

Rebalance the economy to workers and the regions

We heard this week from the Tories and Lib Dems how their economic plan is on track and that recovery is here. Quite frankly nothing could be further from reality. I was in Newcastle last week for an event with Class where the suggestion that living standards have improved under this current government would have been met with laughter.

Real wages for working people are down everywhere. Unemployment remains sky high especially in the North as the public sector job losses mount up. Job security is treated as thing of the past in a zero hour's world with zero rights.

Don't just take my word for it.

A new opinion poll for Unions 21 by pollsters Survation was conducted with 1000 people in work across the country. Forget what many media commentators will have us believe - the findings show that the trade union movement is marching in step with the concerns and anxieties of working people. Only 40% of working people believe the economy is recovering at all. 60% say the wealthiest are benefiting the most. 73% of working people say their wages have gone down in real terms over the last two years with only 4% saying they've gone up.

A staggering two in five workers fear they will lose their job so is it any wonder that working people are not spending on the high street? If you have less money than ever and are worried that your next pay cheque could be your last than no one in their right mind would go out and spend money unless it's on essentials? 42% of part time workers say they'd like to work full-time but aren't offered the hours. Some recovery. What is the economic yardstick that matters? According to this poll five times as many workers value job security as the economic priority for politicians rather than GDP.



This poll for Unions 21 paints a truer picture of what is happening right now than anything else I've seen on the TV this week. We needed a Workers' Budget on Wednesday that tackled the priorities of working people. So where was the end of zero hour contracts? Where was the Chancellor's backing for a living wage and lifting of the cap on public sector pay?

What about ending the savage spending cuts that are dismantling society's services but also provide permanent insecurity for public sector workers? Where is the income tax rise for the wealthy or the Robin Hood tax on the banks that caused this mess in the first place? Instead we got a tax cut for bingo-halls, a penny off a pint and a funny shaped quid.

A few years ago we heard how this government how they would 'rebalance' the economy. They claimed they'd shift away from reliance on financial services and the City of London. Yet under them 8 out of 10 of all private sector jobs have been created in London. It's not that too many jobs have been created in the capital, but so few have been created elsewhere. Ministers have to take responsibility. I saw the mindless mistakes in my region. Within weeks of the Coalition they pulled the plug of investment in firms such as Sheffield Forgemasters that would have developed a key industry at a critical time.

Under the last Labour government we saw a way of creating good quality jobs around the country without Whitehall's meddling. Regional Development Agencies were created that had trade union representation along with representatives from employers, councils, skills bodies and colleges. They weren't all perfect but on average they returned £4.50 to the economy for every £1 put in. Instead the Tories and Lib Dems wound them down. It's bad enough that the government has cut deepest in the poorest communities but to also remove even limited tools for economic recovery has proven as costly as it was vindictive.

The economic picture around England is tough but it is particularly challenging in the North. We need a different approach. The next Labour government has to rewire the economy and offer life support to regions outside of London and the South East. We need a break from light-touch 'free market economics' which often proves to be expensive for working people.



We need proper intervention in the economy and industry with unions among others having a real say. TUC General Secretary Frances O'Grady is right to lead the charge for modern wages councils that mean industries that can afford to pay higher wages should do so. Let's not just rescue local authorities but also give them the clout to make a real difference for their communities and local areas once more. It's blindingly obvious that decisions about transport infrastructure should be taken in the regions that understand their significance, so let's devolve those powers too.

Working people can see exactly where Osborne's economy is heading. They need their hands on the key economic and industrial levers to instigate a handbrake turn. Voters in Scotland are getting a referendum this autumn on independence, but there is hardly any discussion about where power lies and is distributed in England.

Labour must commit to building a stronger economy for working people and give them access to give economic powers in the regions in which they live and in the industries in which they work. Unless we change the rules of the game, working people will continue to lose out.

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