

This is an Open Access document downloaded from ORCA, Cardiff University's institutional repository: <https://orca.cardiff.ac.uk/id/eprint/85468/>

This is the author's version of a work that was submitted to / accepted for publication.

Citation for final published version:

Cumbers, Andrew, Featherstone, David, MacKinnon, Danny, Ince, Anthony and Strauss, Kendra 2016. Intervening in globalization: the spatial possibilities and institutional barriers to labour's collective agency. *Journal of Economic Geography* 16 (1) , pp. 93-108. 10.1093/jeg/lbu039

Publishers page: <http://dx.doi.org/10.1093/jeg/lbu039>

Please note:

Changes made as a result of publishing processes such as copy-editing, formatting and page numbers may not be reflected in this version. For the definitive version of this publication, please refer to the published source. You are advised to consult the publisher's version if you wish to cite this paper.

This version is being made available in accordance with publisher policies. See <http://orca.cf.ac.uk/policies.html> for usage policies. Copyright and moral rights for publications made available in ORCA are retained by the copyright holders.



**Intervening in Globalisation: the Spatial Possibilities and Institutional  
Barriers to Labour's Collective Agency**

Andrew Cumbers\*, David Featherstone†, Danny MacKinnon‡, Anthony Ince,§

Kendra Strauss\*\*

Paper for submission to **Journal of Economic Geography** December 2013

---

\* Adam Smith Business School, University of Glasgow

† School of Geographical and Earth Sciences, University of Glasgow

‡ Centre for Urban and Regional Development Studies, University of Newcastle

§ Department of Human Geography, Stockholm University

\*\* Labour Studies Program, Simon Fraser University

## **Abstract**

Trade unions are facing a series of challenges around place-based forms of work in industries such as construction, transport and public services. New spatial strategies by employers involving corporate reorganization, increased outsourcing and the use of migrant labour, allied to a deepening of neoliberal governance processes are accelerating a race to the bottom in wages and conditions. Drawing upon the experience of two recent labour disputes in the UK - at Heathrow Airport and Lindsey Oil Refinery - we explore the potential for workers to intervene in such globalizing processes. We highlight both the ability of grassroots workers to mobilise their own spatial networks but also their limitations in an increasingly hostile neoliberal landscape.

## **Introduction**

Much has been written over the past two decades about the consequences of globalisation for workers and trade unions (e.g. Waterman 2000, Bieler and Lindberg 2011). The increasingly global, yet dispersed nature of economic activity, the continued disadvantages faced by labour in the context of mobile capital, the problems of international competition for jobs and the dilemmas of local organising versus trans-local solidarity campaigns continue to be important themes of these debates. Yet globalising processes can be similarly pernicious for workers in more spatially 'fixed' forms of economic activity. A combination of labour market deregulation (Standing 2010), employer strategies to reduce wage costs through outsourcing (Milberg and Winkler 2009), and the use of migrant labour (Wills et al 2010) is threatening the employment conditions for established workforces.

Such processes of 'internal' globalisation (MacKinnon et al 2011) represent a renewed attack on the position of workers who, hitherto, have enjoyed relatively secure forms of employment in strongly unionised sectors such as transport, infrastructure and the utilities. Conceptually, they require new thinking in coming to terms with how key sets of socio-spatial relations between capital, labour and the state from the local to the global scales are being reworked. Additionally, such relations are often deeply infused with power along intersecting lines of class, gender, race and national identity. This has critical implications for the spatial strategies that labour unions adopt if they are to protect the existing rights of workers whilst pursuing broader progressive agendas of social justice and internationalism.

Building upon previous work in the now thriving field of labour geography (e.g. Herod 2001, Bergene et al 2010, Coe 2013, Selwyn 2012, Carswell and Neve 2013), our paper has two central aims. The first is to examine how the intersection between two particular global processes - changes in employer strategy and the rescaling of neoliberal governance (in this case through the European Union's market integration and competitiveness agenda) - is driving down wages and conditions. The second is to critically interrogate how workers are responding to these processes and the implications in terms of the possibilities for shaping the changing regulatory landscape of advanced capitalism.

We explore these issues through analysing two prominent labour disputes at key infrastructural hubs in the UK: the Gate Gourmet dispute at Heathrow Airport in 2005 and the Lindsey Oil Refinery dispute in 2009. Both cases centred around spatially embedded workplaces where stagnating markets and/or intensified processes of competition have led to strategies to reduce costs through deploying migrant workers to undermine established workforces. The remainder of the paper is structured into five sections. In the next section we consider how new spatial strategies are confronting unions in "place-based" work and their responses. We then outline the case studies and their broader significance, including details of our methodological approach. Sections three and four consider each of the disputes in turn, focusing upon the new spatial strategies developed by employers, the different forms of mobilization by workers and unions, their spatialities in terms of generating broader support, and their limitation in terms of the broader neoliberal landscape. We then conclude with some reflections on

the changing terrain of employment relations and the need for new spatial strategies by unions that link local and national action with a broader internationalist politics.

### **New spatial strategies to reconfigure place-based work and the implications for collective labour action**

While it has become a standard axiom of globalisation debates that capital is more mobile than labour and therefore at a strategic advantage to out- manoeuvre workers by shifting jobs to new locations, economic and labour geographers have also pointed out that not all capital is mobile (e.g. Anderson, 2009). Indeed much economic activity remains strongly embedded in particular places – most obviously in the vast array of service, transportation and infrastructure sectors – which are of necessity rooted to serve particular markets. Whilst labour activists have taken some comfort from this fact, and collective labour organisation and resources remain strongest in these areas, such sectors have not been absent from attacks by employers seeking to drive down labour costs. Organisational restructuring, job losses and changes to working conditions, notably through privatisation processes or outsourcing, have been characteristic of more place-based sectors with the onset of neoliberal inspired change from the 1980s onwards (e.g. MacKinnon et al 2008, Cumbers et al 2010).

