Interview

Trade unionism after the crash:

Frances O'Grady interviewed by Sarah Hutchinson and Florence Sutcliffe Braithwaite

Frances O'Grady became General Secretary of the Trades Union Congress in January 2013 – the first woman ever to hold the post. Before that, she had been Deputy General Secretary, head of the TUC's organisation department, and TUC Campaigns Officer, as well as working for the Transport and General Workers Union, and in a variety of jobs, from shop work to the voluntary sector. In April 2013 she delivered the Attlee Memorial Lecture at University College, Oxford (O'Grady, 2013). In this interview, she talks about the agenda she set out in her Attlee lecture; the role of trade unionism in Britain today; the new feminism; and the prospects for democratic socialism.

Citizenship in the workplace

FS-B: One of the key arguments of your Attlee lecture is that in the post-war boom years, the trade union movement missed the opportunity to assert more influence over industry, settling merely for fighting for higher wages and better conditions. You suggest that this must be reversed, and co-determination, or industrial democracy, placed at the centre of the TUC's aims. What are the blueprints for how you see this working?

FO'G: First of all, I think we need to build a consensus that it's a good thing: that citizenship shouldn't stop at the workplace door; that it's a problem that 8 in 10 workers in the private sector have no voice at all over their own pay and conditions, let alone the strategic direction of their company. And this is a problem not just for the dignity of those people, but also because it's been a key driver of the financial crash and the economic problems we're facing now. Co-determination is a key part of the solution – the way to build the more balanced, fairer economy that many of us want to see. So it's important because it's not just a fantasy idea up there: it's real people's lives. It's also the future of the economy that we're talking about. It's not just something that's 'nice to have', it's an essential feature of the new economy that we want to build.

And there are lots of practical policies that can help us to achieve that – policies that have the potential to be incredibly popular, too. Polling tells us, for example (and, if we're honest, to the surprise to many in the world of politics), that it's common sense to the general public that workers should be represented on the boards of companies. Not

just Labour supporters – 7 in 10 Tory supporters think it makes sense – why wouldn't you have the workforce represented on the board? And of course, this is mainstream in Europe – Britain's unusual in that it's not a matter of course for workers to have a voice at that level.

Take an important area like remuneration. We know that the obscene levels of remuneration at the top fuelled some very poor decision-making, created the culture of short-termism that is a major problem for the British economy, and were socially and morally unpalatable to many people. Again, there is huge popular support for workers being represented on remuneration committees. It's actually quite easy to do, and wouldn't require a major change in the law. But if you had that change, then you'd have to ask questions about how the representatives are chosen. Where you have a union, it's easy, because unions already provide a democratic structure for working people within companies. Where you don't have a union, I think we need to start looking at the Works Council model, which works very well in Europe. Experience here in Britain on European Works Councils shows that wherever there are elections for workers, union members do very well, because they tend to be natural leaders. They're backed by democratic organisations that can give them training and expertise so that they're not sat there like a lemon, they actually do a good job for the people they're meant to represent.

I'm also very interested in broader debates about different models of ownership, and in an even bigger debate about what companies are there to do. Is it acceptable that companies exist as institutions only to benefit the bottom line, or do they have a broader responsibility to the societies they operate within? And, for me even more interestingly, what are the goods and services that they actually produce? In the trade union movement we haven't talked about this enough with our own membership. All my experience tells me that people care passionately about what they do when they go to work, and most people want to feel proud of the jobs they do, and of the organisations they work for. You see this very graphically in some of the new, growing renewable energy companies, where people feel a sense of mission about what they're doing. And you see it in care organisations, where, despite what remain incredibly shabby conditions and pay for an overwhelmingly female workforce, individual women I speak to really care about the children or the elderly people they're looking after. So I'd like there to be an even bigger discussion about what we work for and on – work is the one thing that unites nearly all of us, that we all have experience of, that we spend most of our waking hours doing. So I want to see less inequality, I want to see fair pay and conditions, but I also want to see a better quality of working life for people.

FS-B: You say you want to move away from a situation where companies see the bottom line, and the satisfaction of shareowners, as their sole purpose. So can I ask specifically about employee share ownership – do you see it as a step in the right direction or more of a dead end?

FO'G: There have been some employee share ownership schemes that unions have negotiated that have been incredibly positive. But there have been too many others where it's been used in a very negative way – the most extreme example being George

Osborne's proposals to swap employment rights for shares, creating this new status of employees with fewer rights. So, understandably, there's a lot of caution and cynicism in parts of the trade union movement about share ownership schemes, because people's real experience of how these schemes have been used has been mixed, to say the least.

