






Winning working Britain: work and the economy

CLAIRE AINSLEY
PROGRESSIVE POLICY INSTITUTE

SEPTEMBER 2024

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INTRODUCTION

On 4th July 2024, Keir Starmer's Labour Party achieved a landslide victory at the UK General Election, winning 411 out of 650 parliamentary seats in towns, cities, suburbs across England, Scotland and Wales.

Labour reversed its historic decline amongst working-class voters, as a result of a specific strategy to reconnect the party with voters that had formed a critical part of their founding electoral coalition. This matters not just for its symbolism, but because there is simply no route to a parliamentary majority in British politics without winning significant numbers of working-class voters. It also matters because it shows to center-left parties around the world that it is possible to win over lost working-class voters, a crucial part of the winning electoral coalition.

However a sizable portion of working-class voters in particular opted for new party Reform UK, and underneath Labour's considerable achievement is a recognition that many voters feel sceptical that any party can really deliver for them. As Labour moves from campaigning to governing, they will need to be just as focussed on winning over working-class voters as they were in opposition.

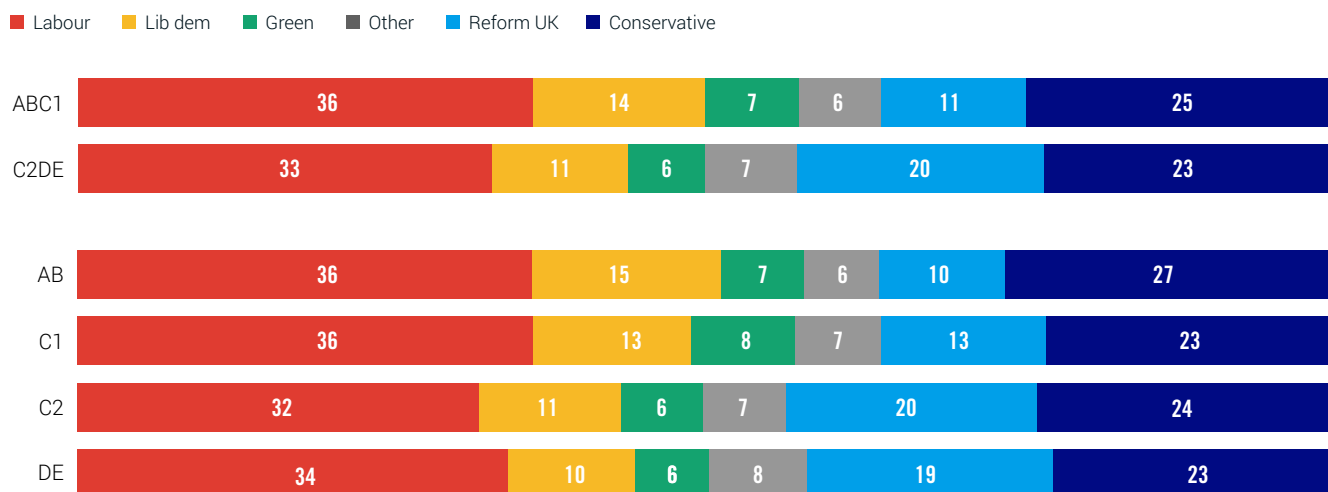
Using data collected in the run up to the UK General Election, this new PPI report outlines the priorities of Britain's working-class voters on the area that matters most to them: work and the economy. It builds on the foundational report on the global center-left, PPI's 'Roadmap to Hope' published in October 2023. The reports are the UK companion to PPI's Campaign for Working

Americans, which aims to refocus the Democrats on regaining the allegiance of working Americans by championing their economic aspirations and moral outlook.

Our aim is to help catalyse a dynamic, modern center-left that can win the support of working-class voters by providing better answers than the political right to the challenges they face. We

are willing UK Labour to succeed in government, and the Democrats to succeed in their campaign to retain the Presidency. The opportunity facing the centre-left is to be the dynamic force that brings back hope to working class voters, so that they face the future with optimism about the prospects for themselves and the next generation.

FIGURE 1: HOW BRITONS VOTED AT THE 2024 UK GENERAL ELECTION BY SOCIAL GRADE



Source: You Gov, 5-8 July 2024

In 'Roadmap to Hope', PPI research found that working-class voters felt the deal whereby if you worked hard you can get on in life had broken down. We argue that the centre-left cannot win and sustain power purely by being the beneficiaries of disenchantment with the political right, but by building a programme that addresses people's security and prospects for the future.

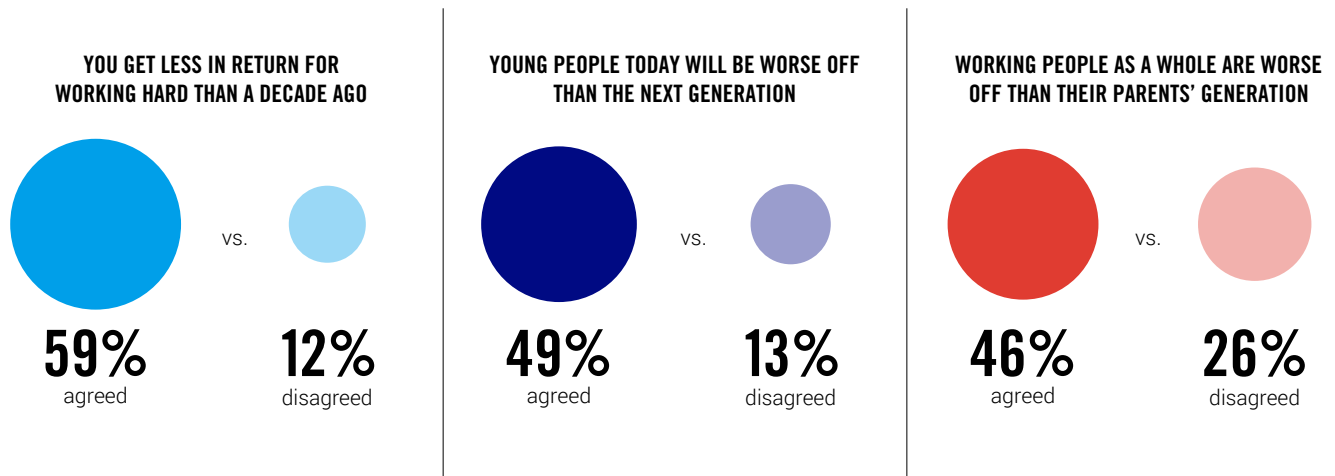
PPI outlined a set of practical ideas to re-make the deal for working people with the following goals:

1. Relentless focus on raising wages for those on low to middle incomes
2. Stabilise supply and costs of essential goods and services
3. Open up housing investment to the next generation
4. Reform school education to become the driver of progress
5. Replace 'one rule for them' with 'same rules apply', including on immigration.

This report focusses on the experience and wants of working-class voters on work, costs and the economy, and the political and policy solutions to form the winning centre-left agenda.

SUMMARY

- Working-class voters in Britain felt that the primary responsibility of government is to manage the country's economy so that ordinary people get a decent standard of living – but when we polled voters in May, 74% felt the Conservative government were doing a bad job of this.¹
- More than 2/3s (69%) felt the government was doing too little to help the household finances of people like them, and to maintain a good standard of living (70%).
- Workers are much more unsatisfied with their pay than they are other aspects of their job, like their work-life balance, responsibilities, colleagues, or management; and they feel they have less prospects of changing this than other aspects of their working life.
- Working-class voters see the trades such as plumbing and building, and the digital economy, as the sectors their children are most likely to find best jobs and careers in the future.
- Poor health was cited as the most common reason for not being in work, followed by a lack of well-paying jobs in the area and qualifications required.
- Only half said their school education had prepared them well for work, and less than half said they were satisfied with their career progression to date.
- The most popular policy choice amongst British working-class voters was to provide more affordable non-degree pathways, such as short-term training programmes that combine work and learning. The most popular action workers wanted employers to take is to offer more well-paid jobs that don't require degrees.
- The research shows there is an opportunity for the new Labour government to improve productivity and living standards, as well as solidify their electoral position, by focussing on the finances and opportunities for Britain's working-class voters.

