

# CLR-GB

## Newsletter 1/2009

The **CLR-GB** Office is a platform linking CLR activities at EU and GB levels as well as trade union and academic work in GB in the field of Construction Labour Research. It will support related initiatives specific to GB.

### Introductory Note:

A lot has happened since the last issue of the CLR-GB newsletter in December 2008. The escalating uncertainty surrounding the global economic decline has led to fresh calls for a rethink on corporate governance and renewed debates on the interrelationship between the role of the state and the role of markets. In light of these developments, it is unsurprising that employment relations become increasingly strained. Wildcat strikes at a number of engineering project sites, most notably the Lindsey Oil Refinery, demonstrate levels of worker discontent regarding further marginalisation of employees through practices such as outsourcing and subcontracting. In times of economic recession, the dissolution of the traditional employment relationship continues to perpetuate; in its place is this drive towards a more flexible labour market where protection for workers' rights becomes further eroded as a result of persistent blurring of employer responsibility.

In this newsletter, the proceedings of three CLR seminar workshops are presented, which contribute to the debate surrounding clarification of the employment relationship in these turbulent times and the need to safeguard the rights and welfare of the worker. In the first workshop entitled 'Employee and trade union involvement in VET', arguments were put forward for the consideration of a comprehensive VET system that ensures sustainable development of skills in an increasingly competitive marketplace and

the eradication of worker exploitation and discrimination. The range of employment practices, given changing organisational forms in European construction, was the thrust of the second workshop, which considered such issues as low-wage work, the disordering of organisational boundaries and impacts of the networked organisation on conventional notions of the employment relationship. Following on from this, a seminar took place as part of the CLR AGM in Brussels in April of this year that saw the debate extend to the consideration of state intervention in redefining the status of the worker. The newsletter concludes with a call for participation at a workshop in Dublin that addresses the impacts and influences of the economic recession on labour migration in Europe. As always, we welcome comments and views from our readers.

*Paul W Chan/CLR-GB August 2009*

### Employee and Trade Union Involvement in VET

Seminar, 27<sup>th</sup> November 2008, University of Westminster (Business School and School of the Built Environment)

The purpose of this seminar was to debate and discuss the forms of such involvement and to examine the impacts and influences that employee involvement (or the lack thereof in the case of Britain) can have in shaping the VET system. The seminar was opened by Professor Howard Gospel from Kings College, London, who traced a series of missed opportunities since before the Second World War where trade unions in the UK have not been able to meaningfully engage with the other social partners (the state and employers) in influencing the nature of training in the sector. He argued for strong union involvement in shaping skills training in the sector and maintained that comprehensive VET can be made possible through joint acceptance by the

social partners of regulation (e.g. license to practise) in the sector. He however conceded that this is particularly challenging in voluntarist Britain and suggested that the example found in the electrical contracting sector appeared to be the exception rather than the rule. Nonetheless, he regarded the importance of employer buy-in of training investment to be highly critical.

The need to involve employers has increasingly formed the British government's approach to shaping the VET system. As Bert Clough from the TUC observed, the UK learning and skills system since the 1960s has become highly employer-led and is characterised by an individualistic rather than collective approach, thereby marginalising the role of trade union involvement. However, he remained optimistic about the future role of trade unions in ensuring the take-up of training at the workplace, citing positive evidence that collective bargaining at the workplace tends to increase employer and employee demand for training. He reported on developments of trade union capacity in the form of union learning representatives and the Union Learning Fund, which he sees as opportunities to help support the delivery of Labour Government's learning and skills strategy. However, Bert indicated that changes in political and funding regimes in view of the recession could jeopardise such developments, as he called for a statutory framework to safeguard the future of collective bargaining to stem the tide of low wage/low skill competitive strategies.

Professor Chris Winch (Kings College) and Michaela Brockmann (University of Westminster) reported on work undertaken as part of a Nuffield Foundation funded study into establishing 'Cross-national equivalence of vocational qualifications and skills'. In particular, Chris and Michaela contrasted the individualistic, employer-led approach to VET in England, where a task-based notion of competence prevails, against a more comprehensive approach in Germany where college education is assimilated with workplace practice as a result of efforts at the turn of the 20<sup>th</sup> century to integrate the working classes into the political system. Accordingly, the German system builds on the notion of a *Beruf* (vocation) where each is based upon a clearly demarcated body of systematically related activities, knowledge and skills that encourages the development of the reflective worker, able to deal with complex situations, based on the integration of knowledge, know-how and social and personal abilities. The English system (including latest developments in the draft Apprenticeship Bill), on the other hand, increasingly separates the education system from the workplace. There is little specification of educational aims, vision and content and virtually no specified role for further education colleges in continuing personal

development once an individual leaves the education system for employment. Consequently, attempts to integrate the two are epitomised in rhetorical initiatives of employer engagement.