It's not the priority for me; my priority is that ordinary working people should have a voice over the companies they've invested their lives in. That's more important than whether they get a thousand pounds' worth of shares. Employee share ownership is a model for building a sense of ownership over a company which comes with huge practical issues – such as whether they can sell those shares. What I know does work is where we have strong union organisation and a strong voice, and people are not only listened to, but their views are acted upon.

I think the 'age of deference', this idea that only those at the top know what's best for a company, is over. It's been trashed by the experience of the financial crash. And people know that there's a huge amount of expertise, wisdom and plain common sense in the workforce which isn't being used. Often the interests of the workforce are about security and sustainable growth in the long-term, and about the impact on the community. Whereas at the top, we've seen this revolving door of directors, some of whom never go near their shop floor, like football managers in some teams who you know won't be there next year! There's been this huge disconnect between the experience of some of those at the top and the great majority who, let's not forget, create the wealth, and sometimes have more of an investment in the impact of those companies on their local communities – and on customers, for that matter. That's why I see co-determination as an essential part of realigning the economy.

Prospects for predistribution

SH: Related to the idea of responsible, responsive management, you suggested in the Attlee lecture that 'predistribution' was otherwise known as 'collective bargaining'. We wanted to ask about your views on tax credits, the minimum wage and living wage, and whether you think that 'predistribution' should be achieved mainly through collective bargaining, or is there a role for legislation?

FO'G: First of all, I think that Ed Miliband's absolutely put his finger on it by calling for predistribution – and I was having a bit of fun with the language, because I do think we need to start using plainer language. But I think that he was spot on to identify that the real weakness of the last Labour government was that we ended up redistributing between low-paid workers and slightly better-paid workers, so that clearly we were on a hiding to nothing – we couldn't keep on effectively subsidising rich landlords and tight-fisted employers. All the good work done by the Resolution Foundation shows that there are plenty of industries that could and should pay more, and shouldn't be bailed out by the government using taxpayers' money – which after all is workers' money! So he was absolutely right. What I was trying to get across was that if we agree on the analysis, then we need to be even bolder about the structural reforms that are needed to make it happen, because we're looking to reverse a trend that's been in place for 30 or 40 years

now, and all the evidence is that things are getting worse, not better. We've got two trends: growing pay inequality, and a falling wage share. Meanwhile corporate Britain is sitting on a cash pile of £750 billion that they're not investing in hiring workers, or in updating equipment and skills to improve productivity, and certainly not in wages. And we know that that's exactly the scenario that could lead to another crash, because the current government is failing to do anything to stimulate enough demand to ensure that we don't have a 'lost decade'. So I think that Ed was absolutely right in the analysis, absolutely right to argue for more capital investment, and in particular to argue for a programme of house building. Although I think that it needs to be acknowledged that what we need is more social and affordable housing, otherwise we're not going to be tackling the problem at source.

On wages: there won't be any reduction in the tax credit bill until we get a significant increase in wages for ordinary people in Britain, and although I'm a great fan of the living wage – and we'll be launching a campaign on fair pay, including a big push on the living wage – voluntary action alone is not going to do the job. There are two things government can do. First, government has a very important power in convening employers and unions to bargain, getting them together in one room. That power is very important, and should be used. Second, it's very clear that part of the story of the growth of inequality and low pay in Britain was to do with abolition of the wages councils, and part of the answer has to be setting up new institutions. There are lots of areas where we have good agreements with employers, but only 16 per cent of the private sector workforce is covered by collective bargaining, so inevitably unionised workplaces find it harder and harder not to get undercut by non-unionised workplaces – for employers, as much as workers – and it gets harder and harder to lift people's living standards beyond our own ranks. Traditionally, there's been a very clear pay premium attached to belonging to a trade union, but trade unions have also been about a wider sort of justice – we have been not only able to help our own members, but to get pace-setting agreements for whole industries. We won't be able to get back to that position without significant help from a sympathetic government – that's a long-term aim – and in the meantime, a sympathetic government would have to set up some form of tripartite institution to get government, unions and employers in the same room, to start tackling the underpayment of workers. Not just because it's the right thing to do, and the fair thing to do, but because if we don't start redistributing the spoils of our wealth creation more fairly, I think we could find ourselves with another crash before too long. Nothing has fundamentally shifted the picture – and we know that the underpayment of workers was one key driver of the financial crash. All the international bodies, such as the OECD, recognise that the decline in collective bargaining, that is, not just between trade unions and individual employers, but also the decline in machinery like wages councils, has been one of the key contributors to inequality. And inequality, we know, was a big source of the crash, and needs to change.