FIGURE 2: WHAT WORKERS SAID IN OUR UK WORKING-CLASS VOTER POLL (AUTUMN 2023)²

"Because at least our parent's generation knew that there would always be employment and if they left one job they could literally walk into another, whereas today 1 in 3 working people are a month away from losing their homes if they become unemployed."

"Because the average wage is lower comparative to the current cost of living compared to previous generation(s)"

FIGURE 3: MOST IMPORTANT ISSUES FACING THE COUNTRY AT THIS TIME (MAY 24)

Nationally-representative sample vs working-class voters only

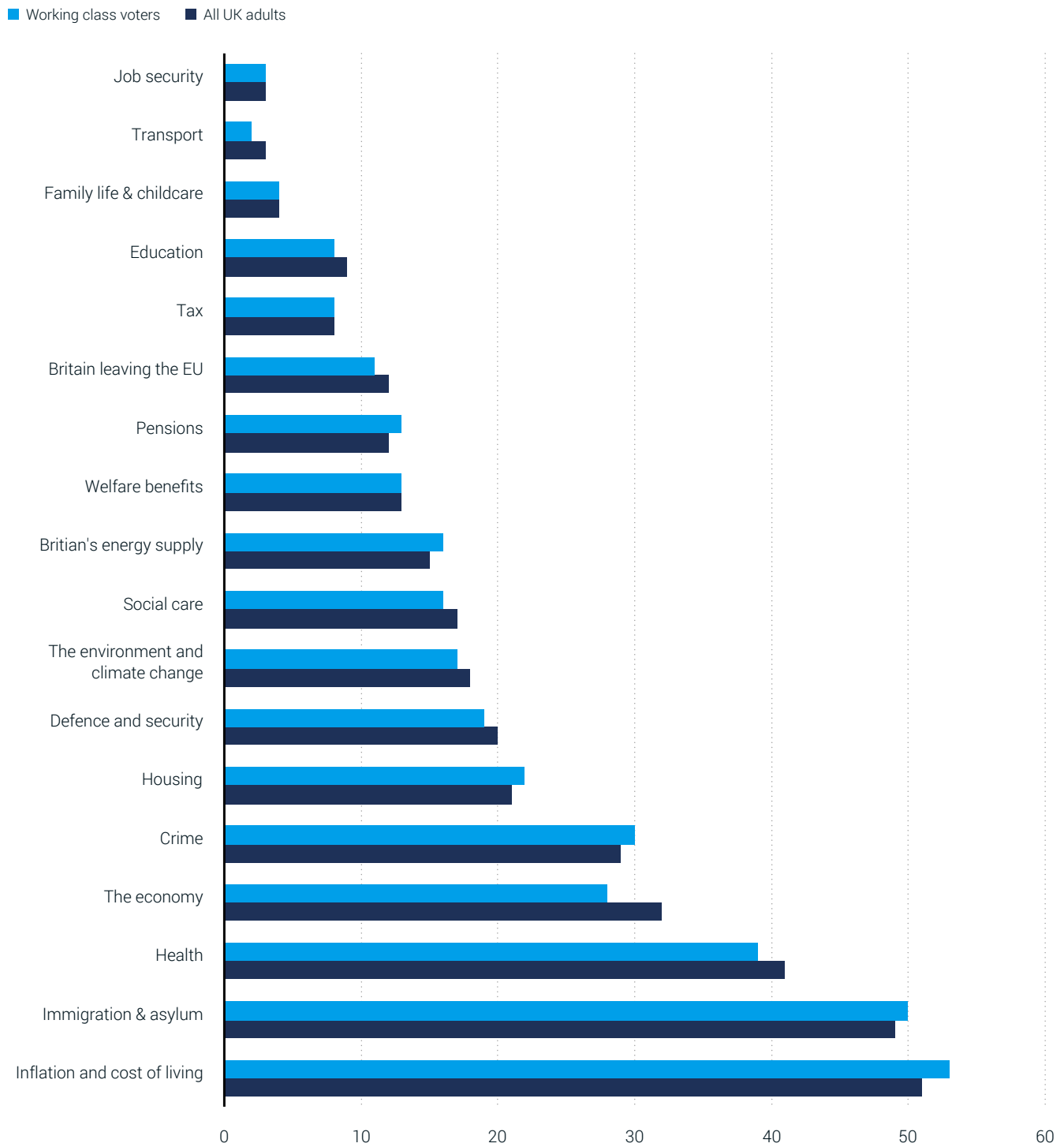


FIGURE 4: EXPECTATIONS OF GOVERNMENT (MAY 2024)

Which of the following, if any, do you think are the main responsibilities of any government? Please tick up to three options'.

		WESTMINSTER VOTING INTENTION				GENDER		AGE			
	TOTAL	CON	LAB	LIB DEM	REFORM UK	MALE	FEMALE	18-24	25-49	50-64	65+
MANAGE THE COUNTRY'S ECONOMY SO THAT ORDINARY PEOPLE GET A DECENT STANDARD OF LIVING	63	57	70	63	55	60	65	58	61	68	61
PROVIDE PUBLIC SERVICES LIKE HEALTH AND EDUCATION	59	58	69	54	51	53	65	57	55	66	59
PROVIDE DEFENCE AND SECURITY FOR THE COUNTRY	45	61	33	42	70	49	42	31	32	49	55
PROVIDE PENSIONS FOR THE ELDERLY	32	39	28	31	37	31	33	13	19	30	46
ENSURE THERE ARE FAIR TAXES SO THAT EVERYONE WHO CAN CONTRIBUTE DOES SO	30	26	34	25	27	32	28	29	32	29	29
ENSURE THERE IS A FAIR DEMOCRACY AND ANY GOVERNMENT CAN BE VOTED IN OR OUT	26	22	28	27	32	30	22	46	29	24	21
SUPPORT INDUSTRY AND NEW TECHNOLOGY WITH GOVERNMENT INVESTMENT AND A COMPETITIVE ECONOMY	8	13	8	12	9	10	6	14	6	6	10
PROTECT THE PUBLIC'S HEALTH WITH MEASURES LIKE BANNING SMOKING AND JUNK FOOD ADS	6	6	6	10	4	6	6	11	8	5	5
NOT APPLICABLE - I DO NOT BELIEVE GOVERNMENT SHOULD DO ANY OF THESE THINGS	1	1	0	1	1	1	1	2	2	0	1
DON'T KNOW	4	2	3	3	0	4	5	6	9	3	2

We asked working-class voters about their expectations of government because of the low level of trust that exists in advanced democracies about the ability of government to be a force for good. We wanted to find out what people viewed as the central responsibilities of government beyond fixing issues one by one, and to see if there were any important differences between groups, particularly if expectations were changing according to generation.

The research found that there is a consensus amongst working-class voters that the top three responsibilities of government are to manage the economy to provide a decent standard of living; provide public services; defence and security. However the overall consensus marks some interesting differences.

Those who were intending to vote Labour were much more likely to say managing the economy is the priority than those who were intending to vote Conservative, who prioritise security and defence. Those aged 18-24 are much more likely to say that a fair democracy and ability to vote governments out is a responsibility than any other age groups (46 vs 21-29). Women are much more likely than men to think providing public services is a priority government responsibility (65 vs 53). Only those age 65+ think providing pensions is a priority responsibility for government.

