

Building working class power

How to address class inequality today



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1-minute summary

The Trades Union Congress was founded to advance the “general interests of the working classes”, and that remains our core mission today. We need stronger rights for workers to negotiate better pay and conditions, a plan to restore our public services, and new laws to end class discrimination.

1. Introduction and summary

The Trades Union Congress was founded to advance the “general interests of the working classes”, and that remains our core mission today.

Working class jobs have changed with the shift to a service economy. Those earning less than the average wage are most likely to work in retail or as a care worker. And today’s working class is more diverse, with those earning below average more likely to be female or from a Black and minority ethnic background than those in the highest paid jobs.

But the working-class experience of poor pay, long hours, and class discrimination that the union movement has fought against remains all too common in today’s UK. And working-class households have been hit hardest by public service cuts.

TUC research shows that:

- *Working class families have been hit hard by the pay crisis that started after the financial crash:* Seven million employees in working class jobs have seen their pay flatline over the decade, while the highest earners have seen pay rises.
- *A decade of austerity has had a disproportionate impact on working class families:* for families on less than average earnings, cuts to public services over the last decade have been worth over five percent of their annual incomes – compared to less than one per cent for above average earners.
- *Discrimination based on class background is still prevalent in the workplace today:* TUC analysis shows that graduates with parents in ‘professional and routine’ jobs are more than twice as likely as working-class graduates to start on a high salary, no matter what degree level they attain.

Trade Unions have been vital to improving working class prospects. We’ve fought for the right to speak up in the workplace and negotiate better terms and conditions, and we know that where trade unions are strong, inequality falls. Strengthening our own movement, and our ability to negotiate for working people, is at the heart of trade unions’ mission to protect working class interests.

We need government action too. Government must reverse years of austerity and fund the public services that working class families rely on.

And after years of prejudice based on social background, it is clear that working class people won't get a fair chance at work unless government puts in place a framework to tackle class discrimination. The TUC is therefore calling for new legislation to:

- Make discrimination on the basis of class unlawful, just like race, sex and disability.
- Introduce a legal duty on public bodies to make tackling class and income inequality a priority.
- Make it compulsory for employers to report their class pay gaps.

2. Who's working class now?

However you define 'working class' it's clear that working people's interests are under attack.

There's a long historical tradition of contested definitions and meanings of the term class. One understanding see only two classes – those who own capital, and those who exchange their labour for a wage. And we know that workers as a group have lost out over the last forty years: the share of GDP going to wages has shrunk from an average of 57 per cent between 1945 and 1975 to 49 per cent in 2018.

Throughout the twentieth century narrower definitions of class have been developed based on occupation. The Office for National Statistics now use a classification system called 'The National Statistics Socio-Economic Classification (NS-SEC)', based on "employment relations, i.e. aspects of work and market situations and of the labour contract". with the categories ranging from 'higher managerial occupations' to the long term unemployed.¹ 'Routine' and 'semi-routine' jobs are often seen as 'working class' jobs on this definition.

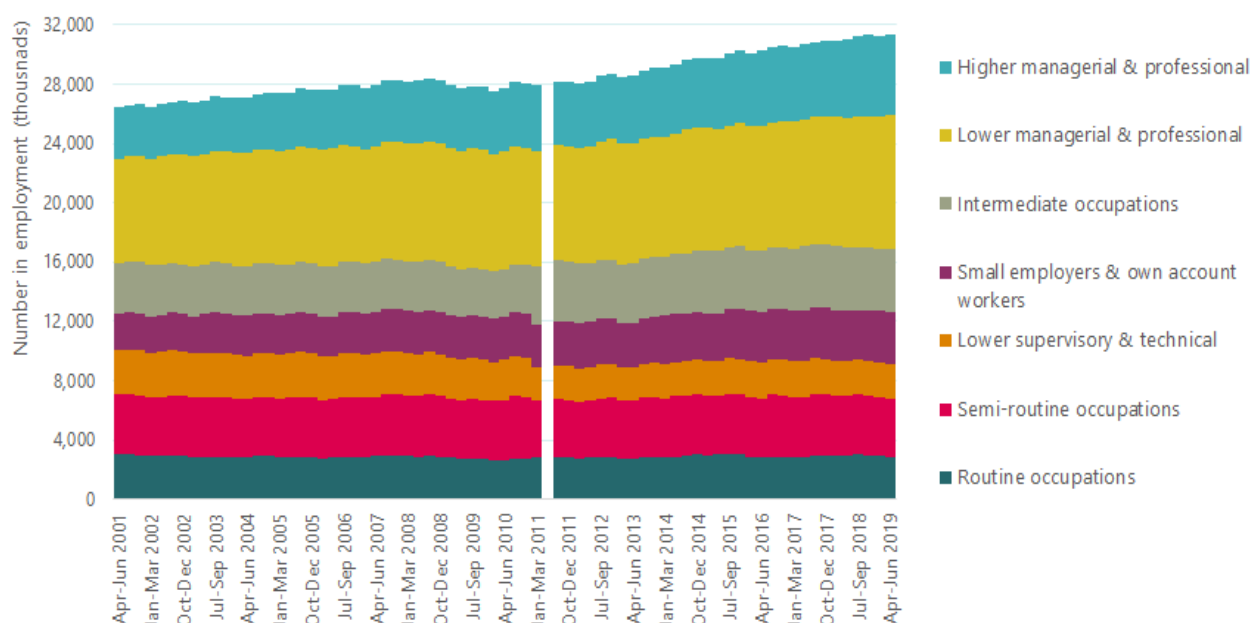
NS-SEC Analytic classes

- 1 Higher managerial, administrative and professional occupations
 - 1.1 Large employers and higher managerial and administrative occupations
 - 1.2 Higher professional occupations
 - 2 Lower managerial, administrative and professional occupations
 - 3 Intermediate occupations
 - 4 Small employers and own account workers
 - 5 Lower supervisory and technical occupations
 - 6 Semi-routine occupations
 - 7 Routine occupations
 - 8 Never worked and long-term unemployed
-

Using this definition (which changed in 2011, so there's a break in the data in the chart below), over the past twenty years, the largest area of jobs growth has been in professional jobs, leaving the 'semi-routine' and 'routine' jobs often identified as working class as just over twenty per cent of the employed population.

