

# The Robert Oakeshott Lecture 2021

## Ten Years of Reflection to Drive a Decade of Ambition

21 June 2021

The Rt Hon Jesse Norman MP



BETTER BUSINESS TOGETHER

## About Jesse Norman MP

The Robert Oakeshott Lecture 2021 was delivered by The Rt Hon Jesse Norman MP on 21 June 2021, the tenth anniversary of Robert Oakeshott's death. Jesse was a lifelong friend of Robert Oakeshott.

Jesse Norman has been the [MP for Hereford and South Herefordshire](#) since 2010. He was appointed Financial Secretary to the Treasury in 2019, where he was responsible for the furlough and other pandemic support schemes, and more generally for HM Revenue and Customs, tax policy, customs, trade and tariffs policy, border readiness, and the National Infrastructure Strategy and the UK Infrastructure Bank. He stepped down in September 2021.

## About the lecture

The lecture, entitled 'Ten years of reflection to drive a decade of ambition' saw Jesse celebrate Robert's achievements, review the history and growth of Employee Ownership, consider how Robert's original idea of Employee Ownership is helping to address current economic and societal challenges and discuss ideas to overcome the barriers facing the continued growth of Employee Ownership in the UK.

More background information is available here: <https://employeeownership.co.uk/events/robert-oakeshott-lecture-2021/>.

The event was organised by the [Employee Ownership Association](#), together with Robert's family, and was sponsored by [Gripple](#). Gripple is a 100% employee-owned company. All its people own shares in the business.

This transcript was prepared in collaboration with the author and published by [Fieldfisher](#), London. Any comments should be sent to Graeme Nuttall ([graeme.nuttall@fieldfisher.com](mailto:graeme.nuttall@fieldfisher.com)).

The lecture is available to view here: <https://youtu.be/Fn-FY9oFDvI>.



# Ten years of reflection to drive a decade of ambition



## Jesse Norman MP

### The legacy of Robert Oakeshott

Well thank you very much indeed Campbell [McDonald, Chief Executive, Ownership at Work] for that wonderfully kind introduction. I don't think anyone can survive an introduction as nice as that one and I won't try to. But I thank you, I thank the EOA [(Employee Ownership Association)] and I send my congratulations to you on your new [ownership hub](#).

Finally, I thank you all ladies and gentlemen for joining me now at this 10th Robert Oakeshott memorial lecture. It is a huge honour for me, because this lecture is in Robert's name, and because of the distinction of the previous speakers in this series.

But it is also especially poignant because it comes a decade to the day from the date of Robert's own death. That decade allows us to see, perhaps more clearly than at his death, what Robert's legacy has been, and how it is shaping up. As Campbell said, I am of course speaking in a private capacity; that is potentially a good thing, because it means I can give you a few of my own personal opinions rather than simply speaking as a Minister or from a Treasury perspective.

### A talk not a lecture

Let me be clear from the start this is a talk; it is not a lecture. There is something absurd about the idea of a Robert Oakeshott lecture. Robert could certainly be didactic; I don't think there is much doubt about that. But he would never really have dreamt of lecturing anyone about anything, unless perhaps there was a very great moral issue at stake and he had had an extra glass or two of vino tinto. I think those are the key conditions precedent to any kind of a Robert Oakeshott lecture.

No, no: Robert's preferred mode was always that of conversation, and he was a master of it. It was something he shared with the great philosopher Michael Oakeshott – or "cousin Michael", as Robert used to refer to him rather airily from time to time, with perhaps a slightly raised eyebrow at Michael Oakeshott's conservative instincts, although in fact Michael's liberalism was not so very different or distant from Robert's.

Michael Oakeshott in his philosophy made conversation into a metaphor for liberal human society, and indeed for civilisation itself. That is because, in a conversation, all the speakers are considered as presumptive equals. What matters is not the status of the speaker, not their rank or wealth, but the content of what is said, the distinctiveness and the individuality of the voices and the richness of the interplay between them. There is no hierarchy as such in a conversation. Robert never had much taste, I think it is fair to say, for the abstractions of philosophy but a conversation with him was always an intense pleasure and – although he would never have wanted to lecture you – it was also always an education.

## Transparent goodness

As for me, I knew Robert Oakeshott for more than 40 years and, let's make no bones about it, I loved him. I'm sure you all, all of those who knew him at least, loved Robert Oakeshott too. This was the effect he had on almost everyone around him.

Whether it was his transparent goodness, his extreme friendliness, his personal modesty and lack of affectation or his willingness to take arms against the sea of troubles and make the impossible possible through his own persistent charm and effort – or whether it was all of these things together – Robert was in his own way quite irresistible. So I was certainly completely incapable of any resistance when I returned from working in America in 1991 and Robert asked me to join the board of Job Ownership Limited, the predecessor to the Employee Ownership Association.

Since Robert knew everyone, he knew my parents; that went without saying. What was more unsettling was that he also knew my parents-in-law, Tom and Elizabeth Bingham and – this is no joke – he was the godfather to my future brother-in-law! That, ladies and gentlemen, is networking at its finest.