Working-class voters in Britain felt that the primary responsibility of government is to manage the country's economy so that ordinary people get a decent standard of living – but when we polled voters in May, 74% felt the Conservative government were doing a bad job of this.

More than 2/3s (69%) felt the government was doing too little to help the household finances of people like them, and to maintain a good standard of living (70%).

71% think the provision of public services is working badly today (better in London, 61%, worse in Scotland, 81%). They think managing the economy so that people can get a decent standard of living is going even worse – 74% (again, similar positive in London and negative in Scotland).³

Views were more mixed on whether government is performing other duties well – generally more say badly than well, with those who intended to vote Conservative more likely to say well than badly (on protecting public health; supporting new industries and technologies; pensions; and on ensuring a fair democracy).

Those who voted Conservative in 2019 judged the then government most harshly on their performance on managing the economy to provide a decent standard of living, on fair taxes, and on public services.

FIGURE 5: PUBLIC PERCEPTION OF THE CURRENT FUNCTIONING OF BRITAIN AND BRITISH SOCIETY (MAY 2024)

And thinking about Britain and British society today, how well or badly do you think the following are currently working?

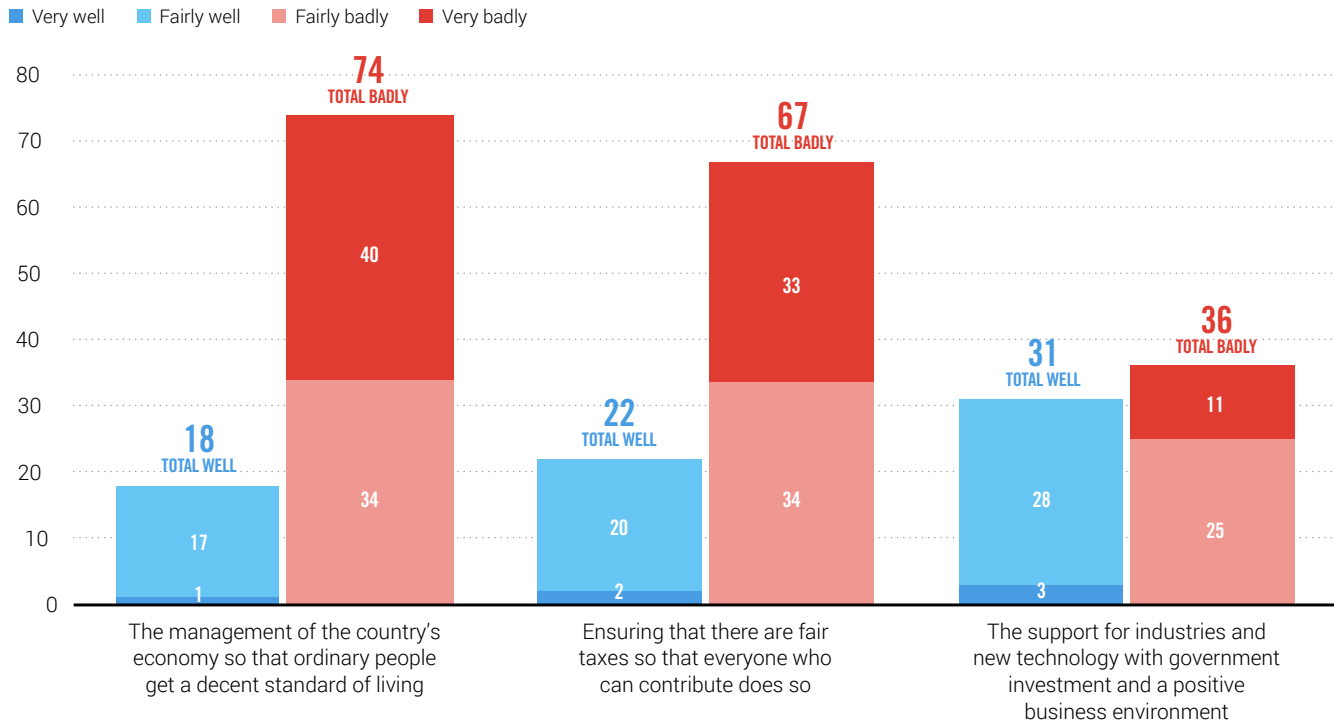


FIGURE 6: DO YOU THINK THE GOVERNMENT IS DOING TOO MUCH, TOO LITTLE, OR ABOUT THE RIGHT AMOUNT TO HELP PEOPLE LIKE YOU WITH (MAY 2024)

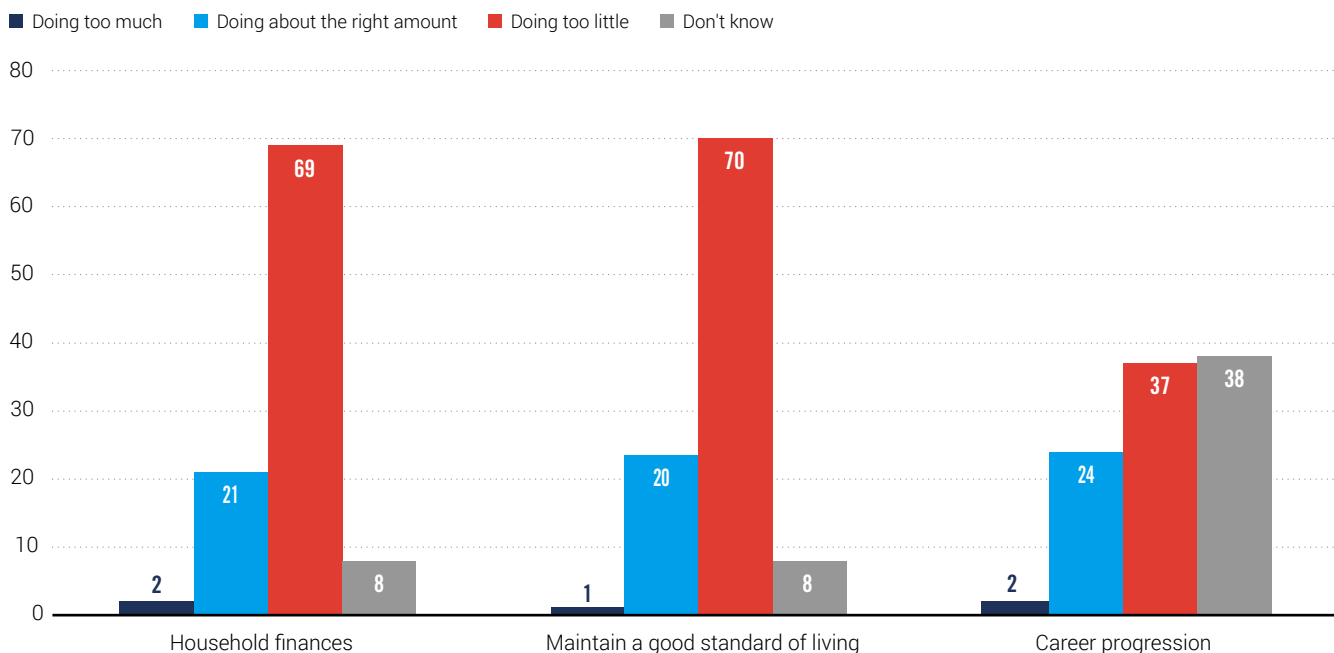


FIGURE 7: GENERALLY SPEAKING, HOW SATISFIED OR UNSATISFIED ARE YOU WITH THE FOLLOWING AREAS AT WORK?

