

Manufacturing update 13: Short time working – winning an alternative to redundancy?



Our work has continued at a pace over recent weeks both in **putting the case to government and Labour's front bench on the need for an industrial strategy and plan to recover and rebuild** from COVID. In addition, our work with industry federations and corporations continues to ensure that where possible we're speaking with one voice and common purpose on the actions needed to support our manufacturing industries, in both the immediate and longer-term. To this end we've launched our **Industrial Strategy – 'Fighting For the Future of UK Manufacturing'** at a national level and are currently organising a series of regional events with our shop stewards and officers to discuss in a practical way, how we can deliver on its core objectives. *Download our 'Fighting For the Future of UK Manufacturing' Strategy document here:* <https://unitetheunion.org/campaigns/fighting-for-the-future-of-uk-manufacturing>

BEYOND SHORT TIME WORKING, OUR EFFORTS HAVE FOCUSED ON:

- ⇒ *Specific sector and company level initiatives to support long-term investments, job protection and skill retention actions (including apprenticeships) and the encouragement of inward investment.*
- ⇒ *Increased gearing ratios (state investment for R&D and innovation) from 50/50 to 80/20 and pulling forward existing funding commitments to plug short/medium term market decline.*
- ⇒ *Actions to transition our economy to meet our climate change commitments; to re-shore supply chains and support a just transition towards green manufacturing here in the UK.*
- ⇒ *The pro-active use of public procurement and major infrastructure investment as a central lever in government support for a Make Local/Buy UK strategy.*

A SHORT TIME WORKING AND JOB SHARE INITIATIVE

With the **Job Retention Scheme being phased out by the end of October** and employer contributions increasing from August, our **fears about a tsunami of job losses over the summer months** will, without direct government intervention and focused support become a reality. The human, health and wider social cost of this are unthinkable and urgent action is now needed to avert unemployment levels not seen since the 1930s. In these circumstances, **we are clear that the case for temporary Short Time Working and other agreed Job-Sharing initiatives is both compelling and undeniable....**

MEASURES WE'RE TAKING INCLUDE:

- ⇒ *Demanding government introduce specific, **focused measures** – including extending furlough - to protect jobs and retain skills in sectors where demand will not return in the short-term to pre-COVID levels.*
- ⇒ *Working with economists to **identify the true economic and social costs to government of unemployment versus flexing the current the Job Retention Scheme to facilitate short time working/job sharing.** Current short time working protections in Germany (Kurzarbeit) and France (Chômage Partiel) have saved thousands of jobs and been extended for 24 months to assist sectors in difficulty.*
- ⇒ *Working up the case for **exemptions from income tax and national insurance for employees working 50 percent reduced hours** as part of an agreement to protect jobs.*
- ⇒ *Working with our stewards and officers to **reach negotiated agreements** with employers **over short time and/or a reduced working week** in order to retain both employment and the long-term viability of our plants.*

Protecting jobs today and for coming generations must be key to any industrial strategy and however difficult the discussion we have a responsibility to our members, their families and communities to win that argument. Redundancies, however they're mitigated, are good skilled jobs lost that history shows us will not return. These are **jobs we inherited and must fight for** to pass onto coming generations.

The demand that we share available work between us until demand returns and production volumes increase is a fair and collective response to an unprecedented situation.

- ⇒ The development and focused roll out of **'phase two' of the job retention scheme**, aimed at supporting those **sectors unable to return to full pre-COVID levels of production due to short/medium term demand issues** is key. We have, and will continue to raise this in discussions with government departments and directly with the Chancellor, Rishi Sunak.
- ⇒ In the absence of any continuation of current furlough provisions, **we've proposed income tax and national insurance exemptions for those working at least 50 percent hours less under an agreed short time working scheme**. This would leave workers keeping **gross pay - equalling some 80 percent of current full-time net pay** while protecting two jobs for every one full time. This is both good politics and sound economics. **The reality is workers forced into unemployment won't pay tax or national insurance either**. Further, far from not paying taxes they will rightly be claiming both unemployment support and universal credit, including housing benefits.
- ⇒ **Smarter use of the apprenticeship levy and skills funds would see employers upskill and retrain the current workforce** during the downturn as is again happening in Germany and France. Again using the downturn to our advantage, preparing our industries for the challenges ahead and addressing the productivity gap.

Of course where companies can afford to top up and continue to pay full pay we will rightly demand that they do, and where we can negotiate a shorter working week without loss of pay we will. However, for many where the lockdown and slowed demand is putting the business itself at risk and finances are critically low, using short time working to retain both skills and a workforce during this challenging time could save both the business and the future employment for our members.

Our shop stewards and officers are currently in the fight of their lives to protect jobs and terms and conditions in the face of COVID and in too many cases, we're fighting employers simply using the current situation to opportunistically attack our union, jobs and negotiated agreements. **The arguments for a shorter working week and/or job share arrangements simply add to our armoury in these fights.**

- ⇒ These discussions around the shorter working week will continue long past this current pandemic and **victories we can achieve here will have longer lasting implications for the way we address the challenges and opportunities of automation and the digitalisation of work.**

Please assist us by talking to your employers about joining us in the fight to secure a **stable, confident post COVID-19 economy** with manufacturing at its core. **Raise the issue of shorter working time and job share as part of our plan to protect our members and avoid the poverty and misery of unemployment.** These are our jobs and we owe it to coming generations to protect them so that they can have the same opportunities in life we did.

Change is coming. It's our duty to shape it and ensure working people are at its heart.

In solidarity



Steve Turner
Assistant General Secretary