New forms of foreign and corporate ownership have often been an important element in these changes, but since the mid 1990s there has been an intensification of capital restructuring processes. In the Anglo-American

economies in particular, the growing dominance of finance over productive capital (Hudson 2012) has intensified pressures to yield greater 'shareholder value' (Wood and Wright 2010) leading to new forms of ownership such as private equity firms. These are often associated with the increased fragmentation and outsourcing of work to layers of contractors and agency staff to 'sweat' greater returns from productive assets. Spatially, such changes are leading to the geographical reconfiguration of business organisation, whereby existing forms of ownership are becoming entangled in global circuits of financialised capital (Pike and Pollard 2010). Prevailing spatial divisions of labour, tied and rooted in older logics of productive capital and identified with particular sectors, market and places are in this way being reconfigured into increasingly dynamic and short-term rent-seeking activities, characterised by a spatial economic logic of 'permanent restructuring' (Wood and Wright 2010, 1050).

Given that labour remains the largest variable cost in most companies' balance sheets, such organisational changes are associated with an intensification of attacks on workers' pay and conditions. Not only is there increased pressure on existing workforces but the twin demands of delivering shareholder value in a world of increasingly uncertain and stagnating global markets and pressures, is driving pressures to introduce new and more casualised forms of employment, notably cheaper temporary and agency workers (Milberg and Winkler 2009). An important trend has been the increased contracting out of work to both reduce wage costs by undermining established workforces but also to effectively outsource the risks and conflicts associated with managing labour (Standing 2009).

Spatial restructuring by firms and their attendant new employment strategies are intersecting with processes of neoliberal governance and state rescaling (Brenner 2004), such as the European Union's Lisbon Agenda. Such state-led attempts to expand market spaces for capital create further problems for workers and unions. In particular, employers are using processes of supra-national economic integration to take advantage of increased intra-continental migration flows (MacKinnon et al 2011) and state-sanctioned processes of labour market deregulation to drive down wage levels and create greater flexibility in the face of intensifying competition and stagnant markets.

The eastward expansion of the European Union in the early 2000s created new supplies of cheap labour from the accession countries to fill less skilled jobs in western Europe in areas such as construction, agriculture and low skilled services. It has been estimated that in the peak years of in-migration, from 2004-8, around 620,000 migrant workers entered the UK from Eastern and Central Europe (MacKinnon et al 2011). Much of this migrant labour force is employed on a temporary basis, whether through agency work or complex webs of subcontracting, creating new forms of labour market segmentation around insecurity and flexibility (Meardi 2012). This situation has at times exacerbated differences between trade union cultures in eastern and western Europe, but has also been engaged with productively, eg by unions developing Polish sections in the UK (Hardy et al 2012, Woolfson and Somers, 2006).

Adding to these problems, it appears that European Union integration processes are becoming more skewed towards business and the ability of companies to operate flexibly across borders. Various commentators have noted a tendency since the development of the EU's Lisbon Agenda in the early 2000s for EU Commission directives and the European Court of Justice (ECJ) to consistently emphasise competition, capital mobility and market deregulation over social protection and existing national collective agreements (Bieler 2013). This has had important effects on the regulation of labour markets. A series of decisions made by the European Court of Justice – most notably the December 2007 Viking-Laval ruling in favour of employers' firing local workforces in Finland and Sweden to employ cheaper labour from Estonia and Latvia respectively (Ewing and Hendy 2010). Additionally, the new Public Procurement and Service Industry directive is given companies power to undermine existing collective bargaining agreements, allowing them to "letter box" their operations, registering an operation in southern and eastern Europe, where labour standards and regulations tend to be lower than in western and northern Europe (Hoepner and Schaefer 2010).

In another development, the European Union's Posted Workers Directive (PWD), originally conceived as a means of ensuring 'fair competition' by applying basic minimum employment standards across the European Union, was used by a Polish contractor building a prison in Niedersachsen in 2008 to undermine a local collective bargaining agreement.<sup>1</sup> While the outcome of these processes remains uneven, depending upon the intersection of new EU directives with existing national employment regulation, even in the more regulated or organized forms of national capitalism, trade unions are losing key battles in protecting existing

standards and conditions. The terms in which these challenges are often contested, such as the use of the slogan 'Swedish Laws for Swedish Workers' in the Laval dispute, also work against the forging of transnational labour solidarities in relation to these processes (see Woolfson and Somers, 2006).

Despite such problems, unions and workers are beginning to develop more effective spatial strategies that go beyond a place-confined orientation in contesting capitalist globalisation processes (e.g. Anderson 2009). A useful distinction in this regard is to spatialise Wright's separation of structural and associational power (Wright 2001, Selwyn 2012). Structural power relates to labour's continuing ability to disrupt capital flows because of its positioning at key or vulnerable points within global production, distribution and transport networks (e.g. Herod 2001, Anderson 2013), whereas associational power is the collective capacity to mobilise broader spatial networks to support local actions and struggles.

