

The credit crunch and jobs in South West England, union organising and greening the workplace



Interview with Nigel Costley, South West TUC Regional Secretary

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Summary

We have been primed for some time to expect harder economic times; the eclipse of the NICE decade of non-inflationary consistent expansion. It was the British government's bail out of the banks at the beginning of October – on the tail of similar, exceptional state intervention in free enterprise America – however, that made frighteningly obvious the dimensions of the bust into which the credit-led boom had translated. I interviewed Nigel Costley for the *CESR Review* just before the government's initiative to re-capitalise the banks was announced. As readers will recall, it was not until the end of October that the Bank of England published GDP figures that confirmed the downturn taking place in the British economy. Nigel was in no doubt, however, when I asked about the key current challenges for trade unions in the South West region, that it was the 'credit crunch' and its impact on the 'real economy' that headed the list.

Interview

Obviously the main thing now is where are we heading in terms of an economic downturn? That could be short lived, but is more likely to be very deep and serious. I personally think it's tending to be a very gloomy period, that we're heading for a very deep dive. So unions are going to be at the sharp end of dealing with redundancies, closures, racing from one emergency to another and whilst the decline in manufacturing jobs has been offset by the rise in public sector jobs in the last ten years, the public sector are also shaking out jobs as

they restructure and outsource, privatise and cut back. So I think unions are in for a rough ride.

Obviously there is an employment statistics time lag, but what is currently known about the way in which the downturn is hitting different sectors of the regional economy and jobs?

Construction has just applied the emergency brakes. The nature of the construction industry is that it's so fragmented and dominated by self-employed and small firms and in the supply chains. It's not easy at this stage to give a comprehensive picture. But we have seen in the last quarter 500 construction jobs declared redundant, which is actually quite unusual, because normally jobs just get lost, they don't get made redundant. Contracts come to an end, not renewed. So there's a sharp downturn in construction.

Finance jobs have been lost, but I think we've still got the worst to come as the big banks make decisions about their future. In Bristol there's a big HBOS and Lloyds TSB headquarters, big offices. Likewise in Gloucestershire, Cheltenham and Gloucester could get affected by any rationalisation of the different brands. Bristol, Bournemouth, Poole have been centres of the finance industry which are vulnerable.

...In manufacturing ... as yet we haven't seen panic and crisis and closures. Some say they've had such a hard time in the last few years they are quite slim and lean and competitive and they think they can weather the storm. But a good barometer is the printing trade and we've seen in the last week three or four companies close. So I think worse is on our way. Even in creative industries – the local press is in a fairly bad way and they're laying off journalists. So right across the piece.

Tourism, which is a big sector in the region, no-one quite knows what's happening. Some are saying it's awful, some are saying actually they've had quite a good summer with people staying at home rather than going abroad. But then again, some are saying it's bad because of the weather. There are so many other factors there, it's hard to know. Restaurants are apparently saying that they are seeing a slow down and they are seeing people spending less; they're still coming but they're taking cheaper options, having less courses.

But there's some better news. Manufacturers who are into exporting and are not exposed to construction or consumer sectors say they're doing quite well. And we've got some firms that are into renewable technologies. Mind you, now is the time to really steam ahead with the green agenda and not argue that we should all worry about the crisis and forget about climate change. Actually the very opposite – it may be their way out of the crisis.

Migrant workers, including those from the central and east European states that joined the European Union from 2004, assisted the expansion of some industry sectors when the labour market was tight – even if their contribution was not always adequately celebrated. What are the current trends, given the changed economic context and of course the government's new 'points based' system for 'managed migration'?

I think in terms of trends, clearly inward migration is slowing and I think slowing reasonably fast ... The Polish economy is doing quite well, the zloty/pound exchange rate has changed significantly, so the value of coming here ... has changed dramatically. So the number of arrivals is slowing across the piece. But there's still some debate as to whether it has yet reached a point where a lot of people will go home.

The difficulty is measuring what has been a very transitory population. The press would have us believe that everyone that came since 2005 is still here, whereas even the most right wing observers recognise that a good 60-70 per cent actually have already gone back. But once you've got your National Insurance number you can come and go and it's proving hard to keep track and measure a much more mobile population, the sort that Britain has never been used to.