Asked to those working full or part time; N=772

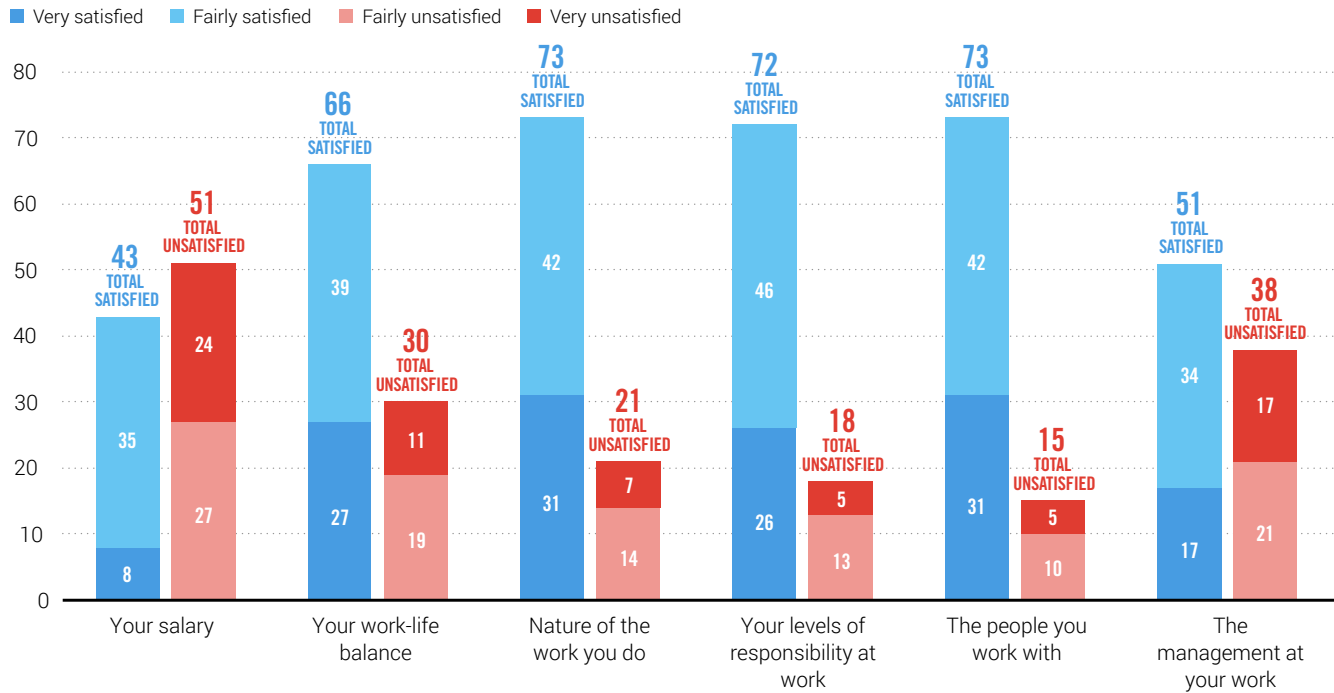


FIGURE 8: WHICH OF THE FOLLOWING, IF ANY, BEST DESCRIBE THE MAIN REASONS WHY YOU ARE NOT CURRENTLY IN WORK?

Asked to those not in work (not including retired); N=320

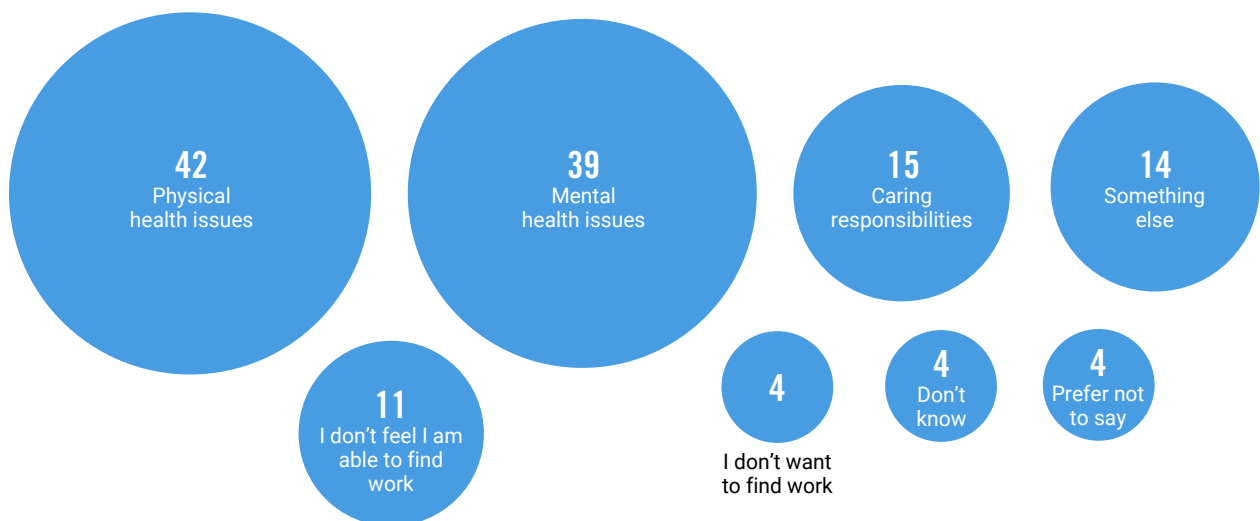
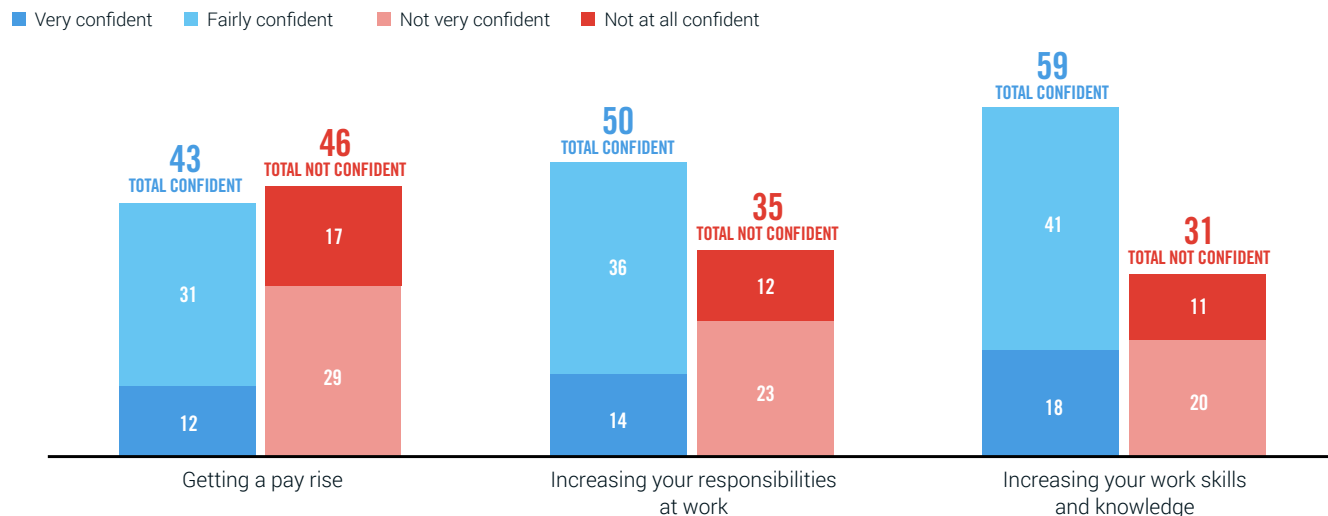


FIGURE 9: HOW CONFIDENT, IF AT ALL, DO YOU FEEL THAT YOU COULD ACHIEVE THE FOLLOWING IN YOUR JOB WITHIN THE NEXT FEW YEARS?