¹ ONS 'The National Statistics Socio-economic classification (NS-SEC)' available online at <https://www.ons.gov.uk/methodology/classificationsandstandards/otherclassifications/thenationalstatistics/socioeconomicclassificationnssecrebasedonsoc2010>

Chart 1: Proportion of employees in different socio-economic groups, 2001-2019



Source: ONS

This definition is commonly used in monitoring of people from various backgrounds – and there is a clear value in this long-running measure which allows us to compare experiences over time and place.

However, research conducted in 2015 found that 60 per cent of people identified as working class – a figure unchanged since 1983 – including 47 per cent of those in jobs classified as managerial or professional.² Some of these workers may be those with a working class background, rather than those in working class jobs today. But we know that aspects of work often identified with ‘working class jobs’ – low or stagnating pay, a lack of autonomy, and intense and exhausting work are experienced by increasing numbers of working people:

- *Pay has stagnated:* Workers in the UK have experienced the longest pay-squeeze in 200 years.³
- *Workers often don't have a voice at work:* Research in 2011 found that less than half (47%) of employees thought that managers were good at responding to suggestions from employees and just over one in three (35%) said that managers were good at allowing employees to influence decisions⁴. The number of workers

² Geoffrey Evans and Jonathan Mellon (2016) 'Social Class Identity, awareness and political attitudes: why are we still working class?' at http://www.bsa.natcen.ac.uk/media/39094/bsa33_social-class_v5.pdf

³ Geoff Tily (2018) '17-year wage squeeze the worst in two hundred years' available at <https://www.tuc.org.uk/blogs/17-year-wage-squeeze-worst-two-hundred-years>

⁴ The 2011 Workplace Employment Relations Study FIRST FINDINGS https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336651/bis-14-1008-WERS-first-findings-report-fourth-edition-july-2014.pdf

who can negotiate their terms and conditions through a collective bargaining agreement has declined from over 70 per cent in 1979 to just 26 per cent today⁵.

- *Work is getting more exhausting*: recent findings from the national Skills and Employment survey found work intensification increasing, with the proportion of workers in jobs where it was required to work at 'very high speed' for most or all of the time rising by 4 percentage points to 31 percent in 2017.⁶

In our work on how class relates to pay and public services, we therefore look at a broader group of people, concentrating mainly on those earning below average incomes.

Finally, there is also a strong sociological tradition of looking at 'cultural' as well as economic capital, exploring the ways that cultural choices like the way people dress, or the type of music they like, have been used a way of marking and maintaining class distinctions. For example, researchers have used findings from the 2015 BBC survey on class to suggest a new classification of seven classes, based on groupings of economic, social and cultural factors.⁷ Research has shown that these type of distinctions can be important in explaining economic differences, such as the lower pay experienced by those from working class backgrounds, even when they enter into professional jobs.⁸

We think that each of these measures can tell us something important about class. But rather than ignite a lengthy debate about definitions, we want to focus on how to tackle the persistent class inequality that still exists in Britain today. In the rest of this report we set out how:

- Pay in working class jobs has stagnated;
- A decade of austerity is having a disproportionate impact on working class families; and
- Class discrimination means that those from working class backgrounds are still shut out of opportunities.

In future reports we will explore other aspects of working-class experience in Britain today

⁵ National Statistics, [Trade union statistics 2018](#), Trade union membership statistics 2018: tables, 30 May 2019

⁶ Francis Green, Alan Felstead, Duncan Gallie and Golo Henseke (2018) *Work Intensity in Britain: First Findings from the Skills and Employment Survey 2017* available at https://www.cardiff.ac.uk/_data/assets/pdf_file/0009/1309455/4_Intensity_Minireport_Final.pdf

⁷ Savage, Mike, Devine, Fiona, Cunningham, Niall, Taylor, Mark, Li, Yaojun, Hjellbrekke, Johs., Le Roux, Brigitte, Friedman, Sam and Miles, Andrew (2013) A new model of social class? Findings from the BBC's Great British Class Survey experiment. *Sociology*, 47 (2). pp. 219-250 available online at http://eprints.lse.ac.uk/49654/1/Savage_New_model_social_class_2014.pdf

⁸ Sam Friedman and Daniel Laurison (2019) *The Class Ceiling: Why it Pays to be Privileged*, Bristol University Press.

3. Pay in working class jobs

Working class families have been hit hard by the pay crisis that started after the financial crash: The seven million employees in jobs that earn less than median wages but aren't in low paid jobs have seen their pay flatline over the decade, while the highest earners have seen pay rises. We need stronger rights for workers to negotiate through their unions for better pay.

When talking about working class jobs in this section, we look at class through the lens of both occupation and pay, looking at the experiences of people in jobs paid above and below the median, and at the low and high paid, as an approach to thinking about working class experiences today.