Such initiatives of employer involvement remain futile; as observed by Paul Chan and Robert Moehler (Northumbria University), this is because of the existence of formal and informal systems of VET in Britain. Reporting on an Engineering and Physical Sciences Research Council funded project into skills capacity issues across construction, manufacturing, logistics and creative sectors in the Tyne and Wear region, they noted that the formal VET system in Britain driven by government funding requirements and target culture results in the dominance of quantitative assessment of skills and qualifications that increasingly alienates employers who demand skilled employees who can 'get the job done' and possess the 'ability to work harmoniously' with co-workers. Such alienation emanates from a shift towards a depoliticised and bureaucratised formal VET system, which moves away from actual provision of skills development to an enabling and facilitation function that often relies on delivery of skills development through private training providers. As a result, employers who cannot afford the time to engage with the formal VET system either do not participate in training or seek solutions elsewhere (e.g. through poaching or paying for training courses overseas); those who do engage could also end up misplacing their efforts on meeting the requirements of funding agencies instead of focussing on developing skills that matter.

So what can be done in practice to ensure employee and trade union involvement when shaping a comprehensive VET system? Judith Watson from Brighton University suggested that a knowledge base can be built up from existing quantitative datasets to understand and monitor trends in training across the regions. She reported on recent analysis of the individual learner data that is housed in the Learning and Skills Council, which suggested that the North East of England houses the greatest number of construction apprentices and that the sector was still poor in recruit women and BAME into apprenticeship schemes. She argued that these quantitative analyses can be supplemented by qualitative work that seeks to examine why these trends exist, and the results can usefully feed into policy-making in VET. However, there is a need to ensure that social partners know how to use this information meaningfully.

Joep Jansen of Fundeon (Dutch National Expertise and Advisory Centre on Vocational Education and the Labour Market for the construction industry) then presented on the Dutch model of trade unions' involvement in VET. One notable exception, of

course, is that the Dutch system unlike the British system is governed by a set of laws and articles in the Collective Labour Agreement that were agreed between two employer organisations and two employee organisations. This agreement is 'generally binding', which means that all 180,000 workers in the Dutch construction industry and all 20,000 companies have to abide by this. As a result, the financial and organisational structure and content of VET reflects the collective agreement made by the social partners; the most important and largest fund raised by the employer and employee organisations is the Dutch construction industry, which finances activities in health and safety, research and development and VET. Joep also stressed that the Dutch VET system integrates the schooling system with the workplace such that a clear pathway exists for workers to engage in the lifelong learning agenda.

Finally, Steve Brawley from the Joint Industry Board for the UK Electrical Contracting Industry and John Holton from Cogent Sector Skills Council reported on initiatives in the UK in relation to the setting of standards for skills in the electrical contracting sector and the science-based manufacturing industries respectively. The electrical contracting sector makes an interesting exception in the UK construction industry because the Joint Industry Board (JIB) is owned jointly by the trade union, UNITE and the Electrical Contractors' Association. A notable achievement is the development of occupational standards by the JIB, which forms the basis of the rigorous qualifications (license to practise) that members have to abide by. Cogent, on the other hand, developed a Gold Standard Framework that produces a set of aspirational standards organised around technical competence, business improvement, health and safety and functional, attitudinal and behavioural skills. The Cogent's Gold Standard Framework, however, is employer led and lacks the involvement of trade unions evident in the JIB.

## Employment Practices Workshop

Seminar, 10<sup>th</sup> December 2008, University of Westminster and Northumbria University, in association with CLR, ARCOM and British Council

Supported by the Association of Researchers in Construction Management (ARCOM), as well as the British Council and Platform Bèta Techniek Netherlands, this workshop brought together researchers from both the UK and the Netherlands to debate and discuss on the future of employment practices in new organisational forms. The scene was set by Paul Chan (Northumbria University) who raised the need for the reconceptualisation of employment relations and practices given the perpetuation of new organisational forms. With the

rise in practices such as outsourcing and supply chain management, he argued that it is no longer adequate to think about employment relations from an intra-organisational perspective and maintained that existing models for understanding employment relations and practices do not effectively explain inter-organisational dynamics that are so critical given modern forms of organisations.