Movement politics

FS-B: That links to a bigger question, which is: what do you see the trade union movement as being for? You've said in the past that you see it as being about more than

simply industrial relations (pay, conditions and benefits narrowly imagined): on your appointment you suggested that you wanted the trade union movement to be a 'mass movement' or 'social movement'. You obviously draw on a longer history of the trade union movement's aims and activities in the way you envisage it growing in the future. So we wanted to ask broadly, what do you see the movement as being for, and in particular – a question that has particular pertinence in a recession – how do you think the trade union movement should relate to unemployed people?

FO'G: You're absolutely right, that is our history. We came out of, and were part of, much bigger movements, including, of course, the campaign for universal suffrage, but also working class libraries, co-operatives, the fight for education – this is all a natural part of our history, and has continued to be important. And the trade union movement has always understood that it's important to have a political voice. That doesn't mean every union is affiliated to a party, but it does mean that we understand that working people need a political voice in parliament too. Because, for one thing, and increasingly importantly for a movement that's now 50:50 men and women, issues like whether we have decent childcare in this country determine whether or not you even have the chance to get a job – let alone arguing about pay and conditions. So we've always had that broader mission.

There are fascinating debates going on in the global trade union movement as well about the future of trade unionism, and what form the movement should take. The trade union movement is pretty unique as an international, democratic movement – in this country we have one TUC; we're affiliated to the European TUC and from there to the international TUC as well – and it's pretty amazing that you've got people worldwide who are signed up to similar values. Increasingly, what's fascinating is that although inequality is rising within most countries (with the exception of Latin America and one or two other countries), there's convergence between countries, so we're seeing the creation of an international class of working people who are finding it easier and easier to see what they have in common.

But at the same time, across the world, we have also been through three decades of the dominance of neo-liberalism, and that has involved attacks on trade union organisations and an attack on collective values, and we're currently preparing for another onslaught against workers' rights here in Britain. So it's not just a case of building shared values, but also pragmatic responses, building alliances, to try to rebalance power. We've seen it in very practical terms in campaigns on the living wage, where unions have linked up with groups like Citizens, and with faith groups; we've seen it on tax justice, where some unions have been very active in supporting UK Uncut. We now have the means to make networks in a way that we didn't before, with the internet and social media. For me, it's an incredibly exciting time, because there are opportunities to combine the strength of trade union representative democracy with the energy of campaigning participatory democracy. Sometimes working together is full of dilemmas and difficulties, but ultimately it's incredibly rewarding, in what has to be an increasingly internationalist movement.

A number of unions, as you know, already have unemployed workers, and students in their membership – for journalists, and for teachers, where there's a clear career

progression, student membership is very important, and unions like Unite and Community have actively encouraged direct recruitment of the unemployed and communities into their ranks. I think we should experiment with different models. My instinct is that we don't need to worry too much about structure, the important issue is networks, and those will be fluid. We'll see some issues and alliances rise and fall, while others may last longer. I don't think we should get too hung up about who is and who isn't a member, the important issues are whether we're working together and building links, whether we're getting a few wins to give people heart, and to show that these are natural, essential ways of working, including across borders.

SH: Moving onto the mechanics of fighting and of getting those wins, there's a debate about what lessons the trade union movement should draw from 30 years of neo-liberal attacks since the 1980s. Mark Serwotka has suggested that some drew the lesson that militancy must be renounced, but argues that militancy, and in particular, strike action, is sometimes required. We were wondering what your opinion is about the usefulness of militancy, and in particular about the efficacy of public sector strikes and the potential of a general strike?

FO'G: I think for most people strike action is still generally a last resort. However, I was just talking to *The Guardian* [Stewart, 2013] about the anniversary of the Ford sewing machinists' strike in 1968 – and let's not forget that it took militancy there to produce a new law [the 1970 Equal Pay Act] that changed the lives of millions of women. So I don't apologise for militancy for a just cause – on the contrary, I celebrate it wherever it can achieve fairness for people. Ford is a good example of that. The public sector pensions strike was another good example, and one where again, interestingly, contrary to some of the stereotypes peddled in the media, women were in the lead. Some of the biggest industrial disputes have been led by women, which doesn't fit with the images that often appear in the media accompanying them – from cabin crew, to public service workers and now teachers, striking against attacks on national pay, but also in defence of public values and against greater private sector involvement in education.

