

Unions slam the Taylor review

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Matthew Taylor's review of employment practices has been slammed by trade union leaders and the Labour front bench for not being bold enough over zero-hours contracts and in its response to the growth of imposed self-employment. The review doesn't call for an end to zero-hours - only a right for those on them to be given regular hours. Instead of demanding employee status, it recommends a new category of worker, a 'dependent contractor' who should be given greater protection by firms like Uber and Deliveroo and paid the National Minimum Wage, though only during times of 'normal' or 'high' demand (!).

Beginning his report with the claim that the success of the UK in creating a record number of jobs since the economic downturn has been because it has one of the most 'flexible' labour markets will not have endeared Taylor to trade union activists. A similar argument used to be made by George Osborne, as real wages tumbled and the number of low-paid, unskilled jobs rocketed. While Taylor concedes that real wages may have fallen, he argues that if changes to tax rates and tax credits are introduced, then average take home pay is higher than the rest of the G7.

Taylor does call for equal pay for agency staff and better sick pay for low-paid workers, and he does try to address some of the contradictions associated with work in the 21st century. Discussion about growing 'flexibility', for example, is often considered taboo in labour movement circles - being the reason for growing workplace 'insecurity', and invariably this is true. But, as Taylor recognises, evidence shows that not all of those (including a substantial number of Uber drivers) on zero hours want fixed conditions. (McDonalds have claimed that only 20 per cent of its zero hours staff want to change their status, while ONS data regularly shows that most part-time workers don't want to, or can't, work full time, and over the last three years there's also been an increase in the number of temporary workers not wanting a permanent job.) But while 10 per cent of workers report that they'd like to work less hours, another 10 per cent would like to work more.

As a result, Taylor calls for a *two-sided flexibility* that benefits the worker as much as the employer.

This would enable individuals 'to work in a range of different ways, on hours that fit around other responsibilities'. Yet, he maintains, the best way to achieve this is through 'responsible corporate governance and good management' rather than new national regulations.

While a Tory government is unlikely to bring in any, it must also be said that a future Labour administration, wanting to use the law to prevent the super-exploitation of the gig economy, would have its hands full. It's true that the law has been used successfully against several big players like Sports Direct, Hermes, even Uber, but these set-piece court cases have taken a huge amount of time and money. While the number of employers facing legal action for not paying the minimum wage has increased, this is only the tip of a very large iceberg.

As the job market continues to fragment, Labour would have to not only rewrite employment laws, but also replace the current bureaucratic and extremely expensive tribunal system with an alternative approach (a new type of 'labour state') including a fully-fledged inspectorate able to dish out on-the-spot fines to employers who don't toe the line, but also 'name and shame' those who continue to break the law.

But a major problem for trade unions is that they have been slow to react to structural changes in the labour market and the workplace that have been developing for over two decades and which have been left to Taylor to resolve. With some important exceptions, unions have relied on organising established 'core' workers, protected by collective agreements if not national conditions, rather than trying to recruit a growing, but also an increasingly fragmented and youthful, 'precarial'.

As the core workforce declines and their own membership dwindles, unions face a huge task, having to learn new ways of organising and develop new relationships and communication channels with the self-employed. It's by organising in the workplace, not relying on courts, tribunals and employment reviews, that pay and working conditions have been safeguarded, but it remains to be seen whether unions can be more than relics of a previous age and face up to these new challenges.