The seven million employees in jobs that earn less than median wages (£12.70 an hour in 2018) but aren't in low paid jobs (defined here as 75 per cent of the median, or £9.60 an hour) have seen their pay flatline over the decade.

The minimum wage has helped push up pay at the very bottom – but without strong trade unions to ensure gains are widely shared, pay for those in jobs paid below the median is stagnating.

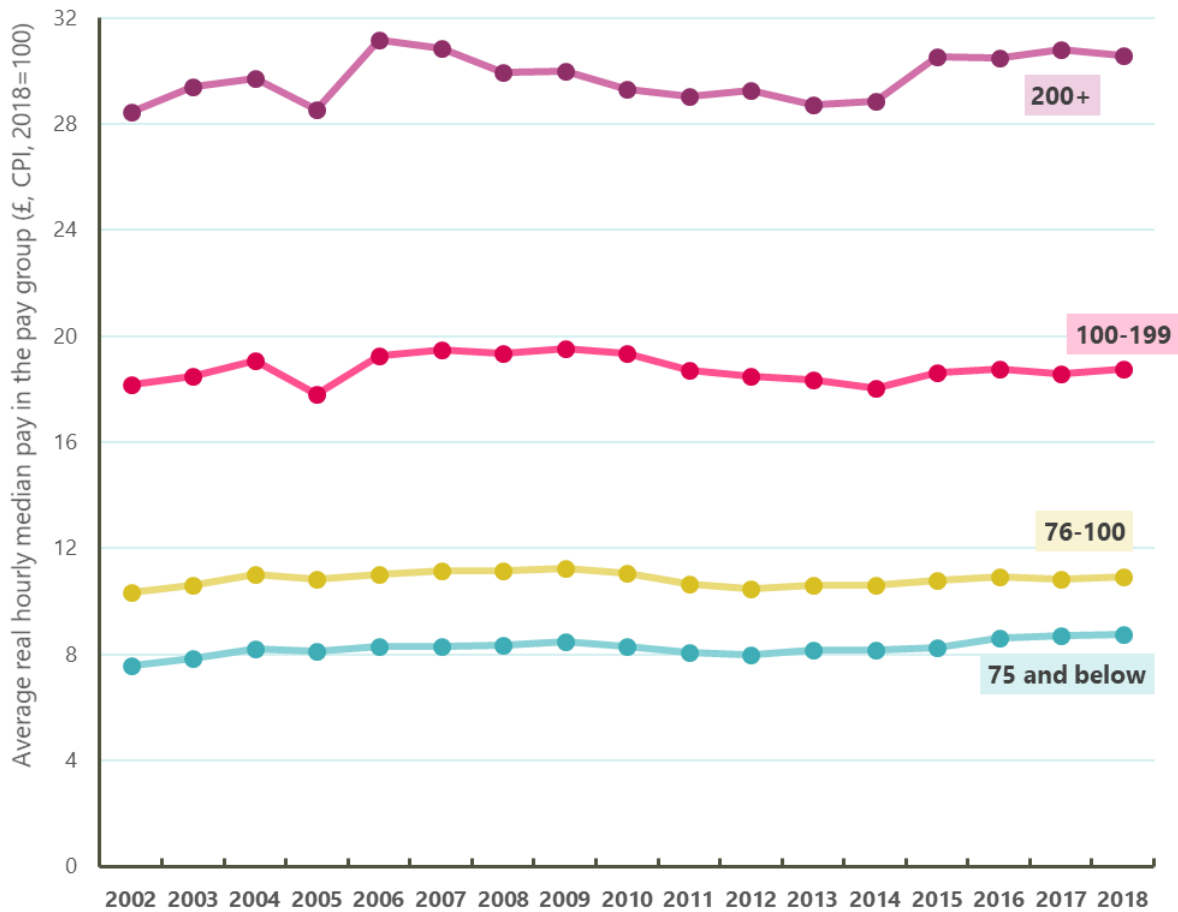
In contrast, those in the highest paid jobs, earning more than twice the median UK wage (over £26 an hour) have seen their pay packets increase by £1.26 an hour, a rise of four per cent, over the same period. For someone working a 35-hour week that would add up to a pay rise of £44 a week.

The chart below breaks this down further to look at the experience of different groups in the labour market, as set out above. It shows that:

- **Prior to 2010**, pay growth was fastest in percentage terms for the lowest paid jobs
 - Pay for those in jobs paid less than 75 per cent of the median grew by 10 per cent (£0.76)
 - Pay for those in jobs paid between 75 per cent and the median wage grew by 7 per cent (£0.73)
 - Pay for those paid between the median and twice the median wage grew by 6 per cent (£1.16); and
 - Pay for high earners – those paid twice the median wage grew by 4 per cent – though this was the largest in cash terms at £1.27.
- **After 2010** both middle paid groups have seen their pay fall, with only the bottom and top paid groups seeing rises in pay.
 - The lowest paid jobs have seen pay increase by 5 per cent (£0.43)
 - Pay for low-middle earners has been basically stagnant – and is in fact now £0.14 below its 2010 level.
 - Pay for jobs between the median and twice the median has also fallen – by 3 per cent, or 61 pence an hour.

- Pay for those jobs paid at twice the median wage has risen by 4 per cent – the largest cash rise again at £1.27.

