



**CEC SPECIAL REPORT  
Brexit and Beyond –  
Protecting  
GMB Members' Futures  
2017**



## **1. Introduction**

1. On 23<sup>rd</sup> June, 2016 the UK voted to leave the EU.
2. Throughout the referendum campaign, GMB advocated a position of an “angry remain”, a position that was formally adopted by our congress. Our position was based on the reality of GMB members’ jobs, livelihoods and communities. We argued that the EU was far from perfect and needed to change, but that on balance we were better off in than out.
3. The public did not agree.
4. In recent years, no issue has divided the UK more. Even though the result was decisive, there were great regional and national disparities in how the electorate – and GMB members – voted. Many working class communities, frustrated with a political and economic system that, for too long, as not worked for them, vented their frustrations at the ballot box.
5. Working class voters in towns were more likely to vote to Leave, younger city dwellers wanted to Remain. London, Scotland and Northern Ireland were the only regions and nations to vote as a whole to Remain in the EU, but voting so by large margins.
6. There is much work to be done on what a post-Brexit UK looks like, and on uniting a country where different parts of the electorate have diametrically opposed views. That work must be done, because Brexit will be a reality.
7. Now the decision has been made, GMB must work not just to protect our members’ jobs, livelihoods, communities and industries but to advance our members’ interests throughout this process.
8. On 23<sup>rd</sup> June people voted to leave the EU, they did not vote for their rights to be eroded, their public services sold off (quite the converse, they were promised £350 million a week for the NHS) or their jobs to be sold down the river.
9. GMB must fight on behalf of our members for a Workers’ Brexit, not one for bosses and big business.

## **2. Where we are now**

- 2.1.** GMB accepts the outcome of the referendum. Our focus now is on ensuring GMB members do not pay the price for EU Exit.
- 2.2.** In September 2016, the CEC adopted a statement on EU Exit, committing our union to working across all our sectors and at every level - regionally, nationally and internationally - to protect the jobs, interests and employment rights of our members and their families.
- 2.3.** We are already working on meeting the challenges and grasping any opportunities that the EU exit negotiations and our future relationship with the EU and wider world could bring. The process of monitoring and mapping our sectors in relation to threats of restructuring or withdrawal of investment is already underway and we are

developing networks for our members who are reporting any changes from their workplaces/sectors.

- 2.4.** A working group of the CEC Political, European and International (PEI) sub-committee has been established to give direction to our work on campaigning for a Workers' Brexit.
- 2.5.** It is already clear that the negotiating process, which was formally triggered by the Prime Minister on 29th March 2017, will be neither inclusive nor transparent from the side of a Conservative Government.
- 2.6.** A General Election will take place on 8<sup>th</sup> June on which the Government is seeking to gain a mandate for Brexit policies they are unwilling to share with the electorate. GMB has continuously called for impact assessments to be shared with the public, so we can see what the Government itself believes the impact will be on jobs and our economy.

### **3. The EU divorce settlement and future relationships**

- 3.1.** The EU negotiators have confirmed that the financial divorce settlement must be agreed before discussing any future relationship/trade with the UK. There is a major difference in opinion of what the UK Government believes it should be paying for the exit settlement (nothing) and the figure calculated by the EU (€100 billion). It is clear this will cause tensions in the negotiations.
- 3.2.** Furthermore, the Conservative Government has already ruled out continued membership of the EU Single Market and the Customs Union in its current arrangement. This means the Government will be seeking a new trade agreement with the EU, which could take time.
- 3.3.** An early decision on the position and rights of EU citizens currently working and living in the EU and, of UK citizens currently living and working in the EU, is considered a priority on both sides to end further insecurity. The impact of any policy on this matter needs careful consideration.
- 3.4.** The future involvement of the UK in research and innovation, training and student mobility programmes would require the UK to pay into EU budgets. Withdrawing completely could have a major impact on our industries and the quality and funding of our higher education system. Transitional arrangements are already being considered in some areas of funding.
- 3.5.** The Conservative Government has already confirmed in legislation it will withdraw from EURATOM (European Atomic Energy Community) which is a major concern to GMB and the industry in the UK. GMB urges the Government to give urgent clarification and reassurances, in this new context, on the future of low carbon nuclear new build and the related jobs and sustainability of communities concerned.

