Trade Unions, bargaining for Skills and Inclusive Growth

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Introduction

This paper relates to two of the RSA Inclusive Growth Commission recommendations – Inclusive Industrial Strategy and A road map to INCLUSIVE Devolution. Within the changing devolution policy landscape there was one significant development which was hardly noticed except by the TUC and this was the abolition of the Regional Development Agencies (RDAs) to be replaced by the Local Enterprise Partnerships (LEPs) combined with the phasing out or reduced role for Sector Skills Councils. These institutional changes has meant a radically reduced role and engagement of trade unions with employment and skills policy at both the national and regional level. There is little engagement by the trade unions with the LEPs despite approaches requesting representation by various regional and local bodies. This is curious because trade unions represent over 6 million workers in the UK and even within areas which have experienced economic decline and restructuring, trade unions have a presence in most sectors of the economy and as the report reveals are engaged with the employment and skills agenda. In their submission to the Business Innovation and Skills Select Committee the TUC\(^1\) stated that

> Hard evidence about the effectiveness of LEPs to date is difficult to come by—a problem exacerbated for the TUC and unions by the fact that many LEP’s have failed to engage effectively with unions and other key stakeholders. In our submission to the BIS Select Committee in August 2010, the TUC warned that too narrow a focus on partnerships between business representatives and local authority leaders may lead to the exclusion of other important social, economic and environmental partners (SEEPS) including trade unions. Unfortunately, this has been borne out by our experience of most of the LEPs to date.

The accountability of devolved governance arrangements must therefore be subject to critical scrutiny given the lack of representation of trade unions and civil society organisations. This business led model contrasts with most European Countries where employment and skills policies tend to be formulated by social partners which include trade union representation. Furthermore, there is also a tendency for unions to gain a bad press and stereotyped which actually contrasts sharply with the social as well as business case for trade unions. An international study of skills, jobs and poverty found a higher degree of unionisation is associated with lower income inequality and poverty because unions compress the earnings distribution.\(^2\)

Analysis of the Danish system by the authors has highlighted how the social partner model has been integral to the employment and skills system, bringing together different interest representations leading to better coordination, policy integration and accountabilities\(^3\)

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\(^1\) [http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/598/598we35.htm](http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/598/598we35.htm)


\(^3\) Etherington D and Jones M (2004) *Welfare through work and the regulation of labour markets, Capital and Class*
The purpose of this paper is to develop further the recommendation in the City Region report\(^4\) which argues that an inclusive growth strategy should enhance employee voice and representation. The paper is largely based on previous research on the role of trade unions on the Sector Skills Councils\(^5\) which in many ways provided the institutional framework for most trade unions to connect with employment and skills policy. Since Sector Skills research was completed there have been many changes as outlined above which have tend to marginalize trade unions and other civil society organisations. But as this report contends, trade unions are vital part of the inclusive growth equation.

**Trade Unions and Inclusive Growth – the role of Bargaining for Skills and Unionlearn**

A key element of the Leitch strategy was a demand led system and an employer led governance and institutional model which relies heavily on the market. Union’s were seen as important actors as training providers rather than policy and work place bargainers. In this context the Union Learning Fund in 1998 was established as a means of promoting work place training. This was followed by the creation of Unionlearn as a TUC agency in 1998 charged with servicing and providing strategic direction on TUC policy on skills under an agreement with the Government Department of Business Innovation and Skills. The evolution of the Unionlearn and the Union Learn Representatives (ULR) has been one that has brought more into focus the need to include training within a bargaining agenda.

Under the 2002 Employment Act, ULRs have had the right to take reasonable paid time off work to perform their duties. Their role is to promote learning and learning agreements in the workplace including:

- analysing learning or training needs;
- arranging and supporting learning and training;
- consulting the employer about carrying out such activities;

Unionlearn operates on a regional basis in 6 regions (North West, Yorks and Humberside, Midlands, South and East, Northern and South West) although individual trade unions operate specific initiatives.

