

LECTURE

LABOUR REGULATION AND PRODUCTIVITY IN THE UK SINCE 1945: DEBUNKING MYTHS ABOUT ‘DISEASE’, ‘MIRACLES’ AND ‘PUZZLES’

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1. The labour problem

Over 50 years ago, *New Society* first identified a new ‘Oxford School’ considered central to British post-war reconstruction. Based around Nuffield College, it contained five key figures: Hugh Clegg, Allan Flanders, Alan Fox, Bill McCarthy and Arthur Marsh. Other identified contributors were Ben Roberts, John Hughes and legal theorist Otto Kahn-Freund. A second generation included the likes of George Bain, Willy Brown, Richard Hyman, Rod Martin and Roger Undy. Intriguingly, as early as the late 1940s its key theorist Flanders described their social democratic approach to build industrial pluralism as the ‘third way’—obviously a phrase given greater prominence in the 1990s by Tony Blair and Tony Giddens.

For decades, this group influenced the development of government—especially the Labour government—thinking on economic and industrial strategy, pay policy, employment law, trade union reform, economic democracy and much more. Basically, they sought to build institutions to moderate unequal power relations at work: to civilise capitalism. I reference this group to suggest we might want to try to do this again today.

One reason is obvious. If you glance at the newspapers, you realise that what political economists of the nineteenth century referred to as ‘the labour problem’ is very much in the news. Boris Johnson has recently begun to argue that Britain needs a new economic model. In his October Conference speech, the Prime Minister announced it was time to tackle the ‘long-term structural weaknesses’ of the UK economy. After 11 years of Conservative government, he now plans a policy overhaul to oversee the journey to a ‘high wage, high skill and high-productivity economy’. Over recent months the left has also begun to show renewed interest in how labour is deployed and regulated. In the summer of 2021, Labour launched a ‘new deal for working people’ campaign in which Keir Starmer and Angela Rayner pledged to ‘fundamentally change our economy’ and ‘make Britain the best place to work’ based on ‘five principles of good work’. Starmer reinforced the message in a speech to the Trade Union Congress (TUC) 2021 where he again declared a future Labour government would deliver a new deal for workers—in particular in government his party would enforce full rights and protections for all workers from their first day in a job. Later, when opening that year’s Party Conference, Rayner promised the ‘driving mission’ of the next Labour government will be ‘to end poverty wages and insecure work that blights lives and holds back our economy’, unveiling a new Green Paper on Employment Rights.

Labour disputes have also been prominent over recent months—for instance, when recently some 300–400 British Gas engineers lost their jobs for refusing to sign up to new contract terms imposed by the parent company. Under cover of the pandemic companies such as Tesco and Network Rail and branches of local government have also tried tactics not dissimilar to what has come to be known as ‘fire and rehire’.

That same week Deliveroo boss Will Shu claimed its riders backed the bosses’ insistence that their couriers remained independent contractors without recourse to holiday or sick pay. These riders can

make as little as £2 an hour on their shift whilst the CEO stood to make £500 million on their share float. The recent Uber judgement in the UK Supreme Court talked of the inherent power imbalances at the heart of the employment relationship that should be rectified. We could recite numerous examples of high-profile labour disputes.

Rewind back to last year. Within a few months of the onset of the Covid-19 pandemic, human labour was politicised in ways thought unimaginable throughout the preceding decades. The market for labour stopped. The role of the state vis-à-vis labour was redefined. A Tory government had to step in and regulate who works, where and under what conditions. Not only that but *corporatism reappeared*. The TUC re-emerged at the centre of economic life for the first time in over 40 years and helped to forge the most significant labour market intervention of living memory: a state furlough programme covering some 11 million workers.

The status and significance of human labour have been re-established and relocated to the centre of our political, economic and social life. Today ‘the labour question’ is again centre stage, intimately tied to questions of human dignity.

