The New Deal for Working People: The labour interest in the national interest?

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Despite being met by the familiar middle-class snobbery that sees any pride in one's background as a kind of chippy uncouthness, there is a serious political point underpinning Keir Starmer's frequent refrain – said to sit well with focus groups – that his old man was a toolmaker and his mum a nurse.

Starmer set out his stall for government early on with a conference speech devoted to a politics of work that sought to reconnect the Labour Party with the changing character of the likes of Jon Cruddas call the 'labour interest' – in other words, the past, present, and future of how workers and their unions are integrated and represented in the policies and institutions of the state.

As importantly, Starmer's own story of social mobility fed into an increasingly confident offer to the aspirational working-class voters Labour had lost in recent elections. This argued that the insecurity that comes with geopolitical, economic and ecological crises obstructs the capacity to hope and plan for a better future. By guaranteeing greater security, Labour proposes to put the state on the side of 'ordinary hope' and freedom for those who lack it.

The concept of security currently functions as a golden thread linking Labour's domestic and international policies, as well as addressing both the emotional and material dimensions of the electoral line between left and right. It promotes the state as a partner to both businesses and workers, able to offer security in a way the market cannot.

In the sense that it sidesteps the market-driven mistakes of the earlier 'third way', Labour's platform is not the rehashed Blairism some commentators seem to imagine. Indeed, it has even been termed a 'fourth way' by some in the Italian *Partito Democratico*, taking inspiration from the UK during their own equivalent of the Corbyn years.

Whatever its merits, to embed this agenda in government, an active politics of work is required to bring concreteness to what might otherwise become abstract and remote – whether the big-picture political economy of 'securonomics' or new 'mission-based' institutions giving neo-corporatist steer to industrial strategy and skills.

In order to do this, Labour's programme needs to centre not only on security but frame this concept as an initial basis for the incremental achievement of other principles, such as those focused on power, place and people that Andrew Pakes and I have detailed elsewhere. Work is fundamental to this.

Security and freedom

The justified appeals to 'security' in Labour's programme – as the 'first political question' that must be answered before any others – should not be seen as a recipe for a repressive securitisation of everyday life, but rather a basis for the extension of rights and freedoms.

At the same time, it is imperative for the new government to also see the extension of rights and freedoms as a foundation for a more secure society able to withstand the challenges to liberal democracy from the prevailing geopolitical, economic and ecological headwinds.

Work is a central site where this twin potential for security and freedom can be realised. The initial green paper setting out Labour's New Deal for Working People came across as a hastily assembled grab-bag of good ideas thrown together irrespective of their political or legislative feasibility. It has since been revised and iterated as a centrepiece of Starmer's vision, and many of its key demands have found their way into last week's King's Speech.

Having constructed a winning electoral coalition from the centreground, those looking to Labour to suddenly let rip a previously latent left-wing radicalism will need to temper their expectations. With one eye on 2029, there is an imperative for Labour to continue to develop the material and economic dimensions of security and hope to articulate between the anxieties and aspirations of different groups of voters. In particular, the party has to split the difference between progressive electorates in urban areas and more conservative voters in small-town rural and coastal seats susceptible to the siren calls of a de- and re-composing right.

Despite these political pressures, the worst fears of the mainstream left and the labour movement that the New Deal for Working People would be watered down have largely been confounded, with recent polling showing that the public is overwhelmingly supportive of such policies.

There has been some inevitable accommodation to the needs of businesses, in line with Labour's commitment to growth and productivity in an economy crying out for dynamism. But the New Deal's core elements – ensuring day one rights, combatting the worst abuses of contingent contracts, creating new frameworks for setting and robustly

enforcing wage rates, developing bargaining power in unprotected and undervalued sectors like care – remain front and centre of Labour's agenda for government.

The precise details will be clearer upon the publication of the Employment Rights Bill, which we await at the time of writing. But a crucial component will be a commitment to the inclusion of unions as a vital player in aspects of Labour's potentially transformative strategies for skills and industrial renewal. This will be powered by reforms to procurement that will prioritise union recognition and representation in the award of government contracts and public investment.

Expectation and experimentation

Other aspects of the original New Deal for Working People have been scaled back, seemingly relegated to further review and consultation which will take place over the first year of a Labour government – the definition of a single worker status, for instance.

In this sense, some expectation management has rightly set in since the initial claim that Labour would accomplish its full programme on workers rights in the fabled 'first one hundred days' – a motif borrowed from the US system that makes a poor match for the ins and outs of our own parliamentary process. The more moderate ambition to legislate for its key planks within a hundred days makes a much better fit.

The intellectual firepower behind Starmer and Reeves is certainly underestimated by their critics on the right and left. Labour's ideological conflict over the best part of a decade has sharpened the arguments and instincts of the party's centre. The backbenches are now packed with partisans of that struggle someday in line for ministerial posts and positions on the government payroll.

However, the party's intellectual renewal has happened in the blink of an eye compared to what preceded Blairism. The achievements of the last Labour government, such as the National Minimum Wage, were years in the making and drew upon industrial relations expertise that had maintained close proximity to the government in the post-war period. Today, the muscle memory of using a large majority to force through change is understandably lacking after the long wilderness years of unelectability.