Both official trade unions and more informal grassroots labour networks have become proficient in the use of social media and mobile technologies to enlist global support for their campaigns (e.g. Lee 2010). Beyond the development of such relatively simple trans-local connections, unions are also becoming more sophisticated in deploying multi-scalar strategies that combine grassroots local organizing and campaigning with action at wider scales to secure concessions from capital and state actors. To take a recent example, Egyptian transport unions have secured national recognition agreements in various ports – unprecedented in the Arab world – by taking advantage of the brief window of democratic

opportunity resulting from the 2011 Arab Spring. A long and painstaking local struggle to organise at key “choke points” for international capital, supported by the International Transport Workers Federation, successfully capitalized on national political events to secure real progress for workers rights (Anderson 2013). Arguably, such struggles are successful because they entail sophisticated spatial tactics that operationalize both structural and associational power, identifying capital’s weak points (notably at key infrastructural hubs) and mobilizing collectively through bringing together grassroots organization with a broader spatial relational politics (ibid). The remainder of the paper explores two disputes where workers mobilized around similar infrastructural hubs.

### **Contesting economic globalization in two recent labour disputes**

The UK, as one of the most open and globalised economies, offers considerable challenges for trade unions. With a high degree of external ownership, few controls on merger and acquisition activity, a flexible and deregulated labour market, strong legal restrictions on trade union power, all allied to a lack of institutional recognition in state governance structures, unions face the “perfect storm”, in defending working conditions and organizing for collective action. To provide one example pertinent to this paper, the absence of social rights for agency and temporary workers in UK employment law has provided a fertile environment for employers so that the UK has the highest percentage of agency workers (at 4.2 per cent) of any country in the European Union (Anderson 2010, 305).

In the two labour disputes that we explore here, different aspects of the dilemmas facing unions from the UK's deregulated labour market are brought to the fore. Our first case study concerns the dispute at Heathrow Airport in 2005 at the US-owned airline catering operation, Gate Gourmet. The dispute was sparked by the company's sacking of 147 largely female Punjabi workers – both Sikh and Hindu – replacing them with 120 agency workers, many of whom were recent migrants from Poland (Anitha et al 2012). At its height, the dispute involved over 1,600 workers from Gate Gourmet and other local companies acting in solidarity with their dismissed colleagues, indicating an impressive level of local community mobilisation in response to broader global economic processes. The second case study is drawn from the series of disputes that took place at the Lindsey oil refinery in Lincolnshire, Eastern England in 2009 culminating in an unofficial 'walk out' of all 647 construction workers at the site. These disputes were prompted by refinery owner Total's decision to replace an existing predominantly white, male and British workforce with a cheaper overseas workforce, predominantly of Italian and Portuguese origin, who were brought in as segregated work gangs. The strikes reflected longer standing concerns across the engineering construction industry about the increased employment of foreign subcontractors and 'nationals' to the effective exclusion of the 'domiciled' workforce (Gall 2012).

These disputes are interesting to us here because of the way they offer insight into the capacity of workers and communities to shape global economic processes. In both cases, a critical element in the escalation of the local strike activity was the workforce's 'structural power' (Wright 2001) through unionized workers'

embeddedness at crucial nodes within broader global production and distribution networks: Heathrow as a key global transport hub and the Lindsey refinery as an important geo-strategic location for UK and European energy supplies. In other words, places where concerted labour action has the potential to disrupt wider global circuits of capital (Herod 2001). They also demonstrate successful 'associational power' in the ability to mobilise broader collective and spatially dispersed resources and networks for particular place-based struggles. However, the eventual outcomes were more problematic, as we shall see, emphasizing the institutional limits to labour mobilization under current forms of neoliberal governance.

In developing our analysis of these events here, we draw upon existing literature (e.g. Pearson et al 2010, Gall 2012) as well as our own primary research, drawn from a larger study into globalisation and communities for the Joseph Rowntree Foundation conducted between April 2010 and March 2011 (MacKinnon et al 2011). This involved 6 interviews and a focus group with workers and shop stewards at Gate Gourmet and 8 interviews with workers and local community actors in Lindsey. A combination of time constraints and 'research fatigue' among strikers meant that we found it difficult to access female workers involved in the Gate Gourmet dispute. Likewise, due to the mobile nature of the workforce, participants in the Lindsey strikes were also hard to access. Nevertheless, identifying key actors in support groups, unions and local government ensured that it was still possible to garner a great deal of first-hand information from those involved in the disputes.

Discussion of the Lindsey oil refinery disputes also draws significantly from material gleaned from the Bear Facts forum, set up and run by and for workers in the engineering construction industry. Given that the Lindsey strikes and the sympathy actions around the UK were unlawful wildcat strikes, workers expressed concerns about speaking in interviews about their experiences for fear of recriminations such as blacklisting. Bear Facts therefore became an important source of primary information that was used to provide more voices of workers themselves. The forum contained more than 200,000 words of relevant discussions from the period between December 2008 and July 2009, offering a wealth of insider knowledge and discussion. In this way it offered a unique opportunity as a 'virtual ethnography' (see Parr, 2003) to trace the real-time development of relationships and discussions before, during and after the two waves of strikes.

### **Labour and community mobilizing across gender, race and space: the Gate Gourmet dispute**

The area around Heathrow, spanning the western perimeter of Greater London, is home to a diverse variety of ethnic groups, many of whom work at the airport for a range of different firms that operate through dense and complex global contractual relationships. The predominantly female Punjabi workforce employed by Gate Gourmet is part of a well-established diasporic community that has contributed to a vibrant organizing tradition among working-class Asian women in Britain (Visram, 2002). Rahila Gupta of the Southall Black Sisters has placed the Gate Gourmet action in relation to a history of other disputes, notably the Grunwick dispute in the 1970s and the Lufthansa Skychef catering-company

strike in 1998, where working class Asian women have struggled for union recognition, and against privatization and casualization (Gupta, 2005).