But the trend is clearly slowing. The Polish church here in Bristol reports that every week now they are parcelling up four or five families to go home, whereas it was all one way before.

The other aspect is the non-EU population where the points based system is changing the rules. Philippine and African nurses in care homes, curry house chefs, they're going to be much harder to recruit and so those numbers will fall. To what extent we will see a rather confusing picture of rising unemployment and rising skill shortages as a consequence - I can't imagine saying to unemployed bricklayers that there's plenty of work as senior care assistants in an old people's home. It's just not going to work. But that's going to be quite difficult to navigate and the government have made some, I think, fairly knee-jerk reactions to the tabloid hysteria of migration and they will be making mistakes along the way.

...The whole emphasis of the department and border agency is about policing, chasing out illegal migrants, putting up barriers, without seemingly almost a thought for the needs of the companies or the sectors.

The South West TUC has publicised the poor – sometimes scandalous – pay and conditions for migrants in some industry sectors. What strides have unions been able to make in organising these workers, or aiding them to find redress for the problems faced?

What we were witnessing was, if you met 300 Poles in the Polish church, you had 300 problems and often they were working in so many scattered places where clearly they were never going to stay very long. Unions are always going to find it difficult to organise three blokes in the back of a lorry or people living in a barn in a field. But we could help at least give some advice and pretty basic levels of support and point people in the right direction. In the hope that in the long term they would see trade unions as trustworthy allies and something to join because they come with mixed views from home as to what they view as trade unions.

I think we've done that as well as we can and unions have done quite well in recruiting Poles or migrants generally where they fall into places that are organised: bus drivers, food factories. But it's harder, there's no doubt about it when you are getting a more transient and foreign workforce who are not fluent English speakers. You have to build up trust and it takes longer. They're vulnerable, they're frightened, agencies and employers deliberately keep them that way so it's harder work for unions. But the degree to which we were being - all agencies were being - completely swamped by problems, that's clearly eased, mainly as a result of their own intelligence and their own networks of self-help, rather than - well it's helped having the Gangmasters Licensing Authority and some pressure of publicity that we've been able to bring to bear on some of this.

The government adopts what some would call a narrow definition of the 'vulnerable worker'. The recently published recommendations of its Vulnerable Worker Enforcement Forum propose, essentially, better coordination of existing provision for

this 'population'. The TUC nationally has supported the recommendations but has been critical of their limitations. What is the TUC view locally?

We certainly welcome some simply pragmatic responses: a single telephone line for the range of enforcement agencies, easier access to the regulatory bodies and more shared working between them. Although it's clearly welcome, we would have liked the Gangmasters Licensing Authority to have a wide remit and more resources.

I personally would like a more radical approach to exploit or use the fact that there are unions and agencies out there who come across exploitation, but whose response is to advise the individual as to how they can contact an enforcement body, putting that individual very much in a very difficult position.

Instead we could have a situation where advice volunteers or union officers are somehow accredited to at least enforce the most basic of provisions of the law, or at least start the process rolling. I can imagine a situation where Citizens Advice or a trade union could bang on the door of a farm employer and say 'we understand you're not providing holiday pay for your workforce. You've got seven days to show otherwise or else the wheels of law clock in much faster'.

Most employers know exactly what they're doing. They know that if they get caught not paying holiday pay, for example, then they just have to pay it so you may as well just take the chance. But if somebody comes around, then you'll just cough up. The same with the minimum wage by and large, the same to some extent with other fairly straightforward aspects of employment law. We need more regulators to beef up the Gangmasters Licensing Authority but we need to engage the army of volunteers in the enforcement of minimum standards.

You mean, regulate and inspect the employers as opposed to get the individuals to come and report problems and try and seek redress through complex channels?

Yes, you'd also take the onus out of individual hands so that you're not putting very vulnerable people on the spot. The number of times we've come across clearly illegal practices, the workers simply say 'even if I hint at it, the response is I am just going to get the sack and there's nothing you're going to be able to do for me. By the way, I'm also in the hands of the agency for my accommodation; they've lent me money because they didn't employ me for the first couple of weeks, or whatever'. So they are completely vulnerable.

That has eased as people have got settled and they've sussed out who they can trust and they've found their own accommodation, or whatever. But it's still the case that in today's labour market these sort of practices go on.