Asked to those working full or part time; N=772



The perception that the deal whereby if you work hard you can get on has broken down is backed by reality. Low economic growth in the UK means that real wages have flatlined in the last decade compared to the forty years before, costing the average worker £10,700 per year in lost wage growth, according to the Resolution Foundation's 2030 Stagnation Nation report.⁴

For the younger generation, this means they are losing out on the opportunities which enabled many of their parents and grandparents to make economic progress. Today, 9 million young workers have never worked in an economy with sustained average wage rises. Millennials are half as likely to own a home, and twice as likely to rent privately, as their parents' generation.⁵

YouGov's research for PPI showed that workers are much more unsatisfied with their pay than they are other aspects of their job, like their work-life balance, responsibilities, colleagues, or management; and they feel they have less prospects of changing this than other aspects of their working life.

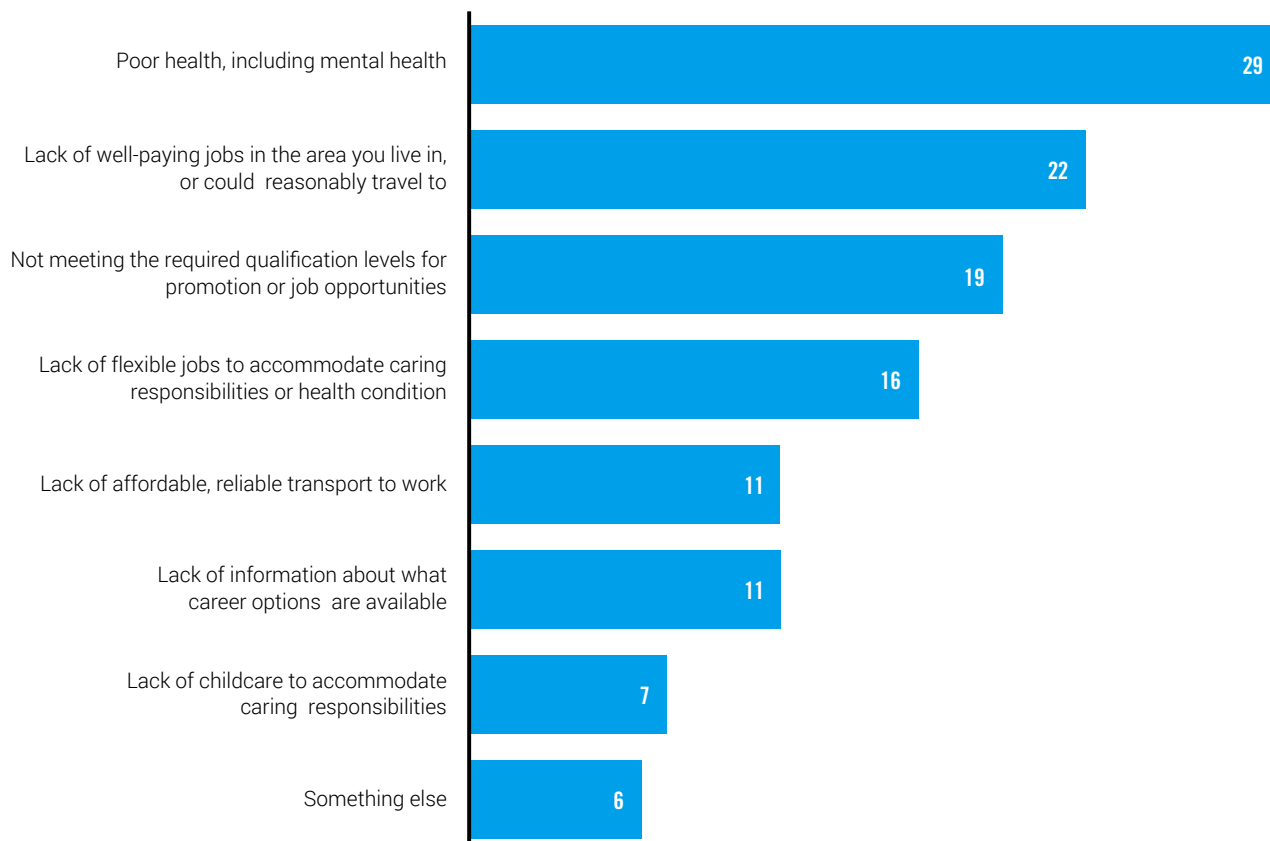
Poor health was cited as the most common reason for not being in work, followed by lack of well-paying jobs in the area and qualifications required.

When we asked what personal issues they had in their lives in our previous survey, money and debt, and physical and mental health, came top. And even though most said they believed they had influence over their own lives, most felt there was little they could do to solve the personal issues they had.⁶

The proportion of workers switching jobs has declined over the last two decades, which also curtails wages as workers typically experience a 4% pay rise when they move compared to staying put.⁷

Having empowered workers who feel able to move jobs is particularly important when it comes to the changing labour market of the future, where technological and other structural changes like the transition to a clean energy economy means new opportunities open up as other jobs decline.

FIGURE 10: FROM THE FOLLOWING LIST, WHAT ARE THE MAIN BARRIERS, IF ANY, THAT YOU PERSONALLY FACE IN ADVANCING YOUR CAREER AND WORKING LIFE?



SKILLS AND PROGRESSION

“We were never encouraged to go onto further education”

“Very little of what is learned is used (and hence is forgotten) . The culture in school is very different to work. I think the basic level of education is too high in some areas and proper old fashioned apprenticeships would be a better fit for many young people.”

“They didn’t teach any life skills, nobody prepares you for taxes, job progression or even picking the right career. School is used as a stepping stone into uni but uni isn’t for everyone.”

The UK economy is currently experiencing significant workforce shortages, which is in part to do with the gap in skills of the UK workforce compared to the jobs available. In 2022, 36% of all vacancies were due to skills shortages, up from 16% in 2011.⁸ This is likely to worsen as the demand for skilled workers increases in the fastest-growing industries of the future, such as in clean energy and healthcare.

We are behind our economic competitors when it comes to equipping our workforce of the future. Almost a third of young people in the UK are not undertaking any education by age 18 – compared to just one in five in France and Germany.⁹ Only 7% of British adults hold a higher-

level technical qualification, compared to one in five in Germany and in France, and more than a quarter in the USA.¹⁰

Our research shows that working-class voters themselves feel under-equipped for the world of work. Only half said their school education

had prepared them well for work, and less than half said they were satisfied with their career progression to date. Working-class voters see the trades such as plumbing and building, and the digital economy, as the sectors their children are most likely to find best jobs and careers in the future.

FIGURE 11: GENERALLY SPEAKING, HOW WELL OR BADLY DO YOU THINK THE SCHOOL EDUCATION YOU RECEIVED HAS PREPARED YOU FOR THE WORLD OF WORK?