The dispute had its origins in BA's attempt to outsource its labour problem in the face of intensifying competition in the global airline industry; one estimate suggests that since the mid 1990s BA has shifting much of the work formerly done in-house to over 2,000 outsourcing relationships (Caulkin 2005). In the Gate Gourmet case, this involved selling its catering operation to Swissair. Serious debts of its own led to the bankruptcy of Swissair in 2001 and the sale of Gate Gourmet to the US private equity firm, Texas Pacific. By 2005, the company was facing mounting losses - £25 million in 2005 alone (ibid) - mainly the result of pressure from BA, the primary customer, to reduce costs.

Employment conditions had been under pressure well before the 2005 dispute. A relatively relaxed workplace regime before 2001 was replaced by a ongoing intensification of work, more direct managerial control and even an undermining of the workers' dignity and respect – a common tactic used elsewhere by employers against women workers from a migrant background (Pearson et al 2010). Matters came to a head in August 2005 when Gate Gourmet issued dismissal notices to 670 out of the workforce of 2,000, replacing them with a non-unionised agency workforce on the national minimum wage – then £5.60 per hour – compared to the existing collectively agreed minimum of £8 per hour.

Management's new labour strategy only became clear when the existing workforce returned from a tea break to find that 50 new Polish agency workers

had appeared on the production line (ibid). Under these circumstances, and in a perfectly routine action, the workers refused to go back to work until they had consulted management. Management interpreted this as 'unofficial', and therefore illegal, strike action and workers were told that anyone not returning immediately to work would be sacked (ibid). After being detained in a canteen for seven hours, workers were locked out and by the end of August around 700 workers had been given their dismissal notices. In response to these events, airport baggage handlers and other related workers staged a walk out in sympathy with the Gate Gourmet workers, another illegal and unofficial action under existing employment legislation.

The strike demonstrated a significant and rare UK example of mobilisation across differences of class, race and gender to defend working conditions. These solidarities were constructed through common everyday experiences as workers in the aviation industry, rather than ethnic commonalities (Authors' interviews). Indeed, suggestions in both the media and by the workers' union, the T&G, that it was community and family ties that were critical angered the Gate Gourmet strikers who saw such descriptions as negating 'their agency as independent actors, as workers engaged in class action' (McDowell et al 2012, 147). The majority of workers involved ultimately explained their actions as a response to a perceived economic and even class-based injustice (Authors' interviews). Union membership, and, for many strong traditions of activism, meant that the struggle was first and foremost about fair treatment and equal rights as workers (see also Pearson et al 2010).

From a labour geography perspective, the dispute was also significant for the way in which a strong locally diverse mobilisation around employment rights was effective in engaging with broader spatial networks of capital and labour. In the first instance, intervening in broader economic geographies of production, distribution and transportation by bringing one of the world's busiest airports to a standstill had much wider repercussions for the global travel sector:

Well also because it is a global industry it affects what is going on not just in its small little village that we are talking about, it is having an impact worldwide. Because the food that Gate Gourmet was producing for flights these were flights going all over the world. Once you start interrupting global flight patterns then that starts to have an impact upon what is happening in the different flight nodes around the world.

(Interview with Gate Gourmet Support Group representative)

Incidences such as this bring home the point about the vulnerability of capital to labour action at critical hubs and nodes (Herod 2001). Transport hubs such as Heathrow are particularly important because they are "densely woven into transnational flows of trade, capital and also labour solidarity' (Anderson 2013, p.129). It is precisely their positionality within such networks that makes them places of important 'structural power' (Wright 2001).

Second, the global centrality and visibility of Heathrow also meant that the strikers were able to garner considerable trans-local attention and solidarity with other workers than might have been possible in a less 'connected' workplace:

... you talk about business being global but actually you got a real sense of trade unions international and global solidarity through that website and

through the messages that came in. .... [P]eople knew about it almost straight away I think primarily because Heathrow was stopped for several days there was no BA flights because of the baggage handlers and so that made it worldwide news. And it just seemed to touch a lot of trade unionists around the world who thought we ought to show our solidarity (ibid).

The T&G was able to use its transnational connections to enlist the support of its American union allies against Gate Gourmet's US operations (Authors' interviews). Norwegian and Danish airline workers also refused to load meals onto aircraft bound for London Heathrow (International Transport Workers Federation, 2005). Significant solidarity was also routed through the LabourStart website which drew on its experience of supporting strikers via web-based solidarity in other disputes. Labourstart organised the flow of money to the union's special 'hardship fund' for the Gate Gourmet strikers, allowing global solidarity to be expressed in 'concrete terms' (Lee, 2010: 434).

Whilst positioned within these wider networks, the dispute did however remain predominantly 'localised' as a form of collective action, as the most critical moment from the point of labour mobilisation, was the 'illegal' supportive secondary action by other Heathrow workers. This action, which lasted for two days had the effect of creating four days of disturbance, effectively grounding all British Airways flights and causing £35 million in lost business. Consequently, Gate Gourmet was forced to negotiate resulting in a compromise agreement with the T&G in which 400 workers were offered their jobs back, but under the new terms and conditions, with around 144 made compulsory redundant.