The Labour Force Survey statistics suggest trade union membership density in South West England has been relatively stable in recent years, and is currently around 25 per cent. There is obviously variation by industry and occupation. What organising campaigns and other initiatives have had recruitment success?

Unions certainly have raised their game in terms of organising and putting more resources into that area of work. To some extent in the private sector, it's helping to stem an outflow, whereas in the public sector and overall economic growth has helped but there's still no clear, single pattern. If you look at the most successful unions: the NUJ has grown rapidly, USDAW the shop workers' union has grown well. Some of the public sector unions have

done well including RMT. PCS has grown but it's going to struggle to maintain the progress now with civil service jobs being lost.

The private sector's a harder story really to gauge what's happening. There have been some recognition successes, but they are few and far between. There has been a push on infill organising in trying to get identity where we've got good arrangements already. That, I think, is still the most fertile ground in the public sector where unions have got good facility time, a good relationship with the employer, yet still at 30/40 per cent membership. The hazard with that is that it's easier to put your resources in a big hospital or a big council than actually cracking the more vulnerable workforce of, say care homes or the voluntary sector or more difficult hard to reach places where you need to invest more time and effort.

And among young workers, have union organising or recruitment campaigns had success?

Young workers are concentrated in the most vulnerable employment sectors: catering, tourism, the service sectors. There has been a trend to believe that young workers recognise this as a passing phase and that where there's bad treatment at work, you simply respond by moving, on. The labour market has been strong enough so that most people can do that. There have been some successes in call centres where there's a high turnover and a lot of young people employed. Even if you improve conditions, it's still not going to be a career of choice for a lot of young people and there's always going to be a high turnover, so you are constantly having to recruit. USDAW's managed that quite well in terms of its shop trade.

Is that by through agreements with employers?

Yes and by adopting a campaigning style. I think people still want to join a union that's going to do something for them, or is seen to be on the march. It doesn't necessarily translate into 'militancy', but it may do. You wouldn't describe USDAW as militant but it has adopted campaigns around respecting shop workers, around violence at work, around Christmas holiday working. They've been able to find campaigns around which to lobby and agitate. Whereas PCS or RMT would say their success has been to adopt a more militant stance.

The other theme which we're still trying to grapple with is that unions organising where there is a strong sense of identity with the job, with the occupation, have clearly done better than those that haven't. So we have seen a growth in the small professional unions. They are still small, but their growth has been significant. A union like Aspect, that represents educational advisers and inspectors, has almost trebled their membership. National Union of Journalists is a good case in point, if you're a journalist it's fairly obvious which union you'd join!

What made you become union active?

I was an apprentice in the print industry. I'd been encouraged 'get a trade, you'll be OK'. But the reality was the printing trade was just on the brink of huge waves of revolutionary change and the sweeping away of employers who were not up to the job.

So during my apprenticeship I was made redundant twice. Both times the union looked after me and got me re-trained, got me re-employed, looked after me and I became active, then elected father of the chapel, then elected at the ripe age of 24 as a full time official. This was in 1981 and I think I spent my first two years running from one redundancy to another as companies closed.

Was this the Eddie Shah era of using new technology to change the workforce?

It was just before Eddie Shah, although I went through all of that and Wapping. We placed the emphasis on looking after people when they were unemployed. And then there were almost too many people out of work to cope with it got me into looking at how we could help with re-training. I formed a co-operative training company for unemployed print workers and we had an enormously successful rate of getting people back into work. Even during the worst time, 50 per cent of those made redundant got back into the trade. It got to the point where we were recruiting unemployed print workers into the union, knowing that in a fairly short space of time we would get them work and they'd be loyal to the union as a consequence.

How did the co-operative work? Those re-training from having been unemployed presumably were the partners?

Yes, we already had what we called the unemployed chapel, so we already had the structure in place. We used to meet every month, we used to have discussions, provide lunch and just keep people together. Even that was quite useful. I remember having arguments with the Job Centre over the way that people were being treated: the stuff that as an individual you'd never be able to cope with, but collectively you could share experiences and press for change. We were able, on a fairly constructive basis, to invite in agencies such as the Training and Enterprise Council as it then was to fund trainers to get people into work. Providers got paid for getting people into work which sounds quite sensible, but it's one of these targets that has perverse results. Some commercial firms would only take people into training if they had already got a job offer. So it became absurd and occasionally corrupt. We did well because we knew people before they were redundant and could advise them from the start. We looked after them from day one, got them re-trained and then were able to place them in the trade.