2. Labour, dignity and justice

Not only did the pandemic interrupt our work or stop it altogether. It also changed how we consider the work of others. We applauded care home workers, nurses, porters, orderlies and doctors. We were moved by the sacrifice of tube, bus and lorry drivers, cleaners, teachers, the police and fire service, frontline council workers—welfare and housing officers, maintenance and refuse operatives—as well as delivery drivers, supermarket employees and a host of others.

These jobs became more visible and were granted a renewed standing. We recognised the dignity of this labour. Now, I readily accept this idea of the dignity of labour as a deeply unfashionable term. Therefore, I should warn that most if not all of what I am going to argue in this paper are profoundly unfashionable. Such work is often poorly remunerated, performed by what people around Westminster call the ‘left behind’, many of whom are my constituents in Dagenham and Rainham. We clapped in support. These vocations—callings—gathered esteem.

Dignity is often thought to be about status or a performative question of how you hold yourself, but it is also about something deeper, something we acknowledge when lost: the violation of an essential humanity. It implies intrinsic human worth and acceptable moral standards in how we order society and live together. These are questions of justice.

There is another factor we cannot easily disregard. Before the pandemic struck governments of both left and right had sunk into a stasis—bewildered by flatlining productivity. I want to make an argument and suggest this stasis is linked to an over-reliance on three words regarding questions of labour regulation: ‘disease’, ‘miracle’ and ‘puzzle’. These words are not neutral ones—and arguably have truncated our discussion of available policy options—and shaped a political paralysis. But before I get into all of that, let me briefly return to the Oxford School.

3. On the legacy of the Oxford School

In 1964, the incoming Wilson government drew on the diagnosis of these industrial relations academics in the consolidation of British corporatism. This approach sought a tripartite union-employer-state architecture to integrate the organised working class into a national project to boost competitiveness and anchor post-war social democracy—an early iteration of economic stakeholding. Many of its key figures had direct personal wartime experiences of fascism, communism and later German reconstruction, influencing their contribution to shaping post-war social democracy. I mention this because later I want to turn to the status of labour today, the origins of authoritarian populism and contemporary threats to liberal democracy.

The clearest exposition of this school's thinking was found in the Donovan Royal Commission final report of 1968—a direct response to mounting evidence of comparative industrial decline and escalating productivity shortfalls. Donovan identified a pathway out of comparative decline, to resolve earnings drift and unofficial strikes through innovative factory agreements to boost productivity and formalise labour relations. The report sought to reconcile competing systems of labour regulation by extending collective bargaining and removing barriers to union recognition.

This strategy to incorporate the working class into the governance of industry had earlier influenced the creation of the National Economic Development Council (NEDC) in 1962 with its sectoral tripartite Economic Development Committees, or 'Little Neddies', to reverse economic decline and the short-lived—pre-Sterling crisis—National Plan of 1965. Later it shaped the state merchant banks such as the National Enterprise Board (NEB) and the wider corporatist architecture, including the Health and Safety Executive (HSE), the Manpower Services Commission (MSC), ACAS and the National Board for Prices and Incomes.

Later still the Labour Government of 1974–1979 re-embraced this tradition and sought to enact the Donovan programme through five statutes: The Trade Union and Labour Relations Act 1974 and its 1976 amendment, the 1975 Employment Protection Act and Sex Discrimination and Race Relations Acts. These analysts engaged in public policy, not through abstract theory, textbook modelling or economic algebra, but following extensive research into the practical realities of the world of work—literally the day-to-day study of how human labour was deployed and regulated. Today there exists very little research into what is actually going on in the world of work.

For instance, no new original research was carried out for the 2017 Taylor Review of working practices. Compare that to the extensive research that informed Donovan, or the high-quality survey and case study research programmes of the Department of Employment until the early 2000s. The National Board of Prices and Incomes (1965–1970), the Commission on Industrial Relations (1969–1974), the Bullock Committee on Industrial Democracy (1975–1977) and later the Low Pay Commission from 1997 all initiated substantial pieces of independent research into the world of work. Where we might ask is the equivalent today especially when the 'labour question' is once again centre stage?