Ultimately therefore, and despite successful local mobilization taking advantage of capital geo-strategic vulnerability, the dispute failed in its aim of defending existing jobs and conditions. Irrespective of the disruption and economic costs of the dispute to employers, the workers were unable to resist the successful imposition of new and more casualised forms of work. The critical factor was the union's inability to challenge the UK's extremely coercive Thatcherite labour laws, which put severe constraints on union action, most notably the T&G's ability or willingness to support "illegal" secondary action. As one of our respondents put it:

No I think it does have a big effect particularly the antiunion laws against secondary action had a tremendous effect. I mean the baggage handlers did a fantastic job in walking out and taking secondary action but actually that put the union in a very, very difficult position because the union had to be repudiate it because otherwise they would have become liable for all the losses that BA incurred. [...] if they had been allowed to stay out then that dispute would have been won in no time because obviously its impact was far bigger. (Interview with Gate Gourmet Support Group representative )

Labour's successful mobilization of structural and associational power is clearly heavily circumscribed here by the broader institutional landscape of UK employment regulation, which since the 1980s has been heavily slanted in the direction of employers in ways that legitimize and support strategies of employment casualization. While the workers at Gate Gourmet and across Heathrow more generally were able to organize and mobilise to great effect, both

officially and unofficially, they were ultimately powerless to shape the broader employment landscape.

Not only was the action unsuccessful in its immediate concerns with overturning employment injustice – in the shape of the erosion of stable and secure work – but it also intensified divisions between the union and the workers concerned, with a frustration amongst many of the strikers with the actions of the union after the strike. There was a perception among many that the union had too easily succumbed to management demands in resolving the strike, while 56 of those offered compulsory redundancy refused and continued (up until 2011) to fight for their rights in opposition to the union’s stance (Anitha et al 2012). Such feelings inspired this kind of reflection from one of our respondents:

So government is not with us, the union they are saying “we are with you”, but the seniors who are friends with the Prime Minister, they’re not with us. Only we are getting [the support of] the shop stewards and that’s it. Nobody else. (Interview with former striking worker, Gate Gourmet)

Such comments evoke a broader mistrust of union hierarchies, whatever the complex realities that unions are facing in the broader neoliberal employment landscape and serve to reinforce social and spatial distance between elite groups who are perceived as merely managing the changing economic landscape on behalf of corporations divorced from the everyday realities of place-based workers’ struggles (see also Cumbers 2005).

### **Tensions between national bargaining traditions and broader solidarity relations in the Lindsey oil refinery dispute**

While the Gate Gourmet dispute drew on histories of multi-ethnic struggle in shaping articulations of labour, ethnicity and gender, the Lindsey dispute was partly framed around a much less progressive demand of 'British Jobs for British Workers'. The Lindsey workforce was very different to that at Gate Gourmet. Rather than low skilled service-based work, the refinery disputes revolved around an engineering construction workforce of skilled and semi-skilled specialist trades, made of predominantly of white male, workers (Gall 2012). However, some of the key economic processes being contested were very similar; the owner of the oil refinery, Total, taking advantage of the greater availability of cheaper overseas labour as a result of EU integration and enlargement processes, combined with the tactical use of labour subcontracting to undermine a well paid, unionized 'domiciled' workforce (ibid).

There were however critical differences in terms of the spatial and social relations underpinning the workplace. The engineering construction industry is one of the last bastions in the UK of national industry-wide collective bargaining, in this case the National Agreement for the Engineering Construction Industry (NAECI) and the workforce has considerable specialist forms of knowledge and expertise regarding working on complex and dangerous project sites in the civil construction, energy and petrochemical sectors. Crucially, the agreement is voluntary and not statutory, recognizing the continued absence of recognition of British unions as social partners by the state.

There was a long tradition in the industry of contract working; construction and maintenance has long been contracted out because of the 'lumpy' and irregular

nature of the work and as a strategy to deal with massive peaks and troughs in labour demand. Given a heavily unionized workforce – estimated at 70 per cent union recognition (Gall 2012) – this has been negotiated through the long established practice that workers employed on one contract are moved to subsequent contracts for different phases of work at the same site.

The dispute hinged around the employer's attempt to sidestep both NAECI agreement and this customary hiring practice by employing 200 Portuguese and Italian workers on reduced wages. Total used the US engineering firm, Jacobs, on a construction project at the refinery, which was in turn employing a British firm, Shaws. According to our respondents, Jacobs was deliberately putting increased expectations and demands on Shaws with an existing contract to the point where the latter gave a part of the contract back (Authors' interviews). The work was then re-tendered and won by the Italian company IREM which brought it in its own workforce. :

[...] what happened was in January they [Shaws] gave the work back and it was put out to 7 companies, or 7 companies tendered for that work. And five of them was British, and two were foreign, and it turned out that IREM from Italy, they won the contract. And they supposedly won it on a cost basis; that they were going to bring in their specialist workers in and they were going to do it on cost, it was a price job.

(Interview with shop steward)

The subsequent redundancies to Shaw's British workforce was the immediate cause of the strike action and a media furor around the slogan 'British jobs for

British workers', which had been in September 2007 by the Prime Minister Gordon Brown.<sup>2</sup> The terms on which the strikes were mobilized were also condemned in unequivocal terms by the main Italian union federation CGIL (Workers Liberty, 2009). The racialised geographies of the strike are discussed in another paper but it is worth noting the extent to which elements of the labour movement were happy to retreat into xenophobic nationalist positions around migrant working more generally (authors paper). Although many workers contested this stance (ibid) and the majority of union officials and workers displayed a more developed and progressive internationalist politics, the appearance of the far right British National Party, seeking to exploit the strike for its broader anti-immigrant stance, provided further ammunition for the strike's detractors among the business lobby.