Changing organisational forms can have an impact on the protection of worker welfare and the development of skills. Kate Ness from University of Reading, through critical discourse analysis of UK government skills policy, noted that there is distinct shift away from conventional manpower planning to the present-day rhetoric of the knowledge economy. This shift is a direct result of the perpetuation of the 'hollowed-out' firm, where employer responsibility for training and skills deployment becomes fuzzier because networks of firms rather than firms as single entities deliver the goods and services society consumes today. A corollary is that firms move away from training participation towards empowering individual employees to take up the lifelong learning agenda. However, she warned that this could lead to the erosion of technical, craft skills.

Ani Raiden from Nottingham Trent University continued the discussion on the efficacy of theoretical models by posing the question as to whether scholars have got it right when they call for a strategic human resource management approach. Perhaps such models represent the ivory tower that ignores the complexities surrounding the management of employment relations across firms, thereby challenging the ability of firms to practise strategic human resource management from an intra-organisational perspective. Chris Gorse from Leeds Metropolitan University added to this debate by suggesting that it is more useful and interesting to examine the inter-personal relationships of the people who deliver construction projects, as he reflected on his research into communication in the context of project team meetings.

What do all these mean for the individual worker? Robert Moehler from Northumbria University presented ongoing work that investigates the institutional interactions that occur when firms engage in skills development. He argued that understanding these interactions can shed light on how power relations in (and across) organisations within a VET system can enable/inhibit the recognition and valuing of skills and expertise of the individual at the workplace.

Professor Marc van der Meer from University of Amsterdam then discussed the findings from the study into low-wage work initiated by the Russell Sage Foundation. Observations were made as to how

the spread of internationalisation coupled with Anglo-American political ideology of the free market has led to the 'erosion' of manpower in construction firms and the rise of self-employment and non-standard forms of employment. He noted that employment relations continue to be turbulent given the constant reorganisation agenda at the firm, sectoral and national levels. This brings to the fore the need to re-define the employment relationship that accounts for changes in psychological, economic and judicial dimensions.

## Construction Labour after the Crisis of Neoliberalism

The CLR AGM took place at the European Parliament in Brussels on 2<sup>nd</sup> April 2009. As part of this, a seminar was organised to discuss the impacts of the current global economic recession and how neoliberalist ideologies of the internationalisation of free markets and the perpetuation of the flexible labour market can threaten traditional notion of the employment relationship. Jörn Janssen from CLR posed the question as to whether the present crisis of neo-liberalism is simply a stage in a cycle or a process of historical change. He suggested that the economic crisis brings about a rethink of wage relations, and with it a transformation of the labour process. At its heart, he argued that any reconfiguration of wage relations should afford protection for individual workers in order to safeguard social justice. However, as Hans Baumann from the Swiss Trade Union pointed out, governments all over the globe have taken different approaches to seek recovery from the economic crisis. He broadly categorised interventions into four main groups, including stabilisation of the financial sector, adapting monetary policies, fiscal spending and redistribution of income. He maintained that virtually no government except perhaps the Obama administration has talked about redistribution of income in any meaningful way. For more information about this seminar, please see <http://www.clr-news.org> for CLR News 2-2009.

At the CLR AGM it was decided to invite contributions concerning the impact of the crisis for construction labour from members of the CLR network in different countries, including the UK, to be presented at a seminar on 'European Construction Labour in Crisis' to be organised in the near future. This will cover the actual situation in each country in terms of output and employment, government actions, trade union and employer responses, wider implications and the European dimension.

## Forthcoming Workshop on Economic Recession and Labour Migration

The current economic recession has seen governments taking on a somewhat nationalistic, protectionist approach to regulating labour markets, further reinforcing the 'no outsider' mentality that can often prevail in debates on migration. At the same time, migrants from the recent accession states in the EU have been reported to return eastwards. This raises interesting questions about the dynamics of employment relations and future developments in the economy, including the relationship between the global situation and the rise and fall of migrant worker employment. A British Council funded workshop on this subject will now take place in the Faculty of Business at the Dublin Institute of Technology in Aungier Street, Dublin (Room 3073) on Friday 11 September 2009. Contact Paul W Chan on [paul.chan@manchester.ac.uk](mailto:paul.chan@manchester.ac.uk) or phone +44 0774 783 5506 if you are interested in attending.

## To Our Readers:

The CLR-GB Newsletter is the organ of exchange for CLR in Great Britain. This function depends on the co-operation of its readers. The editors ask everybody who is interested in construction labour to contribute with information and commentaries. Do also contact us if you are interested in contributing in some way to the UK part of the work on the European Construction Labour in Crisis.

**For the next issue, we most cordially invite you to contribute to the debate about construction labour and health and safety issues.**

Please send your suggestions, articles, information, letters, etc. to

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