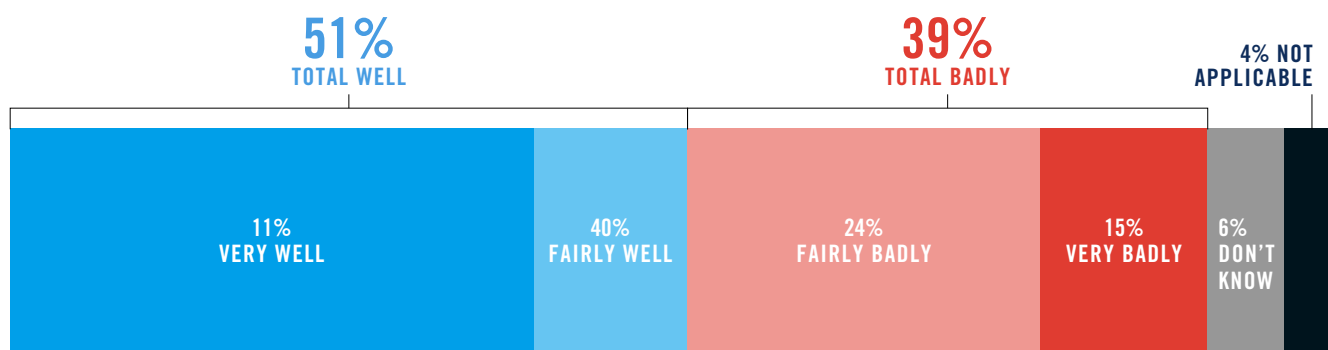


FIGURE 12: GENERALLY SPEAKING, HOW SATISFIED OR UNSATISFIED ARE WITH YOUR CAREER PROGRESSION TO DATE?

Asked to working age adults (18-64); N=1244

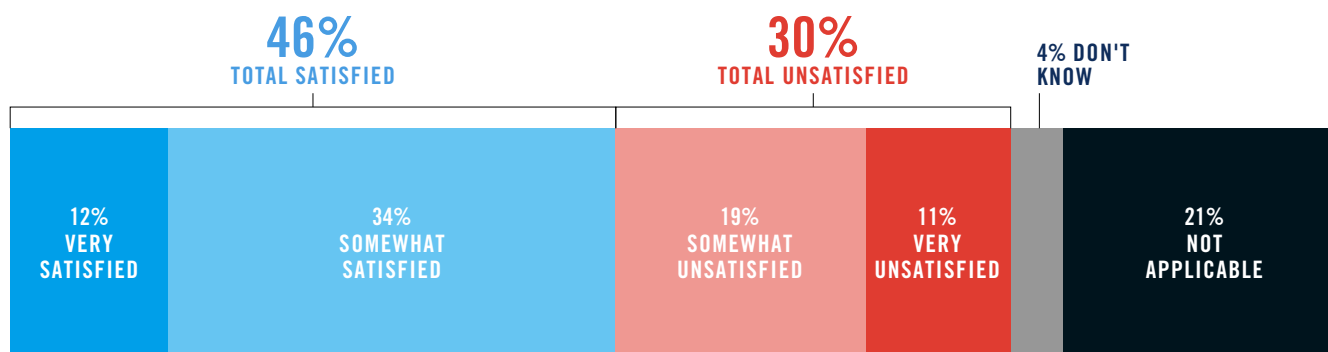
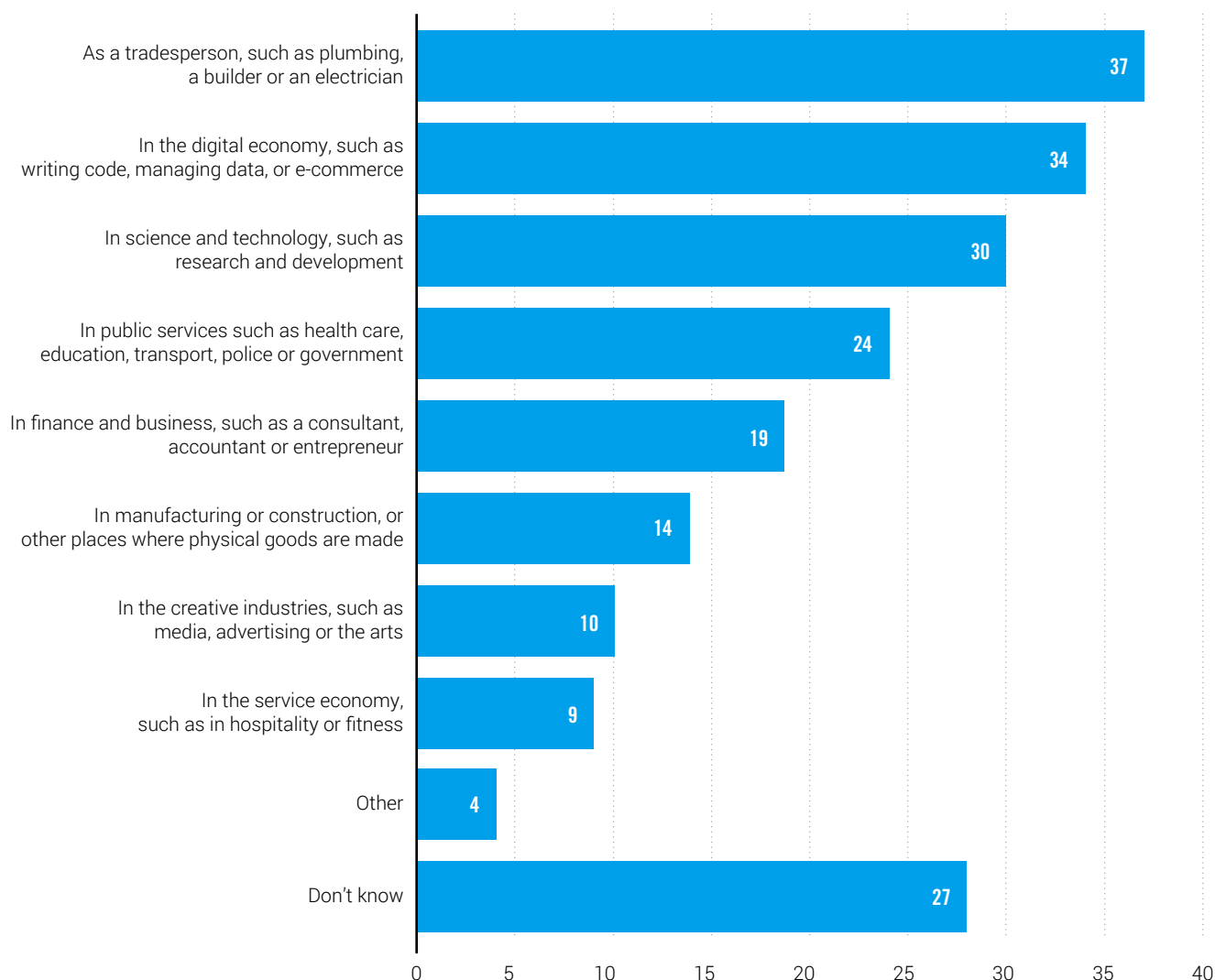


FIGURE 13: GENERALLY SPEAKING, WHERE DO YOU BELIEVE YOUR CHILDREN, OR CHILDREN GENERALLY, WILL FIND THE BEST JOBS AND CAREER OPPORTUNITIES WHEN THEY GROW UP?



WORKERS' POLICY PREFERENCES

Our research tested which policy ideas are considered the most and least helpful in supporting workers to advance in their careers.

The most popular policy choice amongst British working-class voters was to provide more affordable non-degree pathways, such as short-term training programmes that combine work and learning. This performed more strongly than other kinds of policy initiatives, including subsidising low wages through benefits and

more paid family and medical leave which drew more negative responses. It is also the top choice of American workers when PPI polled them for our companion US report 'Winning Working America'. The most popular action workers wanted employers to take is to offer more well-paid jobs that don't require degrees.