There was a bit of cash and we invested in the latest computer technology. We arranged courses at the local college on new printing techniques and we understood the trade better than any other provider.

So it got me involved in a wider view of society, training skills and that's when I applied and got the job as the TUC's Regional Secretary.

The South West TUC is represented in a range of regional policy forums, channels and committees that surround the South West England Regional Development Agency (SWERDA). These include the Regional Assembly. I'm wondering, do you think many of the region's residents know much about its work?

Well, it's an aspect of government which is important in my view, we helped set it up. It's about to be abolished.

You mean, following central government's Sub-national Economic Development and Regeneration Review?

Yes. The reality is, there are some decisions that have to be taken above the level of the local government and beyond council boundaries devised hundreds of years ago. These include spatial planning, environmental aspects, transport, and economic development. Business doesn't work on the basis of the council boundaries. These decisions need to be made somewhere, and most people would say we would rather make it as local as possible

and not in Whitehall and that people in London don't understand the South West. Short of a directly elected assembly, the answer has to be some sort of gathering at regional level. The Regional Assembly, as flawed as it has been, is the most democratic way we've been able to construct.

Seventy per cent of its members are councillors. The other 30 per cent are from organisations including trade unions. Trade unions in the South West directly represent around 700,000 paying members, which is more than most local authorities. Our democratic structure and our activist base probably makes us a democratic and representative voice. I think we've got a rightful place around tables like that.

The shame is that unlike the Scottish and Welsh press, that tended to champion devolution, our regional press is owned by political forces that have spun the lie that regions are some sort of plot from Brussels or some sort of device to undermine the nation state. As a consequence, public opinion is confused and the end result is that these bodies are going to be abolished so that planning, councils' housing allocations and so on - the current proposal is that it will rest with the board of the Regional Development Agency. Even though I am an RDA member I think is fundamentally wrong that a quango of that sort should be responsible for such big decisions.

The Conservatives don't like the assemblies, but when challenged as to who is going to make regional decisions, they're now coming up with the construction of a partnership of councils, which is basically a smaller regional assembly minus social partners.

Yet much of the information on the regional economic strategy is published by SWERDA.

Part of the RDA's job is to promote its services, so it's got to spend some money explaining this. The Regional Assembly is very different. Its main function is to scrutinise the RDA, so it's not going to spend a lot of money advertising itself and rightly I think it would be heavily criticised if it did. So people don't know of it as well as the RDA. But it has done a good job I think. The planning of housing growth in a region like ours is hugely controversial. No-one is going to escape criticism because wherever you put house building, there's going to be opposition to it. But I think the Assembly has done a reasonable job in shaping it and starting a debate about what a region like ours should look like. The relationship between rural and urban areas, the relationship between housing and transport routes and public infrastructure like hospitals and can we afford to have a scattered development plan which puts housing estates nowhere near railway stations or bus corridors. Those sorts of discussions, I think, have been very healthy and very constructive. But of course you wouldn't believe that if you read your local press who simply report on protests that 'we don't want any more houses here'.

I read my way through the lengthy Sub-national Economic Development and Regeneration Review and wondered what 'regional voice' would be articulated without the Assembly.

It is a mess. There was a clear sense of direction when Labour came to power which wasn't that well known, but it was clear and John Prescott particularly set it out and it was devolution to London, Scotland, Wales, Northern Ireland, and in part devolution to the regions through the Regional Assemblies. The RDAs were part of a devolution argument, but they were also about making better sense of economic planning. But the Regional Assemblies would be a step in the direction of full blown devolution to English regions. They might take different

forms in different regions, but we would have a directly elected assembly, probably much smaller than the one we had in the interim.

Now that path was blown off course by the referendum vote in the North East. Since that decision, policy has been all at sea and it still is. None of the political parties have got an answer to it. Local government reform is not the stuff of public referenda when you've got a biased media that are going to skew any sense of public debate on these issues.

What influence has the TUC been able to assert through inclusion in the Regional Assembly and Regional Development Agency?