Chart 2: Average real hourly pay in jobs at various parts of the pay distribution, 2002-2018



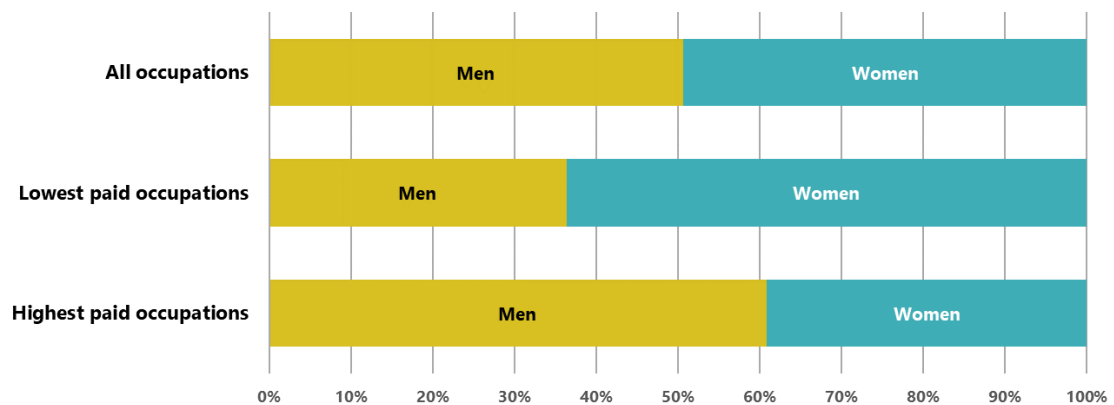
Source: TUC analysis of ASHE 2002-2018

What are working-class jobs, and who's working in them?

Working-class jobs have changed; with retail and care workers now the largest occupations for those earning less than the median wage.

Looking at those in the worst paid jobs, both Black and minority ethnic (BME) workers and women are overrepresented, whereas these groups are both under-represented amongst the higher earners.

Chart 3: women are overrepresented in the lowest paid occupations and underrepresented in the highest paid.



Source: LFS, TUC analysis. Lowest-paid occupations: those where median hourly pay is 75% or less than overall median hourly pay. Highest paid occupations: those where it's double, or more than double, of overall median hourly pay.

Chart 4: Percentage of Black and minority ethnic (BME) employees in different occupation groups



Source: LFS, TUC analysis. Lowest-paid occupations: those where median hourly pay is 75% or less than overall median hourly pay. Highest paid occupations: those where it's double, or more than double, of overall median hourly pay.

Boosting working class pay

The best way to get sustained pay rises in working-class jobs is by working people having the ability to collectively negotiate pay and conditions through our trade unions.

This is increasingly a view shared by international institutions examining economic growth: The IMF in 2015 published research showing the role of trade unions in tackling inequality, with "strong evidence that lower unionisation is associated with an increase in top income

shares in advanced economies during the period 1980–2010”⁹. The OECD’s 2018 Jobs Strategy argues that collective bargaining can “foster skills development and skills use in the workplace, and allow for the effective dissemination of good working practices”, while helping to “promote a broad sharing of productivity gains”¹⁰.

Working class interests have been harmed by the decline of collective bargaining in the UK. Immediately after the second world war, collective bargaining coverage in the UK stood at 85 per cent. In 1979, before the election of the Thatcher government, 82 per cent of UK workforce had their pay and conditions determined by collective agreements or wage council orders. By 1996 (when currently comparable statistics start), coverage had fallen to around 35 per cent, falling further to stand at 26 per cent today.

Our first priority is therefore to boost working people’s ability to boost their pay and conditions through collective bargaining. Alongside this note we have published a new report¹¹ setting out a comprehensive agenda for how to boost collective bargaining in the UK, including:

- **Unions to have access to workplaces** to tell workers about the benefits of union membership and collective bargaining (following the system in place in New Zealand).
- **New rights to make it easier for working people to negotiate collectively with their employer**, including simplifying the process that workers must follow to have their union recognised by their employer for collective bargaining and enabling unions to scale up bargaining rights in large, multi-site organisations.
- **Broadening the scope of collective bargaining rights** to include all pay and conditions, including pay and pensions, working time and holidays, equality issues (including maternity and paternity rights), health and safety, grievance and disciplinary processes, training and development, work organisation, including the introduction of new technologies, and the nature and level of staffing.
- **The establishment of new bodies for unions and employers to negotiate across sectors**, starting with hospitality and social care.¹²

⁹ Florence Jaumotte and Carolina Osorio Buitron, [Power from the People](#), Finance & Development, IMF March 2015, Vol. 52, No. 1

¹⁰ OECD (2018) Good Jobs for All in a Changing World of Work, The OECD Jobs Strategy, OECD Publishing, Paris, <https://doi.org/10.1787/9789264308817-en>

¹¹ Sam Freedman and Daniel Lauriston (2019) *The Class Ceiling: why it pays to be privileged* Bristol University Press.

¹² More detail is set out in TUC (2019) *A stronger voice for workers: how collective bargaining can deliver a better deal at work*

4. The impact of public service cuts on working class families

Working-class families have lost most from a decade of austerity that is damaging public services. We now need a ten-year plan to restore public services, and a duty on government to ensure that public spending works to narrow inequalities.

Public services are essential for providing a decent quality of life. Before the creation of a welfare state, too many working-class families had to worry about being able to for their kids to carry on at school, or about the cost of vital health services. So ensuring that pay packets don't have to stretch to cover the cost of services that should be free to everyone has always been a central demand of the labour movement.

