetings (even online) and meeting union reps, while there was a significant increase in joining WhatsApp groups (or similar) with colleagues. On top of that, there was also a small increase in people taking a leading role in organising their colleagues.

▼ Net increase in organising activities



Source: Survation poll for CLASS 2021

In a video sent to all Wetherspoons staff, Tim Martin said his 43,000 employees would not be paid until government funding was received. A statement from the BFAWU and SpoonStrike led to a petition signed by over 12,000 people, a letter signed by 80 MPs and, ultimately, a U-turn from Martin and a commitment to continue weekly payments to staff.



The New Face of Organising

The extended and broadened reach of these new organising tools, combining with the growing trend of organising around in-sourcing and bogus self-employment, has added to the changing face of trade unionism. As well as serving to open trade unions to more women, these tools have increased engagement in sectors with previously low densities, often bringing young people, people of colour and migrant workers into the movement for the first time.

Unite Hospitality reported trebling their union density in the past five years, and, despite thousands of job losses, well over 10% growth since the start of the pandemic. But even this doesn't fully describe the increase in organising. With the lowest union density of any industry, while union membership is the ultimate goal, encouraging organising in any form is seen as a big win. One set of workers, at the Marriott Hotel Group, provide a powerful example of alternative forms of organising that have provided critical protection for workers over the past year:

The Marriott group had announced that they would not be furloughing their casual workers. So they'd furloughed 10,000 permanent workers but were refusing to furlough the 1500, mostly women, mostly migrant casual workers. Two and a bit months after the furlough scheme was announced, these workers had still not received a penny.

So you've got the largest hotel chain in the world, billions in turnover, deciding to do that. And they thought they would get away with it, as I say, because they're mostly young women and migrant workers.

Within three days, we had about 25 different WhatsApp groups set up in hotels across the country. We started in Glasgow and Edinburgh. We had hotels in Nottingham, London, Birmingham, Manchester, Liverpool, Cardiff. About 60% of the Marriotts in the UK had a small pocket of Unite members who'd grown out of that campaign. None of them had been in

the union before. So these were people who'd contacted the Facebook page, told us what was happening, were quickly recruited as leaders of their respective departments and hotels and got to work organising colleagues into WhatsApp groups. We had national zoom calls where we pulled together each of the hotels.

And what you had was a situation where workers who'd never been in the union before, the average age maybe 23, 24, had joined, recruited and collectivised their casual colleagues in the space of a week. But what ended up happening is, through that collective force of workers combined with bad PR in mainstream and social publicity, political pressure, being raised in all three Parliament's in the UK – created a situation where Marriott, the largest hotel chain in the world was forced to capitulate to 20 odd WhatsApp groups of casual workers

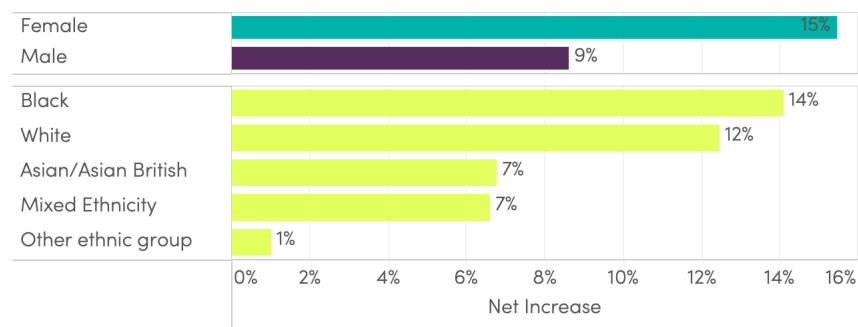
Now, not only are they receiving a wage but they got it backdated for two and a half months till March 2020. So they've literally won 10s of thousands of pounds, probably won about 10 grand each.