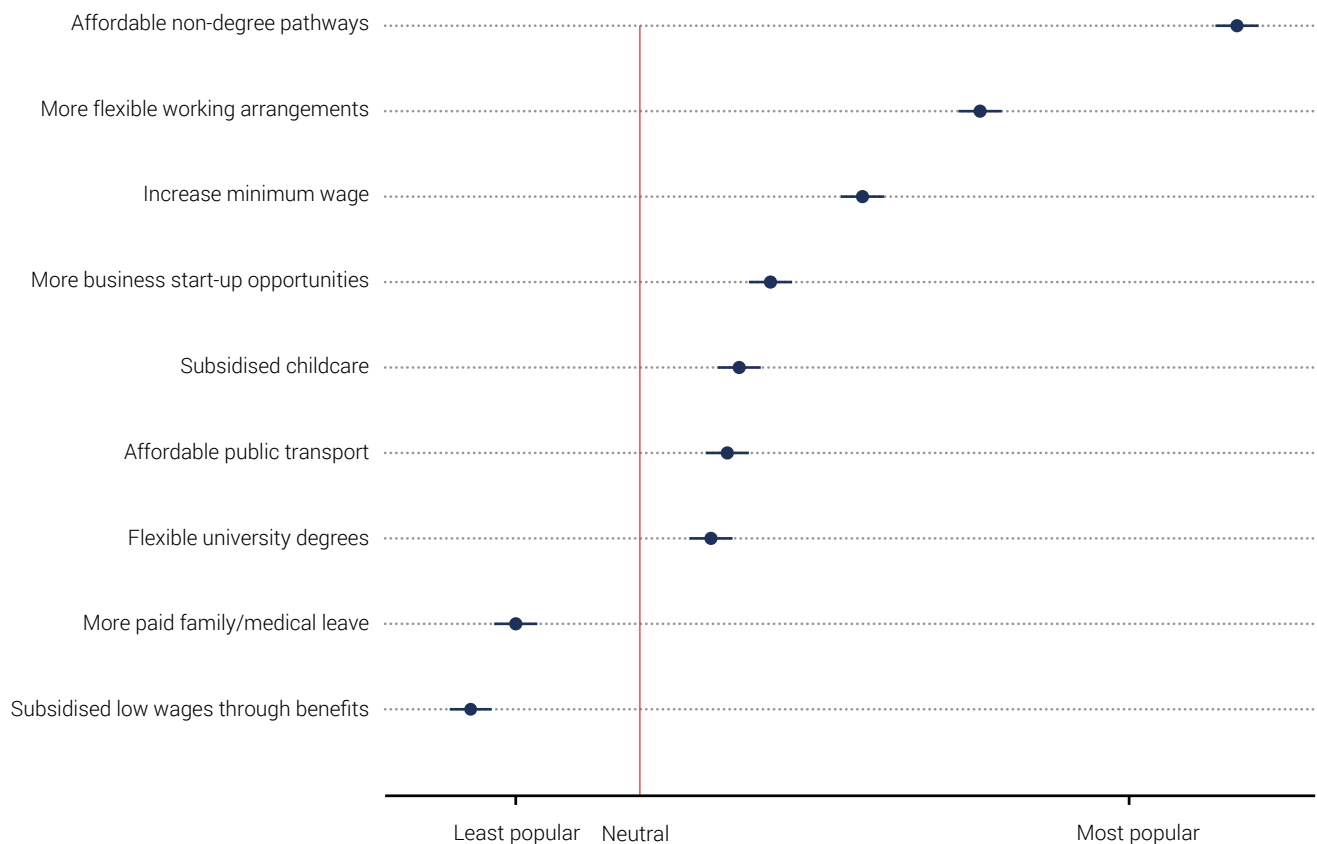
There is a significant opportunity for the new Labour government to advance a workers' agenda that taps into the innate drive people have to make progress for themselves, by

revolutionising the country's approach to skills development. University degree courses are important but certainly not the only way for people to advance successful careers. Whilst the previous government had varying success on skills development, there isn't yet a coherent path for non-university workers and learners, that can match the skills need and earning potential.

The good news is that much of the foundation for a revolution in adult skills already exists, as

does the will of workers to have more flexible routes to developing their skills. As 80% of our 2030 workforce is already in the workforce today,¹¹ this means a rapid reskilling of adult workers to meet future skills needs and the aspirations of working-class voters themselves. The new government has a real opportunity ahead to develop affordable non-degree pathways that allow workers to progress their skills, adapt to different and changing jobs, and improve their earning power.

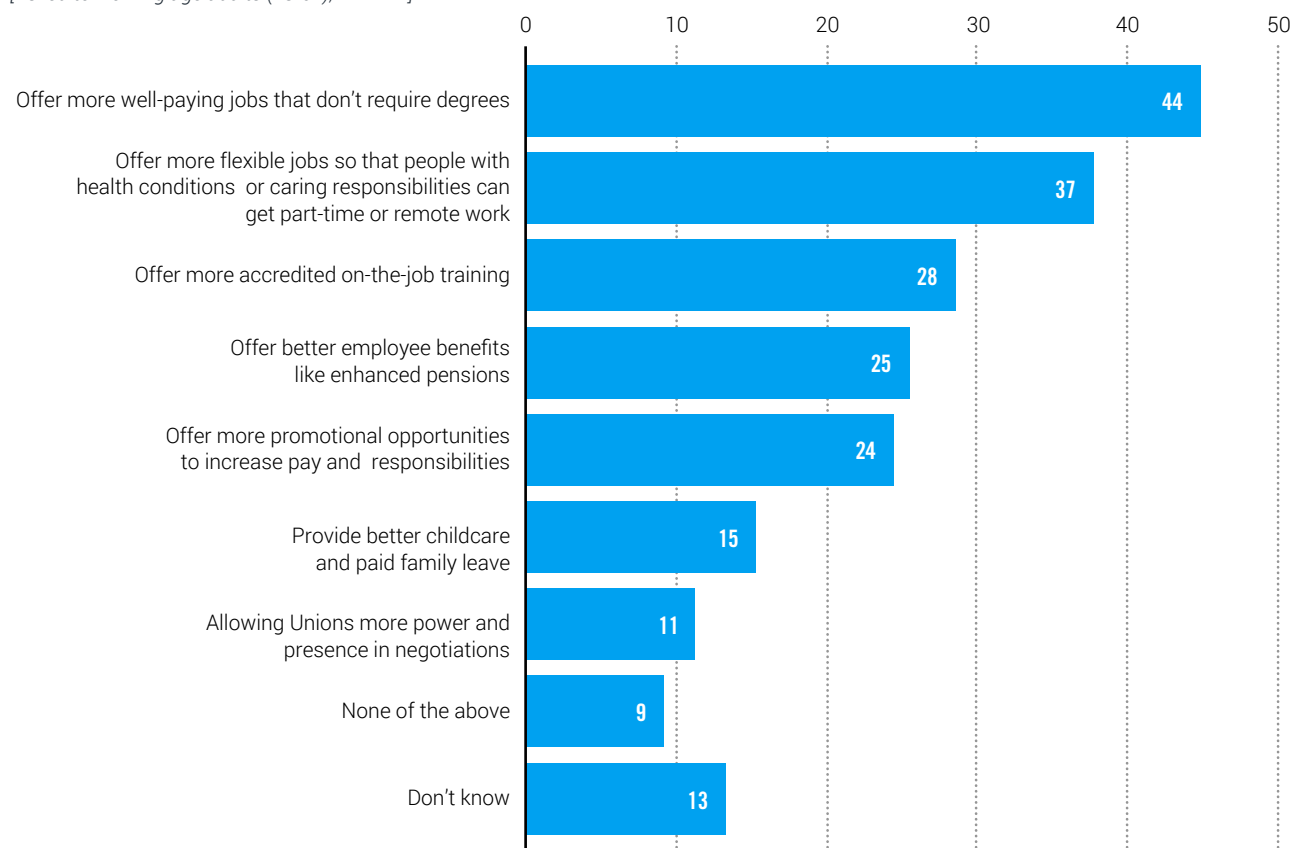
FIGURE 14: MOST POPULAR POLICY SUGGESTIONS AMONGST WORKING CLASS GB ADULTS



Note: This was a max-diff analysis, whereby people first chose their most popular, then their least and a score was calculated based on both answers.