Since 2010, a decade of austerity has inflicted huge damage to our public services. To highlight just some of the impacts:

- The number of patients on the waiting list for non-urgent treatment who were waiting over 18 weeks rose from 445,000 to 556,000 between December 2017 and December 2018 – the highest in 10 years¹³.
- Since 2009/10, 400k fewer older people received publicly funded social care and Age UK estimates that there are 1.4m people aged over 65 that do not receive the care and support they need with essential living activities¹⁴.
- Funding for Sure Start has been cut by two thirds since 2010 with the closure of 500 centres, 170 of which were in the poorest 30 per cent of neighbourhoods – despite analysis from the Institute for Fiscal Studies that has demonstrated the positive health and education benefits provided by government funded Sure Start centres, with benefits being “strongest for children in disadvantaged areas”¹⁵.
- Per pupil funding in schools has been cut by 8 per cent in real terms since 2015¹⁶. In that period, the number of pupils in state primary, secondary and special schools has increased by 315,000, while the number of teachers has fallen by 3.5k. 13 per cent of pupils in primary and secondary schools are now taught in classes with over 30 pupils, the highest levels in over 15 years¹⁷.
- Neighbourhood services have seen spending cuts of up to 40 per cent, with severe outcomes in the most deprived authorities. The Association for Public Service Excellence (APSE) report that in the most deprived fifth of local authorities support for bus services is down by two thirds, spending on crime reduction, safety and CCTV down by a half, road safety and school crossings down by a third and food and water safety down by a quarter. APSE describe services “being dismantled ... changing the very nature of local

¹³ NHS England

¹⁴ *Key challenges facing social care sector in England*, Kings Fund, September 2018

¹⁵ *The health effects of Sure Start*, IFS, June 2019

¹⁶ Institute for Fiscal Studies, July 2018

¹⁷ Pupil Characteristics and Workforce Census, Department for Education, 2015 and 2018

government” with worrying implications for too many abandoned communities around the country¹⁸.

- The number of libraries declined by 14 per cent between 2009/10 and 2016/17, with 34 per cent fewer library staff employed by local authorities. Over the same period, the number of councils providing weekly waste collection has reduced by 40 per cent. Between 2009/10 and 2016/17 the total number of annual health and safety visits carried out in Great Britain declined by 59 per cent¹⁹.

We asked Landman Economics to carry out analysis of how these cuts had hit people on different levels of earnings. Their analysis takes into account the use of services by people with different levels of income, bearing in mind that those on lower pay are less likely to be able to afford to buy services in the private sector.

The analysis shows that working-class families have lost most from this decade of public service cuts.

The figures below are for England, and the services included in the analysis are health, schools, early years, social care, housing and police. In this analysis, we focus on household earnings deciles.

Families in the lower half of household earnings have lost services to the average value of £696 (annually), compared to £588 for those in the upper half. The largest losses were for the lowest earning decile of households, at £829, closely followed by the second lowest decile at £794.

Change in value of services used by households from 2010/11 to 2019/20

Decile of household earnings	Health	Social Care	Early Years	Schools	Housing	Police	TOTAL
1 (lowest)	£300	-£56	-£7	-£547	-£349	-£169	-£829
2	£298	-£49	-£7	-£550	-£306	-£180	-£794
3	£295	-£42	-£47	-£430	-£268	-£186	-£678
4	£287	-£36	-£47	-£442	-£205	-£192	-£636
5	£292	-£23	-£46	-£414	-£148	-£205	-£544
6	£290	-£17	-£47	-£484	-£103	-£215	-£579
7	£290	-£11	-£43	-£487	-£71	-£234	-£556
8	£291	-£11	-£52	-£523	-£57	-£246	-£597
9	£305	-£10	-£44	-£535	-£33	-£265	-£581
10 (highest)	£302	-£10	-£87	-£547	-£18	-£268	-£630

Source: Landman Economics analysis for TUC. Further details below.²⁰

¹⁸ *Redefining neighbourhoods, beyond austerity*, APSE, April 2017

¹⁹ *Performance Tracker*, Institute for Government, October 2018

²⁰ - The analysis was conducted for the TUC by Landman Economics. Data is for England only and is sourced from the Family Resources Survey (FRS), Health Survey for England, and Crime Survey of England and Wales.

- The analysis focuses on core public services and includes health, education, early years, social care, housing and police.

However, financial value alone does not tell the full story. Wealthier households can more easily absorb these losses by paying for services in the private sector. But low and middle-earning households are much less able to afford it.

The relative impact is shown more clearly when the losses are presented as a proportion of earnings, as in chart 3 below. For the lowest decile, the cuts are equivalent to almost a fifth (18%) of their earned income, compared to just 0.4 per cent for the highest decile. Looking at all lower earners, the cuts are worth over five per cent of annual income – compared to less than one per cent for the top half of earners.

Chart 5: Value of cuts to core public services as a proportion of annual household earnings



Source: Landman Economics analysis for TUC

Rebuilding public services

After ten years of damaging austerity, the government now needs to set out a ten-year plan for how to restore our public services to world class standards, with long term funding

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- The dataset includes all households in which at least one adult is working.
 - Household earnings are the combined gross earnings of all working adults in the household in April 2019.
 - All data is adjusted for prices in April 2019

commitments. This must go beyond schools and hospitals, vital as they are, to cover the whole public sector, and include fair pay rises for all public sector workers.

And as we set out further below, the government needs to make future decisions with the aim of closing rather than widening class gaps. The TUC is calling on the government to introduce a legal duty on public bodies to make tackling all forms of inequality a priority and put this objective at the heart of their policies and programmes. This would mean that:

- Government would have to consider the overall impact of their major strategic decisions on inequality, and ensure their policies are as effective as possible in reducing socio-economic inequality; and
- Individual services, like the NHS or local councils, would also have to consider how the priorities they set, the services they provide and the money they spend acts to reduce inequality.