BRYAN SIMPSON – UNITE HOSPITALITY

While we saw earlier the significant and meaningful power and protection provided by established unions and traditional means of organising, these examples speak to the equally significant gaps in that protection. While heavy industries, teaching and other public services see high levels of union membership, other industries have been left behind, leaving millions of workers without protection.

Again, the anecdotal evidence of this broadening of engagement is supported by our survey responses. In the activities that saw significantly increased occurrence, those increases were biggest among women and black respondents.

▼ Increase in joining WhatsApp Groups with colleagues by gender and ethnicity



Source: Survation poll for CLASS 2021

Our research finds that these tools, discovered at scale during the pandemic, shine a light on the multitude of workers that have not previously identified themselves with the trade union movement, and provide an indication of how they could be made more welcome in the future. From informal messaging groups, to mass zoom calls that can be taken at home and around other commitments, to online reading groups that supplement bureaucratic meetings, to social media campaigns that serve as digital picket lines – they may have all been picked up out of necessity, in lieu of traditional organising tactics, but have all worked to extend and broaden the reaches of worker power into new places.

What's next?

It is unclear to what extent we will return to 'normal'. Even as the UK's vaccine rollout continues at pace, some scientists are predicting that we will have to live with COVID-19 in some form for a long time, with social distancing measures being introduced sporadically for many years. Some, however, have a far more optimistic view and foresee the practical end of the public health crisis on the horizon.

Regardless of the public health aspect, the economic impacts of the pandemic will be felt for many years. More importantly, as this report has shown, the cracks running through our economy as well as its crumbling surface, are the result of fundamentally weak foundations, undermined by decades of political decisions that long preceded the pandemic.

So, while the coming years hold some unknowns, one thing is certain: the need for worker power, the need to organise.

Marrying the Past and the Future

While the details are important for telling a story and forwarding an argument that supports equality and fairness for all workers, the findings of this report can be broadly summarised in three points:

1. The hardship and inequalities suffered over the past year are the results of a set of deeply entwined structural failings in our economy. These problems preceded the public health crisis and will outlive it. The pandemic has done nothing more than provide a glimpse of the future.

2. These failings have been known and understood for many years, with trade unions, progressive organisations and international comparisons all providing detailed policy solutions, for which there is simply insufficient political will. In the absence of political change, the protection provided to workers has been established and maintained through collective power and trade unions.
3. The past decade has seen concerted efforts by big businesses to create employment models that circumvent the power of established unions, with a high degree of success. As well as accelerating economic trends, this pandemic has accelerated the evolution of organising methods and indicated ways forward for workers to reclaim power from the new exploitative employment models.

These three conclusions, taken together, form the outline of a clear challenge to the trade union movement.

That challenge is to find ways that purposefully embrace and expand the new cohort and tactics, enabling more and more people to consider themselves organisers and trade unionists, but at the same time continue to build the existing power that has offered so many people protection over the past year.

The challenge is not to continually refine economic policy to be presented to and ignored by politicians but to build on the growth of worker organisation, to convince workers of the power they have in the own hands and to think boldly, and creatively to facilitate, cross-pollinate and fortify every instance and variation of collectivism.

You know... the quality of working life that UK workers want going forward is now really up to them. If they don't organise, and if they don't unionise then they will be torn to shreds by a deregulated economy, and even further deregulated labour market. For years, people said decline was all because of Thatcher, it's all about the government, it's all about this, it's all about that. In actual fact, you know, we hold the key ourselves. The power is within our hands as organisers and as union members to actually take these things forward. We can't continue to blame others. Some people have been blaming the EU for 20 years, now the EU's not there anymore. So there's not going to be as many migrant labourers, there's not going to be any posted directive. What are you going to do? Are you going to organise?

And there will be opportunities for people to stand up and organise and say, 'No, we want better terms and conditions'. Whether they take that opportunity or not will be the real test. Because there's no one left to blame. And that's really blunt. But there's no one left, you know, all the ghosts and the shadows have gone.

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