Despite Total's claim that the migrant workers were being employed because of a UK skills shortage, the workers were in no doubt that the employers were set on a deliberate strategy of undermining the NAECI using the PWD – as noted above. EU directives such as the PWD are always implemented in relation to existing national legislation. In this case, the PWD requires companies to respect the legal employment standards of the individual country. Under the conditions of the UK's highly deregulated labour market, companies are only legally obliged to pay the minimum wage; £5.90 per hour in 2009, compared to the basic rate of £7.45 for the lowest grade worker under NAECI (NJC 2007).

Although the Lindsey dispute was 'local', in the sense that geographically the actual dispute focused upon a particular refinery, it was not an isolated incident

around one particular corporate strategy in the manner of Gate Gourmet. Instead, it was enmeshed within a much broader and multi-scalar set of political and economic relationships from the outset that presented both a threat and an opportunity for worker mobilisation and collective action. From a union perspective, it was part of a wider ongoing national campaign being fought at the time by the GMB and UNITE about the employment of migrant labour to undercut long established collective bargaining frameworks. Similar disputes around the use of lower paid migrant workers were ongoing in the construction of a new power station at Staythorpe in the East Midlands and at a construction site on the Isle of Grain in Kent (Authors' interviews, Gall 2012). Connections between these different sites were produced through the use of the strikers' internet forum, Bear Facts, and through mobile strategies such as flying pickets (Gibson, 2009). Exploiting the space between European single market legislation and a weak regulatory regime in the UK, employers across the engineering construction sector had therefore been engaged in 'social dumping' strategies to drive down both wages and conditions.

But, conversely, it meant that the issue was a live one at a 'national' scale. Growing worker resentment at these practices, together with a long tradition of employers blacklisting union activists (Gall 2012) had fomented a deep sense of grievance across the engineering construction workforce. Moreover the workforce is itself a mobile and itinerant one, with experience of working across a range of sites in the UK and overseas (authors' interviews). From the point of view of the campaign against Total, this was important because the strikers were able to activate their

own pre-existing spatially extensive networks to spread the dispute in a relational sense very quickly across the UK oil refining sector.

When the dispute started in January 2009, with 800 workers walking off the Lindsey site in protest at the employment of foreign workers, they were joined within days by between 3-4,000 workers at 17 other refinery and construction sites across the UK. Use of internet forums and mobile phones played an important part in rapidly escalating the conflict to gain a national presence once the local decision had been taken for strike action. These organizing practices are made clear by one of the key union activists involved in the dispute:

*You put it on Bear Facts. You get the, one of them [picking up his mobile phone], you get a text message. Now, you send, say, the list I used to send, you put the same message on and you send it out to about 150 people. Now that then spreads like a bush-fire, and within an hour everybody knew what was happening, at Saltend, from Glasgow, you name it, it just went country-wide 'cos everybody got text messaging. [...] So it was well organised even though – we wasn't organising it as such, the whole industry just mobilised itself.*

(Interview with union official)

As this statement indicates, the use of Bear Facts allowed workers to communicate and organise independently of the trade union hierarchy. This ability of the workers to operationalize their own networks of associational power (Wright 2001) – independent of both union and corporate hierarchies – appears as a critical distinction with the Gate Gourmet struggle.

With national energy supplies under threat as the industrial action escalated, the Labour Government called in the Advisory, Conciliation and Arbitration Service (ACAS) to help end the dispute (Barnard 2009). An agreement was concluded on 4<sup>th</sup> February with 102 “new jobs” for British ‘domiciled’ workers on the original IREM contract (ibid). However, further strike action erupted in June when Shaw’s dismissed 51 workers, rather than transferring them across to the new contract, on the grounds that they were unwilling to transfer ‘an unruly workforce’ (cited in Barnard 2009, 250). Given the level of mistrust that had developed among the workforce, and the history of blacklisting union activists, not surprisingly this produced a strong response with the entire workforce involved once again walking off site.

Total then demanded that its contractors dismiss all 647 staff on strike with the instruction that staff would receive their jobs back if they reported for work the following week. This was viewed as another attempt to target union activists and sympathisers. Once again, strikers were successful in mobilizing the national workforce, bringing other refineries and terminals to a standstill, forcing Total to drop their demands and return to the negotiating table. The outcome was the reinstatement of all workers concerned, an extra £85 million added in costs to Total and, because the project had fallen behind schedule, the likelihood that more workers than originally intended would now be employed on the project (Barnard 2009).

Although the outcome of the Lindsey dispute was a much better result for the workers involved than Gate Gourmet, it did not resolve the underlying problems

facing workers stemming from the employer's ability to legally undermine existing national collective bargaining conditions through taking advantage of European Union directives. As one of our respondents acknowledged, the broader framework of free movement of capital and labour across the European Union remained in place, through the PWD:

I mean, you're not going to stop the Posted Workers Directive, the free movement of workers around Europe, you're never gonna stop that, that's the law. And anyway, I worked in Europe, so it'd be hypocritical for me to try and stop somebody. But if they're using, what we did find out about the Italians, cos we had a project joint council, they was underpaying them.

(Interview with union official)

As the quote demonstrates, there is considerable ambivalence from workers and trade union perspectives in responding to such supranational regulatory processes, recognizing on the one hand the importance of the free movement of labour but on the other the potential for employers to exploit the situation without adequate regulation.

In the case of the PWD, pressure from unions and EU member states have recently resulted in the defeat of the recent Monti II Regulation which was aimed at forcing national states to comply with the directive. The unions and their allies used something called the "yellow card" procedure under the Lisbon Agreement, which needs one third of all national parliaments to agree, to block the proposal which was seen as further eroding national collective bargaining rights. Critically, the coalition against the Monti proposals also included the Latvian, Polish and Portuguese parliaments alongside Finland, Sweden, UK, France and others

suggesting a successful European wide labour mobilization that can overcome existing spatial divisions between workers (Woolfson and Somers, 2006).