FIGURE 15: WHICH OF THE FOLLOWING, IF ANY, WOULD YOU *MOST* LIKE FOR EMPLOYERS TO DO TO HELP PEOPLE LIKE YOU?

[Asked to working age adults (18-64); N=1244]



CONCLUSION

In 'Roadmap to Hope' in October 2023, PPI set out a winning agenda for Britain's working-class voters to remake the deal whereby if you work hard you get on in life. Now Labour has returned to power after fourteen years in opposition in part due to the support of many working-class voters, it is incumbent on them to show they will deliver and that they have a better proposition for working-class voters than the political right.

The core factor in convincing Britain's working people that Labour really is the political party for them is to obsessively focus on their living standards: raising wages and lowering costs. Voters need to feel that they are better off

than they were under the Conservatives, which cannot rely solely on an improvement of the performance of the economy, but on pushing the economic dividend to workers and their communities.

Practical ideas to re-make the deal for working people

1. Relentless focus on raising wages for those on low to middle incomes

Rewarding work is the cornerstone of improving living standards for working people. Action can be taken on the jobs people are currently in through increases to the minimum wage,

progressive pay schemes to increase salaries at the lower to mid end of pay scales, rewarding work over wealth through the tax system, making work more accessible for those with caring responsibilities, disability or health conditions, strengthening workers' collective bargaining and trade union access to workplaces. The creation of new jobs in growth areas such as technology, renewable energy and healthcare represents the opportunity to bake in progression and advancement so that these industries offer good, well-paid jobs with the chance to get on. Opportunities to retrain and skill up for the jobs of the future could be made much easier for the existing workforce as well as for young people, and level the playing field between non-graduates and graduates.

2. Stabilise supply and costs of essential goods and services

Traditional mechanisms to control overall inflation are insufficient to deal with the price volatility of essential goods and services that we have experienced in recent years. Wage growth will be eaten up by rising costs unless government gets a grip of securing supply lines for essentials, and acts on the biggest drivers of higher costs for households. Governments have made sporadic efforts to tackle the supply of essentials but these are often reactive and inefficient, rather than as part of a longterm strategy to drive down prices. Energy, food, housing, transport and childcare costs will require different approaches – boosting secure production in the case of energy and food; housing, transport and childcare require significant domestic investment in new partnerships between the public and private sectors with the goal of affordability for consumers.

3. Open up housing investment to the next generation

Home ownership is becoming out of reach for the next generation, particularly for young people without wealthier older relatives to help fund deposits and provide accommodation whilst saving. Government needs more courage and imagination to make home ownership a reality for young people of all backgrounds. Increasing supply includes reforming planning laws, and new state-market solutions to incentivise the creation of low-cost homes. It is also an opportunity to divert private investors away from housing as a retirement or wealth creation investment, and into investment which supports public policy goals such as housing schemes for low-cost home ownership, or renewable energy.

4. Reform school education to become the driver of progress

Every young person deserves the chance to succeed, and know that it is their hard work and talent which will get them on in life. But fewer of them believe that to be the case these days. Improving our education system so that it better equips all young people for the future is vital in restoring that belief, as well as for our country's competitiveness and productivity. It is time for an overhaul of our curriculum and assessment to modernise what and how children learn for the world they will be living and working in, and to give parity to academic and vocational routes to success. The opportunities available to the most advantaged should be opened up to every young person, with access to high-quality programmes of creative and challenging activities to broaden the horizons and possibilities of all young people.

5. Replace 'one rule for them' with 'same rules apply' including on immigration

The breaking of Covid rules by No.10 offended people's natural sense of what's right and wrong. It reinforced a sense that others – the rich and powerful in particular – can get away with not playing by the same rules the rest of us have to. This needs to come to an abrupt end. Politicians have to take the lead in applying the same rules in conduct matters, without exception; but more importantly, restore a basic sense of fairness in society, particularly to ensure that crimes are investigated promptly, and criminals prosecuted and punished. Government should not be afraid to tax excess profits where companies are not passing the benefit onto consumers; and make sure that UK taxes are paid in full. Tackling the criminal gangs responsible for illegal immigration is vital as part of a strategy to restore order to the national borders.

People are looking to politicians to have practical and credible solutions to the challenges they face. They recognise there are limits to how much we can tax and spend our way out of today's problems, and want to hear fresh ideas that will make a difference to their lives.

ABOUT THE AUTHOR

Claire Ainsley is the Director of the Project on Centre-Left Renewal at the Progressive Policy Institute. Prior to joining PPI, Claire was the Executive Director of Policy to Keir Starmer, 2020-2022, whilst he was Leader of the Opposition and U.K. Labour Party. Claire also served as the Executive Director of the Joseph Rowntree Foundation, where she led JRF's work on the social and political attitudes of people with low incomes. She is the author of "The New Working Class: How to Win Hearts, Minds and Votes," which was published in May 2018.

References

- 1 All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,063 adults. Fieldwork was undertaken between 2nd - 7th May 2024. The survey was carried out online. The figures have been weighted and are representative of all working class adults in GB (aged 18+), measured as non-university educated, household income below £40,000. The survey was commissioned by the Progressive Policy Institute.
- 2 YouGov undertook a previous survey of working-class adults in Britain, commissioned by PPI. Fieldwork was undertaken between 14th-18th September 2023. The survey was carried out online. The figures were weighted and representative of all GB working class voters (aged 18+), measured as non-university educated, household income below £40,000.
- 3 https://ygo-assets-websites-editorial-emea.yougov.net/documents/PPI_WorkingClass_Results_May24_W_Zo0hu6U.pdf
- 4 'Ending Stagnation', Resolution Foundation, 4 December 2023 <https://economy2030.resolutionfoundation.org/reports/ending-stagnation/>
- 5 'A Stagnation Nation in 10 key facts', Resolution Foundation, 4 December 2023 <https://economy2030.resolutionfoundation.org/reports/ending-stagnation/>
- 6 Roadmap to Hope: How to bring back hope to working class voter in an age of insecurity', PPI, October 2023. Data from YouGov commissioned by PPI of GB working class voters aged 18+ fieldwork undertaken between 14th-18th September 2023.
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- 8 'Delivering Skills for Growth', Vincenzo Rampulla and Erika Williams, WPI Strategy, July 2024 <https://www.wpi-strategy.com/skills-for-growth>
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- 11 'UK Skills Mismatch 2030,' Industrial Strategy Council, October 2019 <https://industrialstrategyCouncil.org/uk-skills-mismatch-2030-research-paper>



The Progressive Policy Institute is a catalyst for policy innovation and political reform based in Washington, D.C. Its mission is to create radically pragmatic ideas for moving America beyond ideological and partisan deadlock.

Founded in 1989, PPI started as the intellectual home of the New Democrats and earned a reputation as President Bill Clinton's "idea mill." Many of its mold-breaking ideas have been translated into public policy and law and have influenced international efforts to modernize progressive politics.

Today, PPI is developing fresh proposals for stimulating U.S. economic innovation and growth; equipping all Americans with the skills and assets that social mobility in the knowledge economy requires; modernizing an overly bureaucratic and centralized public sector; and defending liberal democracy in a dangerous world.

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