In fact I rather think that my father-in-law Tom Bingham (who as you know became an astonishingly distinguished Judge) was the Junior Common Room President at Balliol College, Oxford in 1956, the year in which Robert led a Balliol mission with medical supplies to support Hungary in the face of the Russian invasion. Again, I am not, it is important to say, making this up.

## My goose was cooked

Anyway, sometime in the early 1990s, Robert called me up and, in his usual way, suggested a “medium numbers” lunch, the first of many. “Jesse, we'll have, I don't think we can stretch to a *high* numbers lunch, Jesse”, he would say “but I think we can do a *medium* numbers lunch” and we went of course to the Gay Hussar, where he recommended the chilled

wild cherry soup and the smoked goose breast. And that was that; my goose, at least, was cooked.

I knew nothing about Employee Ownership, and not much about anything else. But for reasons too complex to explain I had found myself doing a series of what Robert would have called “knight's moves” from helping to set up Institutional Shareholder Services, or ISS – the world's first corporate governance advisory business – in Washington DC, to working in the eurobond markets on Wall Street, to running a charitable project giving away educational materials and building free institutions across communist Eastern Europe.

Ownership, finance, rapid economic and social transformation; in retrospect, the overlaps seem a lot more compelling than they did at the time. At any rate, this frankly rather slender base of personal experience was the only hook that Robert needed to pull me in. Mind you, I could have been ignorant in an almost indefinite array of other areas and I suspect I would still have got the call.

## Early board meetings

I still remember our early board meetings rather vividly. They took place at the Unity Trust Bank courtesy of the great Gordon Beasley, and around the table, in addition to Robert and Gordon himself, there were David Erdal, James Cornford, David Wheatcroft, Margaret Elliot and I think David Walker from John Lewis as well as the great Graeme Nuttall. It was a very brilliant and a very eclectic group gathered up by Robert during his travels.

As for me, I had stayed focussed on Eastern Europe, but I had realised that these countries needed investment capital and professional advice, and so I had gone – another knight's move – to work for BZW, the Barclays investment bank. When I sat

down to that first meeting I had a fairly vivid sense of being not just 20 years younger at least than everyone else at the table, but also on the wrong side of what might be called the capitalism and socialism divide. Of course, that made no difference to Robert at all. Indeed he thought of Employee Ownership as healing that ancient divide between labour and capital.

## A Treasury visit

As I look back on it, I also recall going with Robert in 1995 to visit Michael Jack, one of my predecessors as Financial Secretary to the Treasury. We met in what is my present office – in fact I am sitting in it right now – in order to pitch some Employee Ownership idea. But that was just the latest in a succession of visits that Robert made to very senior ministers in the Government and in particular the Treasury.

## Lake Balaton

And then there was that amazing conference on Employee Ownership that Robert organised in Hungary in 1996, which took place next to Lake Balaton in the depths of winter. The lake was completely frozen and somehow one expected Frankenstein's monster to emerge out of the night walking unsteadily across the ice.

That visit also included an almost equally memorable visit to the employee-owned Herend pottery works. And then of course there was my fervent advice to Robert not to invest his life savings in a Bulgarian vineyard, since he would have no security and virtually no protection in law: advice he typically and very wisely ignored. Robert knew what the right thing to do was.



**Robert Oakeshott, 1995**

## In 2011 Employee Ownership was still little understood

If I may, I now want to jump forward a little bit to consider the state of Employee Ownership at the time of Robert's death 10 years ago.

I do not think I exaggerate if I say that, for all those decades of hard work, even in 2011 Employee Ownership was still little understood and less practised in the UK, with a few signal exceptions. There was not much by way of resources to support Employee Ownership, and there was virtually no understanding of its possibilities and potential among business.

Moreover, Employee Ownership had virtually no traction amongst the UK's professional advisers. There were worries about over-exposure of employees to risk, and limiting access to capital. Employee Ownership was seen as complicated and esoteric, something for hobbyists, cranks and specialists. And – frankly – there simply was not enough money in it to be worth the professionals' while.

## Nuttall Review

But it is in the nature of revolutions to see periods of stasis followed by rapid change, and since that time I think it is fair to say that there has been a transformation. Following the Nuttall Review of 2012, the Coalition Government adopted the Employee Ownership Trust model alongside a range of other incentives in place.

It also, as you may recall, made a huge fuss about the John Lewis Partnership. For those of us who recall the decades in which JLP and a small number of other companies underwrote Job Ownership Limited and indeed much of the EO research sector, this felt like just recognition for all that commitment and support. But it also obscured of course just how unusual the John Lewis Partnership actually is. It turned out that there were literally hundreds of other opportunities to develop and adapt an employee-owned trust model, without having to

feel the whole thing required all of the extraordinary structures, practices of participation that have sustained JLP over the years. That is one of the lessons of the last 10 years.