We still have a marginal voice, but nonetheless I sit on the board of the RDA, I hope I've been able to influence that in my time. We have four representatives which we elect who sit on the Regional Assembly. They've certainly made their voices felt. One of our number became the Assembly chair, I think the only trade unionist in the country to chair an Assembly. So I think we've had our influence. It's not been easy. People say to us 'what's the trade union policy on house development, spatial planning?' We don't get too many resolutions giving us a steer on those sort of things, so we have to rely on our instincts and our own fora to discuss these things.

It's interesting that for the next six months, the Regional Assembly has decided to try and make as constructive a process as possible of its scrutiny role with the RDA and that's not been easy. Half the time the RDA feels it spends its time bringing people up to speed about what it's doing, rather than actually being scrutinised. But both sides have tried to make it as constructive and as useful a process as possible.

The theme of the next six months of scrutiny is going to be migrant workers, so I think it's very good news, it's very positive to draw attention to that. Perhaps it should have been done two years ago, but it's doing a very difficult to read scenario about migration, about how we use people from abroad, how we make the most of their skills, how we make sure there's social cohesion, that we don't have the distorted impressions and prejudices and myths about migrants. So it's good for all that and trade unions will play their part in that process.

You mentioned earlier about sustainability and greening the workplace. The South West TUC has been active in this area hasn't it?

Yes. We have a new project to use the lessons that we've learned from our learning services. That development was about 1,000 union learning reps across the South West, frontline trained people able to help their mates, their work colleagues get access to training, help them negotiate and persuade employers to invest more in training, broker courses through colleges.

Could we do the same bottom up approach with the environment? A lot of people who go to work want their organisation to reduce its impact on the environment. At one level it's just about switching off the computers or turning down the thermometer or the lighting, but it can also hopefully lead to much more strategic decisions about what companies are making, how they are making things, how they're impacting on the environment. Public authorities are big employers and can generate congestion. Bristol City Council, I think, employs the best part of 20,000 people. If they adopted more advanced work/life balance practices at work, or changed their car parking arrangements, it would have a far wider impact, it would affect us all. Unions should be part of that discussion. Some of these things are not easy: try charging people for parking at work or changing people's expenses systems and you find out

how controversial they are. But unions need to be at the start of that process, not at the end reacting to some employer diktat. I think the unions have got a huge contribution to behaviour change, change peoples' attitudes at work.

We don't know whether this is going to take off. But the idea of having green reps - a number of companies already actually have them, although they have various titles, such as energy champions.

If they are just individuals with no backing, they're going to be limited in their role. If they are trade union supported, elected, trained as part of the structure, then it becomes more sustainable and powerful. These people will be used by employers whilst they are saving on the energy bill. But when they start raising some difficult questions about what the employer is doing, then they'll get no support. With a union behind them, it becomes part of the negotiating process.

What about non-union workplaces? Is sustainability a focus for union organising?

Well I think so. I think the environmental agenda is an attractive one that young people in particular want to see taken up and will see trade unions as more relevant to them and what they believe in than unions simply wanting to defend the smoke stack industries. These aren't easy discussions about what do you do if you're the union representing aircraft workers or people who work at an airport or nuclear power workers or whatever. But we have to be part of the solution and have to be part of the debate, which is much better than just being on the sidelines.

You mentioned Bristol City Council which was seen as exemplary in the late 1990s, in terms of its *Time of Your Lives Study*. That was part of an EU project that focused on urban transport as much as work-life balance?

Yes, certainly because it went to look at examples in Italy and Spain if I remember rightly. May be we don't have that nature of society. Perhaps the current crisis might take us back there to a more regulated, more collegiate approach to these things.

But certainly inside the Council, department by department took work-life balance on as a discussion. But it was also more about the approach, rather than management going off on an away day and coming back with their considered view, which they then told the workforce about and if they were lucky they had some consultation. This was about the two sides going away together to think about a knotty issue and trying to work out the tensions, libraries opening on a Sunday for example.

The approach was found to be very useful and surprised both sides. The union reps found that there was a degree of willingness and even appetite to work at weekends which they hadn't expected and the employer found there were all sorts of ideas that emerged from the workforce that they hadn't thought about. The partnership word has become rather sullied, but it was a new way of trying to make sense of decision making that affects both sides.