Nevertheless, both Gate Gourmet and Lindsey disputes also demonstrate the hurdles that UK unions face from the intersection of a new wave of European neoliberalisation employment directives with the UK's pre-existing flexible and minimally regulated labour market regime. In particular, the legal restrictions on unions in developing forms of secondary action and support meant that the official union response was hamstrung from the outset. While the unofficial strike action and broader support mobilized in both cases was important in resisting employer strategies, the subsequent agreements reached did nothing to challenge the underlying neoliberal employment environment. This also created internal tensions within the broader labour movement in both cases with union leaderships and Labour politicians either unable or unwilling to provide more institutional backing for the strike actions.

## **Conclusions**

In this paper, we have illustrated how on-going processes of economic globalisation and corporate restructuring pose some important dilemmas for workers and unions in place-based activities such as services, construction, transport and the public sector. Despite such processes, both the Gate Gourmet and Lindsey disputes illustrate the ability of grassroots workers, largely independent of official union organisation, to bring broader global production and distribution networks to a standstill and cause millions of pounds of losses to the companies concerned. They also illustrate workers' continuing structural power

in the global economy (Wright 2001) and the continuing capacity for local interventions (Herod 2001) that at the same time are able to mobilise broader trans-local solidarity and support from other workers.

Whilst recognising the continued agency of labour, the paper also raises some important questions about the extent to which such interventions are able to reshape the economic landscape on terms favourable to labour. In different ways, the two strikes also offer important pointers to how unions should organise collectively across place and space – developing new spaces of associational power (Wright 2001) - in the difficult terrain of twenty first century global capitalism. The Gate Gourmet dispute showed the potential for workers to successfully mobilise across class, race and gender in particular ethnically diverse places in defence of their collective interests. The Lindsey dispute showed how a well-networked workforce (at the national in this case rather than a global level) across the space of the UK energy sector was able to mobilise collectively through its own social media and communication infrastructures to thwart corporate attempts to erode labour standards. Indeed, in both disputes, grassroots action was mobilised in spite of and outwith official union channels and hierarchies with significant use of illegal secondary action.

Yet both disputes also illustrate the weak position of organised labour in the context of economic globalisation and new spatial strategies by employers to undermine established forms of national collective bargaining. What is particularly sobering is the inability of unions thus far to shape the underlying processes of corporate globalisation in any meaningful way. The spatial

reconfiguration of capital and work are made possible by a continuing neoliberalisation of state policy at and across geographical scales, which has been accentuated by the financial crisis and austerity policies (Crouch 2011, Mirowski 2013). In the European Union this is evident in the ability of business actors to dominate governance agendas and to ensure that open market and competitiveness narratives override social and labour directives (Bieler 2013). Our case studies show the particular dangers for unions when an already heavily deregulated and flexible national labour market regime intersects with the broader European neoliberal agenda.

While the UK is a particularly pernicious environment for labour organizing in the current conjuncture, there are some more general and fundamental issues raised here for unions spatial strategies. Too often, their responses to global threats are stuck in outmoded and nationally-oriented institutional cultures and practices, 'locked-in' to defensive and inward-looking perspectives that are inappropriate to admittedly complex and difficult to negotiate multi-scalar realities. As such, it is important to think about the terms on which existing national agreements are defended and articulated. There is a strong case for these to be re-configured in ways that are more alert to global processes and to facilitate links between unions and workers from different places. This needs moving beyond rather over-territorialised and top-down organisations, still focused around national modes of organizing to develop new spatial forms. This is particularly prescient in an economic landscape where employers and governments seem to act with impunity in overturning existing labour rights. In this regard, both our case studies show the limits to official established trade unions positions but also the

continuing possibilities for labour agency to be produced through grassroots interventions. Finding new and creative ways of supporting emergent grassroots labour networks therefore becomes the key imperative for unions seeking to get to grips with economic globalization.

## References

Anderson, B. (2010), Migration, immigration controls and the fashioning of precarious workers, *Work Employment and Society* 24: 300-317.

Anderson, J. (2009), Labour's lines of flight: rethinking the vulnerabilities of transnational capital, *Geoforum* 40: 959-968.

Anderson, J. (2013), Intersecting arcs of mobilisation: the transnational trajectories of Egyptian dockers' unions, *European Urban and Regional Studies* 20: 128-133.

Anitha, S. Pearson, R. and McDowell, L. (2012), Striking lives: multiple narratives of South Asian women's employment, identity and protest in the UK, *Ethnicities* 12: 754-775.

Barnard, C. (2009), British jobs for British workers': Lindsey oil refinery dispute and the future of local labour clauses in an integrated EU market, *Industrial Law Journal* 38: 245-277.

Bergene, A-C, Endresen, S.B. and Knutsen, H.M. (eds) (2010) *Missing Links in Labour Geography*. Aldershot, Ashgate.

Bieler, A. and Lindberg, I. (2011) *Global Restructuring, Labour and the Challenges for Transnational Solidarity*. Abingdon, Routledge.

Bieler, A. (2013) The EU, Global Europe and processes of uneven and combined development: the problem of transnational labour solidarity, *Review of International Studies*, 39: 161-83.

Brenner, N. (2004) *New State Spaces: Urban Governance and the Rescaling of Statehood*, Oxford and New York: Oxford University Press.