At this point and in the interests of full disclosure I should put on record some personal history. I gained an MA and PhD within Warwick's Industrial Relations Research Unit (IRRU), a key institution within the tradition I am referencing in this paper. In 1989, I joined Labour's Research Department with responsibility for labour issues. From 1997 to 2000, my job in Downing Street was working on labour issues, including:

- The introduction of the National Minimum Wage (NMW);
- New Union Recognition laws;
- Working time regulation, the social dialogue and the social chapter and
- Relations with the TUC

Underreported at the time, and ever since actually, the influence of the Oxford School could still be detected in the early days of New Labour. I remember one of the very first meetings I convened in the Downing Street State Rooms was of a small group to discuss labour law strategy going forward, which included:

- Bill McCarthy, Labour employment spokesman in the House of Lords for the preceding 17 years, Nuffield Fellow, Donovan Royal Commission head of research from 1965 to 1968;
- Bill Wedderburn, Labour spokesman in the House of Lords and author of the classic text *The Worker and the Law*;
- John Monks, TUC General Secretary and central figure in the history of post-war corporatism and
- Ian McCartney, the new Employment Minister intent on building new forms of social partnership, which was reflected in the architecture of the then embryonic Low Pay Commission.

All of them had a deep knowledge of post-war industrial pluralism. A discernible tradition could still be identified. Arguably, no such memory or tradition exists in and around the Labour Party today—with the one notable exception of labour law expert and Shadow Cabinet member Andy Macdonald who unfortunately resigned from his position at the recent Party Conference.

Early in the New Labour period, this tradition achieved some notable successes. George Bain became chair of the Low Pay Commission. George had first come to the UK from Canada to study under Hugh Clegg at Nuffield. George was later head of Warwick's IRRU. Bain brought in Willy Brown, other alumni of Donovan, Nuffield and Warwick and another ex-head of the IRRU. Some of the early union recognition laws, the regulation of working time and other individual and collective rights firmly fitted into the traditional concerns of post-war industrial pluralism.

But the reality was that any initial influence quickly dried up. The walls came in, the ceiling came down. Because basically, brutally even, the approach was seen as anachronistic. Too 'Old Labour'. We were New Labour and we inhabited New Britain. This stuff was too associated with the party's past, with periods of economic failure and the notion of the 'British Disease'.

4. 'Disease'

The Encyclopaedia Britannica defines disease to mean 'any harmful deviation from the normal structural or functional state of an organism. A diseased organism commonly exhibits signs or symptoms indicative of its abnormal state'. If you type 'British disease' into your search engine, Wikipedia tells you 'in economics British disease was a derogatory term to describe the period of economic stagnation in the UK in the 1970s at the time the country was widely described as the "the sick man of Europe" [...]. A lack of productivity in the UK economy was one factor behind Margaret Thatcher's economic reforms'.

Today the tag 'sick man of Europe' is sprayed around to describe numerous countries, including Spain, Portugal, Italy, France, Greece, Finland and Scotland, often in the pages of *The Economist* or the American business press. It has lost its potency and become a throwaway term. Not so historically. You can trace it back to the mid-nineteenth century to describe the Ottoman Empire and later to Weimar Germany. Its quite specific use was suggestive of economic misery, political turmoil, declining public morale and a diminished global status. Not a throwaway term and in no way a neutral scientific categorisation.

What is interesting is how notions of sickness and disease have in the British context been regularly used to link together four quite specific elements:

- the unique traditions of British labour law;
- emerging post-war productivity problems;
- criticism of post-war corporatism and
- direct political attacks on Labour governments.

All four are linked by the thread of labour regulation. These terms were most regularly used by commentators and political opponents of the Wilson and Callaghan governments of 1974–1979. Yet on closer inspection the two terms—offering a spectre of unnatural illness—have regularly been used to identify the 'labour problem' dating back to the 1950s.