That's another thing I think is interesting – that women often more easily see the links between what's happening at work and in the community. All the public sector women workers I meet, and many men too, of course, from teachers to school cleaners, really care about the service they provide, and it's because they really care about the service that they've gone on strike. They shouldn't apologise for standing up for decent treatment for themselves, of course, but it is also absolutely central to them that they want to take care of people. And they know that there are very big, powerful, multinational corporations circling our public services – private companies delivering public services is one of the biggest growth areas in the economy. Indeed, there's a major lobbying campaign going on. The fact there are ordinary men and women standing up against that is great, and we have to use every tool in our box.

Industrial action is very difficult in this country, because we have some of the most restrictive laws in the advanced world. It's very easy for an employer to take a union to court on a technicality, and stop action, or delay it. So for all sorts of reasons, it's not generally the first tool people pick up, but I think it has its place alongside community

organising, lobbying and political campaigning, We're at such a critical period, and I think there's a very genuine fear that this government is intent on doing huge and lasting damage to the fabric of our public sphere, to institutions that have taken generations to build. I personally believe that there's an ideological drive behind the government's actions, that it's not about reducing the deficit but about shrinking the state. And I think that people do have, understandably, a very strong determination to stand firm against that onslaught.

But my other observation is that where people do take industrial action, we need to get even smarter about it. And I think that people have seen a real difference in unions' approach in recent years, with unions getting more imaginative, understanding the need to explain their case to the public and win public support, working with the employers who very often share our views, while educating the others – in all, being a bit more creative in our approach.

FS-B: Are there any examples you'd give of those more creative approaches?

FO'G: The teachers have been very clear from the start that they want to maximise the impact on the government and minimise the impact on parents and children, and that's been their guiding principle in everything they've done. Or in the Essex bus workers' strike a while ago, for example, they put on a free union bus – obviously it was never going to replace the entire bus service, but they were picking up pensioners from the corner of their street, using it to explain to passengers why they were on strike, showing that they were on their side, but that they had a right to be treated decently, too. So you see creativity in both public and private sectors.

Feminism and trade unionism

FS-B: The examples you gave of women leading strikes links in with questions we had about women in trade unions today. One of those relates to the question of political leadership, and educating people to be political leaders and leaders in their communities. Historically, it's been a very important part of what the union movement has done, but more so with men than women. So we were wondering what role you think the trade union movement and the TUC should be taking on in this area today?

FO'G: Absolutely, traditionally the trade unions have been a training school for people to take up positions of leadership, not just in the workplace but in the community, and in Westminster and Brussels too. We've got 200,000 workplace reps around the country, and we did some research which showed that they're much more likely to take on positions of leadership in the community, from being a football coach or a tenants' federation leader, or a school governor or councillor – which is amazing, given the pressure on their time. So we've got a really important role to play. And to be honest, I think we neglected that role for a time, and rediscovered it recently.

I think it's really good news that the training that unions affiliated to the Labour Party have been doing to encourage people to see themselves as potential Labour candidates and MPs has been very clearly grounded in diversity – deliberately 50:50

men and women, and ethnically diverse, too. But it's also, importantly, of course encouraging more of a diversity of backgrounds in parliamentary candidates! And the lack of diversity in that area isn't just a problem for one party, but for all of them. If you look at the Conservative Party, a third of the last intake came from one job alone – banking. I think that's a real problem for democracy. It's not healthy. I would like to see more working people in parliament. This isn't a party political argument. It's certainly not an argument against people from privileged backgrounds, but what I want to see is a full and diverse picture. I want people to look in the mirror of Westminster and see people like themselves – whether they're a man or woman, black or white, whether they've been bus drivers or teachers or lawyers. They should all be there, not just this very narrow pool that currently dominates. So I'm really pleased that unions have rediscovered that important role in encouraging new leaders to come forward from a range of backgrounds.

SH: People forget that many Old Etonians weren't necessarily natural politicians, they've been taught rhetoric and public speaking, how to exercise leadership, and a wide range of people outside public schools or universities don't have that encouragement.

FO'G: Exactly, that's something I feel really strongly about. I think we need to demystify leadership, there's so much that anybody can learn. One of the big differences is that, for example, how often do women get tapped on the shoulder and told they'd be good at something? At the heart of it is that sense of entitlement. We know that a small slice of society has a disproportionate sense of entitlement, often beyond their capabilities, whereas many people from other walks of life underestimate their abilities and potential. That's another benefit of collectivism and collective organisation: to draw a sense of self-confidence from one another.

