

Pat McFadden Speech to Unions21 conference

TUC Congress Centre

9.30am Wednesday 25th March 2009

Introduction

New measures

Thank you for inviting me to speak to you today and let me also pay tribute to the work of Unions21. I know that over the years Unions21 have been in the forefront of asking questions of the trade union movement, of looking to the future and not being scared to confront the need for change. I think this is an important organisation in the trade union movement and by hosting events like this it creates a valuable space for discussion and debate.

I reflect that it's more than 15 years since I started to work with trade unions at the political level and over the years have done so through

different issues and indeed different generations of general secretaries. I have, if you like, had a ringside seat with which to view the relationship between this Government and the trade unions, first as a staffer with John Smith and Tony Blair and more recently as a Minister with Gordon Brown.

I want to talk about how I view it after all those years and also to address the theme of the conference today which is trade unions and the credit crunch.

But let me begin with rights at work. When we came to office we took a view that statutory rights for people at work were too weak and in some cases not there at all. There was no minimum wage, no paid leave and the balance between work and family life meant the latter lost out. Maternity pay and leave for example were a fraction of what they are today and there was no right to flexible working.

We were elected with a mandate to change that and we did. Today the landscape is very different. The Minimum Wage celebrates its

10th birthday, maternity rights have been extended and strengthened and overall, people at work have stronger rights and are protected by higher minimum standards.

And - this is an important point – progress hasn't stopped. Labour's hunger to do more has not gone away, tired out by the toils of government and the pressures of office. Our desire to speak up for those without the strongest voice remains undimmed.

In fact, next month sees the completion of what is probably the biggest change we will make to employment rights this parliament with the extension of paid leave for full time workers from 24 to 28 days. Six million people will benefit.

April will also see the extension of the right to request flexible working to parents with children up to aged 16, benefiting up to four and a half million people. And it will also be the starting point for the new regime of tougher minimum wage enforcement, with stiffer penalties for employers and fairer arrears for workers underpaid the minimum wage.

These changes will make a real difference to people at work. They didn't happen by accident. They happened because we have a Labour Government that wants people to get a better deal at work and to be able to balance the responsibilities of work and family life. And we see that as being good for employers too, as far fewer new mothers choose to switch jobs and leave their employer after having a child than used to be the case. A better balance is allowing employers to hang on to highly valued staff.

But a question I would like to pose today is why isn't there a stronger union campaign to tell people about these improvements for people at work?

Some campaigning unions like USDAW are doing a great job and others do valuable work in some constituencies and I want to pay tribute to their efforts to publicise the kind of new rights I am talking about. But too often, issues are campaigned and fought for with great passion and determination, and then rarely discussed once they are in place.

When that happens I believe it is a missed opportunity. I don't expect trade unions to be cheerleaders for the government. But don't ignore the victories. Don't ignore the progress we have made. It is in unions' own interests to show they have campaigned on these issues and the situation is better than it was – and can get better still in the future, for progress has not come to an end.

I understand that unions are hungry for more progress and there is nothing wrong with campaigning for more, but if union campaigning is all about grievance and not about pointing to achievement, that is not the most appealing message. And by showing that the condition of people at work is better and pointing to the new rights in place, unions can extend their appeal and get through to a new generation of members.

With the extension of paid leave, the extension of flexible working and tough new laws on the minimum wage coming in, there is a strong agenda there. The Tories would have done none of it and fought most of these measures tooth and nail. But we have put them in

place and we can achieve more in the future.

Of course, legislation is one thing and enforcement is another. And since I became Employment Relations Minister I have been determined that the rights passed by Parliament be properly enforced, particularly when it comes to vulnerable workers. And this is an agenda we have worked closely on with the TUC and indeed with business over the past couple of years.

We are shining a light into some dark corners of the labour market to uncover and deal with unacceptable employment practices.

I am very clear that the recession must not become an excuse to deny basic employment rights to vulnerable workers. So we recently launched a £1m publicity campaign, in conjunction with the Recruitment and Employment Confederation, to inform agency workers of their rights. And there will be more to come over the next year.

I have also pulled together all the government enforcement agencies, business and unions in a Fair Employment Enforcement Board to make sure these efforts are properly co-ordinated and to try to lift more of the burden from the person reporting the abuse and passing that burden to the system itself.

When we make changes like this, it is not about benefiting unions or particular organisations. We do it because we believe in a labour market with fair and decent rules and the changes we have made have benefited union members and non union members alike. But many of these changes were campaigned for by unions. And my point is you don't shout enough about them. There is a stronger message of achievement available than the song that is sometimes sung. To go to the TUC every year as I do is not to come across pride in these achievements. Indeed it is hard to find them mentioned there. I believe it is strongly in the interests of modern 21st century trade unionism to talk about the changes that have been made, and on those foundations to call for more. And this isn't just an appeal from Government Ministers looking for plaudits – it's a task for unions themselves.

I think sometimes this may be because there can be a confusion between strategy and tactics. Whereas the tactics might point towards a focus on the next campaign, the next unanswered call, the overall effect can be to create the impression that nothing is being achieved. That isn't good strategically either for government or for unions – and it isn't true either. The politics of progress are built on showing the gains a Labour Government can make, not in always saying that things are bad and never improve. By all means hold us to account, but let us not allow the natural hunger for progress on the centre left to ignore what has been built, for upon those foundations will come the gains for the future and defending them will be at the heart of the battle to come.