## The Employee Ownership Trust

In particular, of course, the Employee Ownership Trust has taken off. Since its introduction in 2014 some 567 businesses have become employee owned via an Employee Ownership Trust. The rate of growth has increased significantly just in the past two years, with 139 transitions to employee ownership via an Employee Ownership Trust in 2020 and a further 72 transitions in the first quarter of 2021.

## Employee Ownership as Government policy

So Employee Ownership Trusts have been pivotal to the recent development of the sector. But the changes have gone much wider than that. Looking back now, we can see that for the first time, Employee Ownership has been clearly distinguished from employee share ownership.

Employee Ownership itself has become government policy. Employee engagement has become understood as a core part of Employee Ownership, and not some accidental or lucky add-on; and above all, the Employee Ownership business model has become recognised as a successful commercial business model in and of itself, independent of any tax treatment.

Thanks in large part to the EOA, and to JOL before it, we now have numerous case studies and success stories and a considerable accumulated body of research. It is notable that Employee Ownership has started to percolate more into the Universities and business schools.

The Employee Ownership Trust has become a default model for Employee Ownership in this country, and it has also served as a model to others.

Moreover, it has allowed the creation of what is in effect a toolkit for professionals so that it can be swiftly and effectively implemented.

Last but not least, there are a vastly larger range of champions around the country – and perhaps especially in Scotland – to sing the praises and also vitally to explain the detail of Employee Ownership.

## No longer politically loaded

But there has been one other very important development. Employee Ownership and its cousins, co-operatives and mutuals, are no longer seen as politically loaded.

It made a huge difference that these decisive changes were created and launched under a Conservative-led Coalition Government nominally committed at least to inclusive Burkean ideas about the importance of independent institutions, sustained by the language of the Big Society and faced by an Opposition many of whose MPs were and are formally part of the Cooperative Party.

If I was being mischievous, I might also suggest that the gradual weakening of the Trade Union movement has given space for the re-emergence of Employee Ownership on the left. But by whatever means, the UK has finally joined the rest of the world – and in particular that supposed bastion of capitalism, the United States of America – in welcoming all these different models of enterprise, and doing so on their merits, without regarding them merely as moves in a political or class game.

## Tweaks to the legislation

I do not want to suggest for one moment that there is not further work to be done. Employee-owned businesses are still a tiny proportion of the firms in this country, after all; and as Graeme Nuttall reminds me, there is a case for some tweaks to the legislation in order to improve employee engagement, and to discharge better the policy

intent of the Employee Ownership Trust.

First of all, there is a suggested requirement that the Employee Ownership Trust trustee must be resident in the United Kingdom in order to protect the Trust from onward sales overseas; secondly, a suggested requirement that former major shareholders should not form a majority of the trustees or trustee directors; and finally, a suggestion that the legislation should be amended to include an express statement of the purpose of an Employee Ownership Trust as being to promote long-term Employee Ownership.

I will, as they say, refer these important suggestions to the relevant Minister at the Treasury.

## ESG

But what I am struck by, perhaps even more than I am struck by these developments, is the wider change of ethos that we have seen over the past 10 years.

It is fascinating to see how the emergence of new technology companies has helped to fuel interest in employee *share* ownership and in some cases in the merits of Employee Ownership in the full sense. The whole topic of ESG – environmental, social and governance impact – has moved to the centre of the business stage. Employee Ownership, as Campbell has mentioned, can and I am sure will be at the heart of that debate.

There is also today a much wider focus on the benefits of employee engagement and flat organisational structures, on the importance of corporate mission and, in particular, on the desire to live co-operatively and sustainably and inclusively with others while going about one's usual business. Those things have become paramount especially to the younger generation.

I do not think that this is the product of any single human being or organisation, even of Robert and



the EOT, but they, and indeed you, have played your part as much or more than anyone in helping to set the terms for this astonishing change. Other changes will come, and there are other pressures on good work and good business; but I suspect that this change will be irreversible. The evil genie of organisational hierarchy, of exclusion and hostility between management and employees so evident 30 years ago, is very plainly in retreat.

## Thank you very much indeed

As for myself, over the past 15 years I have found myself writing about the philosophy and practice of the Big Society, setting up a thing called the Conservative Co-operative Movement, commissioning and editing a handbook on how to set up a food co-op, chairing the APPG on Employee Ownership, and writing books on Edmund Burke and Adam Smith, both of whom in different ways laid the intellectual basis for much of this agenda.

Graeme has even suggested the germ of the Employee Ownership Trust lay in the challenge I once made to him at an Employee Ownership All-Party Parliamentary Group reception, from which came a note and then a memorandum to the Treasury and so much else.

However that may be, it is inconceivable that I myself would have been able or inspired to do any of this without Robert Oakeshott. I suspect the same will be true for many if not all of you watching this now.

So, Ladies and Gentlemen, let us all cast our eyes skyward to heaven. Let us think of Robert up there gently and persistently charming Gabriel and the angels into setting up workers' co-operatives and employee-owned businesses, and let us raise a virtual glass of vino tinto to honour his memory – and perhaps, as he would wish, a real glass or two later on.

Thank you very much indeed.

**Jesse Norman MP**



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