FS-B: Continuing to talk about women and feminism, another thing we wanted to ask about is your take on the new feminism.

FO'G: I'm really excited about the new generation of feminists – I've still got my old copies of *Spare Rib*.

FS-B: Some people would say that feminism has mostly just worked for middle class women…

FO'G: No! There's always been that argument about labels and language. But some of the strongest feminists I've ever met have been working class women.

SH: One argument I've heard recently is that as the unions were attacked and grew weaker in the 1980s, working class women had less and less access to empowering structures in the workplace that gave them a way into feminism.

FO'G: In the 1980s, trade unions were attacked, but you also saw the fragmentation of movements like the women's movement, and a retreat into identity politics. So although

there were fantastic exceptions to the rule – for example, Women Against Pit Closures – and there were great campaigns, leaders and bridges built, both movements were being battered. And we know when people's backs are against the wall, it's more difficult to have the time and energy to link up and learn from each other.

SH: Linked to that, I've noticed recently that an easy way for critics to silence talk about feminism is to say that it only speaks to middle class women. It becomes a way to ignore feminism, while somehow delegitimising middle-class women, saying they've got no right to be listened to, implying that they're not real women, or at least not as important as working-class women. I'm interested to hear that you see working class women as some of the strongest feminists.

FO'G: Yes, class is certainly used as a tool to divide – a tactic we've seen used before. And it's also very convenient to say that feminism is only really about middle class women – it's another way of making some working class women invisible.

But we also know that in any broad based movement, there can be real and material differences in interests. We have to focus on what unites, rather than what divides us. But we also have to set priorities. For example, I absolutely believe in the principle of quotas for women on boards – but it's not my personal priority. And the pay gap between women and men at the top offends against the principle of equality, but it doesn't keep me up at night. What does keep me up at night is the fact that all working women are still getting 15 per cent less pay than men on average. But I don't think that's a middle class/working class divide, actually: the differences between the two are getting smaller by the day. It's really the rich and the rest that I think is the big division.

What is democratic socialism?

FS-B: Do you think we've got time to get into one final area – which is quite a big area! You said on your appointment that you see yourself as a democratic socialist, and we wanted to ask what that means, and how you see the Labour Party today.

FO'G: For me, it's always been about, quite simply, a fairer distribution of not just wealth but power.

FS-B: Do you think that Labour Party today stands for 'democratic socialism'?

FO'G: I feel really encouraged that Ed Miliband is leading the Labour Party, and getting us all to talk about and live our shared values. Obviously, speaking on behalf of the trade union movement, we're not affiliated to any one party, and we work with all parties. But clearly we share values with the Labour Party.

I think there was a crisis of social democratic parties in many countries in Europe over the past 20 or 30 years. Labour's first term in office delivered some real, practical, ambitious policies which touched people's lives and changed the country for the better. The second two terms were less inspiring, from my perspective, and the country continued to become more unequal. So the ambition was unequal to meet the scale of

the challenge. I think that Ed's opened some really important debates for the whole country, and given a very clear analysis of where we are. In the future, the challenge is finding the policies that will really start to make a difference. And that will involve huge ambition – one of the reasons I was so pleased to be asked to give the Attlee lecture was that it was an opportunity to remind ourselves just how ambitious we need to be, to transform Britain for the better, but also to remind ourselves that, if we're confident, we can do it.

FS-B: Do you think it was important that in the 1990s the language of democratic socialism was replaced by the language of social democracy in the Labour Party, or do you see them as meaning the same thing?

FO'G: No, I don't think they are the same thing, but I also don't think that debate is particularly important – I know this sounds very simplistic, but when the left is divided the right always wins. I think there's enough that remains in common to be getting on with without debating the finer differences – the Labour Party is a broad church. If we can get a real commitment to the notion of 'predistribution' and the policies to back it up, if we can get decent jobs, greener growth, investment for the future in programmes like social house building, ways to rebalance power towards ordinary working people, a comprehensive childcare system… that would be a good start.

Frances O'Grady is General Secretary of the TUC. **Sarah Hutchinson** runs the Fabian Women's Network and is a Commissioning Editor of *Renewal*. **Florence Sutcliffe Braithwaite** is a Research Fellow in History at Clare College, Cambridge and a Commissioning Editor of *Renewal*.

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