5. Tackling class discrimination

People from working class backgrounds still earn less than those from middle class backgrounds, even when they have the same qualifications and do the same type of job. That's why we need new measures to tackle class discrimination in the workplace.

Even when those from working-class backgrounds attend university, they still enter the job market earning less than those from middle-class and private-school backgrounds.

TUC analysis of data provided by the Higher Education Statistics Agency (HESA) shows that graduates with parents in 'professional and routine' jobs are more than twice as likely as working-class graduates to start on a high salary, no matter what degree level they attain.

The table below shows the percentage of employed graduates in different salary bands at 6 months following graduation. It looks at how these differ depending on the occupation of the graduate's highest-earning parent when they were 14. These figures are for those who graduated in the 2016/17 academic year.

It clearly shows that those with parents who worked in managerial and professional occupations are more likely to enter high-earning jobs after graduation than those with parents in semi-routine or routine occupations. A graduate from a professional background is twice as likely to be in a job earning above £30,000 per year than someone whose parents worked in a routine or semi-routine occupation.

Those with parents in professional occupations are also much more likely than those from working-class backgrounds to be in a job earning above £25,000 per year.

Percentage of employed graduates in different salary bands at 6 months following graduation, by highest-earning parent's occupation at 14

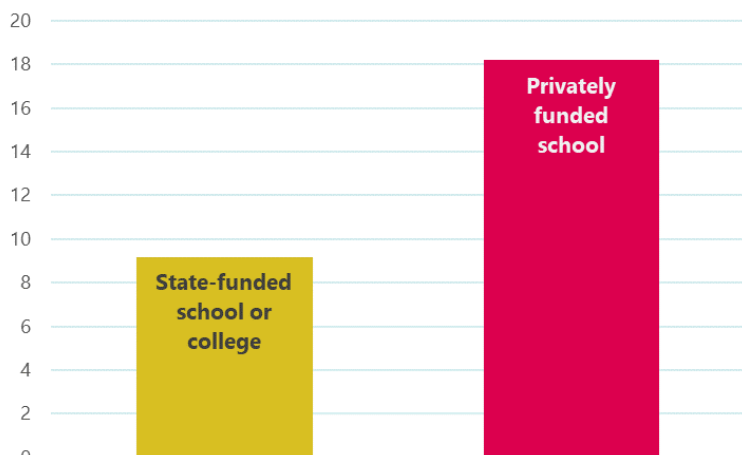
Socio economic classification	15k or less	20k or less	25k+	30k+	40k+
Higher managerial & professional occupations	8	37	32	12	2
Lower managerial & professional occupations	10	41	25	9	2
Intermediate occupations	10	41	23	7	1
Small employers & own account workers	11	44	22	8	1
Lower supervisory & technical occupations	11	44	22	8	1
Semi-routine occupations	9	39	19	6	1
Routine occupations	12	47	17	5	1
Never worked & long-term unemployed	8	44	17	7	0
Not classified	9	37	28	11	2
Unknown	7	24	55	36	16
Total	9	39	27	11	3

Private school is also a factor here. Graduates who went to private school are over twice as likely than those who went to state school to be earning above £30,000 (18 per cent, compared to 9 per cent).

Privately educated graduates are also much less likely than their state-educated peers to be earning below £20,000 per year. 41 per cent of employed graduates who went to state school are earning below £20,000 six months after graduating. This drops to 28 per cent among privately educated graduates.

These findings echo research from the government's own social mobility commission,

Chart 6: percentage of employed graduates who are earning above £30k six months after graduating



Source: TUC analysis of HESA data

which also found persistent disadvantage for those from working class backgrounds. It showed that:

- *There are persistent barriers for those from working class backgrounds wanting to enter professional jobs:* Those from better off backgrounds are almost 80 per cent more likely to be in a professional job than their working-class peers, and people from working class backgrounds earn 24 per cent less a year than those from professional backgrounds. The Social Mobility commission previously concluded that unpaid internships played a role in helping to exclude working class people from professional and other roles.²¹
- *Even when those from working class backgrounds do enter professional jobs they earn less:* Even when those from working class backgrounds enter professional occupations, they earn on average 17 per cent less than their more privileged colleagues.
- *Women from a working-class background face a double disadvantage* when entering a professional job -earning 36 per cent less than men from professional backgrounds (£16,000) even while in the same type of work.
- People from working class backgrounds are more likely to be paid below the rate of the real Living Wage than those from professional backgrounds (27 compared to 17 per cent).²²

Researchers have shown that some of the ways that class discrimination operates in the workplace can be subtle. It can affect what type of knowledge is valued, who gets mentored or opportunities to get on, or who gets invited to networking events which may give opportunities for promotion.²³

A joined-up approach

Although any one of the three methods we propose could have a positive impact on combating discrimination and disadvantage on the grounds of class, the three proposals would be best implemented together as they are mutually supportive in tackling the different forms of discrimination experienced by working class people.

- Socio-economic duty: this tackles *systemic discrimination* –structural discrimination stemming from public policy decisions at national, regional and local level

For example: the greater impacts of austerity on working-class households

²¹ Social Mobility Commission (2017) 'Unpaid internships are damaging to social mobility' available at <https://www.gov.uk/government/news/unpaid-internships-are-damaging-to-social-mobility>

²² Social Mobility Commission (2019) *State of the nation 2018-19: Social Mobility in Great Britain* available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/798404/SMC_State_of_the_Nation_Report_2018-19.pdf

²³ Sam Friedman and Daniel Laurison (2019) *The Class Ceiling: Why it Pays to be Privileged*, Bristol University Press.

