

Globalisation, labour markets and community in contemporary Britain

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Introduction

Globalisation has brought about huge changes in the way people live and work, intensifying connections across the world and producing both winners and losers in the process.

Globalisation has led to the increasing mobility of both workers and businesses. This has created new challenges for supporting people's rights at work. It has also impacted on people's ability to find work relevant to their skills and needs (MacKinnon and Cumbers, 2007). Trade unions promote and protect people's interests at work, and are the main way in which workers come together to support one another. Due to differences of wage levels and labour laws between states, it is often cheaper for businesses to relocate factories and offices to other countries with lower wages or weaker labour laws, or to bring in lower-paid workers from other countries. This can increase companies' profits, but it can be harmful to workers, who often end up working for less pay or being laid off when businesses relocate. It also affects local labour markets, as complex 'pyramids' of subcontracting emerge through the use of employment agencies and the outsourcing of specialised tasks to other companies, often leading to native and foreign workforces dominating different sectors and conflicting with one another (Wills et al., 2010).



The purpose of our research was to understand what factors affect workers' and communities' ability to cope with, resist, or address the impacts of labour market change, in order to identify ways of improving people's working lives in a global economy. For our research, individuals were interviewed in three case study communities in the UK to investigate how different groups dealt with the challenges created by globalisation.



Case study communities

1. The Heathrow Village

In August 2005, 147 workers (largely Sikh women) were sacked from the airline food company Gate Gourmet and replaced by low-paid agency workers (largely Polish). This initiated a long struggle between the close-knit local community of aviation workers and Gate Gourmet management.

2. Young people in Greater Glasgow

In the 1980s and 1990s, most of Glasgow's huge engineering and ship-building industry was relocated overseas or replaced by new technologies. The towns of Hamilton and Motherwell were some of the worst hit, and young people today struggle to find jobs.

3. The Lindsey Oil Refinery Dispute

In January 2009 more than 4,000 engineering construction workers went on an unofficial strike against the employment of Italian and Portuguese workers on lower wages at a construction project in Lincolnshire.

Findings

Each case study tells us important stories about how communities and workforces deal with globalisation's effects on local labour markets, and what factors can affect their working lives.

Case study	Impact of globalisation	Response	Outcome
The Heathrow Village	Large proportion of existing workforce replaced by agency workers. Heathrow as major logistics and passenger transport hub..	Major campaign involving trade unions and close-knit local community. Also reached out to extensive global networks and Indian diaspora.	After a long campaign, compensation won for sacked employees through court proceedings. No change of government or company policy.
Young people in Greater Glasgow	Deindustrialisation and subsequent creation of mostly low-paid, precarious work that is located far from the places and people that needwork and support.	Reliance on informal social and family networks to find work. People negotiate the benefits system, and generally 'get by' as best they can.	With few opportunities to air grievances, young people had little or no leverage to affect their situation.
The Lindsey Oil Refinery Dispute	Subcontracting elements of a construction project to a cheaper overseas business.	UK-wide strike across the engineering construction sector. The tight-knit community of specialist workers put pressure on the strategically important energy sector.	Compromise agreement reached and national agreement revised to encourage businesses to employ British and UK-based workers on UK projects.

Findings

1. The Heathrow Village

The local community was tightly knit around ethnic and religious affiliations, with a high proportion of the population working in aviation sectors. They used these community networks and community spaces (e.g. Sikh temples), as well as workplace connections, to rally quickly around the sacked workers and support their campaign for reinstatement. Since Heathrow was an important hub for the global movement of people and goods, a 'sympathy strike' by baggage handlers at the airport had massive knock-on effects across the globe, and raised the profile of their campaign in the media.

Although the Polish agency workers were perceived as outsiders, most interviewees in the study recognised that the Polish agency workers were not to blame for the situation. However, since the Polish agency workers came from a very different national context, their perceived disregard for established ways of working (e.g. speed, number of breaks, health and safety) meant that many of the original workers who were not sacked feared that their jobs were at risk too.

Ultimately, despite the strong local bonds and Heathrow's strategic position in the global economy, the sacked workers were not reinstated. However, they were given compensation after a long legal battle.

2. Young people in Greater Glasgow

The tradition of heavy industry in Hamilton and Motherwell created a strong sense of community among older generations

of residents. However, deindustrialisation caused by global competition was followed by several decades of failures by local government to support skill development and alternative job creation. This has led to a 'lost generation' of young people with poor education and few employment opportunities. Although new jobs have been created in central Glasgow, public transport to get to them from Hamilton and Motherwell is expensive and unreliable, and the jobs created are predominantly low-skilled, low-paid and low-security (e.g. call centres).

