



Centre for Labour, Employment and Work

BREXIT AND WHAT DOES IT MEAN FOR WORK IN THE UK?

David Coats, Director, WorkMatters Consulting

David Coats has visited New Zealand on a number of occasions and has always provided an interesting perspective on work and the workplace. David is the founder and director of WorkMatters Consulting. He is a research fellow at the Smith Institute, a UK think tank founded in memory of former Leader of the Labour Party John Smith, and an associate at the Centre for Public Service Partnerships (CPSP) and the Local Government Information Unit (LGIU). David is recognised worldwide as an authoritative commentator on employment relations and quality of working life issues.

On his recent visit (in late August), we invited David to speak at a CLEW lunchtime forum on Brexit and the impact on work in the UK. He began his presentation by explaining that it was not possible to understand how work would be impacted without understanding the background to both the UK's membership of the EU and also the context in which the campaign to exit was undertaken. He referred to the four freedoms that are fundamental to membership of the EU, in particular the 'right of free movement of labour'.

While the 'Eurosceptics' have questioned Great Britain's membership of the EU since the days of Margaret Thatcher's leadership, the momentum to leave picked up with rise of UKIP and their anti-immigration policy and the entry of the Eastern European states into the EU. This led to a large number of East Europeans to work in Great Britain in line with 'free movement of labour' and increasing resentment, played on by UKIP, particularly amongst those in Great Britain who had suffered job losses and were in essence 'dispossessed by the economic policies of successive governments'. This group were disinterested in the 'Remain' campaign's focus on the economic consequences of BREXIT as they had nothing to lose. David pointed out that *'the results were based on a fear of immigration rather than the experience.'*

So what happens in the aftermath of BREXIT?

David pointed out that this was only speculative as the extent to which Great Britain and the EU are interdependent is yet to be tested. Nevertheless he identified several possible impacts on work.

1. Expectations of a recession and high-unemployment;
2. A fall in inward investment as a consequence of Great Britain no longer being an entry point to Europe.
3. In sectors which are reliant on migrant labour from the EU they will need to look at productivity enhancement or work intensification in order to remain competitive, particular with the reduction in a protected market for their goods.
4. The only competitive strategy will be to lower taxes and reduce employment protections.
5. A question mark as to whether there will be more opportunities in left behind communities or a continued decline.

David also suggested, however, that there will be an increase in demand for temporary and seasonal labour in sectors such as food processing and residential care as immigration is tightened. This could lead, he noted, to an enhancement of employment rights if there is more competition for labour in these sectors. The bigger question, though, is how long with Great Britain remain as a united country and what impacts would the splitting of the 'United Kingdom' have?

Notes by Sue Ryall, Centre Manager, CLEW