- Class pay gap reporting: this tackles *institutional discrimination* – the failure of employers to have workplace policies that improve awareness of socio-economic disadvantage and prevent class-based discrimination

For example: failing to have a recruitment strategy that is intended to promote applications from candidates with a wide variety of backgrounds or only having links with schools from affluent areas

- Making discrimination on the basis of class unlawful; this tackles *Individual discrimination*

For example: recruitment processes and decisions that favour candidates from privileged backgrounds

1. A socio-economic duty

The Equality Act 2010 set out a socio-economic duty on public bodies. This was aimed at ensuring that all government departments and key public bodies placed tackling inequality at the heart of their decision making and that the “persistent inequality of social class, your family background or where you were born” was addressed in a systematic way²⁴.

However, this part of the Equality Act has not been enacted by successive UK governments.

The power of a positive duty on public bodies is important in that organisations are required to justify and explain their decisions openly. The duty would not only promote the transparency and accountability of decision-makers but would mean that failure to deliver against the duty could result in legal challenge.

Recently there has been progress in this area, with the Scottish Government enacting the socio economic duty through the introduction of its [Fairer Scotland Duty](#)²⁵ in April 2018. The Welsh Government has also announced its intention to introduce the duty soon. A range of public bodies in England, mainly local authorities, have worked to incorporate the socio-economic duty into their approach to developing policy. Most notable among these is Newcastle City Council who have developed strategic policy as if the socio-economic duty was in force²⁶.

In its latest report, the Social Mobility Commission has called for the enactment of the socio-economic duty, a call that has been echoed by the Equality and Human Rights Commission the UN Committee on Economic, Social and Cultural Rights and a range of civil society organisations.

²⁴ Government Equalities Office (2010) The Equality Bill: Duty to reduce socio-economic inequalities: a guide, available at https://www.equality-ne.co.uk/downloads/512_equality-bill-duty.pdf

²⁵ Scottish Government (2018) Interim Guidance on the Fairer Scotland Duty, available at <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2018/03/fairer-scotland-duty-interim-guidance-public-bodies/documents/00533417-pdf/00533417-pdf/govscot%3Adocument/00533417.pdf>

²⁶ Just Fair (2018), Tackling Socio-economic Inequalities Locally, available at <https://justfair.org.uk/wp-content/uploads/2018/06/Just-Fair-June2018-Tackling-socio-economic-inequalities-locally.pdf>

2. A duty on employers to report class pay gaps

The TUC has repeatedly stressed the importance of transparency in tackling discrimination in the workplace. We have seen clear evidence in the first year of gender pay gap reporting of the impact of mandatory reporting of pay data. Within weeks of the reporting deadline, all relevant employers had complied with their duty to publish pay data. This contrasted with fewer than ten employers reporting pay gaps under voluntary arrangements. Although evidence of the impact of the gender pay gap reporting regulations on outcomes for women workers has yet to be seen, it is clear that the mandatory reporting regulations have raised both the profile of this issue and the urgency with which employers are approaching it.

The introduction of the regulations also sparked a widespread public debate on women's pay and the inequalities which underpinned this. This has not only served to raise the public profile of the issue but has energised people to act. Recent research has shown that around three-quarters of those in workplaces required to publish gender pay gap figures were willing to take action to help their employers tackle these gaps²⁷.

Although we are still waiting for the Government's response to the consultation on this issue, there is widespread support for the introduction of ethnicity pay gap reporting, with plans to incorporate transparency on parental policies into the existing pay gap portal currently being consulted on. We appear, therefore, to be moving towards an approach where employers will be required to report multiple sources of information relating to pay gaps. We recommend that class pay gaps are reported alongside gender pay gaps to avoid the unnecessary complication of multiple deadlines. Within this wider policy context, class pay gap reporting, where inequality intersects with and underpins disadvantage experienced by other groups, could provide a greater insight into intersectional inequality.

The mandatory reporting of pay gap information relating to class pay gaps would also assist in:

- highlighting class discrimination as an issue which needs to be addressed
- prompting widespread workforce monitoring on this ground
- prompting action to identify and address specific institutional barriers experienced by working class people entering, progressing and remaining in work
- pulling together disparate activity on this issue
- assisting employers to benchmark their gaps.

Currently, in gender pay reporting there is no mandatory requirement for an action plan or narrative to be published. Analysis by the Equality and Human Rights Commission²⁸ has shown limited levels of voluntary compliance, with only around one in five employers

²⁷ Equality and Human Rights Commission, available at <https://www.equalityhumanrights.com/en/our-work/news/gender-pay-gap-determines-women's-choice-employer>

²⁸ Equality and Human Rights Commission, (2018), Closing the Gender Pay Gap, available at <https://www.equalityhumanrights.com/sites/default/files/closing-the-gender-pay-gap.pdf>

having published a timebound action plan, with around half producing a narrative, many of which contained very little detail or clear commitments.

We have consistently argued that without mandating employers to put such plans in place the legislation is unlikely to have significant impacts on employers' pay gaps. We would therefore be seeking mandatory production of action plans to close any gaps and as part of reporting, employers should be required to produce a narrative explaining how the figures were arrived at, and to make an evidence-based statement that sets out what they consider to be the main causes of their class pay gap.