The Union effect on work place training has been assessed by the University of Leeds. Over the period 2001–2013 union members were a third more likely to have received training than non-unionised employees. The union ‘mark-up’ has also grown strongly since the recession, increasing from 13.4 per cent in 2008 to 16.0 per cent in 2013 and this trend is explained by two factors. First, access to job-related training among union members has bounced back in recent years with 38.9 per cent of union members answering positively in 2013 compared to 36.8 per cent in 2008. However, the opposite trend is evident among non-unionised employees, with 22.9 per cent of union members answering positively in 2013 compared to 23.4 per cent in 2008. In-depth analysis of the 2011 Workplace Employment Relations Survey provides a more detailed picture. This shows that three specific aspects of union

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\(^4\) Etherington D and Jones M (2016) Devolution Disadvantage in the Sheffield City Region, Sheffield: Sheffield University

presence – union recognition, union negotiation and consultation over training, and the existence of ULRs – are all associated with higher levels of training received by employees. By higher levels this means more than five days of training per year.6

Funding

Unionlearn is bidding for funding based on the programme of work that it is offering. A key part of this funding is the ULF and unions are invited to put in bids that will then go through a selection process based on what Unionlearn and BIS have agreed are the types of activity that will achieve the outcomes and outputs that should be funded through public funding. There is no commitment on funding from BIS in 2016/17 and will depend on the bids received and funding available. In round 15 (2013/2014), the ULF supported 41 projects, involving a total spend of £14.06m.

Outputs and value for money

For Round 15 (2014/2015) of the ULF, £14.15m was awarded to 41 projects, of which eleven participated in the survey.7 Although they made up just 27% of ULF Round 15 projects, the eleven that participated in the survey accounted for 50% of the funding and 59% of the opportunities generated through ULF Round 15. Together, they delivered:

• 1,200 training opportunities for Union Learning Representatives
• 11,800 opportunities for people to improve their English, Maths & Functional skills
• 20,000 opportunities for people to gain ICT skills at a variety of levels
• 6,350 opportunities for people to gain vocational qualifications at Level 2 and Level 3
• 15,000 Continuing Professional Development Opportunities
• 18,000 opportunities for people to progress to Further Education
• 400 opportunities for people to progress into Higher Education
• 4,700 Apprenticeship opportunities.

More than two-fifths (42%) of ULR supported learning were involved with short courses or events to gain skills and knowledge related to learners’ work or professional development which was the most common form of learning, of respondents indicated that they had undertaken this type of learning. A slightly lower proportion of union learners had participated in:

• Training to be a Union Learning Representative (29%)
• ICT/Digital/ Computing Skills (28%)
• Informal learning for pleasure, leisure or personal development (26%)
• Functional skills – English and Maths (23%)
• Vocational course at a college or training provider that resulted in a qualification at Level 2 or Level 3 (22%).

7 Neild B and Stevens (2015) Unionlearn Survey, Exeter; Marchmont Observatory University of Exeter
The first 11 rounds of the ULF supported 522 projects, with a contracted ULF budget of more than £121.1 million, supporting projects by 57 individual trade unions as well as TUC-led projects, creating 603,775 learning opportunities and training 22,009 ULRs. Costs per learner have been dramatically reduced; taking a three-year running average, the cost per learner has been cut from £580 per annum over Rounds 1–3 to £142 per annum over Rounds 9–11, “an impressive improvement in terms of return on investment.”

It is estimate that £1 invested in the Union Learning Fund generates a total economic return of £10.25, of which £5.75 accrues to individuals and £4.50 to employers.

### Case Studies

Individual train unions are involved with developing a variety of initiatives to engage workers across economic sectors. Below are examples which provide a useful insight to some of the projects sponsored.

#### Unite Community work with migrant workers at Sports Direct, Shirebrook

Trade unions are equally active outside the workplace and even when there isn't any union recognition such as at Sports Direct, Unite Community have been able to give support to workers experiencing challenges in coping with poor working conditions.

The Unite union has established eight *English for Speakers of a Second Language* (ESOL) classes, two in Shirebrook and two each in Mansfield and Nottingham. The classes are fitted around people’s shift patterns at the Sports Direct giant warehouse and logistics centre at Shirebrook, where over 3,000 people are employed but of which only around 300 have permanent contracts.

In June, SD boss Mike Ashley admitted Shirebrook workers were, thanks to time-consuming unpaid security checks at the end of each shift, being paid below the minimum wage of £6.70 an hour. A legal victory has just ensured workers, most of who are from overseas, will receive back-pay of about £1m for non-payment of the minimum wage. Unite is looking to develop a working relationship with Sports Direct and to sign a recognition deal with the company that would include a learning agreement so that every worker can be given an opportunity to improve their English and other basic skills.

#### Apprenticeships and work quality

Unionlearn is actively engaged in a campaign to improve the quality of apprenticeships and the TUC has developed an apprenticeship model to be adopted.

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8 Unionlearn (nd) *Unionlearn adding value and evaluation of Unionlearn and Unionlearn Fund London: Unionlearn*

9 Nield and Stevens (2015) op cit

which also has important implications for pay, working conditions and quality. Some of the areas of policy are outlined below.