Unions and the credit crunch

The title of our event today is Global Credit Crunch: What should Unions do. And there is no doubt that across the world we are in the toughest economic position we have been in for some time.

We see the effect in streets and communities and workplaces across the country. No government in the world can say to people that they can prevent job losses during the current recession but it's important to remember that behind these statistics are countless human stories of disappointment and dashed hopes.

It is absolutely vital that during this recession we don't do what the Tories did in the past. Government's duty is not simply to dole out a benefit cheque that will just about keep body and soul together. It is to help people get a second chance to rebuild their careers. That's why our package is about help with retraining, help with job search and trying to make sure that unemployment does not become never again employed. We will stand by those who are out of work.

And we have seen unions sitting down and taking tough decisions about pay and conditions to keep jobs going in some workplaces. That is tough for anyone who has a mortgage to pay and a family to keep and it's a decision for the workers and management involved. But it shows that when the chips are down people are willing to work

together to do what they can to hold on to jobs in tough economic times.

Unions can play a valuable role when a company gets into trouble. I have recently written to Insolvency Practitioners to remind them of this and arranged for the TUC to meet with the Insolvency Service and the practitioners to make sure that employee representatives are involved in the inevitably difficult process when a company goes bust and people lose their jobs.

Of course job competition is tougher during a recession and we have seen that in recent months. It has been the lot of the immigrant worker through the ages to be accused of stealing people's jobs but it is a temptation we should resist.

Britain gains as a country from being an open, outward looking, trading economy. Our companies operate overseas. Many of our citizens live and work abroad; just as many overseas citizens live and work here.

When the issue of Posted Workers was raised in Europe I supported the Commission's proposals to look at the operation of the Directive and to ask the social partners at EU level to consider the implications of recent court judgements. But let us not forget there are more British Posted Workers working elsewhere in Europe than there are workers Posted here from the rest of Europe. We stand firm against the easy solution of blaming the foreigners in tough times as well as good. And we take that view not just out of liberal or left sentiment, but because it is firmly in the national interest.

If every country wraps a curtain around itself, we will all end up poorer. For Britain to emerge strong from this recession as we must, it will require us to trade, to reach out, to win work abroad as well as at home and to make sure there are no no go areas for the best British companies and their employees.

I believe unions have a critical role to play at a time when job competition is inevitably sharper than in recent years to stand strong against intolerance. There is a long and proud union tradition of

doing so and it is very important that we stick with that through these difficult times.

And if unions have a proud tradition of fighting intolerance, there is a less proud practice in Britain which we have been alarmed to receive reports of in recent weeks. I refer of course to the blacklisting of union members and the investigation by the Information Commissioner's office into the situation in the construction industry.

My officials have worked with the Information Commissioner's Office on this for some months. As I said in the debate on this in the House of Commons the other night, the blacklisting of union members and the use of it to deny people employment should be anathema to us all. People should not be denied a job because of their trade union membership or background.

My officials have looked into this case and will report to the Secretary of State and me shortly. It is an issue we take seriously and we will undertake a speedy examination of the existing law and the case for any further action.

Britain's industrial future

It is the job description of anyone charged with helping Britain through the recession also to be thinking about Britain's industrial future.

It would be a mistake to think that was simply going to be about pressing the rewind button to sometime in early 2006. Things will look different and we must prepare for that and make the most of those changes.

Our financial sector will look different, though I believe that financial services will still be a very important part of our economy. I also firmly believe that we will be a country that excels in making things. We are the sixth biggest manufacturer in the world. I see the pride and commitment of British manufacturing in my Wolverhampton constituency week in and week out. And this government firmly believes that high quality innovative manufacturing is a major part of our industrial future.

And while we will never be in the position of picking winners (or finding ourselves picked by losing companies) we do know there are areas where we want to see Britain as a world leader. Broadband is one – the foundation stone of much of the creative economy at which this country excels. And as we prepare for a revolution in how we transport ourselves, how we heat our homes and workplaces and how we produce our goods, we know we want Britain to be at the forefront of this shift to a low carbon economy.

Unions have a critical role to play in all this. Of course it's a challenge for unions too but it is one you should relish – how to make a positive contribution to the economy that emerges from this recession. The door is open for that contribution to take place.

We should never forget that Britain has huge economic strengths. We have great businesses, a great enterprising spirit and enormous creativity. That is recognised around the world, even if sometimes we forget it ourselves. And if we keep our confidence, keep looking

outward and resist the call of the protectionist sirens, we can come out of this recession strongly.

Conclusion

Leadership is key to all this. Leadership from Government of course, but leadership in business and among trade unionists too.

We have to steer Britain through this always with a determination to see, champion and help to create Britain's industrial future. That is absolutely essential if we are to make the most of the upturn when it comes.

A new industrial activism needs a dynamic, confident and revitalised workforce.

And who will not only protect but also motivate that workforce if not modern unions?

Unions unafraid to look to the future and unions as willing to celebrate success in advancing the condition of people at work as to campaign for the next change they want to see.

I want to see us get that balance right because if we do, we know from our history it will give us a far better chance of being able to achieve more in the future.

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