#### **4. Government needs a clear plan for EU Exit that protects and promotes jobs across the economy**

1. GMB has major concerns that the Conservative Government is not in control of the complex task of ensuring that our jobs, living standards and economy are safe as we withdraw from the EU. There appears to be no strategy for protecting and promoting British industry and jobs. If impact assessments have been done across sectors, they are not being shared with either industry or trade unions. If impact assessments have not been done, the Government is negligent and going into Brexit negotiations blind.
2. It is time to turn the hollow “take control” mantra of the referendum campaign into, not only ensuring the UK economy and our members’ jobs are safe and sustainable, but in finding opportunities to grow and expand UK industry. The Government’s recently launched Industrial strategy is a poor beginning – detached from the realities of Brexit and failing to mention trade unions at all in its narrative. Having a strong and inclusive industrial strategy that gives an equal voice to employers and unions is vital. The Government must also ensure industrial and trade strategies are linked – it is basic common sense that this needs to happen in order to protect and promote manufacturing, services and public service jobs.
3. GMB wants to see clear commitments from the Government to protect jobs and industries, not on an ad hoc basis, as company bosses visit Number 10, as with Nissan, but on a sector-by-sector, region by region basis, putting the building blocks in place to ensure stability as we withdraw from the EU.
4. GMB is clear that Brexit is not just a threat to the private sector. Public service jobs are the life-blood of the economy in many areas of the UK. There is now not even a whisper of the mythical £350 million a week funding that was promised during the referendum campaign. Any economic downturn risks further cuts to public services if the government refuses to borrow in order to invest. GMB must be strident in protecting public services and public sector workers from the impact of Brexit. With around one in 20 public sector workers coming from the EU as well as a pre-existing recruitment crisis in industries like healthcare, the Government will have to address shortages across the public sector, investing in skills and training.
5. Trends are already emerging of multinational companies making restructuring decisions on the back of Brexit. Whether they are using Brexit as an excuse for cuts or have genuine concerns about the sustainability of their UK base may differ from case to case, but recent redundancies announced in Diageo and Nestle already show that we will not be immune to job losses. GMB had already raised concerns for the future of our whisky industry and wider manufacturing, but has received no answer from the Government to the legitimate questions we have raised. Furthermore, management are not consulting upstream of any proposed changes. Such practices are not acceptable, and both Government and employers must understand that GMB is part of the solution, not the problem.

## **5. Protecting our employment and social rights**

- 5.1.** GMB does not believe that people voted to leave the EU to give away their employment rights. We have major concerns that the Conservative Government may deregulate or repeal important employment and social rights we fought hard to win from the EU. Theresa May's promises that she would maintain and even improve these rights seem thin when her party disgracefully talked out Melanie Onn's Private Members' Bill on that very issue. This is the party which has had the deregulation of Working Time rights as a manifesto commitment at the last two elections. Furthermore, we have a copy of a wish list from the Department of Work and Pensions dating back to 2014 detailing which Health & Safety rights they wish to see removed. We can be forgiven for being sceptical about these promises and must remain vigilant in defence of these rights.
- 5.2.** A bonfire of rights following legal removal from EU jurisdiction could include a raft of health and safety protections, wide-ranging equality and anti-discrimination rights, fixed term, part-time and agency workers' rights, TUPE, collective redundancy rights and consultation rights – the list is long. We are also critically aware that the Human Rights Act remains under threat of repeal.
- 5.3.** Chancellor of the Exchequer, Phillip Hammond, has already threatened that he will use all competitive means if the UK gets a bad deal in Brexit. By that, he means any method at his disposal to encourage businesses to operate and invest here. The Conservatives have already committed to lowering corporation tax again, to the lowest levels in the G20, but we know big businesses will lobby to dilute employment rights too. We cannot allow a race to the bottom in employment rights and for Britain to be reduced to a bargain basement tax haven.
- 5.4.** In light of this, GMB believes UK Government should commit to ensuring that UK legislation on workers' rights never falls behind those of EU member states and commits to matching progress made to protect workers.
- 5.5.** GMB is concerned about the potential impact of the Henry VIII clauses. Such clauses 'enable primary legislation to be amended or repealed by subordinate legislation with or without further parliamentary scrutiny'. That means the Government could potentially make changes to employment and social protections without any Parliamentary debate. We are already raising these concerns with Parliament and the devolved governments, and must be vigilant in monitoring the Government and ensuring full transparency in protecting these rights.
- 5.6.** Throughout the process, we must remember that these rights are still currently on our statute books – they are ours to win or lose. Leaving the EU in itself will not remove them. It would involve an act of political will by the Government at UK level to remove or weaken them.
- 5.7.** The threat of national government deregulating these rights strengthens pressure for these rights to become devolved powers. Theresa May said in the early stages of the Referendum debate that certain powers returned from the EU would be devolved within the UK. Though not specific about what these would be, Scotland

in particular has made an early bid for these rights to be transferred, a position supported by STUC.