Coe, N (2013), Geographies of production: making space for labour, *Progress in Human Geography*, 37: 271-84.

Carswell, G. and de Neve, G. (2013), Labouring for global markets: Conceptualising labour agency in global production networks, *Geoforum* 44, 62-70).

Caulkin, S. (2005) Outsourcing and out of control: The Gate Gourmet deal has exposed the pitfalls, *The Observer* 4<sup>th</sup> September.

Cumbers, A. (1994), New forms of work and employment in an old industrial region? The offshore construction industry in the North East of England, *Work, Employment and Society* 8: 531-552.

Cumbers, A. MacKinnon, D. and Shaw, J. (2010), Labour, organisational rescaling and the politics of production: union renewal in the privatised rail industry. *Work, Employment and Society* 24: 127-144

Ewing KD and Hendy J (2010), The dramatic implications of *Demir and Baykara*, *Industrial Law Journal* 39: 2-51.

Gall, G. (2012), The engineering construction strikes in Britain, 2009, *Capital and Class* 36: 3, 411-431.

Gupta, R. (2005) 'Heroines of the Picket' *Guardian* 27<sup>th</sup> August, 2005.

<http://www.theguardian.com/politics/2005/aug/27/tradeunions.britishairwaysbusiness>, last accessed 9<sup>th</sup> December, 2013.

Gibson, K. (2009) 'Speech at National Shop Stewards Network Conference'

<https://www.youtube.com/watch?v=cyjgovSoYHA>

Last accessed 17<sup>th</sup> July, 2013.

Hardy, J. Eldring, L. and Schulten, T. (2012) Trade union responses to migrant workers from the 'new Europe': A three sector comparison in the UK, Norway and Germany, *European Journal of Industrial Relations* 18: 347-63.

Herod A (2001) *Labor Geographies*. London: Guilford Press.

Höpner, M. and Schäfer, A. (2010), A new phase of European integration: organized capitalisms in post-Ricardian Europe, *West European Politics* 33: 344–368.

Hudson, M. (2012) *The Bubble and Beyond*. Islet, New York.

International Transport Workers Federation (2005) 'Solidarity: Gate Gourmet Dispute at Heathrow'. Available at <http://www.itfglobal.org/solidarity/gategourmet.cfm>. [Accessed 5 January 2011.]

Lee, E. (2010) 'Online union campaigns and the shrinking globe: the LabourStart experience' in McGrath-Champ, S., Herod, A. and Rainnie, A. (ed.) *Handbook of Employment and Society: Working Space* Cheltenham, Edward Elgar, 421-435.

MacKinnon D Cumbers A and Shaw J (2008), Re-scaling employment relations: key outcomes of change in the privatised rail industry, *Environment and Planning A* 40: 1347-1369.

MacKinnon D, Cumbers A, Featherstone D, Ince A and Strauss K (2011) *Globalisation, Labour Markets and Communities in Contemporary Britain*. York: Joseph Rowntree Foundation.

McDowell, L. (2012), Striking similarities: representing SouthAsian women's industrial action in Britain, *Gender, Place and Culture* 19:133-152.

Meardi, G. (2012), Union immobility? trade unions and the freedoms of movement in the enlarged EU, *British Journal of International Relations* 50: 1, 99-120.

Milberg, W. and Winkler, D. (2009) Globalisation, Offshoring and Economic Insecurity in Industrialised Countries. Working Paper No. 87, New York: United Nations, Department of Economic and Social Affairs,

NJC (2007) *National Agreement for the Engineering Construction Industry, 2007-2010*. London: National Joint Council for the Engineering Construction Industry.

Parr H (2003) 'Researching bodies in virtual space' in Blunt A, Gruffudd P, May J, Ogborn M and Pinder D (eds) *Cultural Geographies in Practice*. London: Arnold.

Pearson, R., Sundari, A. and McDowell, L. (2010) 'Striking issues: from labour process to industrial dispute at Grunwick and Gate Gourmet'. *Industrial Relations Journal*, 41, pp. 208-428.

Pike, A and Pollard, J. (2010), Economic geographies of financialization. *Economic Geography*, 86, 29-51.

Selwyn, Benjamin (2011), Beyond firm-centrism: re-integrating labour and capitalism into global commodity chain analysis, *Journal of Economic Geography*, 12: 205-226.

Standing, G. (2009) *Work after Globalization: Building Occupational Citizenship*. Cheltenham, Edward Elgar.

Visram A (2002) *Asians in Britain: 400 Years of History*. London, Pluto Press.

Wills, J. Datta, K. Evans, Y. Herbert, J. May, J. McIlwaine, C. (2009) *Global Cities at Work*. London, Pluto

Wood, G. and Wright, M. (2010), Wayward agents, dominant elite, or reflection of internal diversity? A critique of Folkman, Froud, Johal and Williams on financialisation and financial intermediaries, *Business History* 52, 1048-67.

Woolfson, C. and Somers, J. (2006) 'Labour Mobility in Construction: European Implications of the Latvian Laval un Partneri Dispute With Swedish Labour' *European Journal of Industrial Relations* 12,1, 49-68.

Wright, E. O. (2001), Working-class power, capitalist-class interests, and class compromise, *American Journal of Sociology* 105:957-1002.

---

<sup>1</sup> See <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/ruffertcase.htm>, last accessed December 17<sup>th</sup> 2013.

<sup>2</sup> See speech in full at [http://news.bbc.co.uk/1/hi/uk\\_politics/7010664.stm](http://news.bbc.co.uk/1/hi/uk_politics/7010664.stm) (last accessed 29 October 2013).