From once being characterised as the 'workshop of the world', Britain gradually declined as an industrial power in the post-war period. Productivity growth had begun to lag behind that of the USA before the Second World War. Comparative decline within Europe began in the 1950s during post-war economic reconstruction, becoming entrenched by the 1960s. Politicians on the right began to argue that the UK's economic problems originated in the unique system of labour relations given the speed and timing of British industrialisation.

Exceptional protections were available to unions following the 1906 Trade Disputes Act, shielded from tortious liability when they induced breaches of the employment contract. This tradition of

voluntarism became the hallmark of British labour law. The law was kept out of regulating employment relations. Negative legal immunities were preferred over individual and collective legal rights. Arguably the British Labour Party was created to retain this separation between labour relations and the law, following the famous Taff Vale Judgement. By the 1950s, strains were showing as low unemployment and labour shortages triggered strikes and inflation as workers gained greater power within the workplace.

The narrative of the ‘British Disease’ gradually emerged, and with it the tag ‘the sick man of Europe’, consciously tying together labour regulation and productivity problems. Voluntarism had created a fragmented industrial relations system which inhibited growth. Uncoordinated free collective bargaining lay at the heart of a problem which found expression in wage drift, inefficient, restricted work practices and unofficial action. Conservative politicians began to target comparative systems of labour regulation in their search for answers to questions of global competitiveness.

In 1958, a group of conservative lawyers in a pamphlet entitled *A Giant’s Strength* laid the blame on the system of labour law, a theme later picked up in July 1961 by Harold Macmillan in the first, early attempts to introduce a pay norm and debates influencing the creation of the NEDC in 1962. Gradually a drumbeat of disease, of sickness and pathology, can be detected in diagnosing the overmighty position of labour and misguided attempts at pluralist reconciliation.

Probably the clearest exposition of this life-threatening diagnosis was launched on 14 November 1977 when from his home in Suffolk, John Hoskyns, later Head of Policy in Downing Street, circulated a report entitled *Stepping Stones*. Written in collaboration with Unilever’s Norman S. Strauss, the document sought to reorder domestic politics through a reassessment of labour regulation. The paper came to just 69 pages—the boiled-down conclusion of months of strategic discussion at the heart of an emerging, new radical right. It arguably stands as one of the most significant post-war political interventions. It was grounded not in the quantity theory of money or M3 targets but the status of labour within the economy. The scale of ambition was clear from the first few lines: ‘national recovery will be of a different order from that facing any other post-war government. Recovery requires a sea-change in Britain’s political economy’. The goal was not election victory but a transformed nation. Success is defined not by the usual calculus of electoral politics, nor even a landslide, but ‘something morally and economically better’.

National decline was the fault of the trade union movement, the organised industrial working class. Their overriding objective was to identify in the minds of the people union responsibility for the ‘sick society’. Their task was to ensure the ‘electorate is offered conflict about the status quo’ to overhaul ‘the union movements’ political and economic role’. The task is to instil ‘a sense of shame and disgust with the corrupting effects of socialism and union power—class war, dishonesty, tax fiddling, intimidation, shoddy work—the “sick society”’. It will require ‘systematic and painstaking effort’ to confront a malign union movement, years later famously framed as the ‘enemy within’. It declared that ‘Jim’s Britain is a sick Britain’.

On winning power a couple of years later three critical policy shifts followed. First, the government set about weakening or abolishing the tripartite institutions to assist and, in some cases, bail out ailing industries and companies (such as Rolls Royce), improve the skills base and check the problem of low pay. Industrial Training Boards and Wages Councils were axed. Second, it embarked on an unfolding privatisation programme. The nationalised industries, the utilities (gas, water, electricity, and telecommunications), the ports and shipbuilding industry, and many Local Authority services were thus returned to the private sector.

