

UK employment relations under the Conservatives: a “Little English” hegemony?

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In May 2015 the Conservatives under David Cameron were returned with a small, but largely unexpected parliamentary majority. Between 2010 and 2015 they had governed in coalition with the more centrist Liberal Democrats. While the leaderships of both parties shared the same fundamental belief in the virtues of a deregulated, flexible labour market, over time differences of emphasis began to emerge when it came to their respective approaches to employment relations matters. The commentator Ken Spours has argued that, liberated from the constraints imposed by having to govern in coalition with the Liberal Democrats, the Conservatives are using this opportunity to forge a long-term hegemonic strategy designed to marginalise political and industrial opposition sufficiently to dominate the English – and hence the UK – political landscape for the foreseeable future.

In the field of employment relations, the consensual dimension is evident in the attempts of the Conservatives to portray themselves as best placed to represent the interests of working people. Perhaps the most eye-catching element of the July 2015 budget, for example, was the Chancellor’s announcement of a new minimum wage rate for over 25-year olds: a so-called ‘National Living Wage’ (NLW). This comes into effect in April 2016, at a rate of £7.20 per hour; and is anticipated to increase to at least £9.00 by 2020. Whether such a projected increase survives business lobbying remains to be seen. The government’s claim that the NLW would offset the proposed reduction in the value of tax credits, part of £12 billion worth of planned cuts to in-work welfare benefits by 2019-20, has been shown to be false. However, as a measure which was effectively purloined from the Labour opposition, the NLW policy is an important illustration of the Conservatives’ efforts to construct hegemony by engaging with the emergent political consensus around tackling low pay.

The hegemonic political strategy also has a strongly coercive dimension, aimed at weakening the prospects for political and industrial challenges to the Conservatives. One aspect of this is the continuing demonisation of those claiming state benefits. A second aspect is the majority Conservative government’s rapid return to legal attacks on organised labour. Its immediate employment relations priority was to progress with a new Trade Union Bill which, once it becomes law, will impose substantial additional restrictions on trade unions and their ability to undertake industrial action. Its headline measure was the proposed introduction of new ‘turnout thresholds’ for industrial action; to be lawful any ballot will need at least half of the workforce to have voted. In so-called ‘important public services’ an additional hurdle will apply, with industrial action needing the support of at least 40 per cent of those entitled to vote. The Bill also contained provisions to hamper further the effectiveness of industrial action, some of which may not survive the legislative process.

Nevertheless, once it becomes law the Bill will have profound implications for employment relations in general, and trade unions in particular. It is already difficult enough for unions to organise a lawful strike; the measures contained in the Bill will make it significantly harder. The balance of industrial power will shift even further towards employers. Specific attention is given to the public sector, for the purpose of undermining union organisation in one of the few areas of the UK where it is still relatively healthy. Here, the Bill would prohibit the use of arrangements that enable union membership subscriptions to be deducted directly from salaries and restrict the activities of workplace union representatives. The measure with perhaps the most profound long-term effect is that which would alter the basis on which unions can engage in legitimate political activity, by requiring union members to 'opt in' to paying political fund contributions, as opposed to choosing to 'opt out' as at present. Moreover, the proposed changes to political fund arrangements will, if enacted, substantially reduce the funds available to the main opposition Labour Party.

Now that they are governing without the pro-EU Liberal Democrats, the Conservatives have also been able to pursue their objective of re-negotiating the UK's membership of the EU, although to what ultimate purpose remains confused. Under pressure to satisfy the demands of the increasingly animated Eurosceptic wing of his Party, in 2013 David Cameron announced that a future Conservative government would attempt to re-negotiate the terms of the UK's membership of the EU before putting the outcome to a referendum. One of the main areas where change was sought concerned EU social and employment policy, a longstanding Conservative grievance both because of the supposed regulatory burden it imposes on employers and the degree to which it symbolises the erosion of parliamentary sovereignty in the UK.

The process of negotiation formally commenced in November 2015, with the UK government hoping to reach an agreement with other EU member states in early 2016 in advance of a referendum expected to come later in the year. The UK published four key negotiating objectives, of which only the most specific one, the requirement that EU migrants must work in the UK for at least four years before they are entitled to claim in-work benefits, created any real difficulties. However, a demand to repatriate EU social and employment rights back to the UK was not one of the UK's explicit reform objectives (unless somehow subsumable under a wider generic objective of increasing European competitiveness). The omission seems odd given the concerns expressed by the Conservatives over the years about how EU-derived employment protections impede business flexibility and competitiveness. The aim of securing an opt-out from EU employment legislation was originally on the government's agenda for renegotiating the terms of the UK's membership of the EU; however, given the increasingly Eurosceptic beliefs evinced by Conservative voters the government realised that in order to secure its preferred outcome in the referendum – 'yes' to remaining in a 'reformed' EU – it would be heavily reliant on Labour and trade union support. That meant abandoning – or at least deferring – the objective of opting out of EU social and employment laws, to the dismay of Eurosceptic Conservatives increasingly concerned about what they saw as the government's lack of ambition. At the time of writing, the outcome of the negotiations and the promised referendum are uncertain. However, the implications of a decision to withdraw from the EU would be potentially momentous for employment relations and the entire body of UK employment law, depending on the terms of any UK exit.

Europe is not the only area where the UK Conservative government will struggle to realise its aspirations in employment relations. Devolved government in Scotland, Wales and Northern Ireland respectively has generated greater intra-UK diversity, something which became more pronounced during the coalition period between 2010 and 2015. Under a majority Conservative government such divergence is likely to become more marked, given the opposition to neo-liberal policies exhibited by the Scottish National Party administration in Scotland and Labour in Wales. This has already become evident with regard to efforts to block elements of the Trade Union Bill in Wales and Scotland. The Scottish government also opposes UK government proposals to deregulate Sunday trading hours. The Scottish and Welsh governments' preference for partnership, rather than antagonising professional staff, is evident in the health service. Whereas in England the UK government has become embroiled in a messy and fractious dispute over new contracts for junior doctors, the Scottish and Welsh administrations, which have devolved responsibility for health matters, have chosen not to pursue contractual changes.

Taken together, these issues demonstrate that, notwithstanding its efforts to pursue a hegemonic strategy, the 2015 Conservative government is nonetheless vulnerable on some fronts. Politically, the House of Lords defeat on the proposed cuts to tax credits, for example, shows that it cannot take Parliament for granted. Its parliamentary majority is rather smaller than that enjoyed by the coalition administration which preceded it. Industrially, moreover, action by junior doctors in England (which would have still been lawful even if the measures included in the Trade Union Bill had been in place) demonstrate the potential opposition that exists to unpopular measures taken by a government that, despite its plurality, was elected on just 36.9 percent of UK voters (24.3 percent of the registered electorate). However, with employment relations a matter largely reserved for the UK central government, the Conservatives' gamble may well be that sufficient English voters will buy into the Tory high employment, low regulation, low tax, low public spending message to ensure that a "Little English" Conservative hegemony can be maintained UK-wide for some time to come.