

We need trade unions

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I believe that the left is at an important moment in its history. What has happened in Falkirk is a mere side show: I will discuss what is more important later. But first I want to, rather shamelessly, reproduce part of [the Observer's editorial yesterday](#) because I think it made an essential point which it is important to note, which is that we need strong trade unions in this country if we are to ever restore national well-being. They said:

Effective trade unions are vital components of a strong economy and a vigorous society. Today their weakness is hindering economic recovery. There will be no sustained increase in consumer spending without a rise in real wages, together with the confidence among consumers that these gains are durable. Innovative companies need confident customers whose wages are rising to buy their goods and services, allowing them to break into the virtuous circle of more production, technical innovation and greater spending.

Nor do the positive effects of unions stop there. Efficiency and productivity in the workplace are also closely linked to high trust and trust comes best between partners who are sure they will be heard. Disorganised, atomistic workforces, where workers are disposable commodities always fearful of being sacked, whose voice is neglected or ignored, are mistrustful and low-productivity places, particularly where an employer requires his or her staff to think on their own.

Unions are part of our social glue. When they work well, they are sites of social interaction, a place where men and women can socialise. Much of our social contact is at work. Unions help make that a reality. It is no accident that Germany and the Nordic countries have strong trade unions, as well as durable economies, resilient societies and a thriving middle class. What is becoming obvious in both Britain and the US is that weak trade unionism in the private sector has undermined middle-class incomes. Everyone but the top 1% has been dragged down by the relentless assault on people's living standards.

For three decades, the very idea of unionism has been under assault. The doctrine has

been that the more workers are on their own, and the more managers are free to hire and fire them at will, then the better everyone will be. The baleful results are everywhere to see. Profits are at a postwar high as a share of GDP and wages at a postwar low. The average wage would be £7,000 a year higher if wages represented the same share of GDP as they did a generation ago when unions were stronger.

We were told that this would be the recipe for an investment boom. Instead, companies are hoarding their profits and withholding investment, while workers are having their wages squeezed. Britain ranks 159th in the international league table for investment as a share of GDP. Meanwhile, by the next election, in 2015, real wages on average will be 10 % lower than in 2010. Britain is locked in a vicious circle of minimal investment and innovation because of uncertain demand, while ever more insecure workplaces are delivering falling real wages and even more uncertain demand.

We need stronger trade unions that can bargain for higher wages across whole industries. The phasing out of free collective bargaining has proved an economic and social mistake. It needs to be reversed. We now need to make the case for unionism, free collective bargaining, good work and higher wages as enthusiastically and vigorously as possible.

I am unambiguously sure that is right for the sake of everyone, union member or not, middle income or lower income, employed or unemployed, in the 99% and actually (because equality increases the prosperity of all) in the 1% too.

Over coming weeks, months, and years, it is vital that we remember that.

And yes, I do disclose that I work for trade unions, because I believe in them.