Third, the government built a rolling legislative labour law programme. It removed statutory support for trade union recognition, undermined the closed shop and narrowed significantly the statutory immunities protecting unions’ right to strike and organise. Legitimate industrial action was narrowed, detailed pre-strike ballot procedures were introduced and important restrictions were imposed on secondary and sympathetic action. Trade unions could be sued and be liable to pay damages. The union itself could be restrained by the granting of an injunction, with the threat of contempt proceedings and possible sequestration. And very quickly the language used to describe labour issues changed dramatically—from ‘sickness’ and ‘disease’ to one of ‘miracles’.

5. 'Miracle'

The Encyclopaedia Britannica defines the word 'miracle' to mean 'an extraordinary and astonishing happening that is attributed to the presence and action of an ultimate or divine power'. To understate this somewhat, from the standpoint of economics, the contemporaneous debate skewed in Mrs Thatcher's favour.

The idea that her policies induced a productivity 'breakthrough' first gained traction with John Muellbauer's quantitative time-series study of UK manufacturing for the period 1956–1985 published in 1986. He detected a significant upward lift in annual productivity growth from the third quarter of 1980 stating the 'improvements' in industrial relations consequent on tougher trade union laws had produced the performance gains. This was to form the empirical basis for the 'miracle' thesis.

Muellbauer stressed the significance of changes in the intensity of work. His contribution through the years has been used to give substance to the idea that Thatcher's 'medicine was working'—the miracle thesis became the new orthodoxy—across both the left and right. David Metcalf's work in the late 1980s explicitly stated that 'the pluralist course advocated by Donovan was tried and failed. By contrast, the methods pursued in the 1980s [...] seem to have done the trick'. The Donovan strategy he insisted was a 'conspicuous failure': labour productivity grew more slowly in the 1970s than in the 1960s and Britain's economic standing in the world economy continued to deteriorate.

This was written in 1989. So it is legitimate to ask—fast forwarding to today and after a decade-long malaise—how has that argument aged? Not least because at the height of the 1960s 'disease' average productivity growth at times approached 4 per cent. Even ignoring these points, productivity levels weakened following the 1988 Budget deflation. Indeed the recession of the earlier 1990s should have put paid to talk of any '*miracle*'.

Basically, the 'miracle' thesis suggested that management could push through long overdue changes in work organisation. Management had become far more aware of the need to utilise labour time 'efficiently'; 'restrictive practices' had diminished, strikes had declined and the closed shop posed fewer problems. Both Muellbauer and Metcalf were probably correct to stress the significant role of 'labour intensification' in lifting measured productivity levels in the 1980s, but were they right to champion Thatcherism as a route to greater production 'efficiency'? Efficiency refers to the ratio of output to inputs. If more labour input (work intensification) is expended to produce more output, the measured productivity gains may be consistent with no change or even reduced efficiency.

And here is the kicker. By enabling employers to make short-term gains in productivity and profitability, Thatcher's offensive against labour may have reduced the pressure on firms to undertake the investments in physical and human capital, and research and development, which support sustainable growth. In short, far from eliminating the sources of decline, the strategy could arguably have had the effect of *consolidating* existing weaknesses. Maybe consolidation rather than a miracle would have been a better working thesis?

6. Productivity in the 1980s and beyond

The distinction between short-term and long-term performance gains is critical. Essentially the productivity advances in manufacturing in the 1980s can be traced to three sources:

- the recovery of output which, after 1982, was accompanied by a steady decline in the industrial workforce;
- the shift in the power balance between employers and workers and
- piecemeal changes in work organisation and production technology.

These elements interacted to produce a series of step-by-step increases in measured productivity, not a fundamental and sweeping transformation of production relations suggested by the language of miracles. I would suggest this journey from 'disease' to 'miracle' is not awash with nuance—diseases

are not great and miracles are not bad. But its effect on conditioning politics cannot be overemphasised. They have been over-deployed—to produce a form of political absolutism. What is the collateral political effect in terms of the conditioning of debate, the exclusion of options—the truncation of politics? Who dares to stand outside of the dominant disease/miracle binary? Politicians, generally, are the very last people to contest orthodoxy.

