

Birmingham Trades Union Council



BRIEFING

March 2018

The West Midlands economy: why we need a strategy for inclusive growth

This was the subject of Birmingham Trades Union Council's conference on Saturday 10 March. Here are brief summaries of two of the presentations. The third, by Jonathan Payne of De Montfort University on 'The Question of Skills', will be available in a later Briefing. We begin with Richard Hatcher's introduction.

For many years the Trades Council and the labour movement in Birmingham and the West Midlands have largely focused on defensive campaigns against cuts and privatisation in public services. We have had little to say about the economy of Birmingham and the West Midlands. But now a new period has begun where the issue of the local economy has come to the fore. There are three reasons:

- The possibility of a Corbyn-led Labour government,
- The debate about the local impact of Brexit on business and jobs, especially the car industry
- The West Midlands Combined Authority's strategy of economic growth for private profit, which drives all its policies including for public services.

This new period means a new challenge for the trade unions and the labour movement. We need to discuss how we can build support now for the policies of the future Labour government and also how we can campaign for the practical steps that can be taken now, even under the Tory government, that begin to take policy in a different direction.

An inclusive economic policy would measure economic performance on the basis of the *social value* it produces, not just GVA – Gross Value Added. Central is the impact on the inequalities of pay, conditions, gender, ethnicity, dis/ability and geography which are rife in the West Midlands.

The WMCA's economic strategy focuses only on high-tech sectors, but these only employ a small minority of the workers in the West Midlands. For example, 'Public admin, education & health' and 'Distribution, hotels & restaurants' together account for almost half – 48.8% – of all jobs in the West Midlands, and nearly four times as many as 'Manufacturing' (13%). So we need an economic policy which is *inclusive* – which is a policy for *all* workers, not just the minority employed in the high-technology sectors. One basic demand is for the real Living Wage of £8.75 an hour. It should be the condition of all the WMCA's contracts and partnerships with external bodies, including their supply chains, together with union recognition and no zero-hours contracts. But Andy Street's mayoral manifesto is silent on these issues.

There are lessons to be learned from Preston council's use of procurement, praised by John McDonnell. Birmingham Council uses it to require that all larger contracts include employment and training opportunities. Preston goes much further by joining forces with big local public 'anchor' institutions such as local hospitals, FE colleges and the university. Councils in the West Midlands and the WMCA should do the same to secure much more powerful benefits from procurement. Preston is also in the forefront of exploring other local economic strategies including the use of Local Government Pension Funds, municipal

ownership of energy supply, and Community and Regional Banks – all ideas we should be campaigning for here in Birmingham and the West Midlands.

Devolution, Austerity and Inclusive Growth: Lessons from Manchester

David Etherington (Middlesex University) and Martin Jones (Staffordshire University). David's talk was based on their recent research in Manchester and Sheffield. Here are his Key Lessons:

Public debate on impacts of austerity

- Austerity undermines devolution and inclusive growth – need for a public debate on austerity
- Austerity is a growth strategy reliant on low wages, attacking employment and social rights
- For Birmingham estimated loss per year in relation to welfare cuts is £690m and financial loss per working age adults is £960 (pre and post 2015 welfare reforms)
- 34% cut in Birmingham Local authority spending between 2009/10 - 2016/17

Need for more trade union focus and action on welfare reform

- Roll out of Universal Credit harsher workfare regime and threat to low paid workers because of in-work conditionality
- Scrap Universal Credit and Promote the Welfare Charter (developed by PCS and Unite Unions) fair benefits, end to sanctions, replace Work Capability Assessments
- Develop inclusive labour market policies via employment support for disadvantaged groups
- Integrate welfare and skills – job rotation.

Action against low pay and precarious work

- Develop a gender and equality perspective on inclusive growth - women disproportionately impacted by austerity and low pay
- Promote social dialogue in relation to decision making
- Promote trade unions as vehicles for inclusion and employment rights
- Living wage campaigns in Greater Manchester, Sheffield Needs a Pay Rise Campaign

You can see the videos of the three conference presentations on the BTUC website. The full texts of the two presentations above are on the Birmingham Against the Cuts website.

Two campaigns that BTUC is supporting...

Save Our Nurseries campaigners protest against the threatened closure of 14 Council nurseries

Parents and supporters gathered outside the Council House on 13 March with placards and banners, including contingents from the GMB, NEU and Unison. Inside, councillors handed in petitions from parents and Councillor Carl Rice, the Cabinet member responsible, was questioned by three campaigners - Gill Ogilvie, GMB Regional Organiser for Birmingham & West Midlands Region, Shaneela Zaheer, a parent from Park Road Nursery, Sparkhill, and Richard Hatcher from the Trades Council. The campaign is continuing with meetings with councillors and

MPs, including a meeting with Carl Rice by a delegation of parents.

UCU strikes to protect pensions

The employers at the 'traditional' universities, including Aston, Birmingham and Warwick, want to end guaranteed pension benefits. They say that lecturers' final pension should depend on how the 'investments' perform in the stock market, and not on your contributions. UCU says it's wrong to risk our members' futures. The employers' plans are just part of the ongoing move to casualise the work of university teaching. The strikes took place over 16 days in February and March and are likely to continue.



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