Workforce monitoring

The only way in which class pay gap reporting will translate into required meaningful change is through sustained activity which is focused on the root causes of these pay gaps, informed by monitoring using consistent categories. The use of consistent categories will ensure that measures can be compared across employers and by an employer over time. We recommend that employers use the four areas outlined in existing Government guidance, which are already used by a range of organisations, to measure and monitor class background in the workplace. These are parental qualifications, parental occupation, type of school attended and eligibility for free school meals. Data should be collected from new and existing workers, interns, apprentices and job applicants.

Existing civil service guidance has been developed for reporting on these qualifications. However, we feel that the full range of questions outlined in existing civil service guidance²⁹ may be too detailed for national use. They could be limited to four and still capture the information required to give employers a clear picture of where barriers and bias are thwarting the life chances of working-class staff and allow measurement of progress in addressing these.

A range of employers are already collecting data in these areas, with the numbers collecting socio-economic background data, both for new entrants and for current employees, increasing³⁰.

3. Protecting against class based discrimination

For the first three decades of anti-discrimination law, race and sex remained the only grounds protected by the law. Since 1995 the number of groups who are protected has grown significantly to the current list of nine set out in the Equality Act 2010.³¹ The UK

²⁹ Civil Service (2018) Measuring Socio-economic Background in your Workforce: recommended measures for use by employers, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768371/Measuring_Socio-economic_Background_in_your_Workforce_recommended_measures_for_use_by_employers.pdf

³⁰ Social Mobility Foundation (2018), Social Mobility Employer Index 2018: Key Findings, available at <https://www.socialmobility.org.uk/wp-content/uploads/2018/07/Social-Mobility-Employer-Index-2018-Key-findings.pdf>

³¹ These are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation

situation has been mirrored globally, with a trend towards increasing expansion in response to the growing understanding of the complexity of discrimination.

There has been a significant move across Europe towards extending the mandate of equality legislation to cover socio-economic status. An overview of European equality legislation showed that in 2016 legislation in twenty of the thirty-five European countries included in the study provided protection against discrimination on a ground related to socio-economic status³².

However in UK law socio-economic status remains outside the groups that are explicitly covered by domestic equality legislation, despite the fact that it is arguably one of the fastest-growing type of inequality in the UK today. The continued exclusion of socio-economic disadvantage from the characteristics that are protected is increasingly at odds with people's lived experiences of discrimination.

Economic inequality is not only the cause of discrimination but also the consequence. People from a range of groups already protected under the Equality Act 2010 would particularly benefit from additional protections around socio economic disadvantage.

The inclusion of a new protected group could protect people from being discriminated against in a range of ways.

- Direct discrimination e.g. failure to shortlist a candidate based on their postcode being in a less affluent area,
- Indirect discrimination (most cases would be likely to fall under this) – e.g. unpaid internship listed as an essential requirement for a job
- Harassment - e.g. a manager creating a humiliating and offensive environment by makes disparaging and offensive comments about an employee's ability based on negative stereotypes of working-class people.
- Victimisation - e.g. treating an individual unfairly because they have complained about an act of discrimination.

Inclusion in the Equality Act 2010 as a protected characteristic would mean that employers could undertake positive action both in terms of steps such as training and information provision and 'tie break' recruitment situations.

Multiple discrimination

In order to ensure that a new protected characteristic could be used most effectively to address the disadvantage experienced by those groups that are already covered by the Act, it would be helpful for it to be introduced alongside a provision for multiple discrimination. There is already an unenacted provision in the Equality Act 2010 relating to dual discrimination, however the reality of intersectional discrimination is such that it often involves more than two protected characteristics. It would therefore be more useful in

³² European Commission (2016) "A comparative analysis of non-discrimination law in Europe 2015", Luxembourg, Publications Office of the European Union

challenging intersectional discrimination if individuals could take cases forward which incorporate the combined nature of the discrimination that they face.

6. Conclusion and summary of recommendations

The trade union movement was founded to build working class power, and to tackle the disadvantage and discrimination faced by working class people. And while the jobs done by working class people may have changed, we know that trade unions are still the best way to achieve that goal.

But we need action from Government to break through the barriers created by long-standing discrimination that has been reinforced by a decade of austerity.

Government should:

Introduced new rights for workers to negotiate for better pay and conditions through their trade unions, including:

- Unions to have access to workplaces to tell workers about the benefits of union membership and collective bargaining (following the system in place in New Zealand).
- New rights to make it easier for working people to negotiate collectively with their employer, including simplifying the process that workers must follow to have their union recognised by their employer for collective bargaining and enabling unions to scale up bargaining rights in large, multi-site organisations.
- Broadening the scope of collective bargaining rights to include all pay and conditions, including pay and pensions, working time and holidays, equality issues (including maternity and paternity rights), health and safety, grievance and disciplinary processes, training and development, work organisation, including the introduction of new technologies, and the nature and level of staffing.
- The establishment of new bodies for unions and employers to negotiate across sectors, starting with hospitality and social care.

Rebuild the public services working class people rely on:

- After ten years of damaging austerity, the government now needs to set out a ten-year plan for how to restore our public services to world class standards, with long term funding commitments. This must go beyond schools and hospitals, vital as they are, to cover the whole public sector, and include fair pay rises for all public sector workers.

Introduce new laws to tackle class discrimination including:

- Make discrimination on the basis of class unlawful, just like race, sex and disability
- Introduce a legal duty on public bodies to make tackling all forms of inequality a priority
- Make it compulsory for employers to report their class pay gaps.