Let us revisit the 1980s for one more minute. No doubt Britain's employment structure changed significantly in the 1980s. Post-war demographic shifts helped swell the available workforce by around 1.7 million. This expansion coincided with the erosion of employment opportunities in manufacturing, the rapid growth of private sector service employment, increased female participation rates and a threefold rise in unemployment in the first half of the decade. Full-time employment fell by half a million, while the number of 'non-standard' employees rose by about two million.

Manufacturing output and productive capacity fell sharply in the first half of the 1980s, as record bankruptcies scarred the industrial base while costing two million jobs. Output declined by a staggering 20 per cent between 1979 and 1981 and did not surpass its 1974 level until 1989. The service sector, in contrast, expanded rapidly. Two million additional jobs were created between 1979 and 1987 while output increased by 29 per cent. Seven in every 10 employees henceforth worked in services. Rather than a 'miracle' thesis, we might instead suggest that work intensification had become the reality for millions of increasingly unprotected workers through the 1980s—trends that would continue in the ensuing decades. Arguably the Thatcher years saw the consolidation of Britain's international standing as a base for low-value-added operations.

Yet the 'miracle' thesis has never disappeared. I would suggest that the story of economic renewal under Thatcher, and Labour's struggle to grapple with it, remains an unfinished chapter in the political and economic history of contemporary Britain played out in today's political stasis. The political legacy of the 'disease'/miracle' binary has disfigured politics. For instance, the concerns of the Oxford School were quickly discarded by New Labour as was an early flirtation with any notion of stakeholder capitalism. In its place emerged a politically functional new narrative of knowledge work.

Yet by the end of Labour's first term, the trends were clear. By 2001, the growth areas in the economy included a slight rise in computer managers, software engineers and programmers. Yet the real growth had been in the long-established services of sales assistants, data input clerks, storekeepers, receptionists, security guards and the like. Alongside this, there was a massive expansion in cleaning and support workers in the health and education services and beyond, and increased work among the caring occupations—such as care assistants, welfare and community workers and nursery nurses.

There was no revolution in the demand for labour—the key growth areas were in traditional, often low-paid, jobs, many of which were carried out by women. Of key empirical significance was the trend growth of low-paid, routine and much unskilled work in occupations pre-eminent 50 years before. The hangover of the 'disease'/miracle' binary meant Labour just did not want to acknowledge what appeared in clear sight. Policy persisted to be framed by assumptions of a certain technological destiny, not just questions of labour law and regulation but also when it came to the demand for graduates and for funding higher education.

The political strategy of New Labour was focused on the top end of this hourglass and a neglect of the vocations and labour market realities underneath, with disastrous political consequences for the left over the following two decades as the working class deserted the party, reappearing in Brexit, the collapsing Red Wall and the like.

I accept that some, such as Dan Corry and others at the London School of Economics, have argued that New Labour's policies contributed to an improving productivity performance, through the growth of education, support for innovation and tough competition policy. Yet nearly a decade after New Labour was ejected from office productivity is once again back on the agenda. Since 2008, there has been an unprecedented fall in UK productivity. This, when considered alongside poor wage growth and price rises, has produced a profound deterioration in living standards. Consequently, household income growth has been worse than during the early 1990s recession and following the UK crashing out of the Exchange Rate Mechanism. Yet rather than acknowledge this as a profound crisis of human labour, today's talk is of a productivity 'puzzle'.

7. 'Puzzle'

The definition of Puzzle is as follows: 'As a verb puzzle signals to feel confused due to an inability to understand something. Similar to perplex, bewilder, baffle, mystify, confound. As a noun it is a game, toy or problem designed to test ingenuity or knowledge or a person or thing that is difficult to understand or explain'. The word is almost playful. In deploying it there is a certain act of diminishment involved.