- 5.8.** If the Conservative Government are in power come 9<sup>th</sup> June and are serious about their rhetoric about standing up for hard working people, they can put their money where their mouth is by not only protecting the rights we currently have, but by working with trade unions to ensure we have workplace rights fit for the 21<sup>st</sup> century - addressing emerging risks and the realities of new forms of work.

## **6. Economic Migration**

- 6.1.** It was clear throughout the referendum campaign that the issue of immigration – the catch all term used by most voters to encompass issues around economic migration - was the reason why many people were voting to leave the EU.
- 6.2.** GMB knows that economic migrants come to the UK seeking a better life for themselves and their families. Too often, they are exploited to undercut the pay, terms, conditions and job security of British workers. Time and again we hear from GMB members that they have been told by their bosses 'if you don't want to do this job exactly as I say, there are 20 EU workers who will' – which is a basic issue of supply and demand and the ability of the employer to exploit the oversupply of low skilled labour. Time and again, we hear from workers in construction who talk about umbrella companies using migrant workers to undercut national pay rates. Time and again, we hear of EU agency workers being recruited abroad to act as a replacement for what should be permanent jobs. That is not good for any worker, from anywhere and the GMB General Secretary made these exact points to a recent BEIS Select Committee of MPs.
- 6.3.** An overreliance by employers on agency work is an intrinsic part of the problem. Large companies keep what is essentially a permanent workforce in constant insecurity by relying heavily on agency workers instead of permanent contracts. There is no excuse for any company to keep 50%, 60% - or 90% as at Sports Direct - on agency contracts. It is either poor workforce planning or a deliberate strategy to maximise profit and evade workplace protections for workers. Often it is the latter.
- 6.4.** GMB stands firmly in solidarity with all workers, no matter where they come from. We will not stand by while any worker is scapegoated. However, it is clear that the status quo is not an option. Public opinion is in favour of an end to free movement of labour, and the Labour Party has committed to this in its manifesto. No issue was raised more vociferously or consistently during the GMB's own "angry remain" referendum campaign than immigration. It is unlikely that a Tory Government will sign up to any Brexit deal that does not seek to limit immigration and any trade deal will inevitably have to tackle this issue. GMB must seek to ensure that any deal which includes immigration is the fairest possible deal for GMB members, whilst also protecting our public services. As such, GMB calls for:
- i) Urgent agreement that UK workers who are working elsewhere in the EU are able to continue doing so; that EU workers currently working in the UK will have the right to continue doing so.

- ii) Public services and public sector workers – no matter where they are from – will be protected.
- iii) An end to migrant workers being used as a direct replacement for UK workers, which is a commonly accepted principle with non-EU migration. Where migrant workers are needed to meet a genuine skills need, companies and the Government must be required to invest in education and training to ensure that local young people (or those who need to retrain) have the opportunity to compete in their local economies.
- iv) UK Government to invest in UK skills. It is short-sighted and foolish to say migration will be cut, no matter the cost, when the Government refuses to invest in the skills and future of UK workers. Cutting bursaries to nurses makes absolutely no sense when the natural outcome will be to advertise for nurses abroad.
- v) Make agreed national pay rates legally enforceable and strengthen collective bargaining to ensure that undercutting is not possible.

6.5 The result of the EU referendum was treated by some as a green light to engage in racism and hate. GMB condemns the growth in hate crime and intolerance, which manifested itself in the referendum campaign and after, and calls on the Government to address this issue in communities across the country. GMB also notes, with concern, the growth of populist and extreme right parties across Europe and urges governments to work together with trade unions and communities to find solutions to the fears and concerns, which are being used by extremists to stoke support. GMB continues to build on its strong reputation for promoting equalities, respectful workplaces and unified communities.

## **7. Trade policy for people not profit**

1. GMB believes that the UK should seek the most advantageous terms of trade with the European single market. We do not know what the impact of this will be on UK jobs and industry, but this is one area where there is also potential for growth in GMB sectors in regards to inspections for freight at ports and airports, and the possible reintroduction of duty free.
2. It is clear that the Government wants a single trade agreement with the entire EU, though achieving this is far from certain. Growing tensions between the negotiators on both sides shows that agreement will not be easy, and leaving the EU without a deal cannot be ruled out.
3. GMB has long been opposed to the direction of EU trade policy, and does not want to see current deals such as EU/Canada (CETA) and EU/US (TTIP) become the benchmark for any future UK trade policy. Brexit presents an opportunity for a new start on trade policy that puts people before profit.
4. However, we are under no illusion of the challenge we face given the potential for a Conservative Government that has been the cheerleader for unfettered free trade at EU and global level. GMB will be working across the country and

internationally to fight for trade agreement principles that benefit working people, not big business. Trade deals must:

- i) Include legally enforceable labour and employment standards that, at the very minimum, are comparable to current protections built into EU legislation.
  - ii) Have high levels of product and environmental standards benchmarked to - and going beyond - current EU standards.
  - iii) Ensure that public services are safeguarded, with an absolute right for democratically elected governments/authorities to make public interest policy decisions without threat of litigation, including where they choose to bring public services back in house.
  - iv) Protect UK industries from the dumping of goods from other countries through effective trade defence instruments and remedies. The recent crisis in the UK and EU steel industry caused by the dumping of Chinese Steel cannot be repeated.
5. GMB is already working with a number of industry federations on these issues, and has been influential in shaping the campaigns focusing on protecting and promoting good quality jobs and skills in Britain. Transparency in trade negotiations and the formal involvement and influence of unions as well as business will be vital.
  6. There is no doubt that it will be a difficult balancing act to get a positive outcome on future trade arrangements that protect UK production, whilst allowing tariff and duty free market access for our key export products. It is becoming increasingly clear that EU negotiators will not allow the UK 'to have its cake and eat it' as Boris Johnson arrogantly pronounced. This issue will be key in defining the future prospects for many of our manufacturing industries as well as services.
  7. Though the UK Government appears confident that the City of London will not come under challenge, other EU member states are already showing enthusiasm for taking the crown as the financial centre of Europe. Frankfurt – home of the EU Central Bank - being a front-runner. The current tone of the negotiations will not guarantee passporting rights for financial services, which will be vital to the sector and the economy.

## **8. Public procurement**

- 8.1. Leaving the EU and Single Market opens opportunities for the UK Government and devolved governments to take a proactive stance on better standards in public contracts. Public authorities would be able to encourage adherence to collective agreements, ensure contracts have a proper living wage, and promote jobs, training and apprenticeships. GMB wants to see future UK public contracting legislation develop in this way, so that elected bodies are able to target public funding for the benefit of UK taxpayers. This has the potential to at least stem the tide of the off-shoring of jobs in some sectors.

**8.2.** We have a well established reputation for quality across the world and this new context also offers scope to promote and support the use of UK products and services.

**8.3.** As the devolved governments have power and influence in this area, it is important we argue at all levels for improvements in public contracting policy that puts people, communities and quality services before the lowest price.

## **9. Recognising and meeting the challenges in relation to Northern Ireland, Scotland and Gibraltar**

1. Leaving the EU poses particular concerns for Northern Ireland, Scotland and Gibraltar, who voted with a majority to remain in the EU. The devolved governments do not feel adequately involved in this Government's discussions on plans for Exiting the EU, despite promises to the contrary. This has been further compounded by the Supreme Court ruling, which found against the devolved Governments having to agree the terms of Brexit.
2. The joint devolved powers group established by Government is being criticised as window dressing and appears to have been sidelined on all the key decisions related to Brexit made to date. This cannot continue, and the Government must be inclusive in finding practical and workable solutions if it is to avoid further tensions within the UK. Involvement of trade unions at every level is vital to this process.
3. In Scotland, this frustration has led to the Scottish Government beginning the process for calling a second referendum on independence, though to date this does not have Westminster Parliament agreement.
4. Northern Ireland faces particular challenges, having a common border with the EU through the Republic of Ireland and a high level of economic inter-dependency on goods, services and movement of workers. With the Government signaling that it will not be part of the EU Single Market or current Customs Union, it is vital that there is early agreement on future border arrangements for Northern Ireland and the Republic by establishing a common travel area or other means to guarantee an open border. The Government must also work with all relevant parties to ensure that the Peace Process, and the funding maintaining this, does not unravel on exiting the EU.
5. The situation regarding Gibraltar and its economic dependency on an open border with Spain is also complex and has revealed further tensions before negotiations have begun, which will need to be resolved.

## **10. Out of the EU but still European**

6. GMB is clear that, though the UK is leaving the EU, we will maintain our commitment to international trade union solidarity, which is a defining feature of our movement. We continue to be part of a global economy and our relationships with trade unions across Europe and the world will always be vital to ensure the voice of workers in multinational companies and sectors are heard.

Communicating with each other and sharing information will be as important as ever in meeting the challenges of restructuring and changing markets.

7. GMB and our British trade union counterparts have played a major role in ensuring a voice for trade unions across the world in defending and promoting trade union and human rights, labour and employment standards and world development based on equality. It is important that we maintain this commitment.