From interviews with young people in Hamilton and Motherwell, much of their frustration has been directed at British and non-British citizens from outside their local areas, who are perceived as being more mobile and being given special privileges that allow them to out-compete local people in getting jobs. As a result, the study shows a defensive culture of negativity towards outsiders, be they from Eastern Europe, Western Europe, or elsewhere in Scotland.

Young people in Hamilton and Motherwell are nevertheless very resilient, using social and family networks to find work, accommodation and other opportunities to support themselves. In contrast to these informal organising strategies, young people's interactions with formal organisations tend to involve state agencies (e.g. Job Centre Plus) which are often seen as aggressive and uncaring. This comes alongside young people's lack of contact with independent 'mouthpieces' such as community organisations and trade unions through which to air their grievances productively. This institutional

weakness in the young people's local communities has further compounded young people's sense of disempowerment and frustration.

3. The Lindsay Oil Refinery Dispute

In the case of the Lindsey Oil Refinery dispute, the tightly-knit community of skilled construction workers whose jobs were being outsourced was deeply affected by the introduction of lower-paid workers from overseas. Few of the strikers were experienced in using Information and Communication Technologies (ICTs). However, they were able to co-ordinate the strikes effectively through the use of mobile phone networks and an internet forum. These connections built upon the camaraderie they had developed through their mobility and specialism at work, moving between jobs and forging friendships with others across the UK.

A key point of contention was the controversial slogan 'British jobs for British workers' used by some of the strikers. When they began using the slogan, there was a considerable amount of disagreement among the strikers as to whether this was positive or not. Some strikers supported the slogan, as they felt it was the only way to gain media attention. Many strikers had themselves worked overseas, including Eastern and Southern Europe and the Middle East, and they felt the slogan undermined the strike by misrepresenting it as 'anti-foreign'. Nevertheless, when members of right-wing political parties visited the strikers, they were ejected immediately.

This perceived anti-foreign sentiment, fuelled by negative media coverage, failed to gain support from the local community. The Humberside region had traditionally been well-connected to elsewhere, with strong connections to Scandinavia and the Baltic states through shipping and fishing industries. In UK law, the strike was also illegal, which posed a severe risk to strikers' livelihoods. Unlike the Gate Gourmet dispute at Heathrow, the strikers at Lindsey were not well connected outside the UK. However, due to their strategic role in building several major energy plants, they were able to force employers into making concessions at Lindsey and to bring about changes in UK law.

Recommendations

- Governments need to be more sensitive to the everyday impacts of globalisation, especially on poor or working class communities. Special attention needs to be given to

developing workplace-relevant skills among those entering the labour market.

- Policymakers need to ensure that businesses do not seek to reduce pay and working conditions by outsourcing work and using employment agencies.
- Restrictions on trade unions should be relaxed to ensure they can support both British and migrant workers without having to break the law or undertake slow, expensive legal cases.

Conclusions

- In a global economy, employment conditions and job opportunities are nearly always under threat from elsewhere.
- In this study, fear of losing jobs or the erosion of working conditions sometimes led to xenophobic responses, but this was not necessarily the case, and was often contested.
- A range of factors affected interviewees' responses to labour market change, especially cultural and historical factors, which live on among communities.
- Formal organisations at the Lindsey Oil Refinery and the Heathrow Village – such as trade unions and religious groups – proved pivotal for maximising people's ability to influence local labour markets, confront injustices, and cope with change.
- Communities and workforces that are both internally tight-knit and outwardly connected stand the highest chance of being able to support and defend healthy local labour markets.
- However, as shown in the Heathrow case study, the global market makes it very difficult for even strong organisations and communities to win campaigns against global corporations.

References

- MacKinnon, D. and Cumbers, A. (2007) *An Introduction to Economic Geography: Globalisation, Uneven Development and Place*. Harlow: Pearson Education
- Wills, J., Datta, K., Evans, Y., Herbert, J., May, J. and McIlwane, C. (2010) *Global Cities at Work: New Migrant Divisions of Labour*. Chicago: University of Chicago Press

Further information

- A summary of the research can be found here: <https://www.jrf.org.uk/report/globalisation-labour-markets-and-communities-contemporary-britain>. The full report is available to download here: <http://orca.cf.ac.uk/85469/>