British output per hour and real wages are now no higher than they were prior to the global financial crisis of 2008–2009. The UK ranks 31st out of 35 OECD countries in growth of output per hour from 2008 to 2017. Before Covid-19, our productivity growth was at its slowest since 2008, nearly twice as slow as the next-worst period, from 1971 to 1981. A sense of sterility is all around.

The Bank of England cannot account for this sterility, renamed a 'puzzle'. The then Governor somewhat comically stated in 2015 that 'it has been worse than we had expected and worse than we had expected for the last several years. We have been successively disappointed'. Again a playful humorous description. But in reality what options do we have to describe such an enduring problem when a 'miracle' remedy has already been applied to an earlier 'disease'?

So in conclusion, why is all of this important?

Well for the obvious reason. For many of our fellow citizens, modern capitalism appears unable to deliver what it once promised. Modern liberal democracy has incubated sinister new forms of populism. Michael Sandel has suggested today's populist uprisings reflect a backlash against a soulless managerialism and offer an 'angry verdict' on a long-term liberal compact with capital—one that has entrenched economic and democratic inequalities and rolled back genuine social mobility. It requires a very different conversation, one that addresses *moral and cultural questions regarding the lives we wish to live*, and how the current disparity between that ideal and reality can find painful, often angry political expression driven by resentment and humiliation.

Sandel identifies key themes for politics to confront, linked to questions of work, human labour and the creation of community. First, is the need for an economic strategy to engineer inclusive growth. Such redesign *must rethink wealth creation and distribution including that created by and apportioned to human labour*. Second, Sandel urges us to challenge the harsh judgements that liberals and progressives impose on those who are viewed as 'unsuccessful' in a meritocracy—not least in the resentment this builds, fuelling backlash. It adds to a sense of cultural detachment in politics and disrespect for the work performed by many of our fellow citizens. Having valorised financial and educational achievement, we appear ill-equipped to understand the feelings of those that live outside these defined parameters of success.

Material reward and social esteem have closely followed, drifting away from the traditional jobs carried out by the working class whose prospects look increasingly endangered. We are told that technological change might further erode the dignity of such work or render it obsolete. Much of the progressive left has embraced such thinking. We find solace with a false technological nirvana, for instance by utopian 'post-work' theorists who embrace Universal Basic Income (UBI) to take us there. Such an approach can suggest a certain disdain for jobs not considered worthwhile, reinforce the detachment of progressive thinking and help build the forces driving authoritarian populism.

Overall, to challenge the modern story of dispossession and abandonment offered by the populist right we must forge a positive re-imagination of community and nation anchored within a new politics of rewarding dignified work. This to me is where the rubber hits the road. The three words that best sum up post-war debates around productivity and labour regulation—'disease', 'miracle' and 'puzzle'—conjure up images of a pathological condition, a quasi-divine rescue and a benign enigma. What are the moral or ethical consequences of their usage? 'Disease' requires an emergency response to avoid life-threatening outcomes. 'Miracles' are suggestive of awe and reverence, whilst 'puzzle' denotes an almost humorous, benign bemusement. It has trapped both political parties.

Theresa May toyed with industrial democracy and set up the Taylor Review. It came to nothing as it collided with the legacy of Thatcher and 'miracles'. Despite the talk of levelling up, we are still waiting for a promised White Paper and employment bill. Meanwhile many around Labour try to get out from

under this legacy with recourse to technological determinism and the withering away of the working class, signposted with the knowledge worker and UBI.

Maybe we should try something different: replace ‘disease’ with the idea of a post-war *dilemma* or challenge; replace ‘miracle’ with the idea of post-war *consolidation*; replace ‘puzzle’ with that of modern *stagnation*. Maybe it is time to rehabilitate some of the concerns of the Oxford School, of industrial pluralism or early stakeholding. For these are not abstract debates confined to the academy. They require an agile applied social science, very much reflected in the history of the National Institute of Economic and Social Research. Without wishing to be too melodramatic, the future of liberal democracy could depend on it.