Labour is therefore right to tread cautiously, keeping a broad coalition spanning unions and business on side. The party takes power in the context of what some call a 'polycrisis', but rushing into responses based on an urgent sense of impending doom is seldom optimal for good decision-making. Reflecting the cautiousness these conditions demand, the distinction of the New Deal is that it adopts an essentially experimental approach to some of the proposed legislation.

The process of further review and consultation around various parts of a new industrial relations architecture is, in this regard, an opportunity for reforms to be progressively augmented and extended as Labour gathers a head of steam towards a second-term.

This is similar to the piecemeal policymaking seen in some European social democracies – although, in light of issues like our low rate of unionisation, the difficulty of imposing solutions off-the-shelf from very different economies reinforces the necessity of a specific 'British Way' such as that outlined, imperfectly, in the Taylor Review.

Exemplifying this experimental approach, Fair Pay Agreements, for instance, are proposed to be rolled out only in the care sector for now. The New Zealand experience, where such agreements have been rolled back by an incoming right-wing government, is an instructive case of how contentious they might prove.

But if this method for setting minimum floors on pay and conditions – which, in light of the specificities of the largely ununionized sectors it will seek to address, falls short of the full sectoral bargaining some may wish to see – proves a success, there is scope for a second-term Labour government to scale it up as a bigger building block of a new industrial relations architecture in the UK.

This, in turn, would underpin an industrial policy geared towards generating greater growth and productivity from the ground up, rather than imposing it from the top down.

Place and space

An implication of this experimental approach is that policies have to work in particular spaces and places – whether sectoral or geographical. This matches Labour's industrial policy in that missions make sense only where they are based in particular locations and sites. What works for the 'everyday' or 'foundational' economy of care work, for instance – like the Fair Pay Agreements – may not be the right fit for the high-value, high-growth industries of the future associated with net zero.

This is especially the case in light of the forecast shift – compelled by geopolitical and environmental factors – to an economy focused on a greater sovereign supply of resources and energy. As Ed Atkins and I wrote for Progressive Britain recently, the industries and workers that extract and produce these commodities will be rooted in particular parts of the country according to their proximity and access to wind, sun, waves, minerals and metals. As in my own homeland of Cornwall, different geographies will be home to different sectors with different skills needs and career trajectories through the life course.

The institutional infrastructure that governs work and employment – with reformed Job Centres potentially playing an important role, as outlined in recent Labour policy announcements – will therefore need to be adaptable to the local context.

This brings into focus the relationship between security and freedom informing Labour's new politics of work. 'Securonomics' seeks to deploy the state as a partner to businesses and workers alike. With respect to the former, innovations like the National Wealth Fund are widely seen as adopting a 'derisking' function that supports and encourages the capacity of capital to invest where this has not been readily forthcoming.

However, the state also needs to derisk the environment within which labour invests, too, as workers adapt to the industrial transformations underway in the green and digital transitions. Promisingly, the announcements coming out of the DWP suggest that employment support will be retooled so as to enable workers the security required to take risks upskilling and switching careers.

Learning from the local Job Security Councils and Regional Transformation Agencies of Sweden and Germany surveyed in a report I co-authored for the Foundation for European Progressive Studies last year, this will need to be based on evidence and foresight about what will likely be highly localised industrial shifts. Like European social democracies with stronger economies, security should be seen as an aid to the flexibility and adaptation that come with export and resource industries, rather than a byword for stasis.

Pace and scale

The danger is that, in the course of forthcoming reviews and consultations, this new politics of work gets picked off and problematised as a standalone part of Labour's policy programme separable from the rest.

As soon as the strong rights and freedoms at work Labour is promoting become seen as an optional add on to a secure, dynamic economy, they risk falling victim to a crisis of confidence or the competing interests of different actors within the party's electoral coalition. Media grumblings from business have already met some of the policies signalled in the King's Speech – and there will be similar noises off once reviews and consultations open up on the future policies that will take the agenda forward.

This is why it is so important that the New Deal for Working People continues to be viewed as a from-below propellant of productivity and unions continue to be seen as a coordinating partner for a new age of industrial policy. There is, in this way, a wider justification for Labour's employment reforms that is more resistant to the vying claims of capital and labour alike.

In this sense, the geopolitical and economic gambit inherent in securonomics should provide a protective environment for the new politics of work. Better industrial relations based on a stronger, freer working class should be seen as a foundation stone for a more secure economy and country as a whole.

If liberal democracy is to withstand the threats posed to it by its enemies, then putting its principles into practice in the workplace should be the first part of the defence. As I have discussed for *Futures of Work* previously, this could be reminiscent of the concessions, compromises and frameworks for the integration of labour into the state that acted as a stabilising element of the so-called 'golden age' under the shadow of the Cold War.

In this way, the 'labour interest' should be seen as central, and never antithetical, to the 'national interest'; although it is at the same time necessary to avoid some of the disciplining effects on labour struggles seen during earlier periods of ideological and economic conflict.

Moreover, advancing the New Deal for Working People is not just a (geo)political imperative, but an electoral one. Whilst ruthlessly efficient in targeting the votes that mattered most, the Labour vote share on 4th July was arguably diminished by the sense that change was coming independent of whether people turned out at the ballot box. Over the next five years the party has the chance to put proof in the pudding and run again in 2029 on the need to go further, faster.

In the delivery of policies like the New Deal for Working People, and the promise that they could be rolled out at a greater pace and scale, there is real potential for Labour to once again return to the electorate with an insurgent campaign that translates tight marginal victories into safe Labour seats for a second term at the helm.