Unionlearn, the learning and services arm of the TUC, both directly and through union reps, raise the quality and quantity of Apprenticeships available to young people in various ways:

- Promoting Apprenticeships as a high quality route for young people and working with other organisations to raise awareness of the benefits that Apprenticeships bring to young people and the businesses that employ them
- Negotiating new Apprenticeship opportunities for young people, enshrining commitments from both employers, unions and providers in learning agreements which provide clarity on the objectives of an Apprenticeship programme as well as the roles and responsibilities of the employer, provider, union and apprentice
- Supporting Apprentices through mentoring, coaching, buddyng and through union help in the workplace
- Campaigning to improve the quality of Apprenticeship provision, particularly through lobbying to ensure Apprentices receive at least the legal National Minimum Wage

Apprenticeships are core union business. Unionlearn supports this work through a cross-departmental approach, involving a number of different teams:

- First, through union projects which are funded via the BIS Union Learning Fund. To date ULF projects have met and surpassed all their Apprenticeship targets, highlighting the vital role trade unions have played in supporting a significant number of Apprentices in the workplace
- Second, regional teams and support workers play a crucial role promoting Apprenticeships and supporting local employers and trade unions to implement new Apprenticeship programmes

**GMB Productive learning project team Yorkshire and North Derbyshire**

The Productive Learning Project will focus its attention on areas which may be lacking in opportunity. ULR’s will strive to ensure that low paid workers are engaged, that manual workers are represented and that casual workers also receive the opportunity to engage with the learning agenda. Unemployed members can be assisted by the project via the job clubs with the focus on employability / CV writing skills etc.

The project will offer educational inclusion to those disenfranchised by the traditional educational routes. In 2014 the parliamentary education committee (comprised of MPs from Labour, Conservative and Scottish National Party) produced a report which highlighted that white working class children now come out of school with worse qualifications than equally poor children in any other major ethnic group (Underachievement of White Working Class 2014). The Productive Learning Project will target this underachievement through its established links with providers in key areas such as Maths, English and ICT. The long term unemployed, the law paid (25% of the UK employment is low paid), migrant workers and those restricted by family commitments will all be targeted. The project will also cater for learners with behavioural issues through such initiatives as the ‘Fab Lab Project’ which is in the
process of being developed as a nationally coordinated initiative. The project will assist workers in existing employment to progress via access of learning opportunities into higher paid, higher skilled jobs. Union Learning Reps will also assist members who may wish to pursue education that is unrelated to their work, helping source providers and promoting the benefits of a learning culture. The UK is currently second bottom of the league in the EU for employee participation. The project will aim to tackle this through engagement of its ULR’s, improving communication channels between employees and employers. It is accepted that employee engagement will implicate on morale and productivity. Employers statistics also show a reduction in absenteeism when workers are motivated and included. Forward thinking Employers will recognise that embracing the learning agenda and working with the Unions can be beneficial to them as well as their employees.

Local authority apprenticeships

Under the employer apprenticeship levy arrangements local authorities are required to engage more with apprenticeship schemes. Below is an example of how Unison and Bury Council have collaborated in terms of recruiting young people from disadvantaged backgrounds into apprenticeships.

Bury Council and Unison

Unison has worked closely with the Organisation and Development Adviser to ensure the Councils apprenticeship programme was accessed by the local community and in particular disadvantaged backgrounds. This involved the Council and trade union targeting specific groups during the recruitment process. Apprenticeships were advertised with organisations which has strong links with under-represented groups. The initiative also involved an induction day for new recruits and the ULR was able to provide guidance on the learning path through the apprenticeship programme.

Conclusion

This report suggests that trade unions can and do play a crucial role in relation to inclusive growth and policies could be developed along the following lines;

- More representation and inclusion of trade unions and NGOs with policy making including on the LEP/Combined Authority Boards. Building social partnerships is seen as vital given the shift in emphasis towards industrial strategy. Trade unions clearly have experience with this in their work with the Sector Skills Councils.
- Encouragement of employee voice within growth strategies including promoting union recognition as the TUC submission to the City Growth Commission states “strong employment relations underpinning city region led growth as part of a national strategy is needed to tackle the pay gap between the public and private sectors, the falling wage share, increases in precarious work and to make progress towards payment of a living wage.”

11 TUC (2014) Submission to the City Growth Commission, London TUC
Wage policy provides an important focus for trade unions in terms of ensuring its implementation.

- Include bargaining for skills including learning agreements and employment which could mean the inclusion of Unionlearn best practice within inclusive growth policies.